2024 Annual Report

FIBRE
FLORA
FROM FOREST
FOCUS
FLEXIBILITY
FAUNA
TO FUTURE
FORM
FERTILITY

THE NAVIGATOR COMPANY

Voyages that originate within the land, and before, visions that began and are reinforced in Cacia, partnerships that outspread from Portugal to the world.

From nature to tomorrow, from plantule to the time to come, we feel it every day with every fiber of our being: We are made of Forest, with eyes set on the Future.

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Natural resources form the foundation, core, and goal of our mission, enabling the creation of positive outcomes for our stakeholders.

FOREST

FROM FOREST TO FUTURE

FROM FOREST TO FUTURE

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01
Overview

> The Navigator Company, an organisation whose financial and non-financial performance reflects not only the goals set out for each financial year, but above all an ongoing commitment to creating long-term sustainable value.

Ricardo Pires
Chairman of the Board of Directors

Message

→ 1.1. Message from the Chairman of the Board of Directors

At The Navigator Company, we are building a future on the basis of active management of eucalyptus forests. It is also a future that inspires us with enthusiasm, because it is built on the talent of the people who work in this company.

Companies prove their value and their potential when they succeed in being agents of change, and that change is recognised as necessary, generating value and contributing to a positive impact for society as a whole.

Just such change has been the guiding principle adopted by The Navigator Company, an organisation whose financial and non-financial performance reflects not only the goals set out for each financial year, but above all an ongoing commitment to creating long-term sustainable value, aligned with the purpose of the Semapa Group - Making it Better, which means creating a positive impact on people, the community, the environment and, consequently, on our shared future.

This is a future which, at The Navigator Company, we are building on the basis of active management of eucalyptus forests, and anchored in our sound industrial and financial structure, in innovation, in the launch of new products, and in the knowledge that we generate and share, as well as in the sustainable practices that we live by.

It is also a future that inspires us with enthusiasm, because it is built on the talent of the people who work in this company.

Their capacity to respond to the challenges we face gives us increased confidence to press ahead with the capital projects needed for our transformative agenda, with innovative

operations and products, rooted in a model geared to circular development, neutral in fossil carbon.

The investment drive we have pursued at The Navigator Company points to what we want for the future, centred on scientific research in the field of forestry, but also on continued international expansion, with our move into the UK market through the acquisition of Accrol, as well as sustainable investment in our operations.

This research-centred strategy has consistently borne fruit, notably in the essential work of all the researchers at RAIZ, our forest and paper research institute and one of the top centres of its kind, offering an example of the ever closer links between industry and a range of academic institutions.

It is this expertise that has enabled us to follow a path where innovation is more the rule and less the exception, across all the company's activities, from forest, through to industrial operations and the products that leave our mills in Portugal, Spain and the United Kingdom and are distributed to more than 130 countries around the world.

We should recall that, in the mid-twentieth century, The Navigator Company was a pioneer and the first company in the world to produce cellulose pulp from Eucalyptus globulus using the kraft process, and then printing and writing paper entirely made from the fibre of this species. As a consequence, seven decades on, Portugal is the top European manufacturer of this type of pulp and of UWF paper. And, above all, a benchmark for quality around the world.

In another transformative venture, The Navigator Company started up production of moulded cellulose packaging in late 2024. This is the first time anywhere in the world that these products have been made from eucalyptus fibre, and the articles produced are aimed at the food retail, hotel, restaurant and catering sectors, replacing the fossil-based materials currently used. A pioneering move that we hope will bear fruit in the future.

The knowledge we achieve from the research we promote is too important to be kept confined in the companies and institutions where it is generated. That is why we also invest in schemes that ensure that this expertise reaches everyone involved in the eucalyptus forest value chain.

Because this expertise relates not just to production, but also to all the dynamics in the forest ecosystems that benefit us all, it needs to be shared widely with many sectors of society, showing how the sustainable practices and active management we implement in eucalyptus forests are a way of creating wealth for Portugal and protecting the benefits of woodlands in general, including protection of conservation forests.

Just as important as the pace at which we are able to innovate, learn and share our knowledge, is what this all means and where it will take us.

With around 109,000 hectares of certified planted forests in Portugal, spread over more than half the country's municipal districts, The Navigator Company is the Portuguese exporter that contributes most to domestic value added, while also generating direct, indirect and induced employment for some 30,000 people, and providing business for approximately 8,000 suppliers, 70% of which are Portuguese. All this adds up to a positive impact on a vast number of people and reflects our ongoing commitment to generating environmental, social and economic wealth.

The company's sustainable practices are significant precisely because they are aligned with the future we want for every society and for the planet, which is calling for urgent, robust and effective responses to its current challenges.

These responses make the forest sector a key player in the modern circular bioeconomy, a model which offers a transition from a linear economy based on fossil resources, which generates waste, to a circular economy, based on renewable resources, minimizing effects on the climate, and making full use of by-products and waste by converting them into bioproducts that avoid the need for fossil-based products.

This is a road familiar to us, which we shall continue to follow and which, at The Navigator Company, we are committed to sharing with everyone in a broad coalition that includes our employees, suppliers, customers, our business, technical and scientific partners, the different communities in which we operate, and our investors.

To all of these, I am grateful for their dedication, commitment and support in our endeavours, in setting the course for the future, and in securing the sustainable future growth of The Navigator Company.

Ricardo Pires
Chairman of the Board of Directors

Portugal is the top European

manufacturer of this type of pulp and of UWF paper.

The company's sustainable practices are significant precisely because they are aligned with the future we want for every society and for the planet

Message

→ 1.2. Message from the Chief Executive Officer

We have grown through diversification, we have expanded our international presence and built up our portfolio, as the same time as well have invested in new uses for cellulose pulp.

In a year when our strategic vision and in-house talent were put to the test, The Navigator Company once again displayed one of its most distinctive features as a bioindustry: its ability, time and again, to rediscover its potential - and then to fulfil it.

We have grown through diversification, we have expanded our international presence and built up our portfolio, as the same time as well have invested in new uses for cellulose pulp, moving beyond the traditional applications in the pulp and paper sector.

On this transformative journey, on which we are defined not just by what we produce, but also by the impact we create, we have embraced our role in the circular economy and speeded up our contribution to decarbonisation.

The success we have achieved from this strategy approach reflects our sound business model, anchored in efficient management of the business mix, a sales strategy focused on customers, strict cost control and ongoing efforts in innovation and sustainability, two foundational values that have shaped our identity for more than seven decades.

Milestones in growth

The tissue and sustainable packaging segments, where we launched our diversification drive, clearly bear witness to our capacity to deliver. These segments already account for a very significant proportion - 26% - of the company's total sales.

The scaling up of our tissue operations, our innovative portfolio and production

capabilities have been the three key features of our move into the sector. We then took things to a new level in 2024 with the acquisition, in May, of what is now Navigator Tissue UK, expanding our customer base and generating important synergies with our teams in Portugal and Spain.

This has been reflected in a 55% increase in the volume and value of sales, an achievement that is all the more significant when we consider how it has been done. International sales already account for 79% of total sales, and the retail segment (At Home or Consumer) represents 83%, demonstrating our success in appealing to end users. This has been recognised by the multiple consumer-led awards that have gone to Navigator, reflecting our consistent focus on developing innovative products and on branding.

Navigator is establishing itself in tissue as a house of brands, an approach that cultivates affinities with consumers and differentiated products. This is a strategy that is familiar to us from UWF paper, where our mill brands account for 77% of sales, in sharp contrast to the industry as a whole, where the average rate is between 20 and 25%. Not forgetting the focus on premium products, which grew again to 58% of total sales.

In the packaging segment, the market has responded eagerly to our distinctive offering, in which packaging based on Eucalyptus globulus fibre offers a much-needed substitute for single use plastics obtained from fossil resources. The gKRAFT range, which already boasts a portfolio of 300 clients, has doubled its sales, thanks to a fast-growing array of products, and in particular the move into lightweight (low grammage) flexible packaging.

Once again, we are redefining the potential of this sector, as seen in the start-up, in late 2024, of a production line for moulded cellulose components made from eucalyptus pulp. This is another world first, achieved in collaboration with RAIZ, our R&D laboratory. This plant in Aveiro, the largest in the world to be vertically integrated with production of cellulose from Eucalyptus globulus, is already turning out seven different articles for the food sector, the first in a new generation of sustainable solutions with barrier properties that we are developing in partnership with clients in Portugal and further afield.

Growing responsibly

To look back at 2024 is to revisit a year of initiatives and achievements that have bolstered our commitment to growing and diversifying our business. But the most striking feature of all is the alignment with Navigator's Responsible Business Strategy, laid down in our 2030 Agenda, which expresses our purpose, focused on people and the future of the planet.

We create value responsibly in our stewardship of some 110 000 hectares of forests, (108 807 in Portugal and 1,111 in Spain), in keeping with best practices in sustainable forest management, underlining the crucial role of well-managed planted forests in the transition from a linear, fossil-based model, for which there is no future, to a circular bioeconomy model, which is carbon neutral and nature-friendly.

We also grow responsibly when we are careful about our own impacts and in improving our operations, increasing our investment in projects geared to sustainability. Out of total capital expenditure in 2024 of 241 million euros, 50% was in projects classified as ESG. This continuous investment has been recognised by independent industry watchers. An example is the classification of Navigator as a 2025 ESG Industry Top Rated Company in the ESG Risk Ratings of Sustainalytics, one of the world's leading ESG rating agencies.

On this matter, I would like to draw attention to our Decarbonisation Roadmap, which is mobilising more than 350 million euros. This impetus has enabled us to bring forward our interim targets: for direct EETS emissions by three years. Next year, we will achieve the targets initially set for 2029, with emissions down 55% on 2018, the baseline year.

We are also investing in water efficiency, with more than 25 million euros allocated to efficient and circular use of this resource. Since 2019, we have reduced specific water use by 13%, which represents good progress towards our target of a reduction of 33% by 2030.

Growing with people

For Navigator, sustainable growth means engaging with stakeholders.

Growing with people

For Navigator, sustainable growth means engaging with stakeholders, and here too we made important strides in 2024.

This was the year in which we organised the Eucalyptus Forum, designed to stimulate open technical and scientific debate on planted eucalyptus forests. We assembled more than 120 specialists from different areas, including representatives of academic, researchers, local authorities, NGOs, forestry producers and professionals in the sector, creating an arena for informed and illuminating dialogue.

Whilst preconceived ideas have a polarising effect, science brings people together. For this reason, our aim was to correct misconceived ideas about eucalyptus, shining a scientific light on the myths and communicating more clearly the role of planted forests in Portugal's sustainable development. As a result of this initiative, we will this year launch two books compiling all the knowledge produced at the Forum; one will be a technical and scientific publication, the and the other aimed at the general reader.

Internally, we reasserted our unshakeable commitment to occupational health and safety, through continuous efforts from day to day. We remained focused on our "Mission Zero" strategy, and especially on training and skills development, adoption of best

In 2024 we organised the Eucalyptus Forum, designed to stimulate open technical and scientific debate on planted eucalyptus forests.

The time has come to expand the horizons of everything we can create and achieve in the era of the new bioeconomy. In the era of “From Forest to Future”

practices and continuous improvement of our management systems. Sustained investment in this area - totalling close to 27 million euros in the past five years - has had a real impact on the ground: in 2024, we recorded our lowest ever figure for accidents leading to sick leave, clearly reflecting our achievements and our success in strengthening a culture of safety.

From forest to future

Our business activities are anchored in a balanced approach that integrates the three pillars of sustainability.
We recognise that they are all equally important and that none should be neglected, without losing sight of the reality that they can only be achieved if this is built on firm economic foundations.

The strong results we were able to record in 2024, in particular EBITDA margins, and the way these compare with the wider industry, provide us with a firm basis for our future plans. It is this profitability that ensures that our environmental and social commitments are feasible, securing the continuity of our operations and boosting our long-term resilience.

Accordingly, in conjunction with RAIZ, our R&D laboratory, we are stepping up our pipeline of innovation based on Eucalyptus globulus, by studying new bioproducts derived from the species, as sustainable alternatives - natural, recyclable and biodegradable - to products derived today from fossil raw materials, in particular, biofuels and e-fuels, helping to decarbonise harder-to-abate sectors, such as shipping and aviation.

The Navigator Company has a firm belief in the merits of talent, innovation and the capacity to find industrial applications for knowledge. This was how, more than seventy years ago, we started to redefine the boundaries of the entire pulp and paper sector. We also know that it is not enough to rest on our laurels, and prefer instead to work at the intersection between science and sustainability - where we feel ourselves to be in our element - striving to go further, taking as our starting point the fibre from Eucalyptus globulus, an outstanding raw material for which new potential is continually being discovered.

The agenda which, in 2022, gave rise to our new range of sustainable packaging was called “From Fossil to Forest”. The time has come to expand the horizons of everything we can create and achieve in the era of the new bioeconomy. In the era of “From Forest to Future”.

António Redondo

Chief Executive Officer

1.3. 2024 in numbers

Financial data

26%
EBITDA Margin

€2,088m
Total sales

€547m
EBITDA

€287m
Net income

€241m
Capital expenditure

20.1%
ROCE

21.5%
ROE

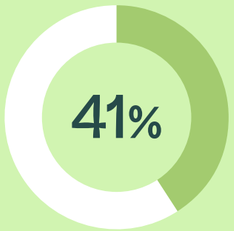
1.13 vezes
Interest bearing net debt /EBITDA

€150m
Dividends

2024 in numbers

For the climate and nature: acting

Climate Change

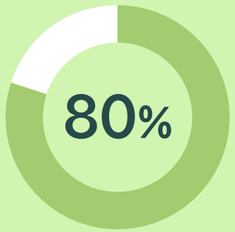


Reduction in direct ETS CO_2 emissions[1] in relation to 2018 (baseline)

599,397 tCO_2e
(down 36% on 2020)
Scopes 1 and 2 emissions[2]

976 $tCO_2e/M€$[3]
GHG emissions intensity (scopes 1+2+3)

6.4 M tCO_2
Accumulated stock in our forests



Primary energy consumed from renewable sources in Portugal

3.56 MWh/t
(down 1% on 2023)
Energy intensity[4] in Portugal

11.5 TWh
(up 4% on 2023)
Energy consumed[5]

1.2 TWh
(down 19% on 2023)
Electricity sold

Biodiversity Conservation

4,474 ha
Classified as protected habitats by the Natura 2000 Network

123 ha
Areas that have undergone ecological restoration or rehabilitation

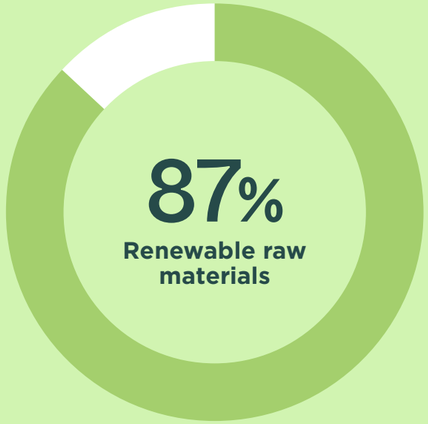
11.8%
of the area under management classified as Conservation Interest Areas (managed for conservation purposes, and not for production)

Water Management

20.5 m^3/t
Specific water use[6] in industrial operations in Portugal
(down 3,3% on 2023)

down 8.5%
Specific water use in industrial operations in Portugal vs. 2019 (baseline for 2030 target)

Use of Resources and Circular Economy



Renewable raw materials

446,601 t
(up 1,0% on 2023)
Waste generated

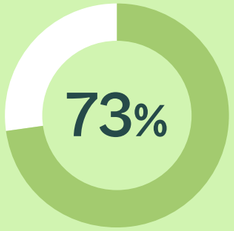
99.8%
Non-hazardous waste

42,571 t
Waste and by-products recovered in sustainable value-added applications

12%
Rate of waste disposal in industrial landfill

5,241,400 t
Raw materials consumed

Sustainable Forest Management



Wood used from woodlands with certified forest management

€8.88m
Investment in fire prevention and support for fighting forest fires in Portugal

108,654 ha
100% certified assets under management, corresponding to 1.2% of the area of mainland Portugal

136,850 ha
Assets under Navigator group management

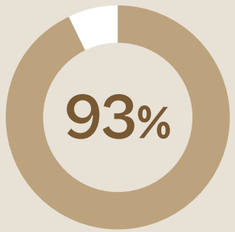
92%
Wood suppliers with chain-of-custody certification

[1] ETS- European Emissions Trading Scheme.
[2] Total scopes 1 and 2 (location-based) emissions, in accordance with ESRS E1-644a and E1 6.44b.
[3] GHG emissions intensity in accordance with ESRS E1.53. Includes total scopes 1, 2 (location-based) and 3 emissions.
[4] Energy intensity in accordance with GRI 302-3. Considering primary energy consumption and the total quantity of pulp, paper and tissue produced, in Portugal. Excluding primary energy from Biomass Power Plants, consumed for dedicated power generation.
[5] Total energy consumed in accordance with GRI 302-1.
[6] Takes into consideration volume of water withdrawal by total manufacturing output.

2024 in numbers

For society: growing

Health, Safety and Well-being

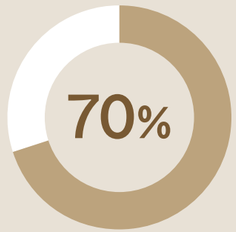


Internal employees included under Occupational Health and Safety Management System[7]

2,671
Employees included under Occupational Health programme

4.1
Frequency rate for accidents at work[8]

Supply Chain Management



Volume of purchasing from Portuguese suppliers

7,718
Suppliers

Community Relations

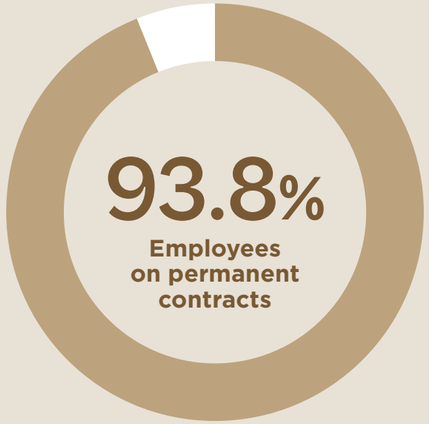
€1.6m
Investment in the community (in Portugal and Mozambique)

13,318
Participants in *Floresta do Saber* (Forest of Wisdom) project in 2024 (31,187 since2020)

41.9 t
Paper donations, in Portugal

7,000
Families impacted, Mozambique

People, Talent and Human Capital Development



3,965
Direct jobs[9]

€203.7m
Employee pay and benefits

93
Average training hours per Employee

298
Young people in the Talent Attraction Programme[10]

approximately **50%**
Integration rate for vocational internships

21,292
Training hours for Interns

Responsible Business Conduct

2,800
Employees with training in Code of Ethics and Conduct, Whistleblowing, Internal Policies and Prevention of Corruption and Related Offences

5
Women on Governance Bodies (35.7%)

0
Confirmed cases of corruption

Innovation, Technology and R&D

€10.9m
Investment in RDI[11]

47
Families of patents (accumulated)

[7] There are various activities in the organisation, in particular Forest Management, Wood Supply and RAIZ, which do not fall under ISO 45001. However, activities in these sectors are subject to the same principles and procedures. Figures are applied to operations in Portugal only.
[8] Includes figures for internal Employees and external Employees.
[9] Does not include trainees/bursary holders or board members.
[10] Includes vocational internships, trainees and summer internships in 2023.
[11] Navigator's total RDI expenditure on basis of amount eligible for SIFIDE.

1.4. Awards

Ratings

SUSTAINALYTICS

Score: **11.6**

1st place out of 85 Paper & Forestry companies with lowest risk for investors

CDP
DISCLOSURE INSIGHT ACTION

Score: **A-**

CDP Forests ("Leadership" level)

Score: **A**

Climate Change ("Leadership" level)

MSCI

Score: **A**

In 2024, The Navigator Company received a score of A in the MSCI ESG Rating

ecovadis

Score: **73/100**

Top 5% of companies

Other public recognition

SDGs Observatory

Incorporation of the Sustainable Development Goals (SDGs) into Navigator's corporate policies, once again highlighted by the SDGs Observatory as an example of good practice.

The way in which Navigator has incorporated SDGs into its business strategy was once again highlighted by the Center for Responsible Business and Leadership, at CATÓLICA-LISBON, in the third SDGs Observatory report on Portuguese companies published in 2024 - **"2024 Annual Report: Observatory of SDGs in Portuguese companies".**

The implementation of SDGs in the business strategy, grading the level of the company's contribution (Core, Supportive and Local SDGs) and the detailed way in which SDGs are linked to the specific targets and programmes it pursues to meet the commitments in its 2030 Agenda and Roadmap, have been recognised by the Observatory as an example of good practice and concrete evidence of the company's contribution to the United Nations 2030 Agenda.

OBSERVATÓRIO ODS NAS EMPRESAS PORTUGUESAS

Navigator voted best place to work in the industrial sector

In the first edition of "Merco Talento Universitário" (University Talent research by Merco, corporate reputation business monitor) in Portugal, Navigator came out top in the ranking of companies where university students are most eager to work. This result further consolidates the Company's position as a top organisation in the industrial sector and the Portuguese job market.

mTU

5 Stars Award

For the third year running, Amoos has won the prestigious Five Star Award. The innovative Amoos Calorie Control™, with micro-coils designed to increase the efficiency of absorbing fats from freshly fried food, was judged by consumers to be the best by consumers as the best product in competition in the Kitchen Rolls category.

Reporting Matters

In the “Reporting Matters 2024” league table, organised by WBCSD and Radley Yeldar (RY), Navigator improved its score and was positioned in the top 5 in the Basic Resources group.

The strong points reported include robust discussion of the operating context and its impacts on corporate strategy, visual representation of KPIs for performance analysis, and the clear incorporation of sustainability into the business strategy, supported by the 2030 Roadmap.

Social Responsibility Seal

Navigator Tissue Ejea has been honoured by the Aragonese Development Institute for its good, responsible and sustainable business practices and its high level of commitment to excellence. This award emphasises the company as a generator of sustainable positive impact on the communities in which it operates.

APCE Grand Prix – Internal Publication

The Leading with Purpose handbook was singled out for its importance in promoting a culture of strong, motivating, conscious and responsible leadership.

Business Culture Award

Navigator Tissue UK won the award for best company in the Well-being category thanks to its POP programme, developed and implemented to the benefit of people.

Kantar Award

The Amoos brand was named by Kantar Spain as the fastest growing brand in terms of penetration in Spanish homes 2023, in the household goods category.

RAIZ

TOP 10 Portuguese organisations with the largest number of international patent applications

→ 1.5. Parternships for impact

In 2024, Navigator stepped up implementation of collaborative models in many of the Company’s initiatives and projects.

Partnerships and participation in cooperation schemes with organisations that share our values helps the Company to achieve its aims and boosts the positive impact it seeks to have on Society, the Climate and Nature. In this report we highlight just a few of Navigator’s partnerships, which can serve as examples of how the Company attaches value to the organisations with which it cooperates.

Partnerships and participation in cooperation schemes with organisations that share our values helps the Company to achieve its aims.

For the climate and nature

- → Collaboration with academic, educational and research institutions, forest sector and fire-fighting associations and companies, with the aim of helping to maintain and continuously improve the economic, ecological and social functions of woodlands.
- → Partnerships with various organisations for developing innovative products and solutions, able to contribute to a low-carbon economy, in line with current climate science, and a sustainable circular bioeconomy, which is Nature-positive and Climate-neutral.
- → Active participation, as members, of associations of strategic importance for promoting cooperation centred on sustainability, in close engagement with the Community.

Wildlife Conservation Society, Fundação Biofund and Government of Mozambique

For promoting biodiversity protection in Mozambique, through needs assessments, sharing experience, field trips and Stakeholder engagement (COMBO+ Programme). Large scale geographical study in progress, to identify priority areas for forest protection and restoration.

National Institute for Agrarian and Veterinary Research (INIAV)

Among other partners, in connection with the RRP transForm project "P1.1 Genetic improvement, production and conservation of forest reproduction materials", particularly for the recovery of the Monchique oak.

Faculty of Science, University of Lisbon

In logistical support for the ForCe project (Forest Certification in Eucalyptus Plantations).

Saint-Gobain

For promoting the circular economy and decarbonisation of the mortar industry.

OFA (Organização Florestal Atlantis)

In supporting management of forest smallholdings (Cantanhede and Figueira da Foz region).

OMYA

In Setúbal, for the supply of combustion gases from Navigator's boilers and lime kilns, so that CO_2 can be captured and incorporated in the products manufactured at this industrial complex.

Specialty Minerals Inc.

At Figueira da Foz, for the supply of combustion gases from the boilers, so that CO_2 can be captured and incorporated, and for reusing the carbonate sludges produced at this industrial complex.

BCSD Portugal

Through the act4Nature Portugal initiative, which Navigator was one of the first companies to join, now sitting on the Advisory Board.

AFOCELCA

In the area of fire response resources and procedures.

Serras do Porto Park

In connection with the Life Serras do Porto project.

For society

→ Collaboration with academe, Navigator's peer companies and organisations in the science and technology system, involving national and international partners, with the aim of contributing to solutions that respond to the current challenges facing society.

→ Partnerships with entities that help us promote topics ranging from environmental and forest literacy to the importance of sport and social inclusion, associating ourselves with social causes and working on projects for the wider community.

→ Collaboration with Portugal's public employment service, helping to develop skills and add value to human capital.

UN Global Compact

In connection with the commitment to ethical conduct, integrity and environmental conservation, as well as protection and respect for Human Rights, an integral part of Navigator's approach to sustainable development, instituted in its internal codes and policies and reflected throughout the Company's operations and strategy.

Vocational colleges and universities

Such as ATEC - Academia de Formação, a Escola Secundária Dr. Bernardino Machado (Figueira da Foz), ISCTE (Lisbon University Institute), University of Coimbra, Instituto Superior Técnico and Nova University Lisbon, for participation in job fairs, award of study bursaries, promotion of workshops and seminars, and hosting students for curricular internships.

Cenjor – Journalism Training Centre

In organising training in Portuguese forests for journalists and journalism students, so as to equip them with the facts about this vital ecosystem and sustainable use of its resources.

Galp

To provide discounts for members of Navigator's Forestry Producers Club when refuelling at the network of filling stations.

Girl MOVE Academy

As part of Portucel Moçambique's corporate social responsibility policy, with the aim of empowering young women and educating them for leadership.

Express (leading Portuguese weekly newspaper)

In connection with the Eucalyptus Forum (May 2024), an event designed to promote in-depth reflection on forest issues, and in particular on planted eucalyptus forests.

Crédito Agrícola

To provide exclusive financing terms for members of the Navigator Forestry Producers Club.

iMM-Laço Hub and ABC Global Alliance

In the Pioneer Inspire Hope project to support the fight against breast cancer, since 2005.

Interprev

Offering members of Navigator's Forestry Producers Club with customised services, at more competitive prices.

Utopia – Literature Festival

In promoting events under the *Dá a Mão à Floresta* (Give the Forest a Hand) project.

Drupa

Presence on the HP stand, to promote the Navigator Premium Books brand.

Building a business model as sustainable as our on-the-ground operations, transforming challenges into value-adding opportunities.

FORM

FROM FOREST TO FUTURE

FROM FOREST
TO FUTURE

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02
Our identity

"A sales strategy focused on customers, strict cost control and ongoing efforts in innovation and sustainability, two foundational values that have shaped our identity for more than seven decades.

António Redondo
Chief Executive Officer

2.1. Purpose and values

→ Purpose

It's people, their quality of life and the future of the planet that inspire and motivate us.

We want society to share not just in the wealth we create, but also in our knowledge, our experience and our resources, all in the name of a better future.

That is why we are committed to creating sustainable value for our shareholders, and for society as a whole, leaving a better planet for future generations, through natural products that are sustainable, recyclable and biodegradable, that help to sequester carbon and produce oxygen, that protect biodiversity, improve the soil and combat climate change.

→ Values

Trust

We believe in people, we welcome everyone's contribution, we respect their identity, promoting development, cooperation and communication.

Integrity

We are guided by principles of transparency, ethics and respect in our dealings amongst ourselves and with others.

Enterprise

We are passionate about what we do, we like to get out of our comfort zone, we have the courage to take decisions and to accept risks in a responsible way.

Excellence

In our work we focus on quality, efficiency, safety and getting it right.

Innovation

We seek to bring out everyone's skills and creative potential to do the impossible.

Sustainability

The balance between the economic, environmental and social pillars of sustainability underpins our business model.

Global network
Navigator worldwide

3rd largest national exporter

~3% of national exports of goods

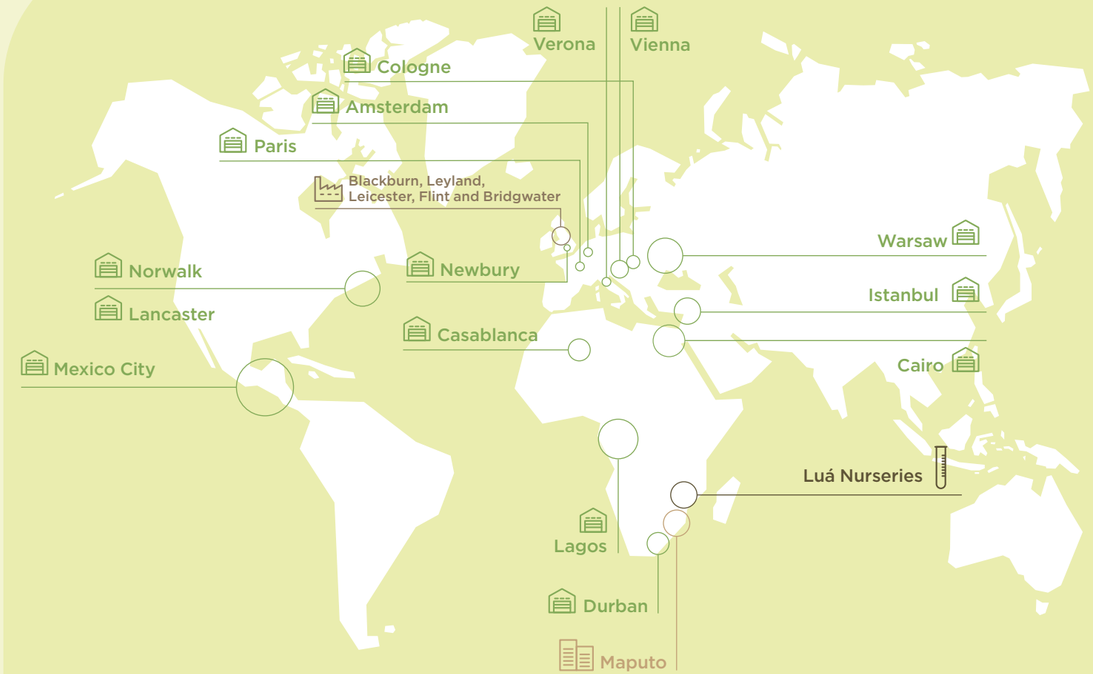
3.2% of the total electricity produced in Portugal

European leader and one of the world's largest worldwide in the production of uncoated printing and writing papers - UWF

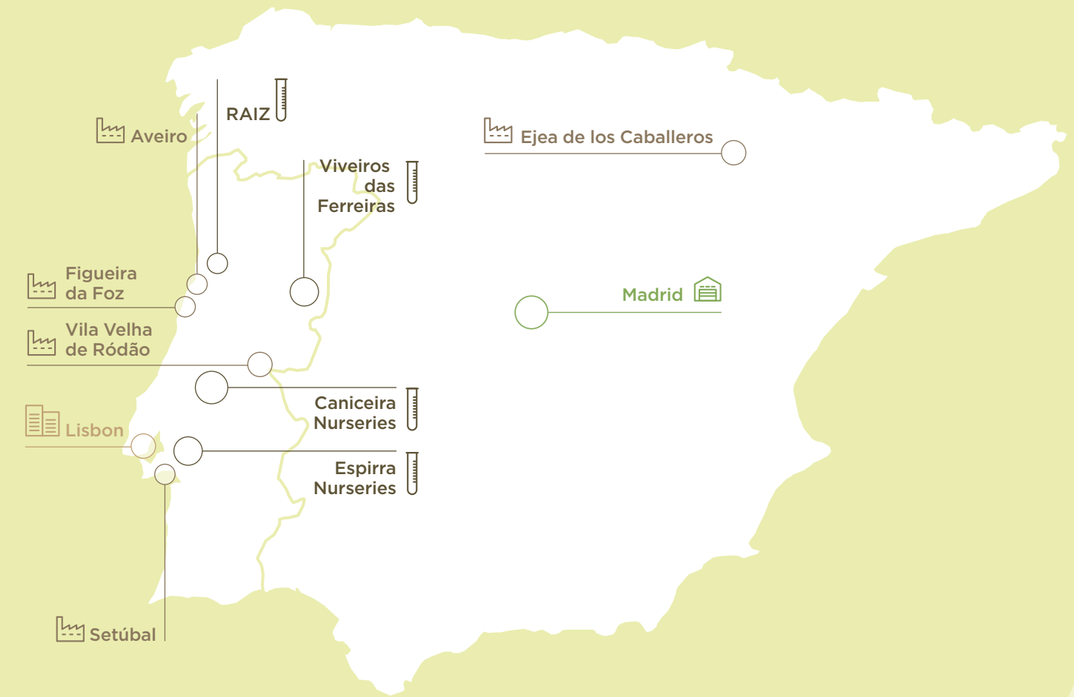
RAIZ: Europe's largest private institute and one of the largest in the world dedicated to the R&D of eucalyptus trees and their products

Europe's largest producer and one of the largest in the world of bleached eucalyptus pulp - BEKP

34% of the total electricity produced from biomass in Portugal



With a business model based on research and technological innovation, we are now a benchmark worldwide.



www.thenavigatorcompany.com www.navigatortissueuk.com the-navigator-company thenavigatorcompanychannel

2.2. Company profile

The Navigator Company is an integrated producer of forest materials, pulp, paper, tissue, sustainable packaging solutions and bioenergy.

From Fossil to Future

With seven decades of continuous innovation and a recognised commitment to the quality of its products and solutions, The Navigator Company is an integrated producer of forest materials, pulp, paper, tissue, sustainable packaging solutions and bioenergy.

A sound financial and industrial structure is the foundation on which Navigator has developed its core business, whilst simultaneously investing in sustainability and growth through diversification, as exemplified by it latest business areas: Tissue and Packaging.

In alignment with its Purpose, focused on people and the planet, Navigator is today moving beyond its traditional business in the pulp and paper sector, aware of everything it can do as a driving force for a new forest-based circular bioeconomy.

With RAIZ, our R&D laboratory, and taking *Eucalyptus globulus*, an unrivalled raw material, as our starting point, we are developing new bioproducts and biomaterials, exploring business opportunities in the bioeconomy, in particular in eucalyptus essential oils, biocomposites, biofuels and synthetic fuels.

In alignment with its Purpose, focused on people and the planet, Navigator is today moving beyond its traditional business in the pulp and paper sector, aware of everything it can do as a driving force for a new forest-based circular bioeconomy.

Pulp

The pulps produced by The Navigator Company set global standards for the industry, reflecting almost seven decades of experience in development and innovation on the basis of a raw material with an unmatched reputation. In 1957, Companhia Portuguesa de Celulose, the predecessor to what is today Navigator, was the first company in the world to produce *Eucalyptus globulus* pulp on an industrial scale, using the kraft method, setting a new standard for the industry all round the world.

Versatile enough to be ideal not just for producing premium paper products, but also for use in the automobile industry, the food and medical sectors, to mention only a few, *Eucalyptus globulus* pulp is today proving highly suitable for developing a new generation of bioproducts able to successfully replace those which are today obtained from fossil sources, including plastics and liquid fuels.

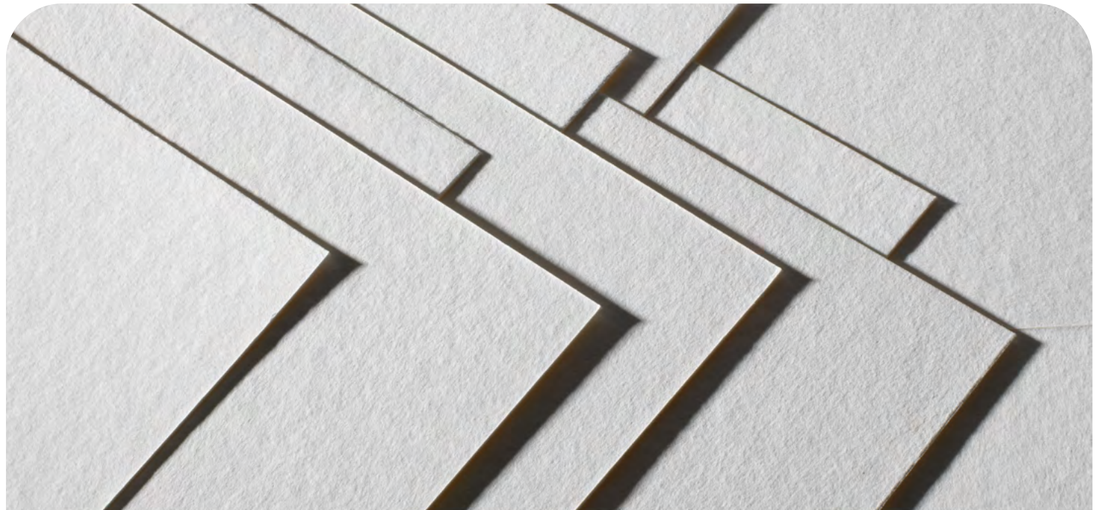
Worldwide, eucalyptus fibre already accounts for almost half the total fibre on the market and 80% of hardwood fibre, and demand continues to boom.

The Navigator Company is Europe's top producer, and the 7th largest in the world of bleached eucalyptus pulp (BEKP), with annual capacity of 1.6 million tons, at its industrial units in Aveiro, Figueira da Foz and Setúbal.

In 2024, due to increased incorporation into paper produced by the company, The Navigator Company's pulp sales fell by 16%, to a total of 389,000 tons. However, a 13% improvement in average prices in relation to the previous year meant that, in relation to the value of sales, the drop was smaller, at just 5%.

The excellent quality of a home-grown raw material

***Eucalyptus globulus*, which is naturalised in Portugal, is regarded around the world as the best species for manufacturing paper pulps. Several countries have tried to plant it, without success, further highlighting the unique conditions that Portugal offers this species.**



UWF Paper

As Europe's leading producer and the 6th largest in the world of UWF (uncoated woodfree) paper, The Navigator Company can also boast strong brands which serve to differentiate its products. The year of 2024 was no exception: mill brands accounted for close to 77% of sales for the period (vs. an average of 73% over the period 2018-2024), as compared with an average of between 20 and 25% for the paper sector as a whole.

The Company is the world leader in the premium segment, a factor of differentiation which was again boosted in 2024, with premium products accounting for 58% (as compared to an average of 55%, in the period 2018-2024). Industry-wide, premium products have an average share of between 10 and 15%.

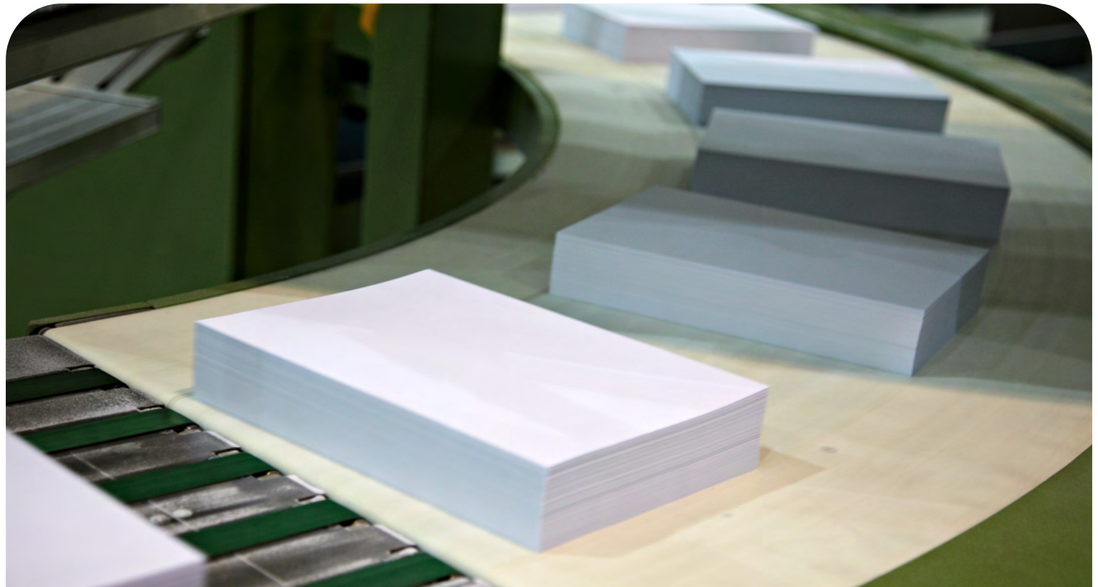
The shares achieved for mill brands and premium products in 2024 were the second best ever recorded, which is all the more relevant if we recall that, when market conditions are more difficult, mill brands and segments with greater value added offer an additional safeguard for Navigator's results.

In 2024, Navigator's printing and packaging paper sales totalled 1,225 thousand tons, up by 8% on 2023. The sales volume, in euros, grew by 3%.

Manufactured at the mills in Figueira da Foz and Setúbal, which together have rated capacity of 1.6 million tons, The Navigator Company's UWF papers are exported to 132 countries.

World leader in the premium segment

Two out of every three reams of office paper exported from Europe are produced by The Navigator Company. Launched in 1992, in a branding initiative then unprecedented in the industry, the Navigator brand leads the world in sales in the premium office paper segment.



Tissue

Navigator took its Tissue business to a new level in 2024 with the acquisition of Navigator Tissue UK, just one year after it completed a similar operation in Spain, with what is now Navigator Tissue Ejea.

The synergies and the combined expertise of the teams in Portugal, Spain and the United Kingdom have expanded the portfolio (now one of the most comprehensive in Europe) as well as the customer base, strengthening Navigator's strategic position in the tissue market. Production is now divided between eight plants: two in Portugal, one in Spain and five in the United Kingdom.

The Company first moved into this segment in 2015, in line with its plan for diversification and growth, and tissue is now its second largest business area. The volume of tissue sales (finished products and reels) totalled 220 thousand tons in 2024, representing an increase in the volume and value of sales of 55%.

This growth was significant not just for its scale, but also for the way it has happened: international sales now account for 79% of total sales, at the same time as, in terms of segments, the At Home or Consumer (retail) segment has accounted for a growing share, currently representing 83% of sales, pointing to the popularity of products manufactured by Navigator with end consumers.

The diversity of the portfolio has been a factor in this process, along with the company's disruptive approach to the segment, with a strong element of innovation and investment in launching distinctive products. Navigator has registered 7 trademarks, each for a specific proprietary technology, developed through close collaboration between RAIZ, its research laboratory, and the Company's commercial and industrial teams.

The consumer's choice

Navigator's Amoos brand won the Five Star Award in 2022, 2023, 2024 and 2025, with its Amoos Aquactive Kitchen/Multipurpose Roll, Airsense Toilet Paper, Calorie Control Kitchen Roll and Naturally Soft Napkins. In early 2025, the brand also won the Consumer's Choice award in the Toilet Paper category and Product of the Year in the Household Papers category (Naturally Soft napkins, 40x40). Also in the first few months of 2025, one of Navigator UK's products, the Flash roll, was voted product of the Year, and recognised as one of the most innovative in its category.

Sustainable packaging

After only three full years of operation, the sustainable packaging sector already has more than 300 customers, in a commercial operation based entirely on its own brand - gKRAFT. With this new segment, Navigator is helping to speed up the transition from single use fossil plastics to the use of natural fibres, which are sustainable, recyclable and biodegradable, thereby stepping up its commitment to sustainability.

In 2024, the sales volume in the segment doubled in relation to the previous year, with 70% of sales in Europe, most importantly in Italy, the Iberian Peninsula, France and Germany, and the remainder in overseas regions, with Latin America, Turkey and North Africa as the largest markets. Since its launch in late 2021, the gKRAFT range has been exported to 47 countries.

This performance was achieved by moving into new segments, launched in 2023 and the early months of 2024, above all in the area of flexible packaging, confirming the effectiveness of the strategy of diversifying into these new packaging paper applications using eucalyptus fibre.

The year of 2024 saw Navigator once again pioneering change in the global industry, with the start-up of production at a new industrial unit, in Aveiro, for moulded cellulose components, offering a response to the ever more pressing need to substitute the single-use, fossil based plastics which dominate the food sector.

This is the first time anywhere in the world that moulded cellulose articles have been produced from eucalyptus fibre. The new unit has annual production capacity for approximately 100 million units and is the largest in the world to be vertically integrated with production of *Eucalyptus globulus* cellulose.

Production started up with seven 100% recyclable and/or compostable products for single use applications in the food sector, and the unit offers the flexibility and scalability needed to seize the various opportunities that are opening up for replacing single use plastics and aluminium.

Alongside this, work has proceeded on developing new products, in partnership with national and international clients, and on researching and developing new sustainable barrier property solutions, as well as trials of commercial products.

Moulded cellulose certified for food contact

In early 2025, Navigator's gKRAFT Bioshield moulded cellulose products achieved certification for food contact under European Regulation (EC) 1935/2004 (food contact) and, for the first time for products of this kind, under the German recommendation BfR XXXVI, in a certificate issued by ISEGA, the prestigious German laboratory. Certification enables us to market products for the food segment, for contact with fatty, moist and dry foods, applying to our entire tableware and take-away line.

Energy

The Navigator Company has extensive experience of generating energy from renewable sources, and 2024 was another landmark year in this field.

This was the year we completed work on new solar arrays for internal power consumption at the industrial units in Figueira da Foz, Aveiro and Vila Velha de Ródão. With photovoltaic solar power facilities featuring total rated capacity of approximately 38 MW, Navigator is now Portugal's largest generator of solar power for internal consumption in an industrial setting.

In 2024, 78% of the electricity generated by Navigator was from renewable sources. The Company accounts for 3% of all electricity produced in Portugal, including 34% of power generated in the country from biomass.

Support for the national grid

Navigator's industrial units took part in 2024 in the manual Frequency Restoration Reserve Band Market (mFRR Band). This system service, provided to the operator of the power grid by qualified consumers, helps to safeguard the security of supply in the National Electrical System, which has already proved to be decisive for protecting domestic consumers and critical users. Over the course of this year, Navigator's units were mobilised on 32 occasions as part of this service.

Forest

The Navigator Group manages a total of approximately 137,000 hectares of woodlands, including production forests, and areas given over to wildlife conservation. In mainland Portugal, Navigator manages approximately 109,000 hectares, 100% certified under the FSC® and PEFC systems (since 2007 and 2009, respectively).

Through its Forest Management Plan (FMP), Navigator promotes active management of its forest holdings (both its own estates, and rented land), with an efficient and responsible approach. Scientific support is provided by RAIZ, the group's own forest and paper research centre, enabling it to implement innovative silvicutural practices, adapted to the specific soil and climate conditions in each region.

In 2024, Navigator celebrated the first anniversary of the Forestry Producers Club, a pioneering scheme which sets out to unite and support the community of forestry Producers, Suppliers and Service Providers in adopting sustainable forest management By the end of 2024, the club had attracted 385 members, together representing turnover in the sector of around 600,000 euros and a workforce of more than 3100. Membership benefits include financial solutions, support for modernising equipment and exclusive discounts which help to cut costs.

Active management and profitability are factors that can revitalise the rural economy, combating desertification and the abandonment of forests, by creating jobs and anchoring businesses and residents in these regions. It accordingly contributes to environmental and social gains thanks to the adoption of good practices that minimise environmental impacts, reduce the fire risk, increase sequestration of CO_2 and promote biodiversity.

[1] Licence number: FSC® - C010852
[2] Licence number: PEFC/13-23-001

Biodiversity conservation

Biodiversity conservation represents a priority in Navigator's forest management model. In 2024, Conservation Interest Zones (CIZs) accounted for approximately 12% of the areas under management, surpassing the certification requirements. These areas contain habitats which are essential for a number of species, including endemic and protected species with varying conservation and protection status, which are regularly monitored. Within the CiZs, there are 4,474 hectares included in the Natura 2000 Network. By 2024, a total of 1195 species and sub-species of flora and more than 260 species of fauna had been identified on Navigator's estates.

R&D and Innovation

Research and Development (R&D), combined with the ability to put the resulting knowledge to industrial use, are among the fundamental pillars of The Navigator Company's identity, securing its success as a global pioneer.

The RAIZ Institute is currently the visible face of this ongoing scientific work applied to forestry and industry. The largest private institute in Europe, and one of the largest in the world, dedicated to R&D for eucalyptus forests and their products, it was set up in 1996 and its shareholders, in addition to Navigator, are the University of Coimbra, the University of Aveiro and the Higher Institute of Agronomy (University of Lisbon).

RAIZ is a private non-profit organisation, recognised as belonging to the Portuguese Science and Technology System. It works in three major R&D areas: forestry, industry/technology and specialist supporting services for the Company's operations.

At a key moment for development of the forest-based bioeconomy, in which Navigator is deeply involved, RAIZ' work in this field has gained a significant impetus.

New biomaterials, biochemicals and biofuels obtained from *E. globulus* are at an advanced stage of development, with the potential to generate new business opportunities, including new applications for cellulose fibres in fibre/thermoplastic composites, bioactive compounds from eucalyptus foliage and bark, and advanced biofuels.

A benchmark for innovation

"Barómetro Inventa 2024 – Patentes Made in Portugal", a specialist industrial property survey, singled out RAIZ as a leader in sustainable innovation, highlighting that it doubled its number of patent applications in 2022. The institute has registered 23 families of patents, making it the top ranking (non-university) entity. RAIZ' patent count was surpassed only by the Universities of the Minho, Aveiro, Lisbon and Coimbra.

Portucel Moçambique

Portucel Moçambique is an affiliate of The Navigator Company and is developing a forestry venture in Mozambique, to be integrated in the first place with the woodchip industry and, at a later stage, with the paper pulp sector. The venture represents long term investment estimated at 2.5 billion dollars, and has already reached the export phase, having dispatched 9 shiploads from the port of Beira.

The project is designed so as to share value and promote sustainable socio-economic development in its operational areas, by creating jobs, training, vocational skills and knowledge transfer. This means it contributes to economic progress and stronger value chains, increased exports and fiscal revenues, the development of forest and industry, inclusive development of Communities and their farmlands, to a balanced environment and the preservation of biodiversity.

The venture generates positive economic impacts. Locally, around 16.5 million dollars has been paid out in wages, for casual work by members of local communities. In 2024, the Company generated permanent employment for around 300 people and additional full-time work, equivalent to more than 700 jobs.

Investment to date in the Social Development Programme, part of the Investment Agreement with the authorities, totalled close to 8.2 million dollars at year-end 2024. This programme reaches out on a regular basis to some 7000 families and is focused on three objectives: improved food security, support for livelihoods and improved welfare. The programme has been implemented on the basis of regular and inclusive dialogue with the communities which benefit.

The Company attaches value to stakeholder inclusion in the main decisions taken at local, provincial and national level; consultations are conducted on a regular basis and various arrangements are in place for technical and scientific cooperation. Regular and frequent communication is assured between Communities, Portucel technical staff and the Liaison Officers, so as to achieve a smooth and collaborative relationship between the parties involved.

Portucel has already planted more than 35 million trees in Mozambique, which have accumulated a carbon stock of 3.4 million tons.

The venture generates positive economic impacts. Locally, around 16.5 million dollars has been paid out in wages, for casual work by members of local communities. In 2024, the Company generated permanent employment for around 300 people and additional full-time work, equivalent to more than 700 jobs.

2.3. Creating sustainable value

Our responsible business strategy is based on creating long-term value and sharing it with our various Stakeholders, in line with our intentions set out in the Corporate Purpose.

We are a top player in wealth generation in Portugal and leading contributor to the country's economy. We have a direct impact on the lives of thousands of people all along the value chain - including Shareholders, Employees, Customers, Suppliers, Local Communities, Suppliers and society in general.

Our impacts

1st place
National added value[3]

7,718
Suppliers — 70% Portuguese

€2,088m
Turnover

€2,189m
Direct economic value generated

€1,825m
Direct economic value distributed

2.5%
of Portuguese exports of goods[4]

€120m
ESG CAPEX (51% of total NVG CAPEX in 2024)

66%
ESG finance[5]

€365m
Accumulated economic value

30,000
Direct, indirect and induced employment[6]

€241m
In projects aimed at the Climate Transition and the Digital Transition, under the RRP up to 2026

[3] On the list of Portuguese exporting companies.
[4] Source: Figures published by INE for 2021.
[5] The percentage refers to the value of finance contracted.
[6] Source: KPMG study - 2016.

Our business strategy and results position us as one of Portugal's largest industrial concerns – ranking as the third larges exporter of goods in Portugal. Approximately 91% of our output is sold outside Portugal, with products shipped to 134 countries

Our **industrial plant** sets international standards due to its scale and sophisticated technology, which is the foundation on which we have grown. In addition to four modern and large-scale industrial complexes located in Portugal, we have expanded our geographical base for industrial production and sales by means of two recent acquisitions in the tissue sector, first in Spain (Navigator Tissue Ejea), in 2023, and then in the United Kingdom (Navigator Tissue UK), in 2024. This strategy is designed to increase our industrial and commercial capacity, to optimise our portfolio of Iberian customers and to strengthen our position in the tissue market in Western Europe. In terms of forestry, our operations are located in mainland Portugal, Galicia (Spain) and Mozambique.

Our business strategy and results position us as **one of Portugal's largest industrial concerns** – ranking as the third largest[7] **exporter of goods** in Portugal. Approximately 91% of our output is sold outside Portugal, with products shipped to 134 countries.

Because our value chain incorporates home-grown natural resources from planted forests and because we create **livelihoods and jobs** in Portugal, where we source most of our raw materials and services, we are the top exporting company in terms of contribution to **Domestic Value Added**[8].

Through our business operations we generate jobs for 30,000 people, in direct, indirect and induced employment, and we work with more than 7,700 Suppliers, 70% of which are Portuguese.

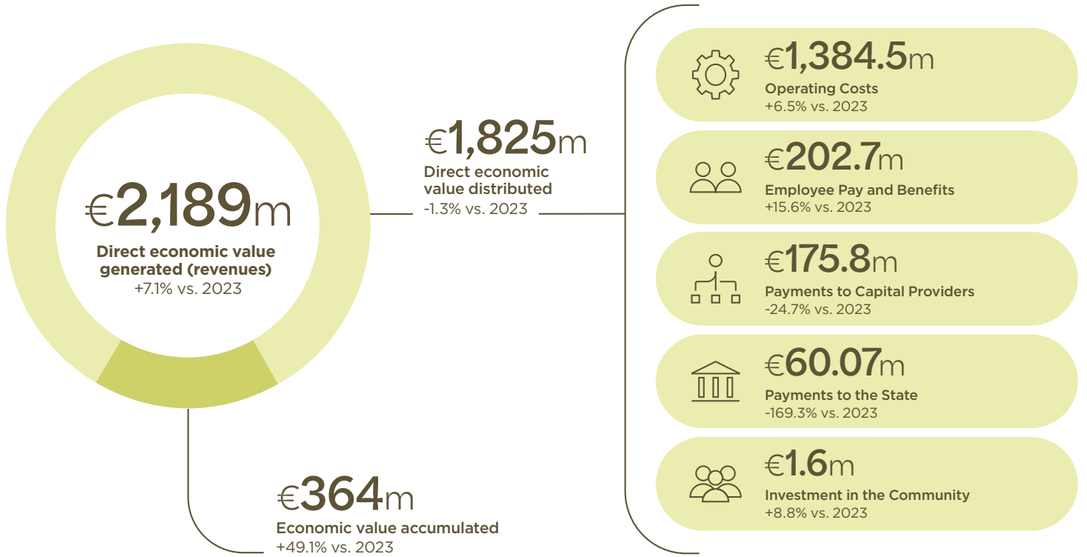
In 2024, Navigator recorded turnover of €2,088,276,553, the second highest figure in the Group's history, whilst direct economic value (revenue) increased by 7.1% in relation to 2023.

Despite the troubled economic and geopolitical context, which shaped expectations on international markets (finance, energy, logistics and commodities) in the first half of the year, the international economy bounced back. Benchmark prices for UWF paper proved resilient and order books improved for UWF, packaging and, at the end of the year, tissue, enabling the Company to stick to its capex and innovation commitments in all segments and to explore opportunities for growth in tissue, packaging and energy. Efficient management of its business mix, the sales strategy, cost controls and the focus on innovation and business sustainability are all key factors in ensuring that the Navigator Group is competitive.

Navigator's forest business strategy has strong roots in Portugal, due to the location of its industrial complexes and the quality of its management of planted eucalyptus forests. In 2024, the Company transferred approximately 228 million euros to the various districts of Portugal.

[7] Source: Figures published by INE for 2021.
[8] Source: KPMG study - 2016.

Value Generated and Distributed



Creating long-term value

Creating long-term value and sharing it with our various Stakeholders is built into our identity (Chapter 3.4.5) and we are mindful of how our business impacts society and that our economic and financial performance cannot be dissociated from how we manage our Community relations, from judicious management of the resources we use, from our ability to mitigate our business risks or from transparent, open-access communication.

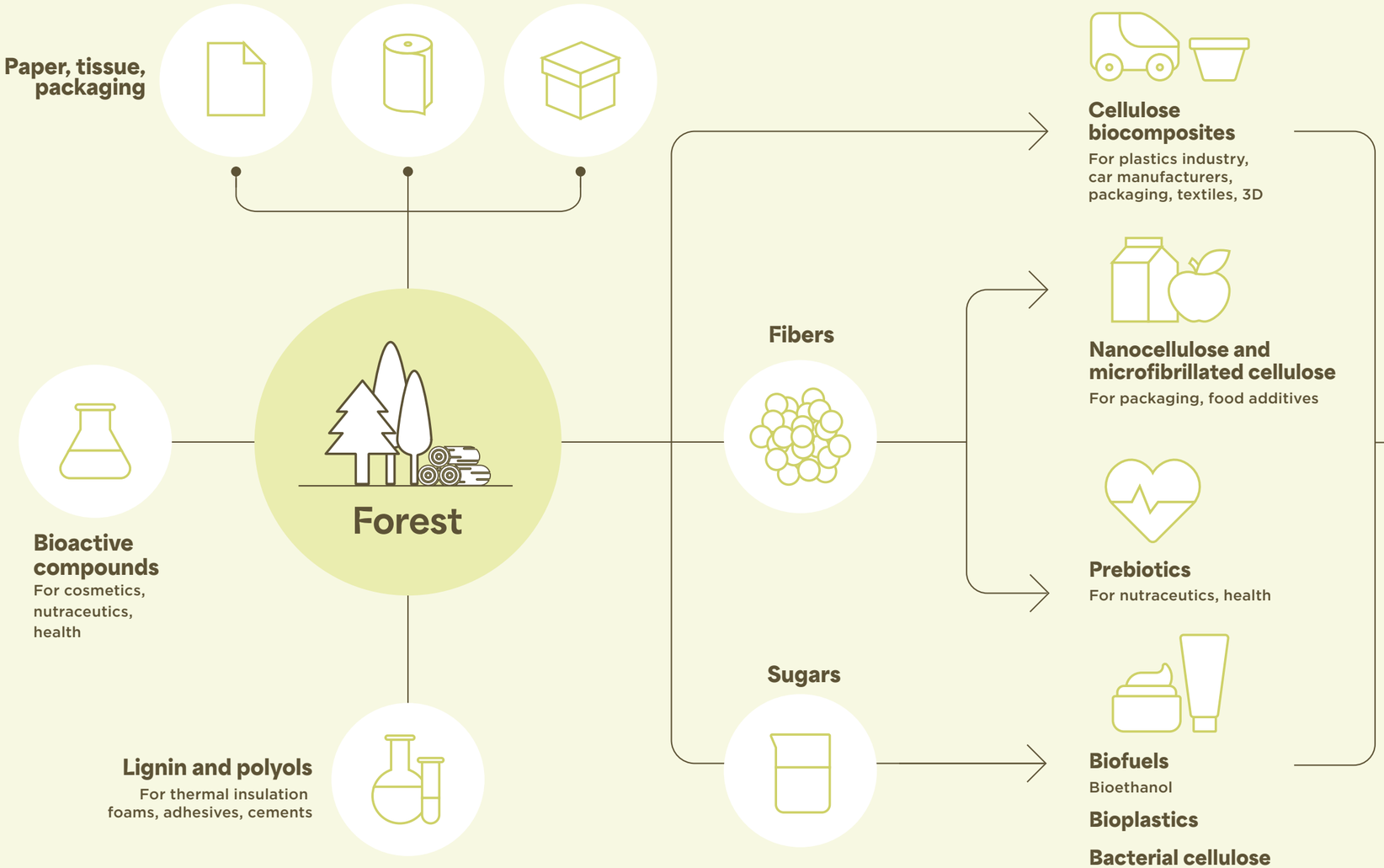
As set out in our Purpose, we want to share with society not only our results, but also the expertise at our disposal, our experience and our resources, with a commitment to leaving a better planet for future generations - through natural products that are sustainable, recyclable and biodegradable, that help to sequester carbon, protect biodiversity and combat climate change.

Pursuit of a responsible business, promoting sustainable development and in alignment with the United Nations Sustainable Development Goals (SDGs) is therefore set out in our 2030 Agenda – Creating Value Responsibly (Chapters 3.4.2 and 3.4.3).

Customers are a strategic Stakeholder for The Navigator Company's success, and we therefore invest in building a close commercial relationship and meeting their needs. Strong brands and sustainable products (Chapter 2.2) remain essential factors, which are combined with a firm commitment to innovation.

We have invested in creating innovative and distinctive products, in promoting a new generation of bioproducts, offering an alternative to fossil-based materials, and in developing potential new businesses, aligned with sustainable development (Chapter 3.4.2).

New bioproducts from our R&D programme



New *Eucalyptus globulus* bioproducts from our innovation pipeline

- → Packaging
- → Hyglene and personal care
- → Cosmetics
- → Nutraceutics
- → Food additives
- → Health

Unique properties of the composition of *Eucalyptus globulus* wood and fibers

We keep up with market trends and sustainability challenges (Chapter 3.4.1), with our strategy of product diversification, where we have made significant strides. An example of this is our move into the packaging business, with a new line of packaging paper (gKRAFT), which helps reduce the use of plastics, by providing substitute materials from renewable sources.

We also contribute to the rural economy, through development of the regions where we operate and improving the woodlands we manage, with an impact on Local Communities (Chapters 5.3.3). In particular, we add value to the entire **forest value chain**, highlighting the potential of Portuguese forests for producing a diversified range of products.

We set out to contribute to generating opportunities for professional growth in an array of different sectors, from forestry to manufacturing, and from research to end products. This benefits and empowers our eucalyptus Growers, Suppliers and Local Communities. We have a positive impact on the **employability** and **skill levels** of young people (Chapter 3.4.2) and forestry producers, by working to share our knowledge through educational initiatives promoting sustainable forest management and certification, with the aim of contributing to improved and better protected forests.

As the foundation of all our operations, we invest in our human capital – in skills, recognition, motivation, health and welfare (Chapters 3.4.2).

We support our Employees' families and, as part of our efforts to recognise the dedication and commitment of our people to achieving positive results for the Company, we have responded to this success by awarding and increasing performance and productivity bonuses.

Portucel Moçambique

In the operations of Portucel Moçambique, the process of **harvesting and exporting eucalyptus wood** from the country is geared to creating sustainable value, supporting the Company's operations in the country in the long term. Over the length of the **value chain**, the **returns** from the project include:

- Skilled employment and professional advancement. The company employs a permanent workforce of 313 (96% Mozambican, and 23% women), as well as providing a further 1,100 full time equivalent (FTE) jobs on a casual and seasonal basis, mostly for Local Communities.

- Wealth generation and added value in the country, as well as environmental protection and investment in Communities.

A forest-based industrial cluster is being created, with a focus on exports, thanks to the favourable soil, climate and geographical conditions, positioning Mozambique and the Company in the international market for exporters of sustainable wood.

Between 2021 to 2024, a total of 9 shiploads were dispatched from the port of Beira, corresponding to 285, 000 m^3 of wood, of which 241,000 m^3 was harvested from Portucel Moçambique's plantations.

In addition, Portucel Moçambique contributes to the development of Local Communities in the areas where it operates through the different elements of its **Social Development Programme** (Chapter 5.3.3), representing investment of 7.6 million dollars.

Finance and investment for sustainable development

Navigator has committed itself to ensuring that its **sustainable financing and investment policies** incorporate ESG criteria, setting specific targets for this in its 2030 Roadmap (Chapter 3.4.4).

We have made significant strides in recent years towards sustainable finance, through financing operations where pricing is pegged to compliance with Sustainable Development Goals or ESG performance indicators, included in our 2030 Roadmap. In 2024, the implementation of this policy was clearly visible in the loans contracted: 355 million euros in ESG finance, enabling Navigator to achieve a ratio (ESG/total) of 66%.

These financing arrangements enable us to make a judicious selection of maturities and risk conditions, and the pricing mechanisms are a clear demonstration of our commitment to sustainability goals.

We have also been willing to work in partnerships, submitting funding applications to leverage the transition to a low-carbon economy and to the bioeconomy, thereby boosting our contribution in this area (see following section).

It is important to note that we have adopted a **Responsible Investment Policy for Navigator's Pension Fund**. The entities contracted to manage our pension funds pursue a responsible investment policy, seeking to contribute to sustainability of the market as a whole in the long term, with the goal that all our assets should be linked to environmental, social and governance (ESG) criteria.

The selection process for managers included assessing how far they incorporate ESG factors into investment decision-making, and evidence that they play an active role in promoting sustainable investment. The Fund will have the goal of achieving neutrality in greenhouse gas emissions by 2050 throughout its portfolio and will now use climate change metrics in its reporting.

66%
ESG finance contracted

ESG indicators associated with Sustainability-Linked Bonds

Financial operation	Indicators		2021	2022	2023	2024	2025	2026	SDG associated
ESG SLBonds • Navigator ESG Bonds 2021-2026	CO_2	CO_2 emissions (EU-ETS basis), in tons	Goal	649,318	644,318	600,818	595,818	565,476	-	9, 12, 13, 15
			Performance	539,332	552,587	457,990	454,234*	-	-	
		% of certified wood purchased, national market	Goal	62%	63%	64%	65%	66%	-	
			Performance	63%	65%	68%	73%	-	-	
ESG SLBonds • Navigator Bonds 2022–2028 ESG • Navigator Bonds 2024–2031 (3 emissions) • Navigator Bonds 2024–2029 **Commercial Paper 2024-2030**	CO_2	CO_2 emissions (EU-ETS basis), in tons	Goal	-	554,613	537,815	535,895	533,975	532,054	7, 9, 12, 13, 15
			Performance	-	552,587	457,990	454,234*	-	-	
		% of certified wood purchased, national market	Goal	-	63%	64%	65%	66%	67%	
			Performance	-	65%	68%	73%	-	-	
		% of energy consumption from renewable sources	Goal	-	77.0%	77.7%	78.0%	78.3%	78.7%	
			Performance	-	76%	81%	80%	-	-	

* estimated value, still subject to EU ETS verification.

ESG Investment allocation

In 2024, **capital expenditure** totalled €241 million (compared to €187 million in 2023). Capital expenditure consisted mostly of projects aimed at structural and safety projects, modernising equipment and improving efficiency, as well as maintaining production capacity.

Of these investments, approximately 50% (totalling more than €120 million) related to projects and initiatives with ESG aims, including structural, environmental and decarbonisation projects. Some of the main capex projects classified as ESG include, for example, the new recovery boiler in Setúbal (Chapter 5.2.1), the new biomass lime kilns in Figueira da Foz and Aveiro, the conversion of the fuel oil burners to hydrogen in the recovery boilers in Figueira da Foz and Aveiro and the Biomass boiler in Setúbal, the solar power facilities in Figueira da Foz and Vila Velha de Ródão, and the new tower and washing presses in Aveiro, which will contribute to accelerating the Group's decarbonisation plan, as well as investment in waste water treatment plant (WWTP in Setúbal) and the treatment of fly ash from the recovery boiler in Aveiro.

The Group is currently involved in four of the components (C5, C11, C12 and C16) of the **RRP - Recovery and Resilience Plan**, with eligible investments of approximately €269 million, up to 2026.

Navigator continues to press ahead as planned with the projects under the Recovery and Resilience Plan (RRP). For eligible investments under the RRP, an incentive rate of around 40% is anticipated, corresponding to close to €100 million, of which the company received approximately €21 million in 2023 and €25 million in 2024.

The following RRP projects are already in progress, under the different Agendas:

- **From Fossil to Forest Agenda**
  (Sustainable Packaging Products to substitute Fossil Plastics | Investment in R&D and industrial innovation, in projects for development of i) high yield chemical pulp and brown papers; ii) moulded cellulose for hard packaging; iii) biocomposites; iv) papers with barrier properties; and v) smart packaging.
- **Decarbonisation Agenda**
  Includes, among others, the projects for: i) new cogeneration turbine in Figueira da Foz, ii) new lime and biomass kiln in Figueira da Foz, iii) new recovery boiler in Setúbal, iv) incineration of non-condensable gases (NCG) in the new recovery boiler in Setúbal, v) new cogeneration plant at Tissue Aveiro, vi) new solar facility at Tissue Aveiro, vii) new bleaching tower and pulp washing presses in Aveiro, viii) new cogeneration plant in Vila Velha de Ródão, ix) new solar power facility at Tissue VVR, conversion of Lime Kiln 3 in Aveiro from natural gas (NG) to Biomass, and xi) conversion of fuel burners at recovery boilers (RC4) in Aveiro, RC2 in Figueira and biomass boilers (BB) in Setúbal to burning NG/H_2.
- **TransForm Agenda**
  Projects relating to: i) genetic improvement and seed orchards at Viveiros Aliança and RAIZ, ii) remote data detection for sustainable and resilient forest management, iii) boosting adoption of electrical engines in Portugal's forest sector, and iv) recovery of industrial waste for fertiliser production.
- **Be@t – Textile Bioeconomy Agenda**
  Featuring: i) development of biocomposites for application in the textile industry and ii) innovative non-woven fabrics, incorporating paper cellulose fibre.
- **Produtech R3 Agenda**
  Projects for i) robotised boxing machine for napkins in Aveiro, ii) artificial vision for Wood reception and iii) automatic truck loading.

Another important project, for conversion of Lime Kiln 1 in Setúbal, from oil/NG to biomass, is not included under the RRP, but instead under a European Innovation Fund programme.

Component	Agenda	Eligible investment
C5 Capitalization and Corporate Innovation	"From Fossil to Forest" Agenda TransForm Agenda Nexus Agenda Produtech R3 Agenda (Industrial robotics)	€91.8m
C11 Decarbonisation of Industry	Decarbonisation Agenda	€75.8m
C12 Sustainable Bioeconomy	Be@t - Bioeconomy in the textile industry Agenda	€1.7m
C16 Enterprises 4.0	National Test Beds Enterprises	€2.2m
	Total investment →	€268.7m

External recognition of our commitment to sustainability

Our dedication to creating value responsibly, as we take care of people and the planet, is reflected in our positive external assessment from a range of independent organisations, serving to encourage our own assessment process and continuous improvement in ESG performance.

Our performance as a low ESG risk company for investors has earned Navigator recognition from Sustainalytics, as an ESG Industry Top Rated company, and a place in its prestigious global list of 2025 ESG Top-Rated Companies. We also obtained a score of "A" from the MSCI ESG Ratings, which set out to measure the resilience of companies to long term ESG risks, and we achieved Gold status in our Ecovadis rating. We were also honoured once again internationally for our commitment to combating climate change and managing deforestation risks, achieving last year's top rating of 'A' in the CDP Climate Change, guaranteeing a place on the prestigious A-List for Climate, and the 'A-' rating in the CDP Forests, both of which positioned the company at the leadership level.

These ratings, together with the awards listed in Chapter 1 of this report, clearly reflect Navigator's commitment to leading the transition to a more sustainable business model. More than just external recognition, this achievement celebrates the collective efforts of the entire organisation and, in particular, the hard work and dedication of each and every employee.

For the forest and with it,
for and to the people,
inspiring change while
acting with transparency.

FOCUS

**FROM FOREST
TO FUTURE**

FROM FOREST TO FUTURE

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03
Strategy and governance

3.1. Business strategy

We integrate sustainability into our strategic business vision, as a concept that promotes a long-term balance.

Because Sustainability is what guides and underpins our business, we constantly assess our performance in this area by using an ESG framework, designed to monitor our performance in managing environmental, social and governance issues in our business.

This is the stance we take: we integrate sustainability into our strategic business vision, as a concept that promotes a long-term balance between three essential pillars - economic, environmental and social. It is an essential feature of any development model able to meet the needs of today without compromising the future of mankind and the planet.

The Company's **Responsible Management Strategy** is based on Ethics, Responsibility and Transparency. We are responsible for forest-based products that contribute to sustainable development and to the well-being of Society, in alignment with the United Nations 2030 Agenda.

Our sound financial position enables us not only to consider opportunities for investing in efficiency and innovation in our core businesses, but also to look for new opportunities for growth and move towards diversification:

Energy

The Navigator Group is one of Portugal's largest producers of renewable and sustainable energy.

The Navigator Group is one of Portugal's largest producers of renewable and sustainable energy. In 2024, 78% of all the energy we produced was from renewable sources. In addition to generating energy from forest biomass, the Group has been expanding the capacity of the solar power facilities at its industrial complexes. Work was concluded in 2024 on the building of new solar power facilities for the group's own consumption at our sites in Figueira da Foz, Aveiro and Vila Velha de Ródão, increasing the rated capacity to approximately 38 MW. This has made Navigator Portugal's top producer of solar power for internal consumption in an industrial setting.

In connection with this, the Navigator Group is also investing in batteries (electrical storage), above all for providing regulation reserve system services.

Taking a medium-long term view, Navigator is still looking into the attractiveness of investing in green fuels, both biofuels (medium term) and e-fuels or synthetic fuels (medium-long term).

In biofuels, possible capex projects are being assessed in the production of second generation bioethanol (using eucalyptus bark as raw material) and in producing kraft biomethanol (through the recovery and purification of by-product biomethanol produced at pulp mills) for use as fuel or in the chemicals industry.

In e-fuels, capex projects are still being assessed for production of e-methanol and e-jetfuel. These are two distinct projects, with different technologies and potential partners. In both cases, an essential component is biogenic CO_2, a by-product in our pulp production processes. In brief, these are processes for synthesising (biogenic) CO_2 and green H_2 (obtained from water electrolysis) with a view to producing sustainable hydrocarbons (e-methanol, e-kerosene), neutral in carbon emissions, for the shipping and/or aviation sectors, where electrical engines are not an option.

Tissue

The tissue business area has proved both growth and the creation of sustainable value, whilst proving resilient and profitable, even in challenging market conditions.

In line with its business diversification strategy, the Navigator Group decided in 2014 to move into the tissue sector, and has pursued this goal consistently since then. It started in 2015 with acquisition of AMS Star Paper, with the capacity to produce 60 000 tons of tissue each year.

In 2018, the Group invested in a greenfield tissue production unit at our industrial site in Aveiro, integrated with our pulp mill, with rated capacity of 70,000 tons of tissue paper/year and production capacity for finished products of 55,000 tons.

In 2023, the Navigator Group acquired the tissue business of the Spanish Gomà-Camps Group and the industrial site in the Zaragoza region, which has capacity to produce 35,000 tons of tissue paper a year, along with converting capacity of 55,000 tons.

More recently, in 2024, the Navigator Group acquired the Accrol Group, in the United Kingdom, incorporating 5 plants producing tissue and wet wipes (a new category of hygiene and cleaning products, to complement our existing range), with total rated production capacity for 130,000 tons of finished products.

With the incorporation into the group of Accrol, now called Navigator Tissue UK, the Navigator Group is now one of the top 4 players in the tissue paper converting market in the United Kingdom and is vying for leadership of the private label segment.

With this dynamic of expansion, the tissue business area has proved both growth and the creation of sustainable value, whilst proving resilient and profitable, even in challenging market conditions, permitting us to look forward to continued growth (organic and/or non-organic) in this market segment.

Biomaterials

With RAIZ, Navigator' R&D laboratory, the Group has been researching and stepping up development of new bioproducts derived from *Eucalyptus globulus.*

With RAIZ, Navigator' R&D laboratory, the Group has been researching and stepping up development of new bioproducts derived from *Eucalyptus globulus*, exploring business opportunities in the bioeconomy for a vast range of applications, in particular in the areas of hygiene and personal care, cosmetics, nutraceuticals, food additives and the health sector, as well in biofuels and synthetic fuels.

Packaging

In 2024, Navigator started up integrated production of moulded eucalyptus cellulose parts, intended to substitute single-use plastic packaging in the food service and food packaging market.

The development of our packaging business continues to show considerable promise, with a growing Customer base and recognition of the quality of our sustainable products, based on eucalyptus globulus fibre, for varied uses in sectors ranging from fashion to food retail, e-commerce, manufacturing and farming. At present, 70% of sales are to European countries, in particular Italy, the Iberian Peninsula, France and Germany. Outside Europe, the main markets are Latin America, Turkey and Northern Africa.

As part of the process of business diversification, and in keeping with the sustainability and ESG goals

established, the Navigator Group has moved into new segments, launched in 2023 and the early months of 2024, especially in the area of flexible packaging. The results have confirmed the effectiveness of the strategy of diversifying into these new packaging paper applications using eucalyptus fibre.

In 2024, Navigator started up integrated production of moulded eucalyptus cellulose parts, intended to substitute single-use plastic packaging in the food service and food packaging market. The seven initial products offer production flexibility and scalability for exploiting the various opportunities opening up for substituting single use plastics and aluminium.

Mozambique

Portucel Moçambique contributes with significant economic and social impacts.

Since the Memorandum of Understanding signed in 2018 with the Mozambican Government, work has continued to centre on Phase 1 (export of woodchip). Portucel Moçambique started in 2020 to harvest the first plantations established in Manica province, yielding wood which was exported between 2021 and 2024 from the port of Beira. These shipments totalled 285,000 cubic metres, with an export value of more than 21 million dollars.

In this regard, construction of the new port in Macuse is a major step forwards and one of the pre-conditions for developing the project, both for the first phase (woodchip) and for future exports of the paper pulp to be produced in the second phase of the project, which involves building the pulp mill.

Portucel Moçambique contributes with significant economic and social impacts, starting with jobs and vocational training, above all in the countryside (2000 jobs in phase one and 8000 in phase two), but also through economic growth and a stronger value chain (3.3 billion meticais, of 75 million dollars, in contracts for Mozambican companies). The venture also boosts exports, by 100 million dollars/year in the first phase and a billion dollars/year in the second. There are also contributions to developing transport and logistical infrastructure.

$21m
Wood exported between 2021 and 2024

$75m
Contracts for Mozambican companies

3.2. Governance model

The management of the Company is centred on the relationship between the Board of Directors and the Executive Committee.

The Navigator Company has a unitary management model, with a Board of Directors (BD) comprising executive and non-executive directors, as well as an Audit Board and a Statutory Auditor. The General Meeting consists of all the shareholders who wish to attend: there are no limits on exercise of voting rights by its shareholders.

The following **internal committees** exist in the Company:

Attached to the board of directors

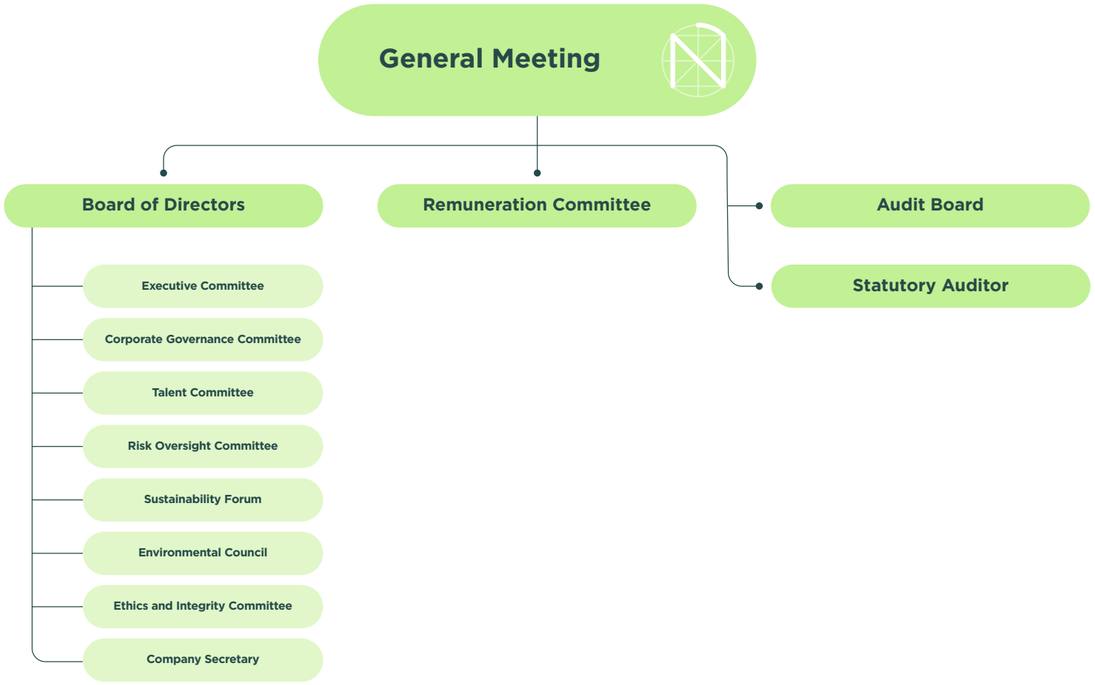
i. Executive Committee (EB)
ii. Corporate Governance Committee
iii. Talent Committee
iv. Risk Management Committee
v. Environmental Board
vi. Sustainability Forum

Not attached to the board of directors

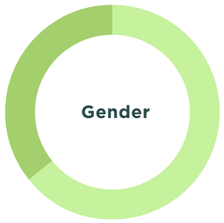
vii. Remuneration Committee
viii. Ethics and Integrity Committee

Decisions relating to definition of **Company strategy**, and to its **general policies** and the **corporate structure** of the Navigator Group, are the province of the Board of Directors, and the Executive Committee has no delegated powers to this effect. The non-executive directors accordingly take part in designing strategy, central policies and the business structure and in reaching decisions that are to be considered strategic by virtue of the sums or risks involved, and also in assessing execution of these decisions. Currently, there is no representation of employees or other workers on administrative, management or supervisory bodies.

The **management of the Company** is centred on the relationship between the Board of Directors and the Executive Committee.



Details of Board of Directors



- **64.3%** Men
- **35.7%** Women

- **71.4%** Non-independent
- **28.6%** Independent

- **93%** Portuguese
- **7%** Other

Average time on board

5.7 years
overall average

Simple mean with extremes of 0 to 16 years

- **0** less than 1 year
- **10** between 1 and 5 years
- **2** between 5 and 10 years
- **2** more than 10 years

0.55 Average ratio of women to men (5:9)

Members

6 Executive Directors
8 Non-executive Directors

Average age

57.5 years

Age range

46 to 72 years

Corporate Bodies

Board of Directors

Chairman
Ricardo Miguel dos Santos Pacheco Pires

Members
Ana Teresa Cunha de Pinho Tavares Lehmann
António José Pereira Redondo
António Quirino Soares
Dorival Martins de Almeida
Hugo Alexandre Lopes Pinto
João Paulo Cabete Gonçalves Lé
José Fernando Morais Carreira de Araújo
Maria Isabel da Silva Marques Abranches Viegas
Maria Teresa Aliu Presas
Mariana Rita Antunes Marques dos Santos
Nuno Miguel Moreira de Araújo Santos
Sandra Maria Soares Santos
Vítor Paulo Paranhos Pereira

Executive Committee

Chairman
António José Pereira Redondo

Members
António Quirino Soares
Dorival Martins de Almeida
João Paulo Cabete Gonçalves Lé
José Fernando Morais Carreira de Araújo
Nuno Miguel Moreira de Araújo Santos

Audit Board

Chairman
José Manuel Oliveira Vitorino

Full members
Gonçalo Nuno Palha Gaio Picão Caldeira
Maria da Luz Gonçalves de Andrade Campos

Alternate member
Marta Isabel Guardalino da Silva

Remuneration Committee

Chairman
Maria Eduarda Faria e Maia de Oliveira Luna Pais

Members
Carlota Infante da Câmara Albergaria Caldeira
João do Passo Vicente Ribeiro

Officers of the General Meeting

Chairman
Rui Pinto Duarte

Secretary
Luís Nuno Pessoa Ferreira Gaspar

Company Secretary

Full
António Pedro Gomes Paula Neto Alves

Alternate
António Alexandre de Almeida e Noronha da Cunha Reis

Statutory Auditor and External Auditor

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A

Represented by
Rui Filipe Dias Lopes, , Statutory Auditor, registered with the Association of Statutory Auditors under no. 1715

Alternate
Vítor Manuel da Cunha Ribeirinho, registered in Ordem dos Revisores Oficiais de Contas under no. 1081

For more detailed information we refer to the Report on Corporate Governance Practices. Issues of sustainability governance are addressed in Chapter 5.1.

Skills matrix

	Gender	Year of birth	Position	Engineering	Economy	Management	Other areas of study	Business Management and Administration	Governance	Mergers & Acquisitions	International Expansion	Academic	Talent Management	Research and Development	Information Technologies	Sustainability*	Pulp and Paper	Energy	Industry
Ricardo Pires	M	1976	Chairman			●	●	●	●	●	●	●	●			●	●	●	●
António Redondo	M	1964	CEO	●		●	●	●	●	●	●	●		●		●	●	●	●
Fernando Araújo	M	1964	CFO			●	●	●	●	●	●	●			●	●	●		●
Nuno Santos	M	1970		●		●		●	●	●	●			●		●	●	●	●
João Lé	M	1963		●		●	●	●			●			●		●	●	●	●
Dorival Almeida	M	1966		●		●	●	●	●		●		●	●	●	●	●	●	●
António Quirino Soares	M	1974			●	●		●			●	●		●			●		●
Ana Lehmann	F	1972			●	●		●		●	●	●		●	●	●		●	●
Hugo Pinto	M	1978		●		●	●	●		●		●	●		●				●
Isabel Viegas	F	1958					●					●	●	●		●			
Mariana Marques dos Santos	F	1966				●		●	●		●	●	●		●				
Sandra Santos	F	1971			●	●		●		●	●	●	●			●		●	●
Teresa Presas	F	1952					●	●	●	●	●					●	●		●
Vítor Paranhos Pereira	M	1957			●			●	●	●	●		●		●	●			

* Includes powers for overseeing strategy, management of impacts, risks and opportunities, good practices and certification on topics related to (i) Sustainable Forest Management and Biodiversity Conservation; (ii) Climate Action and Energy; (iii) Water Management; (iv) Circular Economy; (v) People Management; (vi) Innovation, Development and Bioproducts; and (vii) Value Chain.

Table in context in section 16, Corporate Governance Report | Part I – Information on Capital Structure, Organisation and Corporate Governance

3.3. Risk management

ERM was extended in 2024 to the new business areas, in particular Tissue Paper and Packaging.

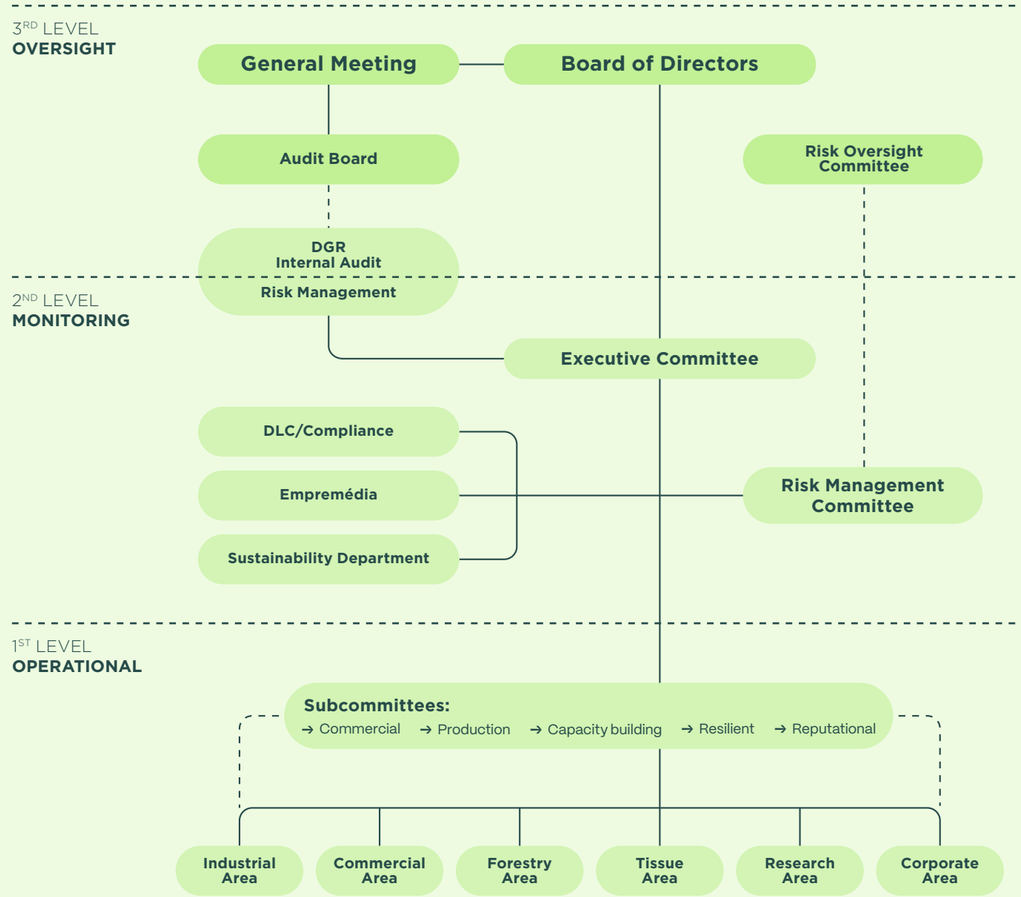
ARisk management is a crucial process in our business as it provides a structured approach for identifying, assessing and analysing potential risk events that might influence the Group's objectives, as well as for identifying mitigation measures, so as to reduce the likelihood of the occurrence of such events and the scale of their impact.

In 2023, in order to strengthen the company's risk management process, the **Risk Management Department (DGR)** reviewed and implemented a new **Enterprise Risk Management (ERM)** framework in accordance with the COSO guidelines (Committee of Sponsoring Organisations, Treadway Commission) and ISO 31000. The implementation of this framework involved the participation of the - various Group departments, and it was initially rolled out for the UWF Paper and Pulp business lines. ERM was extended in 2024 to the new business areas, in particular Tissue Paper and Packaging. This has brought improved alignment with the Group's strategy and goals, as well as targeted and continuous monitoring of risks, with clear segregation of responsibilities between those involved in the process.

The Risk Management Governance Model has also been improved, entailing a new **Risk Management Committee** which is geared primarily to: (1) permanent monitoring of Group risks; (2) the need to empower the risk management process; (3) the specific expertise needed in risk management; (4) coordination between the different risk management areas and subsystems. Subcommittees (Commercial, Production, Capacity Building, Resilience and Reputational) have also been set up with the following objectives: (1) to integrate and coordinate relations between risks; (2) to calibrate risk assessments and appetite levels; (3) to monitor and push for risk mitigation; (4) to help think through the response to risk (expertise); (5) to support and implement mitigation measures; (6) to report risk issues. A **Risk Oversight Committee** has also been set up to exercise oversight.

This risk management Governance Model is aligned with the **IIA** (Institute of Internal Auditors) **Three Lines Model**, which involves: (1) in the first line, all business units responsible for conducting everyday risk management activities; (2) the second line consists of the CEO, the Risk Management Department, the Compliance Unit, Empremédia (insurance brokers) and the Sustainability Department, who are responsible for providing support in the implementation and monitoring of risk management and the Risk Management Committee, in order to ensure that risks are identified and correctly managed on an ongoing basis; (3) the supervisory line consists of the Internal Audit Office, the Audit Board and the Risk Oversight Committee, who ensure that the first and second lines comply with the policies and standards adopted.

Risk management governance model

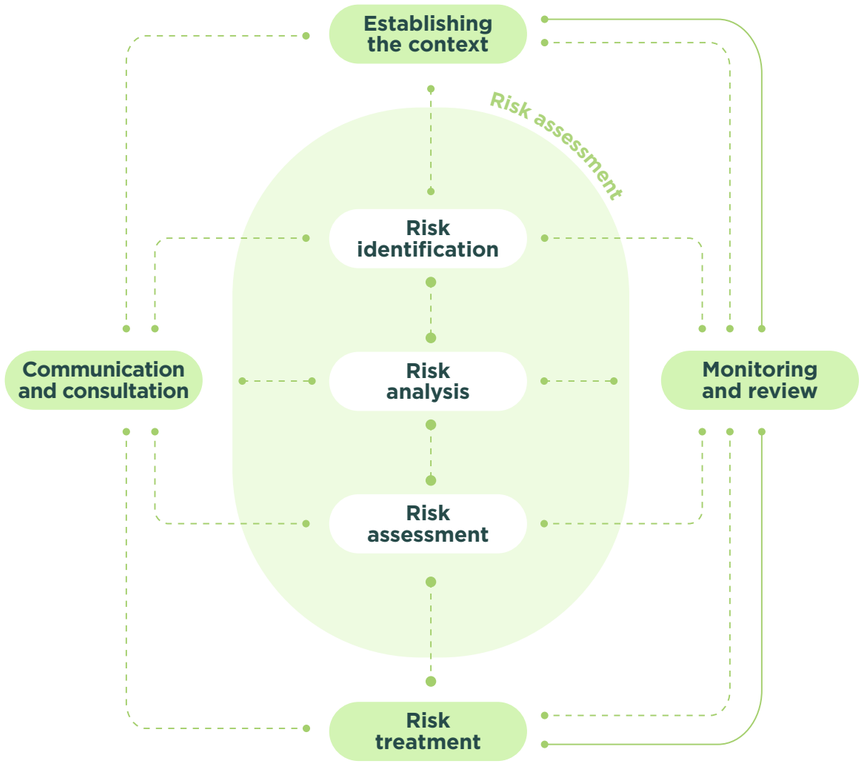


Risk management process

Risk management in the Navigator Group is based on the Risk Management Policy, approved by the Board of Directors, which (i) lays down the principles, guidelines and responsibilities for appropriate identification, analysis, assessment, treatment and response to risks and (ii) ensures that risk management is consistent with the Group's strategic goals, helping to promote a risk management culture in the organisation.

The Group's risk management process is in line with internationally accepted best practices, models and frameworks for risk management, including COSO II - Integrated Framework for Enterprise Risk Management and ISO 31000. This process comprises a series of seven inter-related phases, which together comprise a process of ongoing improvement, embodied by a communication and consultation process and a monitoring and review process. The following diagram illustrates the workflow for the risk management process.

For more information on the risk management process, we refer to the Corporate Governance Report - Section C.III - Internal Control and Risk Management.



Main risks

The process of determining the main risks entails various stages, including: (1) analysis of internal and external context and structuring of Group strategy and goals; (2) interviews with first line managers in order to identify risks; (3) analysis of connections between risks; (4) sub-committee risk surveys; (5) attribution of risk owners; (6) definition of risk appetite levels; (7) assessment of inherent risk; (8) definition of existing mitigation measures; (9) residual risk assessment; (10) risk matrix. The main risks reflected in the risk matrix are updated each year.

At Navigator, risk management is a key strategic element for ensuring the organisation's resilience and sustainability in the long term. In 2024, the Company strengthened its commitment to incorporating ESG (Environmental, Social, Governance) concerns in risk management, as established in our 2030 Roadmap. This serves to underline the strategic importance of ensuring that environmental, social and governance risks are addressed pro-actively across the whole organisation.

Mindful of the growing significance of climate and natural risks for the future of business and the planet, and with the adoption of new sustainability standards, incorporating the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and the TNFD (Taskforce on Nature-related Financial Disclosures), we have strengthened the integrated risk management approach to material sustainability topics, enabling us not only to consolidate the integration of ESG dimensions, but also to identify new areas requiring strategic attention. These resulted in the inclusion of a new risk in our Enterprise Risk Management (ERM) framework: that of **biodiversity conservation**. This reflects the growing importance of preserving ecosystems and the need to mitigate the impacts linked to environmental degradation, ensuring that our operations are sustainable and that natural resources are protected.

1. Cybersecurity, information systems and artificial intelligence
2. Access to wood
3. Talent management
4. Evolution of the regulatory environment
5. Adverse weather events
6. Logistics chain
7. Access to utilities
8. Price volatility
9. Competitive environment
10. Fraud
11. Access to finance
12. External context
13. Health and safety at work
14. Public perception
15. Financial markets
16. Biodiversity conservation
17. Changes in consumption
18. Valuation of assets
19. Knowledge management
20. Business diversification
21. Access to raw materials
22. Non-natural environmental disasters
23. ESG performance
24. Climate transition
25. Productive efficiency
26. Governance
27. Innovation management
28. Adverse labour situations
29. Customer satisfaction
30. Investment decision-making
31. Loans to customers

Risk description

1 Cybersecurity, information systemsand artificial intelligence

Risk of loss of security, confidentiality, transparency, integrity and availability of data and systems due to exposure to improper access or new forms of cyber-attacks or information theft, which exploit vulnerabilities in information, corporate and industrial control technologies, or the improper use of artificial intelligence technologies.

2 Access to wood

Risk of actual unavailability of wood due to regulatory or legislative restrictions (e.g. restrictions on planting eucalyptus) and failures to promote the productivity, resilience and sustainability of national forests.

3 Talent management

Risk of inability to attract, retain and develop talent to cope with the departure of resources in critical or difficult-to-replace business areas or to respond to additional resource needs.

4 Evolution of the regulatory Environment

The risk of regulatory changes arising from political choices, particularly at tax, environmental or economic level, significantly affecting, directly or indirectly, the Group's operations and/or results.

5 Adverse weather events

Risk associated with adverse climatic events, whether chronic (e.g. water stress) and/or acute (e.g. cyclones or floods).

6 Logistics chain

Risk of lack or unavailability of logistical resources to operate, as a result of natural constraints (e.g. bad weather) or market constraints (e.g. relocation of suppliers).

7 Access to utilities

Risk of effective unavailability of utilities (e.g. water and energy) in industrial activity.

8 Price volatility

Risk of price or margin fluctuations due to changes in market conditions.

9 Competitive environment

Risk of increased competitive pressures due essentially to the competitive positioning of producers with significantly lower production costs.

10 Fraud

Risk of fraudulent acts, corruption (e.g. conflicts of interest) and/or unethical behaviour on the part of the Group or third parties.

11 Access to finance

Risk of unavailability of internal or external financing due to endogenous causes (e.g. over-indebtedness) or exogenous causes (e.g. contraction and negative outlook for business development, decrease in market liquidity).

12 External context

Risk of significant or disruptive changes in the Group's external context caused, for example, by the occurrence of pandemics (e.g. Covid-19) and/or serious economic recession in the main markets or at European/global level.

13 Health and safety at work

Risk of accidents at work and/or failure to protect the health of employees as a result of non-compliance with safety procedures and rules or the occurrence of unexpected public health events (e.g. Covid-19).

14 Public perception

Risk of degradation, inability to monetise or increase the value of existing reputational capital in the medium to long term, due to reputationally damaging events or inaction in the management of existing reputational capital.

15 Financial markets

Risk of exposure to unfavourable variations in the exchange rate and/or interest rate and applicable ratings, which have a significant negative impact on the Group's financial results.

16 Biodiversity Conservation

Risk of loss of genetic variety, species and ecosystems, compromising the resilience of natural resources, sustainability and compliance with legal requirements.

17 Changes in consumption

Risk of significant irreversible decline or discontinuity in the consumption of the Group's products or markets as a result of the emergence of alternative products and technologies.

18 Valuation of assets

Risk of loss in the valuation of assets that significantly impacts the value of the Group's balance sheet.

19 Knowledge management

Risk of loss of accumulated knowledge in the Group (intellectual capital) due to the departure of employees in key positions with specific knowledge and/or experience and the lack of effective policies for sharing and transmitting knowledge.

20 Business diversification

Risk of failure to identify opportunities for new businesses, products or processes.

21 Access to raw materials

Risk of unavailability of raw materials (e.g. chemicals) due to disruptions in supply chains.

22 Non-natural environmental disasters

Risk of occurrence of a serious environmental accident due to incidents of unnatural causes occurring in the assets under the Group's responsibility, of internal or external origin, corresponding, for example, to the explosion of industrial equipment or spillages of toxic liquids and environmental contaminants.

23 ESG performance

Risk of poor strategic orientation in the management of ESG components with a significant impact on the Group's reputation and financial performance.

24 Climate transition

Risk arising from the process of adapting to a low-carbon economy, namely the Group's inability to adapt to structural and long-term changes in technology, regulation and the market (e.g. changes in consumer preferences).

25 Productive efficiency

Risk of production inefficiency caused by errors and/or failures in the production process.

26 Governance

Risk of incapacity or existence of unintentional flaws in the Group's governance model.

27 Innovation management

Risk of reduced innovation activity with a transformative impact on the business, essentially due to the lack of focus on the effectiveness of R&D&I processes, from the perspective of orientation and impact on the business.

28 Adverse labour situations

Risk of adverse labour situations arising due to non-compliance with current labour legislation and/or inadequate management of labour relations with workers, workers' representative organisations and trade unions.

29 Customer satisfaction

Risk of reduced customer satisfaction as a result of product and/or service degradation.

30 Investment decision-making

Risk of difficulty in executing investments considered strategic and necessary for business development and operational efficiency.

31 Loans to customers

Risk of difficulty or inability to collect all the amounts granted as loans to customers within the agreed timings.

The Corporate Governance Report contains a brief description of the various risks included in the ERM tool, as well as the main mitigation measures envisaged.

For more detailed information on the alignment between the Navigator Group's main risks and the material sustainability topics identified, we refer to Chapter 5, Non-financial Statement.

Embracing an active role

in developing a low-carbon and circular economy.

3.4. 2030 Agenda and Roadmap

In its 2030 Responsible Management Agenda, Navigator has comprehensively and ambitiously embraced a commitment to Sustainability.

The Navigator Company's **Responsible Management Strategy** incorporates and highlights the Company's commitment to Sustainability. As vigilant observers of the world around us, we periodically analyse major global trends and the principles challenges posed to our business.

The Navigator Company has embraced an active role in developing a low-carbon and circular economy, both through sustainable management of its forests, investment in renewable energy, and through its commitment to a forest-based bioeconomy, by offering bioproducts able to substitute other fossil-based goods.

In its 2030 Responsible Management Agenda, Navigator has comprehensively and ambitiously embraced a commitment to Sustainability, supporting and monitoring its performance through an ESG framework known as the 2030 Roadmap.

3.4.1. Global trends and challenges for Navigator

At The Navigator Company we remain committed to monitoring global developments and their implications, thereby refining our strategy for operating successfully and sustainably in a scenario of uncertainty. We understand the importance of contributing to a sustainable future, as a reference company in the national economic fabric and in the forest-based bioindustry. With a worldwide value chain, we work continuously to keep up with and respond to the challenges of our sector.

Nowadays we face an increasingly complex and unstable reality, conditioned by strong geopolitical and financial tensions that constantly test our Purpose. Whilst the uncertainties so characteristic of the current situation present challenges for companies, they can also open doors to new opportunities. These challenging scenarios act as catalysts for innovation, where ambition, dedication and resilience are essential for achieving concrete results with a lasting impact, directly influencing our capacity to generate sustainable value over time.

The Global Risks Report 2025 published by the World Economic Forum (WEF) offers a comprehensive analysis of the challenges which will shape the global outlook, highlighting the growing interconnection between geopolitical, environmental, social and technological risks. It also stresses the need for international cooperation and innovative strategies for ensuring stability and resilience.

This meant that our Responsible Business Agenda, or 2030 Agenda, was designed around an analysis of the main macrotrends and challenges which could directly or indirectly impact the Company's business, and an analysis of the relevance of the main sustainability topics. In order to ensure that our 2030 Agenda remains up to date and responds to a constantly changing scenario, we have been reviewing these premises - in 2024 we conducted a review of the double materiality analysis (Chapter 5.1) which resulted in adjustment to the material topics, and in early 2025 we reviewed the main macrotrends and challenges, in the light of global sustainability trends. The following figure illustrates the process of designing Navigator's 2030 Agenda.

It concludes that, in general, the macrotrends and challenges identified in previous years remain relevant, even if it might make sense to update the respective descriptors so as to reflect the current context.

Below we present the most relevant macrotrends shaping the scenario in which we operate.

FROM FOREST TO FUTURE

Forest at Baldio de Pincães, Gerês

Macrotrends identified as relevant

Planet at the limit

Existential threats to the Earth and human life, biodiversity loss and climate change all point to the planet's limits, both in the short and long term.

The scarcity of resources, deforestation and pollution accelerate degradation of the environment and the emergence of zoonotic diseases (epidemics and pandemics), of which Covid-19 is the most recent example.

Increasing temperatures and the imbalance in the terrestrial system leading to more frequent and more severe climate phenomena will bring suffering and migration, resulting in costs and economic losses.

Increasingly severe water stress may affect two thirds of the world population by 2025, and generate geopolitical conflicts over access to water.

Soil and land degradation will have a material impact on farming in many regions.

Air quality will remain a concern in many cities, with severe consequences for public health.

Critical changes in terrestrial systems have been identified by the WEF as the third most severe global risk within a horizon of 10 years.

Demographic change

The world's population is growing, ageing and increasingly urbanised.

Demographic changes increased involuntary migratory flows and the growth of megacities puts additional pressure on natural resources.

Demographic factors are impacting economic development, due to both the ageing of the population, and intergenerational differences.

The inversion of demographic pyramids in some parts of the world may lead to the failure of social security systems and the need for older generations to stay in work.

As power shifts from baby boomers to millennials and Generation Z, reflecting different experiences and perspectives, companies will be challenged to stay relevant in their purpose, and to invest more and take greater care of their human capital, on which their ability to compete depends.

Technological innovation

New technologies, such as digitalisation, automation, Artificial Intelligence (AI), Blockchain and BigData will allow companies to accelerate and expand their positive impact on sustainable development of the economy and society.

Key technologies in different areas – from biotech to renewable energy – will undergo exponential development.

New technology has implications for the future of work. New jobs will be gained, but old jobs will be lost, which entails learning new skills, and refreshing the old.

The risk of growing digital inequality in access to networks and critical technologies.

Greater dependence on cybernetics and data systems.

Added vulnerability to cyber attacks. The risk of new levels of data snooping and manipulation in the service of profits and power.

According to the WEF, the risk of disinformation and misinformation is the most severe global risk in a time horizon of 2 years.

Within a timeframe of 10 years, the adverse effects of AI is one of the most severe global risks.

Disruption of social cohesion

Increasing social divisions, uncertainty and anxiety.

Increased inequality within and between countries, together with the erosion of trust in institutions, is fuelling a wide range of protest movements, and could potentially lead to polarisation of domestic politics, populist and nationalist sentiment and authoritarian regimes.

Feelings of anxiety, depression, loneliness and stress, in response to the pandemic and an uncertain future, can undermine social cohesion.

Rising inflation, loss of purchasing power and structural deterioration of job prospects and/or living standards for people of working age could lead to crises in employment or livelihoods, and to the erosion of employment rights.

Differences in access to technology and digital skills increases the risk of the gap between "rich" and "poor", challenging social cohesion.

Geopolitical and economic instability

Geopolitical instability, economic downturn, shifts in power and consequent move away from multilateralism.

Trade tensions will probably remain a feature of the geopolitical scene for the rest of the decade.

The centre of gravity in the global economy is shifting to Asia, but also to Africa and Latin America.

Nationalisation of resources and competition between states for control of vital raw materials will potentially become an increasingly important factor in international relations, with a consequent impact on supply chains, which will tend to shorten.

Higher interest rates, together with a drop in earnings in real terms, are leading to economic recession.

Economic recession, inflation, erosion of social cohesion, manpower shortages and public debt are the main risks identified by Portuguese business leaders in WEF's 2024 Executive Opinion Survey.

Armed conflict has risen up the list and is identified by the WEF as the third most severe global risk within a horizon of 2 years.

This context is reflected in a series of **challenges** that are posed to Navigator's business, identified in a process that involve participation by external and internal Stakeholders, as detailed below: (i) Protect and value biodiversity; (ii) Climate mitigation and low carbon economy; (iii) Sustainable consumption; (iv) Circular economy; (v) Tech for Good; (vi) the Future of Work; (vii) Investment in human capital; (viii) Protection of fundamental rights; (ix) Resilient and sustainable value chains; (x) Participation in the adaptation of the regulatory framework; and (xi) Stakeholders Capitalism.

The design process for Navigator's Agenda 2030 is represented in the following page.

Global Trends

Planet on the Edge

Demographic Changes

Technological Innovation

Disruption of Social Cohesion

Geopolitical Instability

Macrotrends

Challenges for Navigator

- → Protecting and valuing biodiversity
- → Climate mitigation and low-carbon economy
- → Sustainable consumption
- → Circular economy
- → Tech for Good
- → Future of work
- → Investing in human capital
- → Protection of fundamental rights
- → Sustainable and resilient supply chains
- → Participation in adaptation of regulatory framework
- → Stakeholder Capitalism

Double Materiality Analysis

Material topics

Stakeholder consultation

For Society

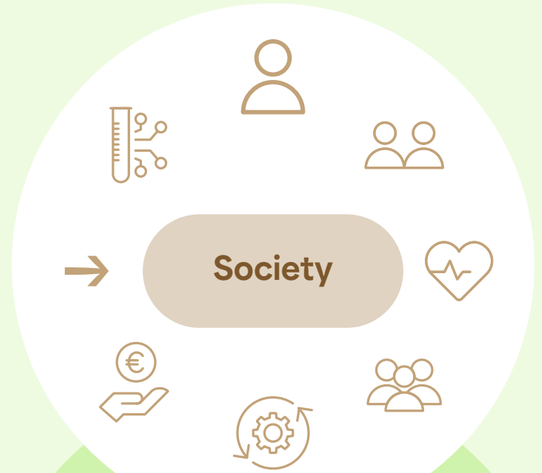
- → People, Talent, and Human Capital Development
- → Health, Safety and Well-being
- → Community Relations
- → Supply Chain Management
- → Responsible Business Conduct
- → Innovation, Technology and R&D

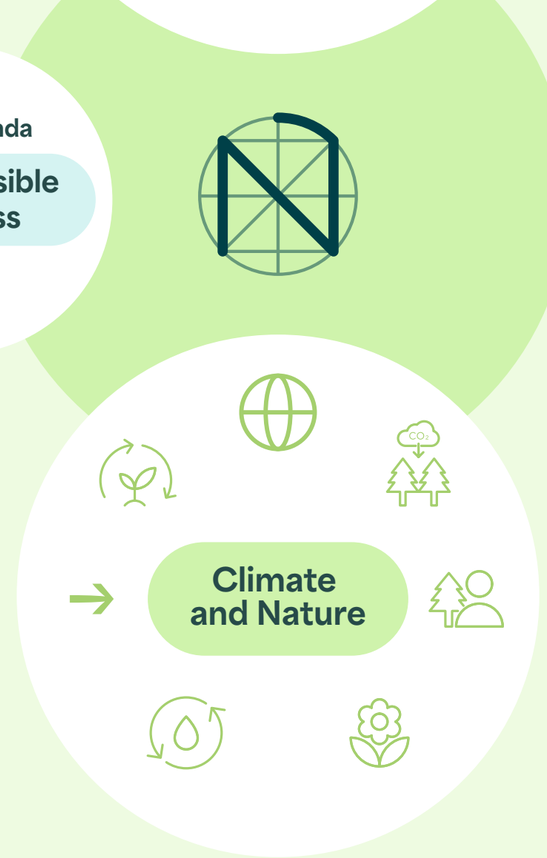
For the Climate and Nature

- → Climate Change
- → Sustainable Forest Management
- → Biodiversity Conservation
- → Water Management
- → Use of Resources and Circular Economy

2030 Agenda

A Responsible Business





Creating Value Responsibly

to boost the company's positive impact in the long term.

3.4.2. Our Agenda

The Navigator Company's 2030 **Responsible Management Agenda** is based on the principle of "Creating Value Responsibly" and was developed to boost the company's positive impact in the long term, contributing to sustainable growth, aligned with the demands of a constantly changing world. In order to manage it, we established a strategy anchored in a **governance structure** that promotes economic success in a fair and balanced way, taking account of our Stakeholders' interests and encouraging them to cooperate (Chapter 3.4.5).

Our management is anchored in the principles of Ethics, Responsibility and Transparency. Faithful to our Purpose – centred on people, their quality of life and the future of the planet – we accept our responsibility for forest-based products that promote sustainable development and the well-being of society, in full alignment with the **United Nations 2030 Agenda** (Chapter 3.4.3).

We have adopted a stance focused on long term **value creation**, by strengthening performance, business resilience and our corporate reputation, while making sustainability a strategic competitive advantage (Chapter 2.3).

In order to ensure that our efforts are focused on the areas with the greatest impact, we conducted a review of our double materiality analysis (Chapter 5.1), identifying Impacts, Risks and Opportunities. This process led to the definition of **11 material topics** and consequently to updating the 2030 Agenda, which remains structured around two strategic action areas – for the Climate and Nature, and for Society –, each one with a specific purpose and aligned with the **two dimensions of our purpose**, People and the Planet.

Strategic Axes of the 2030 Agenda

For Climate and Nature - Acting: Preserving and enhancing natural capital, thus generating economic, environmental and social value by minimising the ecological footprint and optimising efficiency in the use of resources; Contributing to a circular and low-carbon economy based on innovation, technology and R&D.

For Society - Grow: Apply ethical principles, demonstrate integrity and transparency in everything we do, manage risk, promote respect for human rights and make commitments to our Stakeholders; Develop our people, involve communities and share value with society in a fair and inclusive way.

The Navigator Company's 2030 Agenda Material Topics

The material topics of the 2030 Agenda have only undergone minor adjustments in name and scope as a result of the double materiality review conducted at the end of 2024 and to more clearly reflect their link to the ESRS standards, while remaining stable in their essence and thematic focus. The table below illustrates this interconnection between the standards and our 11 material topics:

ESRS Thematic Standards Materials	Material Topics – 2030 AGENDA
Environmental Issues → E1 – Climate change → E3 – Water and marine resources → E4 – Biodiversity and ecossistems → E5 – Resource use and circular economy	**Climate and Nature strategic area** (5 material topics) → Climate Change → Water Management → Use of Resources and Circular Economy → Biodiversity Conservation → Sustainable Forest Management (*)
Social Issues → S1 – Own workforce → S2 – Workers in the value chain → S3 – Affected communities	**Society strategic area** (6 material topics) → Inovation, Tecnology e R&D → People, Talent, and Human Capital Development → Health, Safety and Well-being → Community Relations → Supply Chain Management → Responsible Business Conduct
Governance Issue → G1 – Bussiness conduct	

(*) Entity-specific disclosures

2030 AGENDA

Material Topics

For Society

- → Innovation, Technology and R&D
- → People, Talent and Human Capital Development
- → Health, Safety and Well-being
- → Community Relations
- → Supply Chain Management
- → Responsible Business Conduct

A Responsible Business

For the Climate and Nature

- → Climate Change
- → Water Management
- → Use of Resources and Circular Economy
- → Biodiversity Conservation
- → Sustainable Forest Management

For Climate and Nature: Act

Climate Change

As an industrial undertaking, we are aware that our activity, through our own operations and those along our value chain, have an impact on consumption of natural resources, with consequent atmospheric emissions, generation of odours, liquid effluents, waste and other issues. These include greenhouse gas (GHG) emissions with potential negative impacts on the environment and on the worsening of the effects of climate change. The consumption and production of energy is a highly important topic in the context of operational performance and management of Navigator's resources, representing simultaneously significant costs and income, and an important share of the total GHG emissions generated.

On the other hand, our forest operations make a positive contribution to sequestering carbon. It should be stressed that, of all Portuguese forest species, eucalyptus is that which sequesters the most CO_2 per hectare, in each year of growth. The figure for eucalyptus stands is 11.3 tons of CO_2/hectare per year, almost three times more than woodlands of maritime pine (3.9 tons of CO_2/hectare per year) and seven times more than cork oak woodlands (montado) (1.6 tons of CO_2/hectare per year) .

In the field of climate risks, a project has been in progress since 2022 to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The aim is to be able to integrate the TCFD recommendations into corporate strategy and risk management processes, seizing the opportunity to assess the potential financial and strategic implications of climate change and to develop appropriate responses.

Our **commitments** on climate change and energy topics are set out in our 2030 Roadmap (Chapter 3.4.4), and envisage:

- Promoting efficient use of resources, minimising our ecological footprint, with the aim of optimising energy intensity, year after year;
- Investment in low carbon solutions leading to carbon neutrality, with the aim of cutting GHG emissions from operations in Portugal (by 2035) and increasing renewable energy as a proportion of total consumption of primary energy in 2030;
- Promote sustainable use of soil and forest resources, including biodiversity, with the aim of ensuring that the CO_2 stock sequestered in Navigator's forest holdings in Portugal does not decrease more than 10% from its 2022 level.

We develop and incorporate technologies and practices geared to **environmental protection and prevention of atmospheric pollution**, in compliance with the applicable legal requirements and best practices.

Since 2019, we have voluntarily adopted a **roadmap to carbon neutrality**, reflecting our ambition of decarbonising the industrial complexes in Portugal by 2035 (ETS – European Emissions Trading Scheme emissions).

We took our commitment to cutting CO_2 emissions further by signing up to the **Science Based Targets** initiative (SBTi), and securing approval of the targets submitted in 2022. This global organisation, respected internationally for its assessments of initiatives taken by companies towards a low-carbon economy, has validated our science-based climate targets as a "key element" in Navigator's decarbonisation journey towards net zero. The new **reduction targets** (detailed in the next section) now include scopes 2 and 3 in the Company's inventory of carbon emissions in Portugal, as well as extending the other scope 1 emissions, and were set taking 2020 as the baseline (date of our first full emissions inventory).

As well as helping to mitigate climate change, our decarbonisation plan has a positive impact thanks to the use of **waste forest biomass to produce energy,** reclaiming this resource and protecting forests against fires. Another positive impact comes from the generation of power from renewable sources. We are **phasing out consumption of fossil-based energy and replacing it with less carbon-intensive energy sources**, and investing in **photovoltaic solar power,** which generates power for internal use, cutting our energy costs.

As a bioindustry on the right side of the future, based on the eucalyptus sector and the pulp and paper industry, we promote a **forest-based bioeconomy** with potential positive impacts.

It is important to note that **CO_2 sequestered by trees** during the photosynthesis process is transformed into biogenic carbon, which is **stored in wood fibres** and consequently in **forest-based products**, such as pulp and paper. Sustainable management of our forests accordingly boosts this positive impact.

In Mozambique we can also point to our contribution to storing carbon, above all on two fronts, in planted forests and through preservation of conservation interest forests. Steps have also been taken to reduce emissions, such as through conservation farming techniques that mitigate the effects of nomadic farming, raising awareness of the need to reduce use of broadcast burns, among other activities under the Social Development Programme (Chapter 5.3.3).

In addition, we seek to develop processes that enable us to **capture carbon in the production process** and we invest in the search for **bioproducts and innovative solutions** (Chapter 3.4.4), developed in partnership with different entities, in line with current climate science, taking an active role in developing a circular and sustainable bioeconomy which is Nature-positive and Climate-neutral.

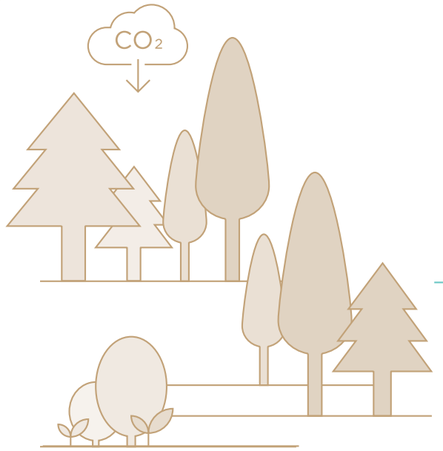
Our efforts in this were rewarded in 2024 with our classification as a climate action leader and an **"A" rating from CDP Climate Change**.

[1] Calculations made on the basis of "Inventário Florestal Nacional 6", published by Instituto de Conservação da Natureza e das Florestas (2015), considering all types of stand (pure, dominant and irregular) and for all biomass components.

Sequester

in our forests

Sustainable management of forests as a natural solution for the climate, through sequestration and storage of carbon while they grow



108,654* **hectares** of forest holdings under certified management in mainland Portugal in 2024

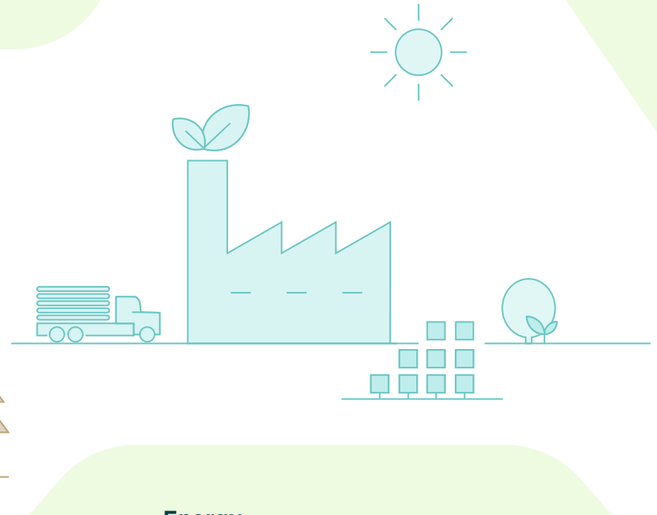
6.4 **M tCO**, accumulated stock, breaking down as follows:

- → Eucalyptus forests (73% of the area managed by Navigator): around **5.3 M tCO_2**
- → Woodlands of cork oak, conifers and other forest species under the Company's management: approximately **1.0 M tCO_2**
- → Agricultural areas or with shrubs or scrubland: approximately **160,000 tCO_2**

* Navigator also manages 1,111 hectares of forests in Galicia (Spain), 153 hectares in the Azores, and 26,932 hectares in Mozambique.

Reduce and Capture

Through our production process



Energy

- → Certification under ISO 50001:2018 at all industrial units
- → Implementation of energy efficiency projects at production units in line with our commitment to improved energy performance
- → Phasing our fuel oil consumption, replacing it with less carbon-intensive energy sources
- → Investment in renewable energy, such as solar for internal consumption and biomass
  - Solar power: **34 MWp** of installed power in more than 64,000 solar panels.

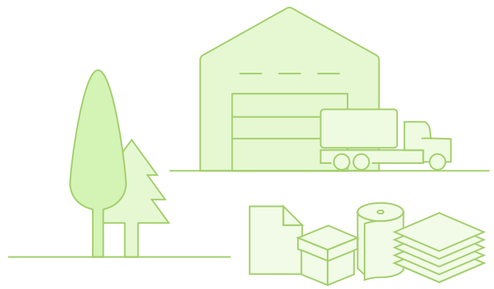
Circular economy

- → Capture of approximately **12,700 tCO_2** fossil, released in the pulp manufacturing process, for incorporation in manufacture of precipitated calcium carbonate (PCC).

Store

in our products

Products sourced from forests store carbon over time, allowing for reincorporation into Nature at the end of their useful lives



Paper is a sustainable product:

- → Natural source
- → Renewable
- → High recyclability rate
- → Biodegradable

2.6 **M tCO_2e** Biogenic carbon contained in products sold by Navigator in 2024

Leverage

the bioeconomy and low fossil carbon economy

Low fossil carbon solutions

Production and sale of renewable electricity through the use of waste forestry biomass

- → Biomass-powered Renewable Cogeneration (CoREN): rated power of **195.5 MW**
- → Biomass Power Stations (BPS): rated power of **25 MW**

Innovation

- → Investment in bioproducts

Water Management

At The Navigator Company, we use water resources throughout our operations, from forestry through to manufacturing. We recognise that rainfall patterns in the Iberian Peninsula have changed in recent years and so the water scarcity index in the various Hydrographic Regions where the Company operates has worsened, especially south of the Tagus. We are closely monitoring the impact of climate change on water resources, assessing the effect it may have on business continuity. It is important to note that we are involved in the design of the Hydrographic Region Management Plans (HRMPs) in the areas where our plants are located in Portugal, with representation on the Hydrographic Region Boards. In addition, we follow the findings of studies assessing water availability, both at present and in the future, determining the scarcity index per basin and sub-basin.

We have identified several **water-related risks** to industrial and forestry operations, such as physical risks (acute and chronic), such as droughts, water shortages, water stress, floods, saltwater intrusion and rising sea level, as well as transition, regulatory and technological risks. The main risks occur both in our supply chain and in our own use of the resource.

We also analyse the financial impact of climate risks on water management in connection with the project to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (Chapters 5.2.2 and 5.2.3).

We believe it is imperative that our activities should not, in themselves, constitute an additional risk factor for the environment and local Communities, and water management is one of the key issues discussed on the Community Monitoring Committees, whose contributions we incorporate in the design of water plans and measures, in particular the development of our Water Use Reduction Programme.

We have several **mitigation and adaptation measures** implemented and in progress, in order to address the risks identified and to cut use of this vital resource.

Our **commitment to responsible management** of water resources considers the quantity withdrawn, but also the quality of the water discharged. Our 2030 Roadmap (Chapter 3.4.4) therefore contains the following objectives in relation to industrial operations in Portugal:

- Promotion of efficient use of resources, minimising our ecological footprint, with the aims of studying the potential for reducing water consumption at the Espirra nurseries, monitoring the impact of production forests on water management, reducing specific use of water and reducing the organic load in effluents.

In relation to Mozambique, the aims of monitoring the impact of production forests on water management are part of the plan for the next three years.

It should be noted that the water used in industrial production processes is drawn not just from intakes, but also from the raw and subsidiary materials, including wood and chemicals. The water used is returned to nature in the form of water vapour and treated effluent, but wastes, products and by-products also contain significant volumes of water.

Main measures for reducing water withdrawal in forestry operations in Portugal

Increased R&D in relation to forestry practices for conserving water in the soil

Drip fertigation trials are one example of our current projects and seek to find solutions to mitigate wood yield losses in areas where water is scarce and where water use is more efficient. It is important to note that these scientific trials comply with relevant legislation and are subject to interruption in situations of extreme drought, thereby prioritising environmental responsibility and a precautionary approach in the face of adverse conditions.

Alteration of irrigation methods at Viveiros Aliança

Implementation of drip irrigation, to minimise water losses and reduce consumption. Between 2022 and 2024, irrigation of approximately 1.2 ha, resulting in a total saving of 18.5 thousand m³. In addition, the installation of an ultrasonic flow meter will make it possible to quantify drainage losses, with real time information, and plans are being considered for implementation of a circuit to reuse this water in social areas, in particular for watering gardens.

Search for solutions - genetic materials and practices - that make for greater resilience to water scarcity

Genetic improvement programme consisting of R&D to develop the best individuals for plantations, increasingly geared to dry conditions and tolerance of pests and diseases. The materials in production are reviewed annually and new recommendations are studied, which can include introducing new genetic materials. We are also investing continuously in our understanding of the influence of the soil and climate on the production capacity of forest stands and in studying forestry practices geared to local conditions, considering not only plant growth but also conservation and increased water retention in the soil. Particularly for sites in Portugal where water is most scarce, research has been conducted with water retention polymers applied when installing plantations, to verify their effect on plant resilience during the early stages in the field.

Increased R&D to study and monitor drainage basins

Research project, in partnership with the University of Aveiro, in which instrumentation is being trialled in two basins to monitor water availability (quality and quantity), seeking to understand the dynamic of the hydrological response over the development cycle of forest stands. These data are also being used to feed hydrological modelling (with the SWAT model - Soil and Water Assessment Tool). The project has already made it possible to calibrate the hydrological model, and to identify, on a spatial scale, areas within the basin where water availability is greater.

Use of Resources and Circular Economy

Planted forests play a crucial role in the transition from a linear economy, dependent on fossil fuels, to a circular bioeconomy low in fossil carbon. This transition is supported by renewable, recyclable and biodegradable forest products, bringing benefits for nature and contributing to carbon neutrality.

The wood we use at The Navigator Company is sourced from sustainably managed forests (Chapter 5.2.6). This is processed into various types of paper products which, after serving their purpose, are collected and recycled, becoming a raw material once more Fibre from the Eucalyptus globulus we plant in Portugal is recognised as suitable for recycling over a larger number of cycles than its competitors. A comparative analysis conducted by RAIZ, our forest and paper research institute, has proven that this species can be recycled over ten cycles - six more than for other paper fibres[2].

We are therefore positioning ourselves as a strategic player, investing in Research, Development and Innovation (RDI) projects for implementing the best available techniques for the sector and looking for bioproducts and innovative solutions, developed in partnerships with a variety of organisations (Chapter 3.4.2).

Our 2030 Roadmap (Chapter 3.4.4) reflects the importance of using these resources and promoting the circular economy, through a range of **commitments and goals**. In relation to raw materials and waste, our main focus has been on:

- Promoting efficient use of resources, minimising our ecological footprint, proposing solutions that make for greater efficiency in the use of wood in the industrial process;
- Promoting the circular bioeconomy, prioritising R&D solutions. The aim here is to develop sustainable applications that add value to industrial by-products (sludges, fly-ash and other inorganic waste) and to achieve, by 2030, a rate of waste disposal in industrial landfill of less than 10%.[3]

We invest in solutions that promote **efficient and responsible use** of raw materials, energy (Chapters 5.2.2 and 5.2.5) and water (Chapter 5.2.3), as well as **reduction and recovery** of the waste generated. Our ultimate aim is therefore to reduce the environmental impact of our operations, fostering continuous improvement of our performance and contributing to a low fossil carbon circular economy.

The production process used by the Company since its founding, the **kraft process**, is based on the fundamental principles of the circular economy, in which the secondary flows of materials generated in producing pulp and cyclically reused, minimising the use of virgin raw materials:

- The sodium-based chemical compounds used in cooking wood for producing cellulose are recovered on-site in what is called the sodium cycle;
- After cooking, these compounds continue in a flow called black liquor, rich in lignin, which is used in turn to produce sufficient thermal energy for the pulp production process and electricity, which is sold to the national grid;
- In order to recover the sodium based compounds, other calcium based compounds are used, and these are likewise recovered after use on site, in another parallel cycle, known as the calcium cycle.

Taking advantage of the potential for circularity inherent in the process, we invest continuously in **closing circuits and optimising the use of resources**, prioritising reduction of waste production, as well as recycling and reclamation.

We have adopted technological solutions that enable us to **reincorporate waste in production processes**, or to **reclaim waste internally**, in particular in energy production. Solutions of this type make it possible to minimise the use of virgin raw materials, and also to minimise wastage and effluent loads (Chapter 5.2.5). Because the vast majority of waste is generated in pulp production operations, we have invested in improvements in the efficiency of treatment processes and systems, cutting production of this waste to minimum levels.

Our efforts to promote the circular economy have been leveraged by the **Corporate Upcycling Project**, and by investment in RDI projects and in establishing **partnerships and synergies**, which has enabled us to implement technological solutions such as:

- Use of flue gases for capturing CO_2, which is used in producing precipitated calcium carbonate (Chapter 5.2.2);
- Reinforcing on-site circularity of carbonate sludges produced at the Figueira da Foz Industrial Complex, which are used in producing calcium carbonate;
- Optimisation of chemical recovery cycles at paper pulp production units;
- Minimising production of biological sludges, through incorporation in black liquor evaporation, obtaining energy from its organic content in the Recovery Boiler at the Figueira da Foz Industrial Complex;
- Use of sands from Biomass Boilers (by-product) as substitute for sands from natural sources used in construction materials (e.g. mortars, aggregates, pre-cast concrete). In addition, the **recovery and reuse of water** is also part of the circularity of our production process, and most of the water used is returned to the environment in the form of treated effluent (Chapter 5.2.5).

[2] Info Tecnicelpa nº 54, pages 30 and 31- **https://www.tecnicelpa.com/files/Info54_marco2018.pdf**
[3] The target set is not a legal requirement; it was set voluntarily, like the other targets in our 2030 Roadmap.

Approach to the circular economy

Industrial symbiosis

- Development of industrial synergies with other industrial sectors, promoting circular use of materials.
- Use of waste produced by the Company as secondary raw materials, replacing virgin raw materials and thereby extending their useful lives.

Examples:
Partnerships in recovering fly-ash and sands
Mobilising Agendas

Investment in bioproducts

- Creation of forest-based bioproducts as a sustainable alternative to fossil-based materials, promoting the transition to a bioeconomy model.

Examples:
Initiatives under the From Fossil to Forest Agenda

Optimisation and improvement of processes

- Improved efficiency in the use of resources, minimising the use of virgin raw materials, water and energy, and avoiding wastage and waste production.
- Improved efficiency in processes and treatment systems.

Examples:
WURP - Programme for Reducing Water Use

Networking

- Establishing partnerships, with universities, research centres and other Industrial sectors, in order to boost the circularity of materials, develop bioproducts, reuse waste and share expertise.
- Participation in the Circular Bioeconomy Alliance platform.

Reincorporation of by-products in Navigator processes

- Optimisation of chemical recovery cycles at paper pulp production units.

Examples:
Kraft process for pulp production

Waste management

- Waste is selectively collected, correctly stowed and sent for appropriate final disposal, prioritising reclamation operations whenever possible.

Research, Development and Innovation (RDI)

- Investment in applied research, through our own projects and others with consortia, with a view to innovating in products and processes.

Example:
Mobilising Agendas

Biodiversity Conservation

Within the assets under our management in mainland Portugal we manage woodlands classified as Conservation Interest Zones (CiZ), which serve as an important habitat for a diverse range of flora and fauna, including species with varying conservation and protection status. These areas are accordingly managed for conservation purposes only. These zones also include **Areas of High Conservation Value** (AHCV), an exclusive concept of the FSC® certification scheme, which enjoy special safeguards in view of the presence of environmental, social and cultural heritage of exceptional value.

It should be noted that our pro-biodiversity approach is not applied only in CIZs. This work is carried out across all our holdings, and the plans for each forestation/reforestation project define from the outset the conservation areas to be protected.

In this way, we have pursued a planned strategy of biodiversity conservation and promotion since 2008, with the aim of conciliating production aims with conservation, whilst also responding to forest certification indicators. We have developed a **no net loss** strategy, meaning that there will at least be no biodiversity loss as a result of our activities, or, whenever possible, we will create a **net positive gain** in the biodiversity present on our holdings and in its state of conservation.

The Company's activities apply the best management practices based on the Habitats and Birds Directives and the guidelines of the National Network of Protected Areas, which aim to protect or improve the conservation status of habitats and species with relevant conservation status.

We invest continuously **in monitoring and assessment, active protection and conservation** (such as **rehabilitation or restoration or natural habitats and ecosystems**), benefiting species that use them for their ecological functions of feeding, shelter or breeding. These also serve as ecological corridors, enabling species to disperse naturally and permitting genetic interchange between populations.

To support this strategy for conserving biodiversity, we have **Biodiversity Assessment Techniques Manuals** (BATM) and field reports on monitoring and conservation, as well as **Conservation Action Plans** (CAP), with contributions from experts. The approach we use means we enjoy access to a significant set of data on relevant wildlife to be preserved in the territory, also enabling us to identify, avoid, mitigate and minimise negative impacts (direct or indirect) on biodiversity, as well as to boost the positive impacts.

We were one of the original signatories of the **act4nature Portugal** initiative organised by BCSD Portugal, for which we sit on the Advisory Board. Set up in 2020, this initiative sets out to mobilise and encourage companies to protect, promote and restore biodiversity and ecosystem services, helping to halt and reverse their loss by 2030, leading to better integration of natural capital into companies' business models and value chains.

Another development was the visit by the Wildlife Conservation Society (WCS) to forest holdings managed by the Company, in order to show how we conserve biodiversity in mainland Portugal, continuing the exercise in sharing experiences that started in Mozambique. This was an opportunity to discuss the lessons learned and approaches that could improve our current processes, under the COMBO+ Programme (Chapter 5.2.4).

Sustainable Forest Management

We are aware of the **environmental and socio-economic impacts** of our operations. Despite the impacts that forest plantations in which one species predominates can have on the environment, like any other human activity, there is growing recognition that responsible and balanced management of planted forests, such as that practised by Navigator, can play an important role in the planet's sustainability - by protecting soils and water, improving air quality and mitigating climate change (Chapter 5.2.6), among others.

There may be negative impacts for Local Communities, as a result of operations in the field, such as damage to public infrastructure, caused by the use of machinery and vehicles. However, we should also stress the positive impacts generated by our operations, as forests and forest-based products make a positive contribution to the economy and to society, by generating income for landowners, encouraging the management of other woodlands and areas, for farming and pasturage use, as well as local economic activities associated with forests, such as grazing and bee-keeping.

In view of the importance of forest management and biodiversity conservation to our operations and business model, our 2030 Roadmap (Chapter 3.4.4) lays down three **commitments**:

- Ensure sustainable use of soil and forest resources, including biodiversity. Our goals include: contributing to a reduction of rural fires, aiming to keep the burned area under Navigator's management at below 1% each year, and creating a positive impact on biodiversity (or net gain), through conservation work in line with the Company's strategy and the commitments made through act4nature Portugal.
- Ensure that all wood is obtained from credible sources (FSC® or PEFC certification schemes, or controlled origin). Our goals involve: promoting certification of the chain of custody of all our wood Suppliers by 2030, and ensuring that the wood consumed by the Company comprises 80% certified wood by 2030.
- Provide a safe and healthy environment for workers, guaranteeing their welfare, including the aim of providing OHS (Occupational Health and Safety) training on a continuous basis in forest operations, for service providers, Suppliers and operators in the sector, seeking to provide more than 600 hours of training each year.

Our business model is therefore based essentially on **sustainable forest management**, with a strong commitment to **certification**, prioritising renewal and improvement of forests and protection of natural, social and cultural heritage. Also fundamental is respect for the rights of workers and Local Communities, along the **value chain**.
In order to mitigate the negative effects of our activities, we systematically identify and assess the environmental and social impacts of forest activities, resulting in the matrices used during the planning and execution of operations, enabling us to avoid negative impacts or to adopt the appropriate measure when these impacts occur. In the course of this assessment we also consult local Stakeholders, such as the Local Community and/or specialists in the different natural, social and cultural factors under assessment.
The communication channels that affected Stakeholders can use, for **remediation** of the negative impacts of these operations, include The Navigator Company's official website and the whistleblowing channel.

They can also make representations in person to the Company's staff, or else send an email or telephone. In Mozambique, an important role is also played by the Community Liaison Officers (Chapter 5.3.3). We anchor our work in **creating and sharing knowledge** and in establishing **partnerships** along the value chain - with Forest Landowners and Forestry Associations, Business Associations, Suppliers, Local Authorities and other Community bodies.

We invest in **support programmes** which promote sustainable and certified forest management, supporting **forest landowners** outside the areas under our direct management. These programmes incentivise good practices, conservation of natural and socio-cultural heritage, and reinforce **forest fire prevention and defences**, mitigating their significant impacts on ecosystems, the Group and our Stakeholders.

The responsible forest management that we promote includes investment in **conservation of biodiversity and of ecosystem services**. Healthy ecosystems are fundamental for well-being, health, job creation and community livelihoods, ensuring that their needs are met. The important supporting role played by biodiversity in the balance of Nature means that conserving biodiversity is an important contribution to mitigating and adapting to the effects of climate change.

We also attach great importance to the more visible aspects of Navigator's active policy in wildlife conservation, consisting of public information and awareness raising initiatives, through which we share our experience and case studies in our own publications, editorial projects and events for the media and different Stakeholder groups. Our work with forest operators encompasses technical issues relating to **know-how transfer** on topics related to eucalyptus husbandry, planning of forest operations, information management (geographical information systems (GIS), document systems and database) and decision making, as well as dissemination of information on occupational safety and biodiversity conservation.

Approach to sustainable forestry management (Includes biodiversity conservation)

- Forest certification and support for Forestry Producers
- Forest fire prevention and support for fire-fighting
- Research and forest renewal
- Assessment and monitoring of wildlife, biodiversity and heritage sites
- Mapping and classification of conservation interest areas
- Assessment of the potential impacts of operations
- Design and implementation of management activities to conserve, enrich or restore the functions of sites of conservation interest.
- Forest and Biodiversity Conservation Literacy Projects

[4] Sources:
"Substitution Effects of Wood-based Products in Climate Change Mitigation", Leskinen et. al, 2018, TIG Analysis:
https://efi.int/sites/default/files/files/publication-bank/2019/efi_fstp_7_2018.pdf
– FAO 2016.Forestry for a Low-Carbon Future: Integrating Forests and Wood Products into Climate Change Strategies, FAO Forestry Paper 177, Rome, Italy.
https://researchrepository.murdoch.edu.au/id/eprint/66391/1/I5857E.pdf

For Society: Grow

Responsible Business Conduct

Compliance system and structuring instruments

Our business and the standards of good conduct we have adopted respond to the ever more exacting criteria set by our Stakeholders - both internally and in interactions with external stakeholders. The key values that guide our operations are Trust, Integrity, Enterprise, Innovation, Sustainability and Excellence, and these underpin the various policies, codes and regulations established to assure the good practices associated with our operations and business.

In order to foster ethical business conduct on the part of the Group and its Stakeholders, Navigator has a **Compliance System** which is designed to ensure that the applicable legal requirements are met, especially as regards anti-corruption rules, prevention of money laundering and terrorist financing, compliance with international sanctions, conflict of interests, protection of Human Rights and protection of personal data.

Navigator has a policy of zero tolerance in relation to any breach of the legal or regulatory rules in force on these matters. To this end, it undertook several projects in 2023 in order to consolidate ethical, transparent and socially fair conduct, based on the ethical principles adopted.

In order to prevent and mitigate the risks inherent in our dealings with third parties, Navigator has implemented a series of **Compliance Policies**, consisting of a Third-Party Integrity Verification Policy, a Compliance with International Sanctions Policy and an Anti-Money Laundering and Counter Terrorist Financing (AMLCTF).

These Compliance Policies lay down general principles for Navigator's actions in its dealings with Investors, Employees, Suppliers, Customers and Partners, and the forms of conduct which are expressly prohibited in the relations it establishes in the course of its business. They also define measures for preventing these risks through appropriate due diligence procedures, in order to assess the risk of criminal activity and the integrity of Navigator's counterparties.

Attention is also drawn to the review of our Code of Ethics and Good Conduct, the Code of Conduct for Suppliers and the Code of Good Conduct for Preventing and Combating Workplace Harassment, so as to harmonise them with the new documents adopted.

Navigator regards Employee training as essential in order for these policy documents to be correctly implemented, with a view to promoting a Compliance culture based on ethics and integrity. For this purpose it offers training courses in Compliance issues, in particular concerning the **Code of Ethics and Conduct**, Internal Policies, Whistleblowing, Prevention of Corruption and Related Offences and Protection of Personal Data.

Third-Party Integrity Verification Policy

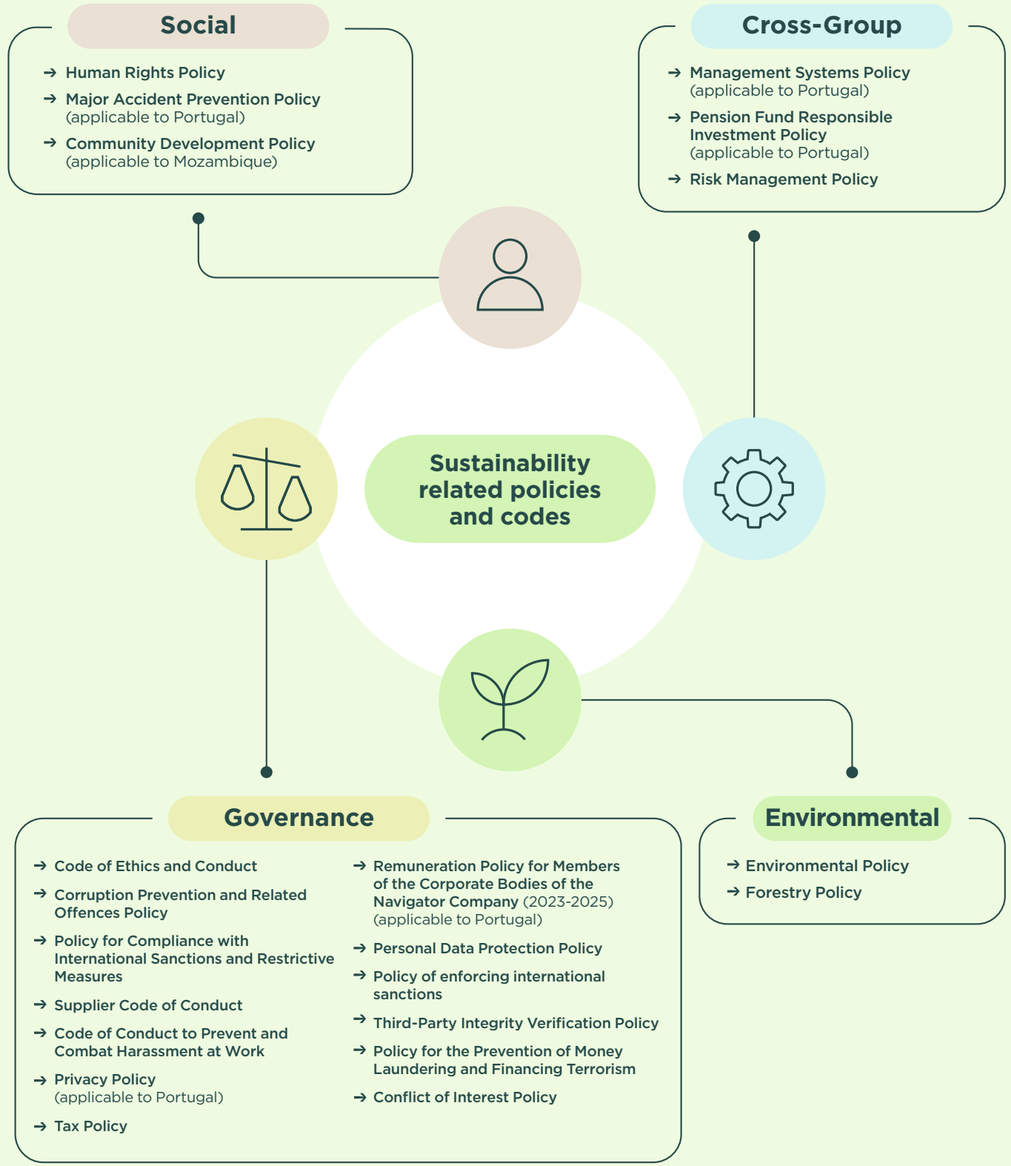
Policy for Compliance with International Sanctions and Restrictive Measures

Policy for the Prevention of Money Laundering and Financing Terrorism

Code of Ethics and Conduct

Code of Conduct for Suppliers

Code of Conduct to Prevent and Combat Harassment at Work



Innovation, Technology and R&D

We believe that scientific knowledge, people with talent and expert skills, combined with innovation and technology, offer a promising foundation for a sustainable future. These are the prerequisites for developing biobusinesses and a new array of Portuguese industries that aspire to making a difference, by creating economic value in harmony with the Climate and Nature.

Innovation and technology, firmly anchored in Research and Development (R&D) activities, are the foundation of Navigator's business, ensuring that its products and processes are sustainable.

Creating Value Responsibly, the central concept in our 2030 Agenda (Chapter 3.4.2), presupposes designing and putting in practice solutions that create sustainable value and competitiveness in the long term. In our 2030 Roadmap we have therefore accepted the following **commitments:**

- Develop adaptive forest practices, from a climate change perspective;
- Develop innovative, competitive and sustainable products;
- Develop sustainable bioproducts, reducing dependence on fossil resources and working towards a decarbonised economy;
- Promote scientific and technological co-creation in the field of the bioeconomy and bioproducts.

Mindful of the importance to its operations of scientific and technological expertise, Navigator took a pioneering step in Portugal in 1996 of setting up its own R&D centre in partnership with three Portuguese universities. This was **RAIZ, our Forest and Paper Research Institute**.

The science generated at Portuguese universities, in the field of **biotechnology and the bioeconomy**, has underpinned lasting partnerships that we are eager to carry forward. Our commitment to **working collaboratively** involves not only Stakeholders in the Portuguese science and technology system, but also international partners and leading players in our industry.

In order to advance our RDI activities, we therefore take part in networks and consortia, submitted applications to funds and external financing programmes (in Portugal and abroad), in addition to our own investment in this field. The knowledge resulting from these activities has a real economic impact, that can be seen in the creation of innovative and distinctive products, in addition to new technology and services. By supporting the work of a wide team of researchers, technicians and bursary holders, we are able to contribute to postgraduate training in Portugal and to generating **jobs in science**. We encourage the creation of **intellectual property** and **scientific publications** in the fields of forestry, pulp, paper and forest-based biorefineries. We also place this expertise at the service of society, through **forest literacy** programmes, as exemplified by RAIZ "Forest of Knowledge" (Floresta do Saber) Project.

In structural terms, our financing policy provides us with sound and consistent foundations for gradual implementation of projects, enabling us to act systematically in advance of programmed events. We have also been willing to work in partnerships, submitting funding applications to leverage the transition to a low-carbon economy and to the bioeconomy, thereby boosting our contribution in this area.

We have pressed ahead with the digital transition and adoption of Artificial Intelligence (AI) in order to boost efficiency, innovation and sustainability, working on more than 30 projects that integrate AI, machine learning and robotics, with an impact on cost reduction, process optimisation and improved productivity.

In the industrial sector, machine learning models have been used to make progress in managing consumption of wood and chemicals, reducing waste and complying with quality parameters. These strategic projects have included optimisation of logistical management and implementation of Advanced Process Control (APC) solutions in the pulp sector, improving quality, process stability and consumption of chemicals.

In the UWF segment, we have developed Advanced Analytics models to control excess grammage and variability in whiteness, cutting consumption and waste. In the Tissue segment, we have created a tool for optimising paper grammage, minimising variability and fibre consumption. In forestry, we are moving ahead with projects to facilitate access to raw material.

With a focus on employees, we have also invested in automation using GenAI, promoting automation of tasks, risk mitigation and improvements in productivity and team motivation. Examples include the Generative AI model with interactive chatbot for responding round the clock to employee queries, automated processing of environmental data and adoption of centralised platforms for client and supplier interactions.

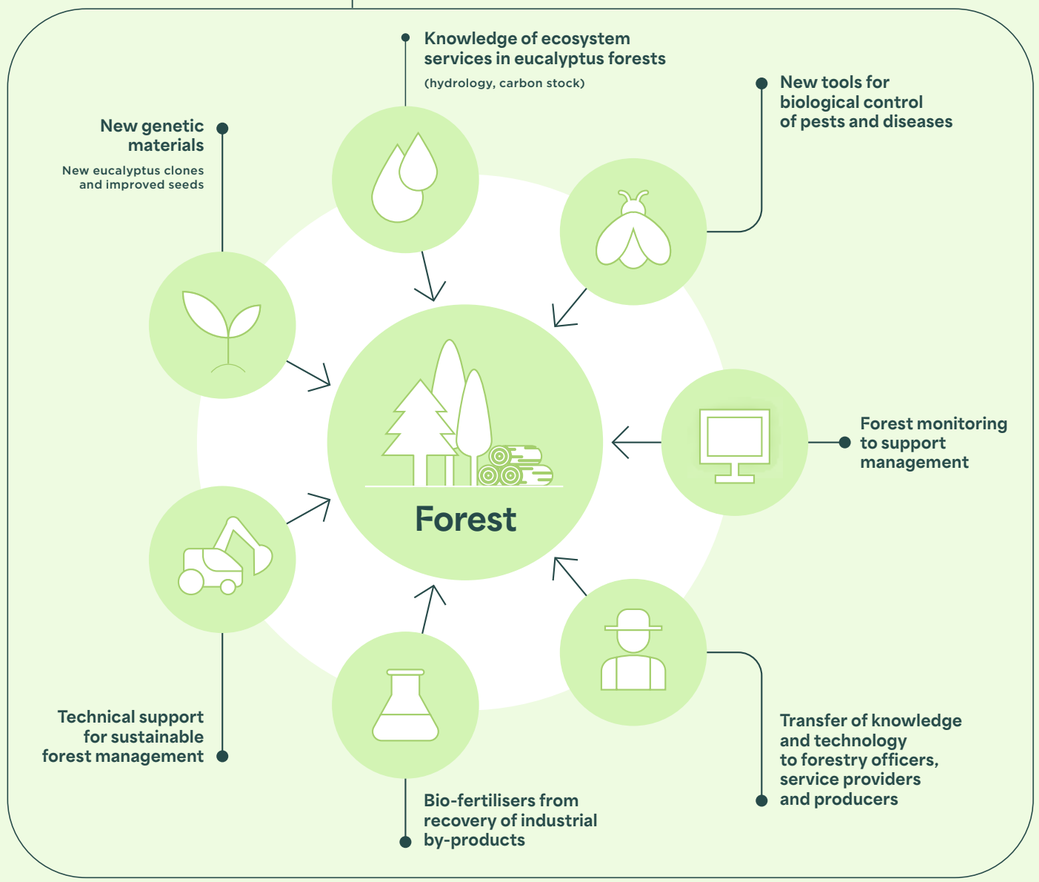
Vision

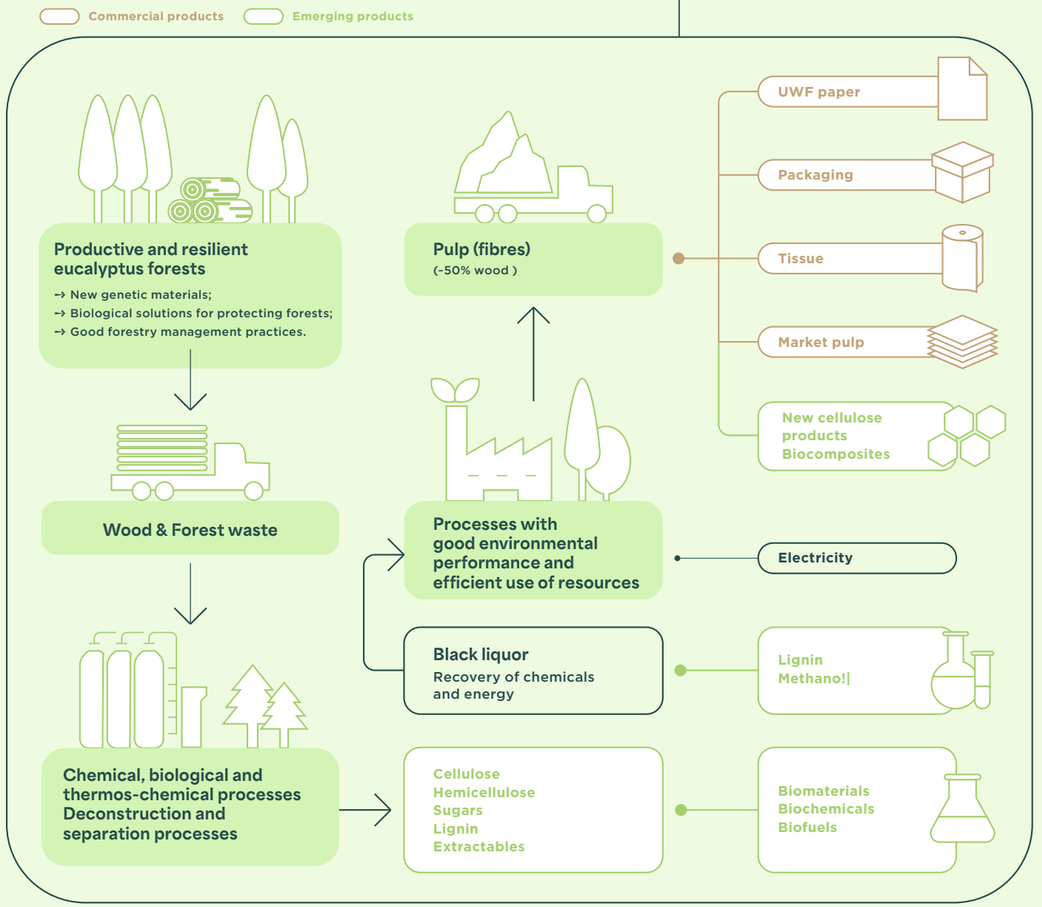
Efficient use of resources and the search for sustainable forest management, through the development of scientific knowledge and state-of-the-art technology applied to eucalyptus genetics and silviculture for biofuels.

Research and innovation strategy

Vision

Pulp and paper mills evolving into biorefineries, processing all the wood and biomass from sustainably managed planted eucalyptus forests, into paper products, energy, biomaterials, biochemicals and biofuels.





People, Talent and Human Capital Development

Human capital is a priority for Navigator, and we have invested in it systematically, with a view to promoting its development, evolution, and our Employees' sense of achievement.
An example of the fact that Talent Management is one of our priorities is that the department falls under the direct responsibility of the CEO of The Navigator Company and, in turn, the Human Resources department is under the responsibility of a member of the Executive Committee.

The strategic importance of this issue lies in the decisive role our Employees play in the Company – for the future and sustainability of the business – as well as in the number of jobs we provide, as part of our social and economic impact on the local communities where we operate. The management of our Employees is based on stable employment relationships, the recognition and valuing of merit, internal growth, and the development of skills throughout their careers, as well as investment in promoting their safety, health, and well-being (Chap. 5.3.1).

In our 2030 Roadmap (Chapter 3.4.4), we establish the following **commitments** in relation to talent management and developing human capital:

- Promote development and upskilling of human capital in line with the Company's present and future needs;
- Contribute to the skills and employability of young people in the regions where we operate;
- Promote an inclusive organisational culture able to integrate internal and external challenges.

It should be noted that, in the field of talent management, we seek whenever possible to adjust and align practices in the different geographical regions where we operate; this has been finalised in relation to Mozambique. In the case of Ejea (Spain) and the United Kingdom, the subsidiaries are in the process of transition and alignment of policies and practices, as a result of the acquisitions made in 2023 and 2024 respectively.

Approach to talent management and development of human capital

Recruitment and selection

- Focus on attracting and developing future generations of professionals for Navigator and society.
- Promotion of continuous improvement in processes, in order to improve the standard and experience of applicants in our recruitment and selection processes.

Onboarding

- Focus on a faster onboarding process, enabling new recrults to acquire the essential skills for their jobs and to adapt to the Company culture, creating a positive experience for all our Employees.

Performance and careers

- Managing Employee performance and potential and promoting thelr development, using plans which are relevant, robust and well thought out, geared to acquisition of skills, development of others and professional advancement.
- Succession plans that enable people to develop and progress, whilst ensuring business continulty and the Company's future.

Skills development

- Helping Employees to develop their skills through the training offered by the Learning Center.
- Implementation of development plans, In line with the Careers Plan.

Compensation and benefits

- Development of Compensation and Benefits policies and programmes in keeping with the applicable legislation and aligned with market practice.
- Implementation of competitive salary structures and benefit plans, in order to be fair internally and competitive externally, and to attract and retain talent.
- Managing internal mobility.

Culture and communication

- Design of internal communication strategies and plans.
- Managing internal communication channels.
- Content development and production.
- New internal communication channels - Improving the touch points.
- Support for Business Projects, recommending the best communication strategy and how to Implement it.
- Design of the strategic Employer Branding plan.

Health, Safety and Well-being

Aware that the risks involved in our operations include the possibility of accidents at work and occupational diseases, we have made a firm commitment to the quality of life of our Employees, investing continuously in a **safe and healthy environment**, to ensure their **well-being**. Such incidents can be potentially life-changing for our **Employees** and their families, and also damage the Company's reputation and competitiveness, potentially compromising our strategic goals.

It is our responsibility to create an **Occupational Health and Safety (OHS) culture** which enables us to make a sustained reduction in the probability of these events occurring and thereby eliminate both accidents at work and occupational diseases. By conducting our business in a responsible way, we can not only cut the Company's costs, but also minimise risks to people, Workers in the value chain, Communities and the environment (especially those resulting from the Company's industrial units and forest operations) as well as contribute to the continued good state of our facilities and plant.

Our 2030 Roadmap (Chapter 3.4.4) reflects the importance of this topic, through the commitment to providing workers with a safe and healthy environment in order to ensure their well-being, which takes material form in a series of goals established for Portugal:

- Achieve the Target of "Zero Accidents" through continuous improvement to safety, attaining a frequency Index of ≤2 in 2030 (internal and external Employees);
- Develop the Occupational Health programme up to 2030;
- Reduce the number of uncharacterised accidents due to non-compliance with rules and procedures;
- Organise ongoing training courses in Occupational Health and Safety in forest operations for service providers, suppliers and operators in the sector.

In Mozambique, the plan for the years ahead features the aim of reducing the frequency index for accidents at work.

Community Relations

The Navigator Group has a significant presence in several regions, through our industrial operations, as well as our forest operation in Portugal, Galicia (Spain) and Mozambique.

In line with our purpose (Chapter 2.1) we have accepted a responsibility to find ways to share value with our Stakeholders (Chapter 3.4.5), and especially with Local Communities. These have a crucial role to play in relations with companies, as they are the first link in the chain to feel the impacts, positive and negative, of our forest and industrial operations.

We accept our social responsibility, contributing to progress and the welfare of the communities where we operate, in alignment with the Code of Ethics and Good Conduct. We have likewise formally adopted and implemented a Human Rights Policy, which sets out our commitment to acting in such a way as to respect Human Rights in Local Communities, including, where applicable, indigenous peoples, adopting measures to minimise negative impacts, and to protect their values, culture and traditions. This Policy also establishes a commitment to promoting Community engagement in order to obtain feedback on Human Rights and labour rights issues, recognising the importance of listening and ongoing dialogue in order to incorporate local concerns in our internal decision-making processes (Chapter 5.4.1).

An important tool in this is the **Whistleblowing Channel** (Chapter 5.4.1), available on the website for any member of the community affected, leading to investigation of cases of Human Rights violations in Local Communities. It is important to stress that no cases of human rights violations were identified during the reporting period.

Because forests are the principal source of our resources, one of our priorities involves educating the public about the benefits of woodlands and the importance to society of sustainable use of forest-based products. In our 2030 Agenda and Roadmap we set out our commitment to **developing our relationship with Communities**, working to transfer our knowledge and to raise public awareness of the economic, social and environmental importance of forests (Chapter 5.2.6).

We therefore remain committed to launching projects that help to generate and share knowledge in the field of **forest literacy**, especially online, as well as initiatives to **empower Stakeholders**, such as forestry producers (Chapter 5.2.6). Another important target group is our local school communities, where it is extremely important to **raise awareness** of forest protection at an early age.

Approach to community relations

- **Dialogue with Communities**
- **Forest literacy projects**
- **Direct community support**
- **Social Development Programme in Mozambique**
- **Transfer of forestry management expertise and skills to Forestry Producers**

Supply Chain Management

Aware of the impact of our purchasing policies on the creation and distribution of value, among the thousands of companies and workers belonging to our Supplier chain, we are committed to establishing partnerships and encouraging positive change.

The Company's operations require **supplies of wood, biomass, chemicals** and other products, used in the industrial process – for processing into finished products and by-products we market – and **energy**, which we produce and consume. The impacts associated with our supply chain have to do not only with the extraction and production of these resources, but also with their **transportation**.

Wood and biomass **logistics** are responsible for directly handling a large volume of wood, from our forest holdings (own and rented properties), logistical parks and ports to the mills, using a variety of means of transport (road, rail and sea).

We also **ship our products** to more than 130 countries and approximately 4,170 delivery points, using various means of transport (maritime, rail and road), prioritising sustainability of the transport chain and based on partnerships with our Suppliers in developing efficient solutions.

These activities have an environmental and also social impact, to which we may add the importance of ensuring a resilient supply chain able to respond to our needs, so that we can guarantee business continuity. Accordingly, in 2023, we established a series of **commitments** in our 2030 Roadmap (Chapter 3.4.4), most notably:

- An increase in certified wood and promotion of chain-of-custody certification of all our wood Suppliers;
- Expand the range of Suppliers with assessments on financial and ESG criteria;
- Promote sustainability practices along the Suppliers Chain.

Sustainability also entails ensuring that the delivery modes of transport complement each other, and so whenever operationally and financially viable we use rail and maritime transport, although road haulage continues to represent a significant proportion of our logistical flows. Rules were established in 2023 for implementing the Emissions Trading System (ETS), the EU policy in maritime transport for combating climate changes and effectively reducing greenhouse gas emissions. Operators will now have to purchase licenses permitting CO_2 emissions, which may lead the industry to develop more efficient solutions both through alternative fuels and by redesigning ships, among other measures (e.g. reducing the speed of ships, choice of more efficient routes). This is a topic we will follow with interest.

It is with the 2030 Agenda and the way we address our material topics that we respond to the main sustainability challenges identified for Navigator (Chapter 3.4.2).

Approach to supplier management

Code of Conduct for Suppliers

- Addresses topics such as prevention of corruption and bribery, respect for human rights, employment practices, health and safety and environmental practices.
- It is sent to all materially relevant Suppliers and made available in all market consultation procedures.

Third-Party Integrity Verification

- We have a Third-Party Integrity Verification System that collects information on Human Rights, prevention of corruption, money laundering and terrorist financing, compliance with international sanctions, CO_2 emissions (scope 2 by Suppliers) and water management, using a platform contracted for this purpose.

Payment by confirming

- Suppliers are able to use a payments system on the basis of confirming, enabling them to be paid in advance and contributing to better cash flow management; this has been Implemented for certain types of Suppliers.

Engagement and awareness raising

- Participation in Sustainability Forum.
- Organisation of the Suppliers' Day to build closer ties with our main Suppliers.
- Visits to our mills and nurseries.
- Projects to improve eucalyptus forests and disseminate our good forestry practices.
- Other specific initiatives in each area.

→ Challenges for Navigator

Protect and value biodiversity

Biodiversity loss is one of the pressing global crises of our age, and is regarded by the World Economic Forum (WEF) as one of the most severe global risks for the next ten years.

Wildlife and ecosystem protection, conservation and restoration have a crucial role to play in securing benefits in terms of climate regulation, availability of resources and other environmental and social services.

Alongside this growing recognition of the importance of Nature to business, of its dependence and impacts, new solutions and partnerships have emerged to halt biodiversity loss (looking at the value chain), to integrate financial valuation of ecosystem services and to promote nature-based solutions.

Associated Material Topics

- **Supply Chain Management**
- **Responsible Business Conduct**
- **Innovation, Technology and R&D**

- **Climate Change**
- **Biodiversity Conservation**
- **Use of Resources and Circular Economy**
- **Sustainable Forest Management**

Our Response

- Sustainable management of Navigator's forests through certification under FSC® and PEFC schemes
- Programmes supporting forestry producers and improvement of eucalyptus forests
- Dissemination of good forestry practices through our own channels and sector events
- Action and resources for fire prevention and to support fire-fighting
- RDI activities and investment in bioproducts
- Forest renewal activities
- Projects for forest literacy and biodiversity conservation
- Establishing partnerships
- Conservation and monitoring activities to which we are committed in connection with Act4nature Portugal
- Eucalyptus Forum

→ Challenges for Navigator

Climate mitigation and low carbon economy

Failure to take climate action (mitigation and adaptation) points again to the need for greater commitment and action in this area.

Climate events will become more frequent and more severe (a "new normal"), affecting where and how people live and work, which requires a greater focus on adaptation strategies.

Political action is starting to be taken on climate issues around the world, along with a stricter regulatory framework in the European Union.

The low-carbon economy is at the heart of post-pandemic recovery plans. The development of new technologies (e.g. carbon capture solutions) will be accelerated, new jobs will be created and new energy sources (e.g. hydrogen) and new opportunities will be explored.

The COP29 agreement establishes a consensus on carbon markets, creating mechanisms to trading carbon credits and encouraging substantial investment in projects to cut emissions. Technological innovation is needed, so as to avoid additional costs and ensure competitiveness

Associated Material Topics

- **Supply Chain Management**
- **Responsible Business Conduct**
- **Innovation, Technology and R&D**

- **Climate Change**
- **Biodiversity Conservation**
- **Use of Resources and Circular Economy**
- **Water Management**
- **Sustainable Forest Management**

Our Response

- Company's Roadmap for Carbon Neutrality and decarbonisation targets approved by SBTi (Science Based Targets Initiative)
- Sustainable forest management
- Investment in systems and technologies that minimise environmental impacts and promote improved energy efficiency
- Gradual elimination of consumption of fossil-based energy and investment in alternative and renewable energy sources (e.g. photovoltaic solar, biomass, green hydrogen)
- Production of renewable energy
- RDI Activities and investment in bioproducts
- Analysis of positive contribution of our agroforestry assets as a carbon sink
- Alignment with TCFD initiative and the European Taxonomy

→ Challenges for Navigator

Circular economy

Regulatory developments and consumer pressure relating to sustainable production and consumption, scarcity of resources, supply chain volatility and the imminent threat of climate change are leading companies to develop more circular business models that generate business value as well as environmental benefits.

There is also a growing need to measure circularity, using new tools, standards and frameworks.

Associated Material Topics

- Supply Chain Management
- Responsible Business Conduct
- Innovation, Technology and R&D
- Community relations
- Climate Change
- Biodiversity Conservation
- Use of Resources and Circular Economy
- Water Management
- Sustainable Forest Management

Our Response

- Optimisation and improvement of industrial processes - efficiency in use of resources, processes and treatment systems
- Reclamation of waste and reincorporation of by-products in Navigator processes
- Promoting industrial symbiosis
- RDI activities and investment in bioproducts
- Establishing partnerships
- Participation in Circular Bioeconomy Alliance platform
- Improving scientific and technological expertise in forest-based circular and digital bioeconomy

→ Challenges for Navigator

Sustainable consumption

Growing consumer awareness, activism and demands, especially among younger generations. Demand for healthier and more sustainable products, openness to new consumption models - digital, shift from ownership to sharing.

Consumers who are more aware and demand information that is clearer, more transparent and traceable.

Increased production of packaging as alternative to plastics (in particular, single use plastics).

Emphasis on the role of companies in raising consumer awareness and designing solutions which are more sustainable and competitive in terms of costs.

Associated Material Topics

- Supply Chain Management
- Responsible Business Conduct
- Innovation, Technology and R&D
- Community relations
- Climate Change
- Biodiversity Conservation
- Use of Resources and Circular Economy
- Water Management
- Sustainable Forest Management

Our Response

- Products with forest certification label and/or EU Ecolabel
- RDI activities and investment in bioproducts
- gKRAFT range packaging products furthering the transition to more sustainable solutions
- Innovative tissue products:
  - Amoos Naturally Soft™ (unbleached eucalyptus kraft pulp)
  - Amoos Aquactive™ (produces soap bubbles when wetted)
  - Amoos Air Sense™ (with floral fragrance capsules)
  - Amoos Calorie Control™ (improved capacity to absorb food oils and grease)
- Forest literacy projects

→ Challenges for Navigator

Tech for Good

Covid-19 has once again highlighted the importance of technology and of accelerating digitisation, bringing about new ways of working, socialising and selling. This development raises issues relating to digital fairness and access and other problems associated with technological advances.

Faster digital transformation in order to improve business resilience and sustainability performance, creating solutions for a number of social and environmental problems.

Financing opportunities for companies to leverage the technological revolution, enabling them to invest in decarbonisation, in the bioeconomy, in mobility and in digitising their processes and ways of working.

Associated Material Topics

- Supply Chain Management
- Responsible Business Conduct
- Innovation, Technology and R&D
- Climate Change
- Biodiversity Conservation
- Use of Resources and Circular Economy
- Water Management
- Sustainable Forest Management

Our Response

- New Digital Technology Department taking a broad approach to topics related to Industry 4.0 and digital transformation in all operational areas
- Investment in systems and technologies that minimise environmental impacts and promote improved resource efficiency
- RDI activities and investment in bioproducts
- gKRAFT range packaging products
- Innovative tissue products

→ Challenges for Navigator

Future of work

Ongoing advances in robotics, artificial intelligence and machine learning are launching a new era of automation, as machines start to rival or surpass human performance in various working activities. Debate about adapting people and jobs to this new era, and the skills of the future

The pandemic speeded up the shift to digital, and this has created a need to upskill and prepare human capital for new functions and work processes.

Sustainability is increasingly valued, both by applicants and by companies, meaning that investment in developing “green skills” will be essential.

Associated Material Topics

- Responsible Business Conduct
- People, Talent and Human Capital Development
- Health, Safety and Well-being

Our Response

- Internal succession mapping to ensure sustainability at different functional levels in future
- Employee development plans
- More flexible remote working (part-time)
- Investment in training and the options offered by the Learning Center
- Commitment to creating digital skills
- Mobilising Employees around Company's Purpose
- Promoting employability and attracting young talent

→ Challenges for Navigator

Investment in human capital

People as one of industry's most valuable assets. The pandemic underlined the S in ESG, with a particular emphasis on Employee well-being, health and safety. It also accelerated new ways of working and of handling the relationship between businesses and their Employees (e.g. more flexible, remote, integration with working, personal and family life).

In order to retain and engage with Employees, companies will have to promote a better connection between work and their purpose, promote opportunities for growth and development and create more diverse and inclusive working models and environments, in particular to motivate younger generations.

Sustainability is increasingly more important for Employees and applicants, and for this reason it is important to communicate ESG strategy and impact

Greater attention paid by companies, but also by investors and financial institutions, to detailed information on human capital.

Associated Material Topics

- **Responsible Business Conduct**
- **People, Talent and Human Capital Development**
- **Health, Safety and Well-being**

Our Response

- Providing opportunities for Employees to develop their professional lives and careers
- Creation of customised development plans
- Investment in training and the options offered by the Learning Centre
- Promotion and empowerment of new leaders
- Nurturing the spirit of enterprise
- Improved conditions in terms of pay and bonuses
- Benefits plans and pension fund
- Mobilising Employees around Company's Purpose
- Promoting employability and attracting young talent
- Resources for providing safe working conditions
- Occupational health and preventive medicine programmes
- Mission 0
- Future Leaders Forum
- CRESCER (Growing) project
- Industrial Forum

→ Challenges for Navigator

Resilient and sustainable value chains

The Covid-19 pandemic and the imperative need for economic recovery have put the resilience of value chains to the test and added to the urgency of examining their sustainability. Difficulties have been experienced in importing raw materials and exporting products, as a result of successive disruptions to supply chains (including strikes, shortages, protectionist policies and other factors).

Stakeholders continue to put pressure on companies to improve management of their supply chains, paying special attention to respect for human rights and the environment. Expectations of greater maturity in programmes and initiatives implemented by companies, and of greater transparency and improved assessment of supply chain performance in terms of sustainability.

Transition from soft law to hard law, with increasingly strict regulatory frameworks holding companies liable for their impacts on the value chain

Associated Material Topics

- **Supply Chain Management**
- **Responsible Business Conduct**
- **Community relations**
- **Health, Safety and Well-being**

- **Climate Change**
- **Biodiversity Conservation**
- **Use of Resources and Circular Economy**
- **Water Management**
- **Sustainable Forest Management**

Our Response

- Code of Conduct for Suppliers
- Strategy of partnership with Suppliers (e.g. increasing energy, resource and transport efficiency, looking for alternatives to fossil-based energy and contributing to decarbonisation goals)
- Sustainable management of forests through certification under FSC® and PEFC schemes
- Promoting chain-of-custody certification of all our wood suppliers
- Programmes supporting Forestry Producers and improvement of eucalyptus forests (e.g. Forestry Producers Club)
- Dissemination of good forestry practices through our own channels and sector events
- Eligibility criteria for supply of raw materials
- Optimisation of inbound wood flows
- Partnership with raw material Suppliers to encourage production of energy from biomass
- Commitment to alternatives to road transport (e.g. rail and maritime)
- Payment of Suppliers by confirming (applicable only to certain categories of Suppliers)

→ Challenges for Navigator

Protection of fundamental rights

The response of businesses to movements such as #InclusionMatters, #MentalHealthMatters and #RepresentationMatters, has increased the attention paid to human capital. Companies have come under scrutiny, from a wide range of Stakeholders, in relation to topics such as unfairness, racism, harassment or other types of discriminatory practices.

Expectations concerning respect for human and employment rights are broadened to include value chains, in the light of recent regulatory developments (transition from soft law to hard law).

More than just securing a social license to operate, companies will have to work actively to build relationships of trust and create social value with Employees and Communities, and also speak out and take action against injustice.

Diversity as a competitive factor - diversity, fairness and inclusion programmes and practices are being reassessed and expanded. Funds take greater interest in social and governance issues for ESG investments.

Associated Material Topics

- **Supply Chain Management**
- **Responsible Business Conduct**
- **People, Talent and Human Capital Development**
- **Health, Safety and Well-being**
- **Community relations**

Our Response

- Responsible business conduct, based on ethics, responsibility and transparency
- Codes of Ethics and Conduct for Employees and for Suppliers
- Human Rights Policy
- Gender Equality Plan
- Whistleblowing channel
- Working conditions which are fair, safe and promote Employees' health, well-being and development
- Collective bargaining instruments
- Investment in training
- Industrial Forum
- Signing up to UN Global Compact

→ Challenges for Navigator

Participation in adaptation of regulatory framework

Regulation creates the stable, predictable and fair conditions on which business depends in order to invest, compete and prosper. Companies must support the design of policies that provide incentives for sustainable transformation.

Business must adjust to new European regulations and new ways of dealing with global changes. Challenges such as climate action, diversity, fairness and inclusion, humans rights, the fight against greenwashing, among other things, will be subject to more consistent rules, and companies, by working in partnership, will be key to this process.

In view of evolving and increasingly strict regulatory frameworks, companies must be more transparent, using their advantage to shape policies, regulations and standards in order to address the challenges of sustainability in the long term.

Associated Material Topics

- **Supply Chain Management**
- **Responsible Business Conduct**
- **Climate Change**
- **Biodiversity Conservation**
- **Use of Resources and Circular Economy**
- **Sustainable Forest Management**

Our Response

- Monitoring of the most pressing topics on the political agenda in Europe, Portugal and Mozambique
- Advocacy initiatives by the Public Affairs Department in relation to regulatory, environmental and social matters
- Collaboration on research and issuing technical reports
- Participation in sector associations and events, in Portugal and internationally
- Organisation of events, visits and debates around topics of structural interest to the Company and the sector
- Business Round Table

→ Challenges for Navigator

Stakeholder Capitalism

Importance of responding to the needs of Companies' different Stakeholders. In contrast to the prevailing model of maximising short-term profits for Shareholders, Stakeholder Capitalism is based on creating long term shared value, considering not only Shareholders, but also Customers, Employees, Communities and Suppliers, among others.

Business model will be redesigned to respond to pressure from society and markets and there will be a growing need to apply new metrics to assess impacts.

Companies must lead the way in reinventing capitalism to ensure that the power of private enterprise and competitive markets can be harnessed to support social, environmental and business prosperity in the long term.

Associated Material Topics

- Supply Chain Management
- Responsible Business Conduct
- People, Talent and Human Capital Development
- Health, Safety and Well-being
- Community relations

Our Response

- Navigator's Purpose
- 2030 Responsible Business Agenda
- Sustainability governance structure with involvement of external Stakeholders (Sustainability Forum, Environmental Council and Community Monitoring Committees)
- Stakeholder communication and engagement mechanisms
- Finance for sustainable development
- Sharing value with Stakeholders
- Responsible business conduct, based on ethics, responsibility and transparency
- Reporting of information and internal reflection on WEF Stakeholder Capitalism metrics
- Signing up to UN Global Compact
- Eucalyptus Forum

3.4.3. Contribution to SDGs

We are committed to taking an active part in the United Nations 2030 Agenda, making the Sustainable Development Goals (SDGs) a tangible reality.
The 2030 Agenda and Roadmap have been updated to reflect the findings of the double materiality analysis (Chapter 5.1) and the reassessment of our contribution to the SDGs and the respective targets, ensuring that all our commitments are aligned with these global priorities (Chapter 3.4.4). In this way, we ensure that each initiative and measure taken by the Company is geared to maximising our positive impact and making a real contribution to the 2030 Agenda.

Mindful of The Navigator Company's impact and the extent of its influence on attainment of SDGs, we have structured our contribution into three categories:

→ Core

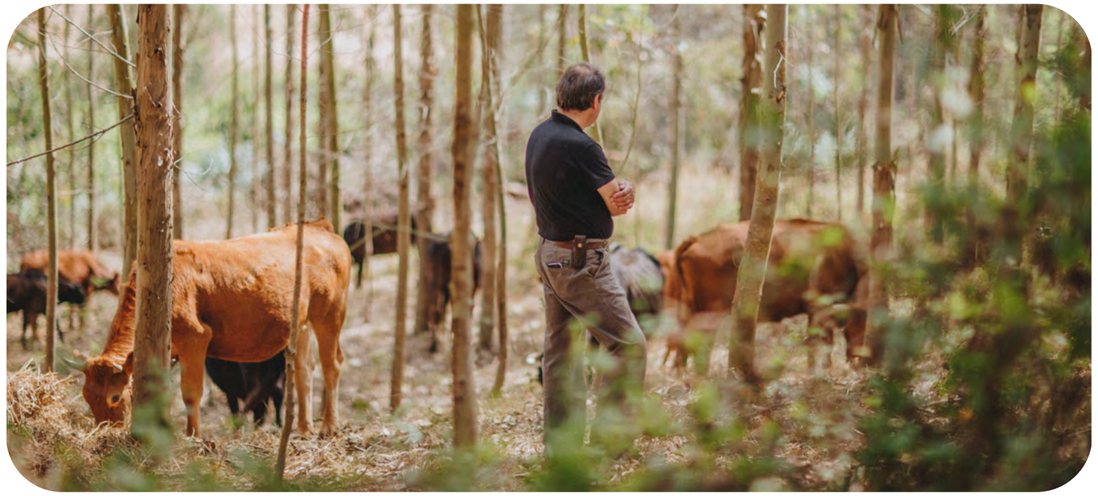
Strategically relevant for the Group - they demonstrate the strong connection between its business activities and the areas where it can generate a positive impact.

→ Supportive

Direct or indirect contributions resulting from the Group's sustainability approach, in particular actions/programmes under way internally and/or arising from programmes to support the Group's core activities.

→ Local

Direct or indirect contributions resulting from the sustainability approach taken by individual Group companies, which are aligned with the local context of the geographical regions where they operate, and which add to the contributions mapped out for the core and supportive SDGs. In connection with this, attention is drawn to the contributions of the Social Development Programme being pursued by Portucel Moçambique.



The following table identifies the SDGs and their respective targets to which Navigator is contributing, as well as the material issues most directly associated with them. The 2030 Roadmap (Chap. 3.4.4) also highlights the correspondence between the company's commitments and the SDGs which, through the objectives and targets set, are addressed.

CORE SDGs

Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.

Targets
8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7 and 8.8

Contribution to Portugal's per capita economic growth (approximately 0.75% of Portugal's GDP).

Creation of a fairer, healthier and safer workplace for all Employees.

Close relationship with local Suppliers and producers, making for a stronger local economy and more resilient Communities.

Technological modernisation and innovation.

Investment in efficient use of resources, innovation and technology.

Related material topics

- Responsible Business Conduct;
- Supply Chain Management;
- Innovation, Technology and R&D;
- People, Talent and Human Capital Development;
- Health, Safety and Well-being;
- Use of Resources and Circular Economy.

CORE SDGs

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Targets
9.1, 9.2, 9.4 and 9.5

More scientific research and improved technological capabilities.

Investment in innovative forest-based solutions and products, and in improving forestry practices, helping to promote a circular and low fossil carbon bioeconomy.

Promotion of collaborative work with partners. Development of sustainable bioproducts, reducing dependence on fossil resources and working towards a decarbonised economy.

Promotion of improved infrastructures, including health and school infrastructures in Mozambique, as part of the Social Development Programme.

Related material topics

- Innovation, Technology and R&D;
- Community Relations;
- Use of Resources and Circular Economy;
- Climate Change.

Ensure sustainable consumption and production patterns.

Targets
12.2, 12.4, 12.5, 12.6 and 12.8

Investment in improved technologies and solutions for minimising environmental impacts, such as renewable energy, efficient and circular use of resources, reduction of water use and waste recovery.

Promoting the circular economy through efficient use of resources, optimised processes, management of treatment systems (water and waste) and boosting industrial synergies.

Waste is selectively collected, correctly stowed and sent for appropriate final disposal, prioritising reclamation operations whenever possible.

Sustainable production, products of distinctive quality, made from renewable raw materials, responding to consumers' expectations.

Related material topics

- Innovation, Technology and R&D;
- Use of Resources and Circular Economy.

CORE SDGs

Take urgent steps to combat climate change and its impacts.

Targets
13.1, 13.2 and 13.3

Assessment of the real and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning. Promotion of forest resilience and their important function in sequestering carbon.

Commitment to a 63% reduction in scopes 1 and 2 GHG emissions by 2035, in relation to 2020, and a 37.5% cut in our scope 3 GHG 3 emissions (targets approved by SBTi).

Investment in renewable sources, such as biomass and solar.

Contribution to the debate on policies, strategies, plans and measures for combating climate change, at home and internationally.

Developing educational and awareness raising programmes dealing with climate action.

Related material topics

- Responsible Business Conduct;
- Innovation, Technology and R&D;
- Use of Resources and Circular Economy;
- Sustainable Forest Management;
- Biodiversity Conservation.

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

Targets
15.1, 15.2, 15.3, 15.5 and 15.8

Management of a vast forest holdings in mainland Portugal (1.2% of the area of mainland Portugal), 100% certified under the FSC® and PEFC schemes.

Practices that promote yields and resilience in the long term.

Ecological restoration and conservation of soils and protected agro-forestry habitats, and conversion of inappropriate production forests and reforestation with native species.

Eradication of invasive species.

Combating desertification and reducing erosion, by disseminating good practices in conservation farming, and by raising community awareness of environmental issues.

Annual monitoring of biodiversity and ecosystem services, assessment and mitigation of the impacts of forest operations.

Technical support programmes for forestry producers (e.g. E-globulus platform and Forestry Producers Club).

Collaboration with academe on project to assess impact of Forest Certification in Eucalyptus Plantations.

Related material topics

- Responsible Business Conduct;
- Sustainable Forest Management;
- Biodiversity Conservation;
- Use of Resources and Circular Economy.

SUPPORTIVE SDGs

Ensure healthy lives and promote well-being for all, at all ages.

Targets
3.3, 3.4,3.8 and 3.9

Preventive measures and monitoring of Employee health, as part of the Occupational Health Programme in Portugal and the Preventive Medicine Programme in Mozambique.

Contribution to physical, mental and social welfare through Occupational Health Programme, which includes mental health counselling, welfare and other professional consultations.

Early identification of health issues, advice on treatment and recommendations for improved health, through the Preventive Medicine Programme.

Improved health and welfare of Communities in Mozambique through the Social Development Programme, promoting the quality of water for human consumption and investment in health infrastructures, including operating theatre at Ile hospital.

Risk assessment and monitoring of physical, biological and chemical agents and ionising radiation at industrial units.

Related material topics

- Community Relations;
- Health, Safety and Well-being.

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Targets
4.3, 4.4, 4.6 and 4.7

Improving skills and employability, in particular of young people, in the regions where we operate. Attracting and developing young people through vocational internships.

Family welfare support for employees, through award of study grants.

Development of specific educational programmes, such as:

- Forest of Wisdom
- Give the Forest a Hand
- My Planet
- Florestas.pt
- Biodiversidade.com.pt
- Producers' Club

Promoting equal access by Employees and skills development through the training offered by the Learning Center.

Related material topics

- People, Talent and Human Capital Development;
- Community Relations.

SUPPORTIVE SDGs

Achieve gender equality and empower all women and girls.

Targets
5.1, 5.4 and 5.5

Implementation of the Equality Plan and the Governance Model for Diversity, Equity and Inclusion.

Internal measures to boost the proportion of women in leadership positions.

Support for the GirlMove Academy, a project seeking to empower young women and train them for leadership.

Gender study in the Mozambique's wood processing sector, involving ILO, in order to identify opportunities for employment and decent work for women in companies in the sector.

Related material topics

- Responsible Business Conduct;
- People, Talent and Human Capital Development;
- Supply Chain Management;
- Community Relations;
- Health, Safety and Well-being.

Ensure availability and sustainable management of drinking water and sanitation for all.

Targets
6.1, 6.3, 6.4, 6.5, 6.6 and 6.8

Implementation of Water Use Reduction Programme (WURP).

Investment in technologies to reduce water consumption, such as systems for reusing water and treating effluents.

R&D activities relating to forestry practices, aiming to conserve water in the soil, and searching for solutions (genetic materials and practices) that can bring greater resilience to water scarcity.

Monitoring of water quality using a protocol developed by Portucel Moçambique, in partnership with RAIZ (with an operational approach).

Execution of a plan for drilling and repairing bore holes, providing access to drinking water for several Communities where we operate, as part of the Social Development Programme.

Tests of the quality of water for human consumption, ensuring access to drinking water for a large number of families.

Related material topics

- Innovation, Technology and R&D;
- Water Management.

SUPPORTIVE SDGs

Ensure access to affordable, reliable, sustainable and modern energy sources for all.

Targets
7.2 and 7.3

Generation of renewable electricity from biomass, accounting for approximately 34% of all power produced in Portugal from this source.

Investment in producing renewable energy, in particular using photovoltaic solar technology and installing panels in our industrial complexes.

Approximately 80% of the primary energy used in our production processes is from renewable sources.

Corporate Programme for Energy Efficiency at Navigator's industrial units.

Related material topics

- Innovation, Technology and R&D;
- Climate Change.

Making cities and communities inclusive, safe, resilient and sustainable.

Targets
11.2, 11,3, 11.4, 11.A, 11.B and 11.6

Contribution to job creation in the rural areas where we operate and to a stronger local economy.

Working with communities in order to respond to their needs and concerns relating to management of the environmental and social impacts of the Company's operations and projects to improve their welfare and quality of life.

Specific programmes to promote lasting commercial relationships in rural areas (e.g. Forestry Producers Project and the Forestry Producers Club).

Working to improve infrastructures, including construction and rehabilitation of access roads and bridges in Mozambique, as part of the Social Development Programme. Contribution to protecting and preserving cultural heritage in areas under our management, as part of sustainable and holistic forest management.

Related material topics

- People, Talent and Human Capital Development;
- Community Relations.

SUPPORTIVE SDGs

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Targets
16.5, 16.6 and 16.7

The compliance system features policies and instruments designed to prevent corruption.

Involvement of internal and external Stakeholders in the sustainability governance structure, promoting effective, responsible and transparent management, through the Sustainability Forum, the Environmental Board and the Community Monitoring Committees, and through the Community Liaison Officers in Mozambique.

Related material topics

- Responsible Business Conduct;
- Community Relations.

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Targets
17.16 and 17.17

Partnerships with several entities to further knowledge, training, innovation and value generation, through initiatives such as the Sustainability Forum and the Forestry Producers Club.

All material topics.

LOCAL SDGs

End poverty in all its forms, everywhere.

Target
1.5

Contribution to improved incomes for vulnerable communities in Mozambique and provision of technical training so as to raise professional standards in the labour market.

Combating poverty in local communities through local hiring and incentives for bee-keeping as a livelihood, through the Social Development Programme.

Related material topics

- Community Relations

End hunger, achieve food security, improve nutrition and promote sustainable agriculture.

Targets
2.3, 2.4 and 2.5

Improved food security and diversity, as well as sustainable farming and practices, through agricultural extension (improved seeds, conservation farming techniques), barns (minimising post-harvest losses), school vegetable gardens and community environmental awareness raising campaign, as part of the Social Development Programme in Mozambique.

Related material topics

- Community Relations

Reduce inequalities within and between countries.

Targets
10.1, 10.2, 10.3 and 10.4

Portucel Moçambique contributes to growth in income and improved welfare for the more disadvantaged, through its Social Development Programme, and also through the employment generated by its operations. These jobs are available in rural areas, where the population is more vulnerable and has poorer access to basic infrastructures.

Contribution to improved incomes and welfare for the disadvantaged population, through the Social Development Programme, and employment generated by the operations of Portucel Moçambique.

Promoting pay equity, ensuring that women and men receive fair pay for equal work or work of equal value.

Implementation of Tax Policy with significant impact on the business fabric, affecting all of the Group's value chain.

Related material topics

- Supply Chain Management;
- People, Talent and Human Capital Development;
- Community Relations.

3.4.4. 2030 Roadmap

In the 2030 Roadmap, we indicate the current state of progress made by Navigator towards each goal – Status – and link this to the contents of this report. In addition, attention is drawn to the new goals and interim targets for the next annual cycle.

The roadmap contains a review of the contribution made by commitments in the 2030 Responsible Management Agenda to attainment of the targets of the SDGs in the United Nations 2030 Agenda.

The following key should be considered:

- In progress, can be brought forward
- In progress, as planned
- In progress, with downward tendency, reflecting performance of the past two years

Strategic action area **for Society**

Strategic action area **for the Climate and Nature**

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Ensure that investment and sustainable finance policies incorporate ESG criteria	Achieve an ESG finance ratio of 70% or more by 2030 2023 → 2030 (Baseline year / Target year)	—	≥ 70%	—	Goal defined in 2023	66%	
	Ensure that the Net Debt/ EBITDA stays below 2.0x (ongoing) 2023 → 2030 (Baseline year / Target year)	—	< 2.0x	—	Goal defined in 2023	1.12	
	Continue with the policy of ESG investment in the management of Pension Fund assets, seeking to ensure that investments take a sustainable and responsible approach, in addition to applying traditional financial criteria (ongoing) 2023 → 2030 (Baseline year / Target year)	—	—	—	Goal defined in 2023	The principles of sustainable investment continued to be applied, as mandated to the asset managers. These principles include exclusion criteria for investments that fail to meet ESG standards	

Core SDG

8.2 9.4 12.6

Supportive SDG

16.6

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Engage with national, international and local Community institutional Stakeholders, listening to their expectations and aligning them with Navigator's strategy and needs Core SDG 9.1 · 12.8 · 15.1, 15.2 Supportive SDG 4.7 · 11.3, 11.6 · 17.16, 17.17	Hold eight annual meetings of the Community Monitoring Committees in the areas surrounding the industrial complexes in Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão 2022 → 2030 Baseline year · Target year	3 meetings of the Community Monitoring Committees	8 annual meetings of the Community Monitoring Committees (CLC's)	3 meetings of the Community Monitoring Committees	8 meetings of the Community Monitoring Committees	8 meetings of the Community Monitoring Committees	✓
	Hold 10 events each year for interaction with representatives of relevant Stakeholder groups around the country or internationally 2022 → 2030 Baseline year · Target year	10 interactions	Between 10 and 20 engagement initiatives per year	More than 10 engagement initiatives with national and European Parliament members	More than 10 engagement initiatives with national and European Parliament members	54 engagement initiatives (national and international)	✓
Integrate ESG concerns into Navigator's risk management Core SDG 12.6 Supportive SDG 16.6, 16.7	Update risks and opportunities analysis in line with the sustainability reporting directive, integrating them into internal risk control processes, by the end of 2024 2023 → 2024 Baseline year · Target year	—	100%	—	Goal defined in 2023	100%	✓
	Monitor ESG-related risk mitigation measures in 2024 2023 → 2024 Baseline year · Target year	—	> 90%	—	Goal defined in 2023	91%	✓

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Expand the range of suppliers with assessments on ESG criteria **Core SDG** 8.4, 8.7 · 12.2, 12.6 · 13.1, 13.3 · 15.2 **Supportive SDG** 6.4 · 17.16	Promote financial assessment of materially relevant Suppliers, on an annual basis, in order to ensure the sustainability of Navigator's supplies 2023 → 2030 Baseline year · Target year	–	100% of materially relevant suppliers[1]	–	Goal defined in 2023	100% of materially relevant suppliers assessed	
	Assessment of ESG performance (decarbonisation, water management and respect for human rights) by materially relevant Suppliers by 2025 • 100% for suppliers of chemicals and packaging • 80% for providers of logistics and transportation 2023 → 2025 Baseline year · Target year	–	100% for chemical and packaging suppliers; 80% for logistics and transport suppliers	–	Goal defined in 2023	100% of materially relevant chemical and packaging suppliers assessed 100% of materially relevant logistics and transport suppliers assessed	
Promote sustainability practices along the Suppliers Chain **Core SDG** 8.4, 8.8 · 12.2, 12.6 · 13.3 **Supportive SDG** 6.4 · 11.6 · 16.5, 16.6 · 17.16, 17.17	100% of new materially relevant contracts covered by Navigator's Code of Conduct for Suppliers by 2026 2023 → 2030 Baseline year · Target year	Logistics and transport suppliers: 0% Wood suppliers: 0% Chemical and packaging suppliers: 100%	100%	–	–	100%	

[1] Materially relevant chemical and packaging suppliers – accounting for approximately 80% of total procurement volume (spend).
Materially relevant logistics and transport suppliers – accounting for approximately 80% of supplier volume (by number).
Materially relevant wood suppliers – accounting for approximately 80% of the wood supplied (in m^3).

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote sustainability practices along the Suppliers Chain Core SDG 8.4, 8.8 · 12.2, 12.6 · 13.3 Supportive SDG 6.4 · 11.6 · 16.5, 16.6 · 17.16, 17.17	Establish a programme to support our Suppliers in developing plans for decarbonisation, water management and respect for human rights, by 2026 2023 → 2026 Baseline year · Target year	–	N/A	–	Goal defined in 2023	Logistics and transport suppliers: A plan could not be developed for 2024. This will become a target for 2026. Wood suppliers: In 2024, a Decarbonisation Plan was developed through to 2033, within the scope of the European Union's Scope 3 framework	✓
	Promote partnerships for use of more sustainable means of transport (own and Suppliers') by 2026 2023 → 2026 Baseline year · Target year	–	–	–	Goal defined in 2023	Logistics and transport suppliers: Consolidation of maritime service to central/northern France with WEC Lines, increasing shipments by sea instead of by road, resulting in an emissions reduction of approximately –786 tCO_2 in 2024 (vs. "as is" scenario) Wood suppliers: A decarbonisation plan for the area was developed, which includes the establishment of strategic partnerships	✓
Promote development and upskilling of human capital in line with the Company's present and future needs Core SDG 8.5 · 12.6 Supportive SDG 4.3, 4.4, 4.6, 4.7 · 17.16, 17.17	Reach 80% of Employees with development plans customised to their needs and professional plans, in alignment with Navigator's succession needs, until 2030 2020 → 2030 Baseline year · Target year	–	80% **Interim targets** 45% of all Employees with a Development Plan in 2025 2021 → 2025 Baseline year · Target year 60% of Technicians, Specialists and Managers with a Development Plan in 2025 2022 → 2025 Baseline year · Target year	37% of all Employees with an Individual Development Plan 76% of Technicians, Specialists and Managers with an Individual Development Plan In 2022, the interim targets were adjusted	26% of all Employees with an Individual Development Plan 38% of Technicians, Specialists and Managers with an Individual Development Plan	31% of all Employees with an Individual Development Plan 53% of Technicians, Specialists and Managers with an Individual Development Plan	✓

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote development and upskilling of human capital in line with the Company's present and future needs Core SDG: 8.5, 12.6 Supportive SDG: 4.3, 4.4, 4.6, 4.7, 17.16, 17.17	Create awareness in teach concerning good ESG practices and the commitment to sustainability by 2026 2023 → 2026 Baseline year / Target year	–	80% **Interim target** Carry out periodic awareness-raising actions and provide training to 80% of employees by 2026 2022 → 2026 Baseline year / Target year	–	Goal defined in 2023	The S-pertise Programme was created and the training content on Sustainability and ESG to be launched in 2025 was structured The internal Sustainability Hub platform was launched, providing sustainability-related content for employees	✓

Contribute to the skills and employability of young people in the regions where we operate
 	
Core SDG: 8.5, 8.7
Supportive SDG: 4.3, 4.4, 4.7, 17.16, 17.17
Local SDG: 10.2
	Establish partnerships with educational institutions (universities and technical schools) in all regions where we operate in Portugal, along with internship programmes that contribute to skills development and youth employability
	
	2020 → 2030
	Baseline year / Target year
		–	**Interim target**
			Integrate 20% of professional internships aimed at management and technical staff
			2021 → 2025
			Baseline year / Target year
			
			Integrate 50% of professional internships aimed at Operational Technicians
			2021 → 2025
			Baseline year / Target year
				• Participation in 19 job fairs (in-person and virtual)
				• 6 pitch sessions
				• 10 presentations about the Company and Junior Recruitment Programmes
				• 6 seminars/workshops on topics related to the Company's activities
				• 3 open sessions for master's final-year students at FCTUC, NOVA FCT and ISA
				• 11 meetings between Navigator representatives and faculty members from educational institutions to strengthen synergies
				• 2 Merit Scholarships awarded at NOVA FCT
				• Joint protocol with Altri, Corticeira Amorim and Sonae Arauco for the full funding of 22 scholarships in forest engineering at UTAD/FEUP, ISA and ESAC
				• 8 student group visits to our industrial sites (242 students)
				• 104 internships, of which:
				  • 49 professional internships for management and technical staff (47%)
				  • 55 professional internships for operational technicians (53%)
				  • 35 summer internships
				  • 9 long-term trainees (month programme) welcome
					• Participation in 26 initiatives at universities (fairs, pitch sessions and presentations)
					• 31 curricular internships / dissertation projects
					• 3 open sessions for master's final-year students at FCTUC, NOVA FCT and UA
					• 8 scholarships awarded
					• 23 student group visits to Navigator industrial sites (636 students)
					• 109 professional internships, of which:
					  • 51 professional internships for graduates and master's students, with 27.4% integrated into staff
					  • 58 professional internships for future operators, with 67.2% integrated as Operational Technicians
					• Around 50% integration of professional internships
					• 3 long-term trainees (24-month programme)
					• 48 summer internships
						Number of initiatives at universities and technical schools
						
						Plan execution rate above 90%: 100% in 2024 (considering only job fairs)
						
						Number of internship programmes
						
						Internship plan execution in 2024: 80.85%
						
						291 internships
						
						172 professional internships:
						• 47 professional internships for graduates and master's students (27%)
						• 125 professional internships for Operational Technicians (73%)
							✓

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote an inclusive organisational culture able to integrate internal and external challenges **Core SDG** 8.5, 8.8 **Supportive SDG** 17.16 **Local SDG** 10.3, 10.4	Monitor on a continuous basis the main motivational stimuli for Employees to arrive at more appropriate management practices, policies and processes implemented 2020 → 2030 **Baseline year** **Target year**	—	CRESCER (Growing): Implementation of 100% of the roadmap by 2030 Climate Survey: Average above 70% in indicators related to satisfaction and engagement in the climate survey	Straight to the Top Programme Employer Branding initiatives: Onboarding, Semapa event Open days, with total of 69 sessions for new Employees and others already integrated in the organisation in order to share knowledge across different sectors Launch of the "CRESCER" (Growing) project, including listening sessions with involvement of 200 individuals, whose input will give rise to a Roadmap of initiatives and measures for gradual and consistent implementation	Straight to the Top Programme covered 4 industrial complexes, with the following results: • 35 ideas submitted • 1 idea selected for prize The organisational climate rate recorded a participation rate of 73% (the highest ever in Navigator's surveys)	CRESCER (Growing), a cross-cutting project for the evolution of organisational culture Organisational Climate Survey – Average score of satisfaction and engagement indicators: 65.4 (2023), 69 Open Days held in 2024 – 34 in the first half of the year and 35 in the second half	✓
Provide a safe and healthy environment for Employees, ensuring their well-being **Core SDG** 8.5, 8.8 **Supportive SDG** 3.8, 3.9	Develop the Occupational Health programme up to 2030: • Work Ability Index (WAI): 45% in 2030 • Assessment of Employee satisfaction with programme > 95% 2020 → 2030 **Baseline year** **Target year**	40.04%	45% > 95%	As this index is monitored every four years, the WAI reassessment will take place in 2025 97%	As this index is monitored every four years, the WAI reassessment will take place in 2025 97%	As this index is monitored every four years, the WAI reassessment will take place in 2025 97%	✓
	< 10% of accidents — reclassified due to non-compliance with rules and procedures 2022 → 2030 **Baseline year** **Target year**	49%	< 10%	—	—	19%	✓
	Develop the Ergonomics Action Area: 100 workstations redesigned by 2030 2020 → 2030 **Baseline year** **Target year**	52	100 workstations redesigned	52 workstations redesigned (to date)	72 workstations redesigned (to date)	202 workstations redesigned (to date)	+

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Provide a safe and healthy environment for Employees, ensuring their well-being	Provide training courses on a continuous basis in OHS in forest operators for service providers, suppliers and operators, aiming to provide more than 600 hours each year 2021 → 2030 Baseline year Target year	628 h 457 Employees	600 h/year	544 h 432 Employees	698 h 567 Employees	2533 h 2037 Employees[2]	
	Achieve the Zero Accidents Target through continuous improvement in safety, with the 2021-2025 OHS Strategy: • Frequency index ≤2 in 2030 (internal and external Employees) 2020 → 2030 Baseline year Target year	— Frequency index= 6.6	≤2 **Interim target** To reach a frequency index = 4 em 2024 2021 → 2030 Baseline year Target year	Frequency index = 7.3	Frequency index = 5.8. The proposed interim target was not achieved, and has been carried over to 2024 with the same KPI	Frequency index = 4.1 **The proposed interim target was achieved**	
	Achieve a frequency rate ≤0.3 in 2025 (Mozambique) 2022 → 2025 Baseline year Target year	Frequency index= 2.5	≤0.3	—	—	Frequency index = 0.36	

Core SDG

8.5, 8.8

Supportive SDG

3.8, 3.9

[2] The 2024 data includes information on service providers, suppliers and agents from Portucel Mozambique, in addition to Portugal.

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Develop Community relations, promoting knowledge transfer and public awareness of the economic, social and environmental importance of forests	Run Forest Literacy initiatives for primary school children, adolescents and adults, in order to contribute to better knowledge of Portugal's forests, and their environmental, social and economic importance, through the "Dá a Mão à Floresta" (Give the Forest a Hand), My Planet and Florestas.pt projects • Nº initiatives/year (digital and in-person): 10 • Nº children reached/ year: 20,000 • Nº teenagers and adults reached/year: 40,000 2020 → 2030 Baseline year Target year	–	10 initiatives per year (digital and in-person) 20,000 children reached per year 40,000 teenagers reached per year **Interim target** Conduct a roadshow of the Dá a Mão à Floresta (Give the Forest a Hand) project, aimed at primary schools, by 2024 2020 → 2024 Baseline year Target year	7.7,225 children reached: • 17 in-person initiatives • 4 editions of Dá a Mão à Floresta (Give the Forest a Hand) magazine, with an average print run of 14,000 copies 12,050 teenagers and adults reached: • 12 in-person initiatives • 3 editions of My Planet magazine, with an average print run of 15,000 copies 29 in-person initiatives: • 7 magazine editions • 880 digital contents • 9 contests	5,236 children reached: • 12 in-person initiatives • 3 editions of the Dá a Mão à Floresta (Give the Forest a Hand) magazine, with an average print run of 15,000 copies 4,824 teenagers and adults reached: • 7 in-person initiatives • 2 editions of the My Planet magazine, with an average print run of 16,000 copies 19 in-person initiatives: • 5 magazine editions • 1,012 digital contents • 11 contests	Over 6,000 children reached 4 editions of the magazine with an average print run of 15,000 copies 540 digital contents 12 contests 1 edition of My Planet magazine with a print run of 17,500 copies Presence at the Eucalyptus Forum with around 260 magazines distributed Activation at the Faculty of Arts, University of Coimbra 126 digital contents 7 awareness-raising actions / participations in initiatives 4 new partners Visits to 6 schools across different regions of the country Presence at 7 fairs/festivals	✓
	Consolidated Forestry Producers project, promoting and disseminating technical information about forest production, helping to share best practices, by 2030 • Nº initiatives/year (digital and in-person): 10 • Annual number of forest producers contacted: 10,000 2020 → 2030 Baseline year Target year	– – –	**Interim target** Carry out 40 engagement initiatives with forest producers by 2025 2022 → 2025 Baseline year Target year Hold 4 Forest Producers Meetings by 2025 2023 → 2025 Baseline year Target year Ensure 100 new subscriptions by 2025 2023 → 2025 Baseline year Target year	11 initiatives: • 3 editions of the magazine, with an average print run of 15,000 copies Impact on a community of 12,500 forest producers	8 initiatives: • 3 editions of the magazine, with an average print run of 15,000 copies • 200 digital contents and 2 forest sourcing campaigns (in Portugal and Spain) Impact on a community of 15,000 forest producers	11 initiatives (10 participations in agroforestry sector events in Portugal and Galicia, 1 forest sourcing campaign in the Galicia region) 4 editions of the magazine, with an average print run of 15,000 copies; over 200 digital contents 130 participants in the 4th Forest Producers Meeting Impact on a community of over 18,000 people	✓

Core SDG

8.3 9.5 12.8 13.3 15.1, 15.2

Supportive SDG

4.4, 4.6, 4.7 11.4 17.16

Local SDG

2.4

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Develop Community relations, promoting knowledge transfer and public awareness of the economic, social and environmental importance of forests	Consolidate the Biodiversity By The Navigator Company project 2022 → 2030 Baseline year Target year	–	**Interim target** Establish 4 partnerships by 2025 2022 → 2025 Baseline year Target year Increase visibility of Navigator's biodiversity conservation strategy among urban adults and national NGOs by 2025 2022 → 2025 Baseline year Target year	Goal defined in 2022	Informational materials on best forest practices, genetic material and forest sourcing 100 posts on Facebook and Instagram, and 37 contents/ articles on the website Partnership with the newspaper Expresso	Around 24,700 followers on social media 14,299 new followers Over 96,000 website visitors 156,000 website visitors since launch Around 210 digital contents	✓
	Launch the Navigator "Clube Produtores Florestais" (Forestry Producers Club) 2023 → 2030 Baseline year Target year	–	**Interim target** Hold a stakeholder gathering event by 2025 2023 → 2025 Baseline year Target year Secure 100 new subscriptions by 2025 2023 → 2025 Baseline year Target year	–	Goal defined in 2023	1st anniversary event of the Club held, with participation from key Stakeholders Number of registered members: 367	✓
	Floresta do Saber (Forest of Knowledge) project – Education and Awareness on Forests, the Bioeconomy and Bioproducts 2020 → 2030 Baseline year Target year	0	70,000 (cumulative over 10 years, 2020–2030)	Around 6,500 participants 280 activities 8 think tanks 3 exhibitions	10,510 in-person participants 753 activities across 191 in-person events 7 think tanks 2 exhibitions	13,318 (From 2020 to 2024: 31,187 visits)	✓

Core SDG

8.3 9.5 12.8 13.3 15.1, 15.2

Supportive SDG

4.4, 4.6, 4.7 11.4 17.16

Local SDG

2.4

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Develop Community relations, promoting knowledge transfer and public awareness of the economic, social and environmental importance of forests	Increase the reach and effectiveness of the e-globulus platform among national forest producers 2020 → 2030 Baseline year Target year	—	Number of users (cumulative): 35,000 Number of registered users (cumulative): 1,250	14,883 users accessed the platform 687 registered users 63,394 views (Cumulative values)	Over 20,000 users accessed the platform 850 registered users Over 82,000 views (Cumulative values)	27,733 users accessed the platform (cumulative) 1,040 registered users (cumulative)	+
	Promote the Florestas.pt platform as the national reference for forestry data 2020 → 2030 Baseline year Target year	2 initiatives	73 digital and in-person initiatives **Interim target** Hold 4 in-person initiatives by 2025 2021 → 2025 Baseline year Target year Hold a conference on the theme of the National Forest by 2025 2022 → 2025 Baseline year Target year Hold 35 initiatives with Academia (digital and in-person) by 2025 2021 → 2025 Baseline year Target year	12 sessions with Academia 4 themed editions of the newsletter; 18 authored articles; 5 new partners (12 partnerships established in 2020 and 2021) 6 outreach actions (2 of them in person)	10 sessions with Academia 4 themed editions of the newsletter; 23 authored articles; 5 new partners (24 partnerships established since 2020) 9 in-person outreach actions (around 350 people reached at these events)	6 sessions with Academia 2 themed editions of the newsletter; 21 authored articles; 3 new partners (27 partnerships established since 2020) 7 outreach actions, for a cumulative total of 31 since 2020 (around 240 people reached at these events) Around 41,000 monthly visitors, with approximately 94% arriving through organic search The interim target of holding the annual Conference was achieved in 2023, in partnership with Expresso	✓

Core SDG

8.3 · 9.5 · 12.8 · 13.3 · 15.1, 15.2

Supportive SDG

4.4, 4.6, 4.7 · 11.4 · 17.16

Local SDG

2.4

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Increase number of products with forestry certification label or EU Ecolabel **Core SDG** 12.2, 12.4, 12.5, 12.6 — 15.1, 15.2	Maintain or increase sales of products with environmental seal (Ecolabel or FSC® or PEFC) • UWF: ≥ 70% by 2030 • Packaging: ≥ 60% by 2030 • Tissue: ≥ 99% by 2030 • Pulp: ≥ 80% by 2030 2019 **Baseline year** UWF, Tissue, Pulp 2023 **Baseline year** Packaging → 2030 **Target year**	UWF: 52% Packaging: 64.07% Tissue: 90% Pulp: 80%	UWF: ≥ 70% Packaging: ≥ 60% Tissue: ≥ 99% Pulp: ≥ 80%	UWF: 71.10% Packaging: 61.00% Tissue: 99.48% Pulp: 79.76%	UWF: 64.20% Packaging: 64.70% Tissue: 94.40% Pulp: 90.40%	UWF: 65% Packaging: 54.00% Tissue: 94.00%* Pulp: 80.00% *Does not include the United Kingdom	
Cultivate lasting relations with Customers through active listening and through joint initiatives to respond effectively to their needs **Core SDG** 9.2	Maintain or increase Customer Satisfaction (CSI) • Tissue: CSI ≥ 70% by 2030 • Pulp: CSI ≥ 63% by 2030 • UWF: CSI ≥ 90% by 2030 • Packaging: CSI target to be set after first questionnaire in 2025 2019 **Baseline year** UWF, Tissue, Pulp 2025 **Baseline year** Packaging → 2030 **Target year**	UWF: ISC = 91% Tissue: ISC = 64% Pulp: - Packaging: ICS to be defined after the first questionnaire is conducted in 2025	UWF: ISC ≥ 90% *Tissue*: ISC ≥ 70% Pulp: ISC ≥ 63% Packaging: ICS to be defined after the first questionnaire is conducted in 2025	Satisfaction surveys are only conducted every two years	95% in the Paper Customer Satisfaction Index (printing and writing papers) and 67% in the Tissue Customer Satisfaction Index	Satisfaction surveys are only conducted every two years	
Develop innovative, competitive and sustainable products **Core SDG** 9.4, 9.5 — 12.2, 12.4, 12.5 **Supportive SDG** 17.16, 17.17	Develop innovative, competitive and sustainable products 2023 **Baseline year** → 2030 **Target year**	0	15	—	Goal defined in 2023	1 (assessment methodology changed in 2024)	
	Develop functional and distinctive tissue products for the hygiene and healthcare sector 2023 **Baseline year** → 2030 **Target year**	4	30	—	Goal defined in 2023	5 (assessment methodology changed in 2024)	

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Develop sustainable bioproducts, reducing dependence on fossil resources and working towards a decarbonised economy	Develop new cellulose materials and composites, which are recyclable and biodegradable 2024 → 2030 Baseline year Target year	60	100	Installation of cellulosic biocomposite production equipment using thermoplastics, as part of the launch of the Pilot Laboratory for Bioproducts Scale-up of the biocomposite production process New biocomposite made entirely from bioproducts, including more than 40% cellulosic fibre – patent submitted	Development and optimisation of biocomposite formulations for market testing Production of application prototypes with potential end-users	60 formulations developed (assessment methodology changed in 2024)	✓
	Develop biofuels, bioplastics and biochemicals from waste forestry biomass. 2024 → 2030 Baseline year Target year	3	10	Installation of pilot equipment for essential oil extraction, as part of the launch of the Pilot Laboratory for Bioproducts Scale-up of the essential oil production process Optimisation of bioplastic (PHA) production from eucalyptus biomass hydrolysates	Optimisation of the biomass pre-treatment process and the essential oil extraction process from eucalyptus foliage	3 studies (assessment methodology changed in 2024)	✓

Core SDG

8.2, 8.4 · 9.4, 9.5 · 12.2, 12.4 · 15.2

Supportive SDG

17.16, 17.17

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote scientific and technological co-creation in the field of the bioeconomy and bioproducts	Strengthen partnerships with Universities and Technology Centres in Portugal and abroad 2020 → 2030 Baseline year Target year	16	16	As part of the new RRP projects, the scope of partnerships was extended to include the Portuguese Catholic University, PIEP – Centre for Innovation in Polymer Engineering, CeNTI – Centre for Nanotechnology and Smart Materials, and CITEVE – Technological Centre for Textile and Clothing of Portugal	Consolidation of the partnership network with universities and R&D centres in the context of the RRP projects	10 (Measurement methodology changed in 2024)	✓
	Promote advanced training, in collaboration with universities: 30 doctorates by 2030 2020 → 2030 Baseline year Target year	0	30	25 doctorates in progress, of which 2 have been completed	23 doctorates in progress, 15 of which completed	20 doctorates completed	✓
	Promote registration of intellectual property: 50 patents by 2030 2020 → 2030 Baseline year Target year	9	50	20 patents filed (out of a total of 38) In 2022, the target was raised from 25 to 50 patents by 2030	5 patents filed (out of a total of 43)	47 (cumulative patent families) (assessment methodology changed in 2024)	+
	Promote projects on a co-creation basis with external organisations – with a view to tapping the economic value of knowledge generated through R&D: 15 projects completed by 2030 2022 → 2030 Baseline year Target year	—	15	Goal defined in 2022	9 co-creation projects completed in the field of forest-based bioeconomy with R&D centres, start-ups and SMEs	Goal discontinued in 2024	

Core SDG

8.2, 8.4 9.5

Supportive SDG

4.4 17.16

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Ensure that all wood is obtained from credible sources (FSC® or PEFC certification schemes, or controlled origin) **Core SDG** 12.2, 12.6 · 13.2 · 15.1, 15.2 **Supportive SDG** 17.16	Ensure that the Company's wood consumption include no less than 80% certified wood by 2030 2020 → 2030 **Baseline year** **Target year**	74%	> 80%	68%	69%	73.39% (72.94% from the national market and 73.39% considering all certified wood sources received by Navigator between 2020 and 2030)	+
	Promote certification of the chain of custody of all our wood Suppliers by 2030 2020 → 2030 **Baseline year** **Target year**	74%	100%	87%	92%	92%	+
Invest in low carbon solutions leading to carbon neutrality **Core SDG** 9.4 · 13.1 **Supportive SDG** 7.2, 7.3	Cut scope 3 GHG emissions by 37.5% by 2035 (baseline: 2020)Emissions baseline year: 958,266 tCO_2e 2020 → 2030 **Baseline year** **Target year**	Baseline year emissions: 958,266 t CO_2e The calculation of the Scope 3 emissions reduction target performance, aligned with the baseline defined under the SBTi, considers Category 1, excluding emissions associated with the procurement of PCC, pulp, services, wood, and residual forest biomass. It also includes Categories 3, 4, and 9, emissions related to the conversion of pulp into UWF and tissue (Category 10), and 50% of emissions associated with landfill disposal (Category 12).	3.5%	Goal defined in 2022	Increase of 6.8% (1,023,331 tCO_2e vs. 958,266 tCO_2e)	Increase of 9.6% (1,050,577 tCO_2e vs. 958,266 tCO_2e)	—

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Invest in low carbon solutions leading to carbon neutrality	Cut direct EU ETS CO_2 emissions from industrial complexes by 86% by 2035 (baseline: 2018) Emissions baseline year: 774,464 tCO_2e 2018 → 2035 Baseline year / Target year	774,464 tCO_2e	86% **Interim target** Reduce direct EU ETS CO_2 emissions from industrial complexes by 31.5% by 2027, compared to 2018 2018 → 2027 Baseline year / Target year	Reduction of 28.6% (552,587 tCO_2e vs. 774,464 tCO_2e)	Reduction of 41.0% (456,689 tCO_2e vs. 774,464 tCO_2e) In 2023, the intermediate target set for the 31.5% reduction in direct EU ETS CO_2 emissions from industrial complexes by 2027, compared to 2018, was exceeded	Reduction of 41% (454,234 tCO_2e vs. 774,464 tCO_2e) In 2024, the intermediate target set for the 31.5% reduction in direct EU ETS CO_2 emissions from industrial complexes by 2027, compared to 2018, was exceeded **In this regard, we consider this target as achieved**	
	Cut scope 1 and 2 GHG emissions by 63% by 2035 (baseline: 2020) Emissions baseline year: 937,710 tCO_2e 2020 → 2035 Baseline year / Target year	Base year emissions: 937,710 tCO_2e The base year emissions value is in line with what was submitted and approved by the SBTi in 2022. For the calculation of the performance against the emission reduction target for Scope 1+2 emissions, in alignment with the baseline defined by the SBTi, emissions associated with fluorinated gases, own fleet, CH4 and N_2O, and fertilizers are excluded, which represent approximately 7% of the inventory.	63%	Goal defined in 2022	Reduction of 26% (697,408 tCO_2e vs. 937,710 tCO_2e)	Reduction of 36% (599,397 tCO_2e vs. 937,710 tCO_2e)	

Core SDG

9.4 13.1

Supportive SDG

7.2, 7.3

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Invest in low carbon solutions leading to carbon neutrality **Core SDG** 9.4, 13.1 **Supportive SDG** 7.2, 7.3	Use 80% renewable energy in total consumption of primary energy by 2030 2018 → 2030 **Baseline year** **Target year**	70%	80%	76% Includes production for self-consumption from photovoltaic solar power plants	81% **Goal achieved** Includes production for self-consumption from photovoltaic solar power plants	80% **Goal achieved** Includes production for self-consumption from photovoltaic solar power plants	
Ensure sustainable use of soil and forestry resources, including biodiversity **Core SDG** 13.1, 15.1, 15.2, 15.5 **Supportive SDG** 6.6, 11.4, 17.16, 17.17	Create positive impact on (or net gain in) biodiversity by taking action in keeping with commitments made by Navigator through act4nature Portugal 2020 → 2030 **Baseline year** **Target year**	—	**Interim target** Carry out annual monitoring plans for species and habitats and perform maintenance actions, improvement of conservation status, and restoration of biodiversity and ecosystem services in the forest heritage managed by the company, in the following areas: (i) conservation; (ii) rehabilitation; and (iii) ecological restoration → 2030 **Target year** In the area of ecological restoration, initiate and/or maintain actions on at least 110 hectares by 2030 → 2030 **Target year** Maintain the remaining maintenance and conservation improvement activities (actions on at least 30 ha/year) until 2030 → 2030 **Target year**	View Progress Report - act4nature Commitments 2022 (view online)	View Progress Report - act4nature Commitments 2022 (view online)	View Progress Report - act4nature Commitments 2024 (view Annex 9.3)	

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Ensure sustainable use of soil and forestry resources, including biodiversity **Core SDG** 13.1 · 15.1, 15.2, 15.5 **Supportive SDG** 6.6 · 11.4 · 17.16, 17.17	Create positive impact on (or net gain in) biodiversity by taking action in keeping with commitments made by Navigator through act4nature Portugal 2020 → 2030 **Baseline year** **Target year**	–	**Interim target** Carry out at least one project for the recovery of an endangered species and support another by 2030 → 2030 **Target year** By December 2024, complete the integration approach of biodiversity and ecosystem services conservation into the corporate strategy, in line with available scientific knowledge and voluntarily assumed commitments → 2024 **Target year** By 2026, define a simplified framework, in line with key elements of global reference frameworks (e.g., Natural Capital Protocol), to systematize the assessment of biodiversity and ecosystem services impacts and dependencies, testing the approach in a pilot project → 2026 **Target year** Carry out, by 2030, training actions with content related to biodiversity and ecosystem services conservation and raise awareness about good business practices, for both internal and external employees → 2030 **Target year**	View Progress Report - act4nature Commitments 2022 (view online)	View Progress Report - act4nature Commitments 2023 (view online)	View Progress Report - act4nature Commitments 2024 (view Annex 9.3)	

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Ensure sustainable use of soil and forestry resources, including biodiversity **Core SDG** 13 CLIMATE ACTION — 13.1 15 LIFE ON LAND — 15.1, 15.2, 15.5 **Supportive SDG** 6 CLEAN WATER AND SANITATION — 6.6 11 SUSTAINABLE CITIES AND COMMUNITIES — 11.4 17 PARTNERSHIPS FOR THE GOALS — 17.16, 17.17	Help reduce rural fires, seeking to ensure that the burned area under Navigator's management stays below 1% each year 2018 → 2030 **Baseline year** **Target year**	2.1%	<1% per year	0.3%	1.8%	2.66%	—
	Ensure that the stock of CO_2 sequestered in the forest holdings under Navigator's management does not fall by more than 10% in relation to 2022 (baseline year), by 2030 2022 → 2030 **Baseline year** **Target year**	6.1 M tCO_2e	Positive variation in CO_2 stock sequestered in the forest area under Navigator's management compared to 90% of the 2022 value (reference year)	6.1 M tCO_2e	6.2 M tCO_2e	6.4 M tCO_2e (+4.9% compared to 2022)	✓
Promote efficient use of resources, minimising our ecological footprint **Core SDG** 8 DECENT WORK AND ECONOMIC GROWTH — 8.2, 8.4 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE — 9.4 12 RESPONSIBLE CONSUMPTION AND PRODUCTION — 12.2, 12.5 13 CLIMATE ACTION — 13.1, 13.3 15 LIFE ON LAND — 15.1, 15.2 **Supportive SDG** 6 CLEAN WATER AND SANITATION — 6.3, 6.4 7 AFFORDABLE AND CLEAN ENERGY — 7.3	Study the potential for water reduction and consumption in the Espirra nursery, with a reduction of at least 10% in water usage by 2030 2022 → 2030 **Baseline year** **Target year**	364,000 m^3	260,000 m^3/year	—	Decrease of 15% (310,100 m^3/year compared to 2022)	Decrease of 21% (288,279 m^3/year compared to 2022)	✓
	Monitor impact of production forests on water management 2019 → 2030 **Baseline year** **Target year**	Installation of two experimental forest basins for flow quantification and monitoring of hydrological responses	Knowledge of the hydrological dynamics in forested experimental basins and its relation to forest management, supported by published works or other forms of dissemination	—	Goal defined in 2023	Frequent collection of field data and integration into the ecohydrological model, leading to greater knowledge of the plantations-water use interaction	✓
	Cut specific use of water (m^3/t and product) in industrial operations by at least 33% by 2030 (baseline: 2019) Specific use in baseline year: 22.4 m^3/t 2019 → 2030 **Baseline year** **Target year**	22.4 m^3/t	33%	Decrease of 14.7% (19.1 m^3/t vs. 22.4 m^3/t)	Decrease of 5.1% (21.2 m^3/t vs. 22.4 m^3/t)	Decrease of 8% (20.5 m^3/t vs. 22.4 m^3/t)	✓

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote efficient use of resources, minimising our ecological footprint	Propose solutions that make it possible to improve efficiency in use of water in the industrial process → 2030 **Target year**	—	—	Continuation of the development and implementation of actions defined under the WURP (Water Usage Reduction Program)	In the industrial context, continuation of the development and implementation of actions defined under the WURP (Water Usage Reduction Program) Notable developments include the new bleaching tower and pulp washing presses at the Aveiro Pulp Mill, the new wood preparation line and water recovery system in Figueira da Foz, and the new effluent ultrafiltration system at the Wastewater Treatment Plant No. 2 in the Setúbal Complex	Goal discontinued in 2024	
	Reduce by 10% the organic load in Navigator's industrial effluents by 2030, in relation to 2022 (measured in kgCOD/t output) 2022 → 2030 **Baseline year** **Target year**	4.6 kg CQO/t	10%	4.6 kg CQO/t	Increase of 2% (4.6 kg CQO/t)	Increase of 12% (5.1 kg CQO/t)	—
	Optimise energy intensity, year after year 2020 → 2030 **Baseline year** **Target year**	—	—	12.0 GJ/t	12.9 GJ/t	12.7 GJ/t	—
	Propose solutions that make it possible to improve efficiency in use of wood in the industrial process → 2030 **Target year**	—	—	Implementation of projects that allow for the minimization of wood losses	Commissioning of the new wood preparation line at the wood yard of the Figueira da Foz Industrial Complex	Goal discontinued in 2024	

Core SDG

8.2, 8.4 · 9.4 · 12.2, 12.5 · 13.1, 13.3 · 15.1, 15.2

Supportive SDG

6.3, 6.4 · 7.3

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Promote circular bioeconomy, prioritising R&D solutions	Achieve by 2030 a rate of waste disposal in industrial landfill of less than 10% 2021 → 2030 Baseline year / Target year	14%	<10%	Goal reformulated in 2022	12%	12%	
	Develop sustainable applications and added value for by-products from industrial process (sludges, ash and other inorganic waste) 2020 → 2030 Baseline year / Target year	—	—	The partnership with Specialty Minerals Inc. was continued, which allowed the use of approximately 991 tons of carbonate sludge at the Figueira da Foz Pulp Mill Three requests for experimentation spaces were approved, with two market leaders in the construction sector Together, these partnerships allowed the disposal of 28,395 tons of sand for incorporation into the construction industry in 2022 1st edition of the Co-Creation Program for the Valorization of Scientific and Technological Knowledge in Circular and Digital Forest-Based Bioeconomy	The partnership with Specialty Minerals Inc. in Figueira da Foz was continued, which allowed the valorization of approximately 4,800 tons of carbonate sludge, an increase of about 3,800 tons compared to 2022 In the context of partnerships with the construction sector, through the incorporation of sand from the fluidized bed biomass boiler (by-product) into concrete block production, it was possible to dispose of around 35,600 tons of sand in 2023 (+25.5% compared to 2022)	1,355 tons of ash valorized in concrete artifacts 1,260 tons of carbonate sludge valorized in PCC production 39,995 tons of sand (by-product) valorized for the construction sector	

Core SDG

8.4 · 9.4 · 12.2, 12.4, 12.5

Supportive SDG

17.16, 17.17

Commitments	Goals	Baseline	Target	Performance in 2022	Performance in 2023	Performance in 2024	Status
Develop adaptive forestry practices in the context of climate change	Develop genetically improved clonal and seed plants, with 30-50% productivity gains and resilience to climate change 2020 → 2030 Baseline year Target year	–	Maintain volume and pulp gains (30-50%) and/or enrich genetic diversity (for biotic and abiotic factors)	New clonal varieties delivered for production. The selection of clones had impacts on eucalyptus disease resistance in the nursery and in the field Incorporation of new genetic materials into the program (rescue of over 100 individuals) Year of low seed production	Incorporation of 29 seed lots from 24 species through importation and collection at the Portuguese arboretum "Escaroupim," to increase the diversity of the long-term Genetic Improvement Program through hybridization with *E. globulus*	Three new clones delivered to the Aliança Nurseries portfolio, with a genetic gain of 41% (volume and pulp), all with resistance to Neopestalotiopsis, and two with known resistance to Ophelimus	✓
	Introduce and promote the establishment of natural enemies for 2 eucalyptus pests 2020 → 2030 Baseline year Target year	–	–	Reinforcement of the release of the parasitoid of the eucalyptus bug *(Cleruchoides nockae)* into the wild Approval of the official request for the risk study for the release of Anagonia (a new natural enemy of *Gonipterus*)	The release of Anagonia, a new natural enemy of Gonipterus, has begun The import request for Ennogera, a natural enemy of the eucalyptus weevil, was approved by ICNF – Institute for Nature Conservation and Forests	Two natural enemies of two important eucalyptus pests were produced in a biofactory and released in the field The effect of these natural enemies is being monitored in the field	✓
	Identify at least one natural enemy of Acacia dealbata and introduce it to Portugal 2024 → 2030 Baseline year Target year	–	–	–	–	Regarding new natural enemies, several species of acacia defoliators were imported from Australia, and their potential is being studied by RAIZ to assess which species could be beneficial as biological control agents	✓

Core SDG

8.2, 8.3, 8.4 | 9.2, 9.4, 9.5 | 13.1, 13.3 | 15.5

Supportive SDG

17.17

Local SDG

2.5

FROM FOREST TO FUTURE

Forest producer of the Premium program

Generate economic, social

and environmental impact along the value chain.

3.4.5. Stakeholder engagement

The Navigator Company's responsible management strategy is designed to generate economic, social and environmental impact along the value chain, listening to and aligning the expectations of our Stakeholders with Navigator's strategy and needs.

Our aim is to create long term value for the 10 relevant Stakeholder groups with which we have dealings. The Stakeholder groups were identified at an internal workshop, with members of the Executive Committee, as part of the materiality analysis process in 2015. This mapping has been undergoing review, to keep it up to date and to ensure integration of the expectations identified in relation to the issues considered most relevant to the Company's future, and there was no significant change to the Stakeholder groups identified in relation to the previous report.

We use various **forms of communication and engagement**, and the channels and frequency vary depending on the Stakeholder group and the needs identified. In this way we seek to consolidate trusting relationships and our social license to operate, increasing transparency and identifying possible risks and opportunities.

Communication channels used for all groups include email and the Company's website and social media, as well as the whistleblowing channel (Chap. 5.4.1).

The formal mechanisms for direct interaction with different Stakeholder groups include the bilateral communication channels established, such as the **Industrial Forum**, and interactions with workers' representatives (Chapter 5.3.1); the **Community Monitoring Committees** (Chapter 5.3.3) and the **Community Liaison Officers** who help to build a close relationship between the Company and local Communities in Mozambique (Chapter 5.3.3) - initiatives which are crucial for understanding the concerns of Communities, seeking to respond to their needs and incorporating practices into our action plans.

Navigator's **Sustainability Forum** (Chapter 5.1), an internal sustainability governance body, also provides an important arena for dialogue. Significantly, its members took part in the double materiality process (Chapter 5.1) and annual sessions are organised with the participation of national and international experts, to discuss subjects of relevance to the Company's business and to our Stakeholders.

Navigator also has an **Environmental Board**, with members drawn from academe, which is responsible for monitoring the Company's environmental performance (Chapter 5.1) and holds regular meetings over the year.

Mindful of the need for continuous improvement and of our purpose of sharing our knowledge and resources with society, we have made several information channels available to local Communities (Chapter 5.3.3) and forestry producers (Chapters 5.2.6).

Our Public Affairs Department also does important work in promoting a close relationship with institutional stakeholders and in advocacy initiatives on regulatory, environmental and social issues.

The Navigator Company sets out to generate economic, social and environmental impact along the value chain, listening to and aligning the expectations of our Stakeholders.

Relationship with our Stakeholders

Our aim is to create long term value for the 10 relevant Stakeholder groups with which we have dealings.

Stakeholder groups	How we engage	How we create value
Shareholders	• General Meetings • Dedicated events • Roadshows • Conferences for presentation of results • Annual and quarterly reports • Environmental Board • Sustainability Forum • ESG performance information • ESG ratings • Investor relations • Regular reporting of financial and non-financial information • Sustainability Forum	• Risk reduction • Optimisation of operations • Optimisation of assets • Increased revenues and distribution of dividends • Submission of intellectual property patents
Employees	• Pension Fund Supervisory Board • Industrial Forum • Managers' Forum • Intranet • My Planet • Navigator Forests Conference • Navigator Commercial Conference • Straight to the Top Programme • Periodic meetings between Executive Committee and Workers' Committee • Collective bargaining instruments • Navigator Tour - Visits to our mills and nurseries • Family Day • Future Leaders Forum • Growing Project • Digital Forum • Eucalyptus Forum • Fórum Digital	• Stable employment • Payment of wages, performance and productivity bonuses • Benefits and support for families • Vocational training and development • Provision of safe working conditions that promote well-being • Raising awareness of healthcare and preventive medicine • Management of pension fund • Promoting a sense of purpose

Stakeholder groups	How we engage	How we create value
Business Associations	• Sustainability Forum • Participation in events and management bodies of industry associations in areas such as energy, forestry and sustainable development • Meetings and visits to our facilities • Eucalyptus Forum	• Contribution to the design of shared solutions for economic, environmental and social challenges in the sector, regions and the country. • Active participation in development projects and support for forestry producers through Biond – Forest Fibers from Portugal
Forest landowners and associations	• Sustainability Forum • Technical support and training • Forestry Producers Club • Annual Forestry Producers Meeting • Trade Fairs • e-globulus platform • Florestas.pt platform • Collaboration agreements • Forestry Producers Magazine • Navigator Tour - Visits to our mills and nurseries • Eucalyptus Forum	• Technical training • Tools for promoting responsible and sustainable forest management • Large scale production of clones, making for healthier and more productive forests • Genetic improvement of plantations • Support for fire prevention and fire-fighting • Solutions for controlling pests and other biotic risks to plantations • Adding value to ecosystem services, through sustainable forest management and biodiversity conservation • Increased efficiency in forest production
Customers	• Business activities • Periodic listening exercises • Advertising campaigns • Satisfaction surveys • ESG Questionnaires • Complaints • Meetings and visits to our mills and nurseries • Webinars and specialist events	• Quality products, mostly bearing certification seals • Response to market needs • New products and services • Close relationships and trust, generating value for Consumers
Government and regulatory entities	• Advocacy activities– Public Affairs sector • Community Liaison Committees • Sustainability Forum • Formal response to legal requirements • Meetings and response to various enquiries • Navigator Tour - visits to our mills and nurseries	• Responsible fiscal policy • Helping to power Portugal's business fabric and promoting exports • Contributing to better rural development policies and to attainment of Portugal's carbon neutrality targets, with concrete proposals/action plans • Participation in Taxpayers' Forum

Stakeholder groups	How we engage	How we create value
Science and technology system	• Environmental Board • Sustainability Forum • Study grants and Master's degrees • Research partnerships (RAIZ) • Cooperation agreements with universities • Forest of Wisdom • Navigator Tour - Visits to our mills and nurseries • Eucalyptus Forum	• Investment in R&D • Generating and disseminating knowledge • Partnerships with universities and institutes to produce knowledge on a co-creation basis • Creating employment in science • Development of bioproducts
NGOs	• Sustainability Forum • Community Liaison Committees • Collaboration agreements • Navigator Tour - Visits to our mills and nurseries	• Participation in leading NGOs in the field of sustainable forests and biodiversity conservation For example: the World Wide Fund for Nature's Forests Forward programme • Dialogue with NGOs in Navigator's Sustainability Forum
Suppliers	• Sustainability Forum • Declarations of conformity • Technical visits to facilities of chemical raw materials suppliers • Annual Forestry Producers Meeting • Forestry Producers Magazine • Navigator Tour - Visits to our mills and nurseries • Navigator Hub • Suppliers' Day • Forestry Producers Club • Eucalyptus Forum	• Supplies and provision of services • Generating employment and powering development of Portugal's business fabric • Sharing values and good practice • Support for reducing carbon footprint
Community	• Community Monitoring Committees • Community liaison officers (Mozambique) • Give the Forest a Hand • Forest of Wisdom • Biodiversidade.com.pt • Florestas.pt platform • Sustainability Forum • My Planet • Navigator Tour - Visits to our mills and nurseries • Forestry Producers Club	• Promotion of the rural economy and bioeconomy • Generating employment • Training up young talent • Investment in the Community • Promotion of forest literacy • Adding value to ecosystem services, through sustainable forest management and biodiversity conservation • Helping to mitigate climate change risks, through carbon sequestration and investment in renewable energy sources • Reducing the impacts from atmospheric emissions, noise and odours, and from waste generation • Reducing the impacts of liquid emissions on water availability

Responsibly and proudly shaping the current state of the paper industry, imprinting our DNA throughout the value chain.

FIBRE

FROM FOREST TO FUTURE

FROM FOREST TO FUTURE

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04
Performance in businesses

4.1. Bleached eucalyptus pulp (BEKP)

European demand for hardwood pulp (HW) performed well in 2024, culminating in growth of 13%; demand for short eucalyptus fibre (EUCA) was up 12% over the year.

After a 1st half of 2024 marked by the strength of the benchmark index for hardwood pulp in Europe (PIX BHKP in dollars), which rose to record levels in early July (1440 USD/ t), the 2nd half brought a severe correction in prices in China, ending the year at 545 USD/t. This slump in prices confirmed the 2024 downward cycle as the fastest and sharpest in recent years. As a consequence, prices also adjusted downwards in Europe in the second half, most markedly in 4th quarter, ending the year at 1000 USD/t.

In China, prices stabilised at the end of the 4th quarter, supported by an increase in business - an improvement in downstream sectors, with the market feeling the effect of a major player in the domestic market discontinuing production (due to persistently poor returns on operations), and an upsurge in the volume of trading at the end of the year.

European demand for hardwood pulp (HW) performed well in 2024, culminating in growth of 13%; demand for short eucalyptus fibre (EUCA) was up 12% over the year. The pulp market was sustained by stable demand in certain segments, such as printing and writing paper (especially UWF), tissue and packaging paper (UWF up 8%, CWF up 5% and tissue up 7%).

This improvement stands in contrast to the decline in demand for short fibre in China, with a downward correction of 9%

The pulp market was sustained by stable demand in certain segments, such as printing and writing paper (especially UWF), tissue and packaging paper (UWF up 8%, CWF up 5% and tissue up 7%).

in HW and 8% in EUCA, penalised by a domestic paper market that remained depressed through to the end of the 4th quarter, making it hard for paper manufacturers to increase prices and relieve the pressure on their margins.

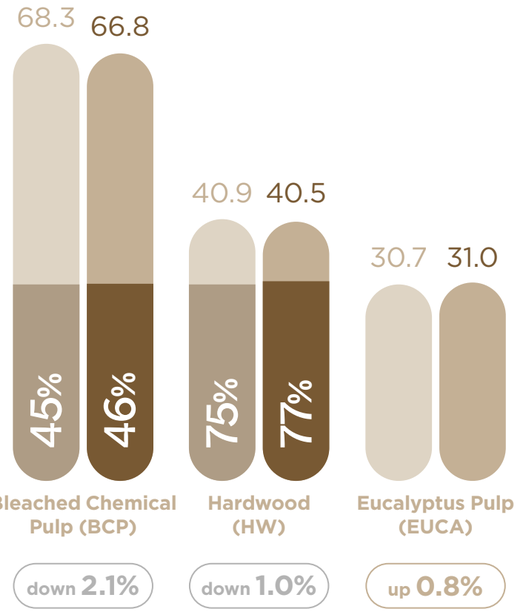
New ventures starting up in 2023 in Chile and Uruguay and the start-up of new production capacity in 2024 in Brazil and China both led to a gradual increase in supply, especially over this period, putting downwards pressure on prices.

It should be stressed that, worldwide, eucalyptus fibres represent almost half of all fibre in the market and almost 80% of hardwood fibre.

Pulp sales stood at 389,000 tons, due to increased incorporation into paper products, representing a reduction of 16% in relation to 2023. The improvement in average sales prices in relation to the previous year (up 13%) meant that the value of sales dropped by just 5% (vs. 2023).

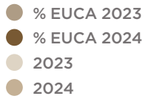
Global pulp demand

(In million tons)



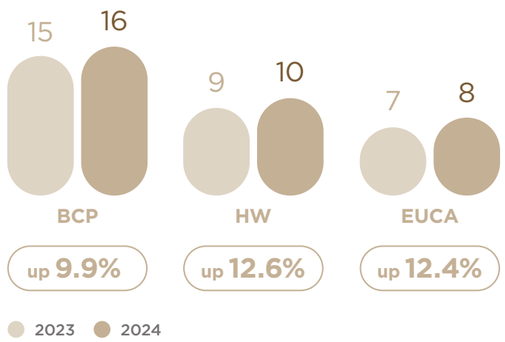
Demand for EUCA has represented a growing proportion of BCP and HW.

Source: PPPC, December (2024 vs. 2023)



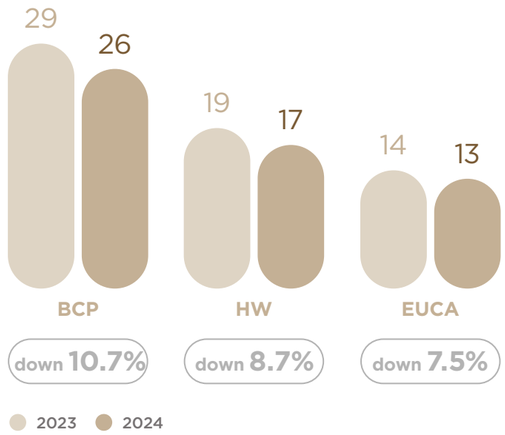
Europe

(In million tons)



China

(In million tons)



4.2. Paper

In Europe, apparent demand for uncoated woodfree printing and writing paper (UWF) grew by 8% in relation to 2023.

In Europe, apparent demand for uncoated woodfree printing and writing paper (UWF) grew by 8% in relation to 2023, with the strongest growth in paper for the printing industry (10%), followed by office paper (8%) and reels for the paper processing industry (5%).

In the United States, demand dipped by just 0.2% in relation to 2023, whilst China recorded growth of 2% (January to November).

Apparent global demand for printing and writing paper grew by 0.5% in all segments, with demand for UWF paper up 0.3%. Coated or couché papers (CWF) recorded growth of 0.5%, whilst papers using mechanical fibre (coated and uncoated) presented an increase of 1.2%.

Significantly, UWF has remained the most resilient segment over the years, due to its versatile uses Unlike other grades, where demand has slumped since 2020, UWF has been practically stagnant (declining 0.58% a year, as compared to a drop of 4.1% in CWF and 6.9% in papers made from mechanical pulp - CAGR 2020-24).

Capacity utilisation rates in the European industry (output/capacity) were up on 2023. Navigator operated in 2024 with an average capacity utilisation rate of 86%, as compared to an average of 82% in the European industry for the same period.

At the end of the year, the benchmark index for office paper in Europe (PIX A4 B-copy) stood at 1096 €/t, up slightly from its level at the start of the year (1092 €/t), pointing to the resilience of the paper price. The index closed the year of 2024 at an average price

of 1107 €/t, representing an increase of 31% over pre-pandemic levels (845 €/t between 2015 and 2021).

Navigator's printing and packaging paper sales totalled 1,225 thousandtons, up by 8% on 2023. The sales volume, in euros, grew by 3% (in relation to 2023). Attention is drawn to the strength of our business model, based on differentiation, premium products and strong mill brands in the various markets where we operate.

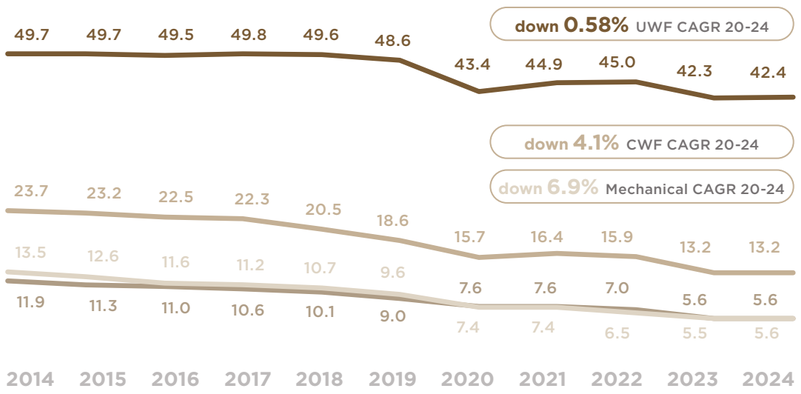
Mill brands represented 77% of the year's sales (vs. an average of 73% over the period 2018-2024). Premium products continue to represent a large share, at 58% (compared to an average of 55% over the period 2018-2024). These two ratios stand at their 2nd highest levels of all time. When market conditions are more difficult, mill brands and segments with greater value added offer an additional safeguard for Navigator's results.

In addition to the **quality**, **innovation** and **sustainability** credits associated with our products, we offer an additional guarantee to our Customers and Consumers through the guarantee to our customers and consumers through the forest certification and/or EU Ecolabel labelling on our products.

With regard to **product information and labelling**, we comply with Regulation (EU) 453/2010 of 20 May, by publishing a technical safety data sheet for all our products, describing their main characteristics, applications and advice on use and recycling. We therefore apply the Ecolabel and/or FSC®[1] and PEFC[2] certification logos, among others.

Global Demand for Printing and Writing Papers

(In million tons)



Source: PPPC, December (2024 vs. 2023)

down **2%**
CAGR 14-24 UWF

down **6%**
CAGR 14-24 CWF

down **7%**
CAGR 14-24 UME

down **8%**
CAGR 14-24 CME

[1] Licence number: FSC® - C008924
[2] Licence number: PEFC/13-32-001

4.3. Packaging

Expectations of a return to normality in 2024 were confirmed and market behaviour was more typical, with demand stabilising and growing stronger.

Expectations of a return to normality in 2024 were confirmed and market behaviour was more typical, with demand stabilising and growing stronger. European deliveries of Kraft MF (machine finished) papers (white and brown) reported by CEPI (January-December) were up by 23.1% on the same period in 2023.

Navigator's packaging segment performed consistently over the year, with a gradual increase in sales. The sales volume in the segment doubled in relation to 2023. At present, 70% of our sales are in Europe, mainly in Iberia, Italy, France and Germany, with the remaining 30% in overseas markets (where Latin America, Turkey and North Africa are our leading markets).

This performance has been based on the move into new segments, launched in 2023 and the early months of 2024, above all in the area of flexible packaging. The strong results in these segments have confirmed the effectiveness of the strategy of diversifying into these new packaging paper applications using eucalyptus fibre. In fact, sales in the flexible packaging and boxes (rigid packaging) segments accounted for a significantly larger proportion of turnover, thereby reducing the dependency on the bag segment, a more competitive market where growth has recently shown less momentum.

Navigator has continued to broaden its customer base, which already numbers close to 300 clients in a sales operation 100% based on its own brand –

gKRAFT™. The packaging paper offering is based around the three gKRAFT™ macrosegments – BAG, FLEX and BOX –, which then divide into 12 subsegments for different applications. The innovative introduction of the properties of eucalyptus fibre has been crucial in securing the growing acceptance and recognition that these products already enjoy in the market.

The year 2024 also saw the start-up of production at the new industrial unit in Aveiro for moulded cellulose components. Production started up with 7 products for single-use applications in the food sector, fully recyclable and/or compostable: a 22cm plate, a 17cm plate (dessert), a 500ml bowl, 1 litre take-away packaging, a tray (laminated for raw protein – beef, pork and poultry), a fruit basket and an espresso coffee cup.

These 7 products offer production flexibility and scalability for exploiting the various opportunities opening up for substituting single use plastics and aluminium. Alongside this, work has proceeded on developing new products, in partnership with national and international clients, and on researching and developing new sustainable barrier property solutions, as well as trials of commercial products.

In an important breakthrough, early in the new year (2025), our moulded cellulose products, under the gKRAFT™ Bioshield brand, secured conformity certification for food contact under European Regulation (EC) 1935/2004 (food contact) and under the German recommendation BfR XXXVI. This means that our gKRAFT™ Bioshield products are the first moulded cellulose products in the world to achieve conformity with recommendation BfR XXXVIA. This certification was issued by ISEGA, the prestigious German laboratory. Certification enables us to market products for the food segment, for contact with fatty, moist and dry foods, applying to our entire tableware and take-away line.

4.4. Tissue

Navigator's tissue business took a front seat in 2024, marked by the acquisition of what is now called Navigator Tissue UK.

ADemand for tissue was lively throughout the year, with growth of 5.4% estimated in Western Europe. This strong growth is due essentially to recovery in consumption in the Away-from-Home segment and growing household spending power.

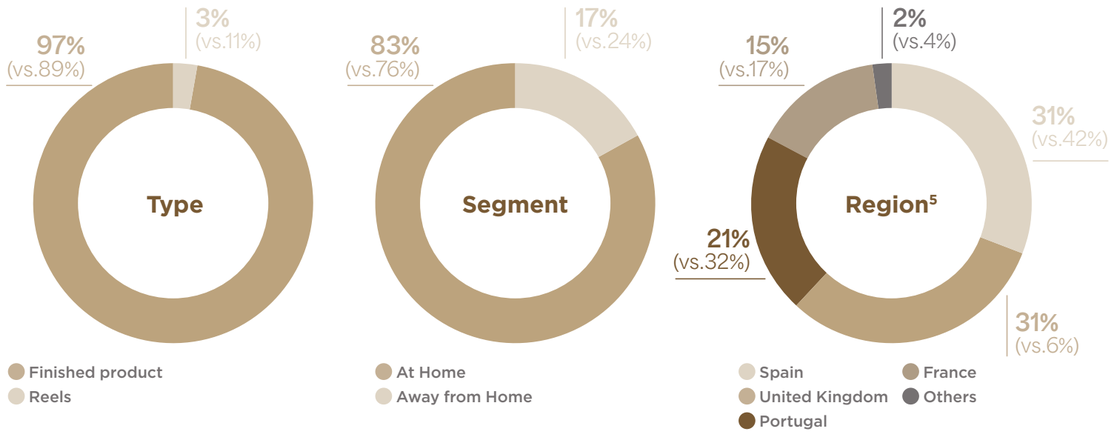
Navigator's tissue business took a front seat in 2024, marked by the acquisition of what is now called Navigator Tissue UK, which took effect during the 2nd quarter. The integration of this new unit is part of Navigator's ambitious plan for growth and diversification, and strengthens its strategic position in the tissue market.

Tissue sales displayed significant resilience, with sustained growth in demand for Navigator's finished products.

The volume of tissue sales (finished products and reels) totalled 220 thousand tons in 2024, representing an increase in volume of 55% in relation to 2023, with sales in euros likewise growing by 55%. This growth was powered by the additional capacity

€456m
Volume of tissue sales (an increase of 55% in relation to 2023)

Tissue Sales 2024 [3] [4] (vs. 2023)



[3] Tons.
[4] Q2, Q3 and Q4 2023 and 2024 include Tissue Ejea I May to December 2024 includes Tissue UK.
[5] Finished product and reels.

of Navigator Tissue Ejea, acquired in Spain in the 2nd quarter of 2023, and by the capacity of Navigator Tissue UK as from 1 May 2024, which, in addition to boosting growth of sales, broadened the customer base and yielded significant gains in acquisition synergies.

International sales in tissue business continue to grow, and now represent 79% of the total sales volume in this segment, with the English and Spanish markets accounting for close to two thirds of total sales, at 31% each, and the French market claiming 15% of sales. Sales broke down into 97% finished products and 3% reels, representing an improvement in the mix of 3pp when compared with 2023.

In terms of client segments, At Home or Consumer (retail) business has grown in importance, currently accounting for 83% of sales, whilst Away-from-home and wholesalers account for the remaining 17%.

Twenty twenty-five started with good news, as the Amoos brand won two major accolades: the Five Star Prize and the 2025 Consumer's Choice Award. These awards are also the result of continuous work on branding, which has been gradually rolled out in this business area. Public recognition boosts contact and the visibility of our products and brands with the general public; no less importantly, it improves the brand profile with our Customers and prospective Major Clients.

Five Star Award: 4 years of excellence. For the fourth year running, Amoos has won the Five Star Award, coming out top in the napkins category with its 40x40 product in the Naturally Soft range. This award shows that Portuguese consumers are interested in a more sustainable, high quality solution – featuring softness, in the case of napkins - provided by the Natural Soft Fibre™ technology. The Naturally Soft range is made up of dermatologically tested products, made from 100% virgin fibre, free of chemical bleaching agents, making more efficient use of certain resources, such as wood, energy and water.

Consumer's Choice 2025: No. 1 in Toilet Paper: For the first time, the Amoos brand also won the title of No. 1 Brand in the 2025 Consumer's Choice, in the Toilet Paper category. This award, which enjoys healthy awareness ratings in the world of Portuguese consumer goods, highlights the potential of the value placed by Portuguese households on the quality of the Amoos toilet paper range.

Product of the Year Awards: In June 2024, we launched a multi-purpose kitchen roll range in the United Kingdom under the iconic Flash cleaning brand. Made from paper which is 100% FSC certified, Flash Kitchen Roll combines strength and absorption, providing consistent and reliable cleaning power. In 2025, Flash Kitchen Roll was voted Product of the Year in the Household Paper category of the Product of the Year Awards, the largest consumer survey in the United Kingdom on product innovation.

4.5. Energy

With photovoltaic solar power facilities featuring total rated capacity of approximately 38 MW, Navigator is now Portugal's largest generator of solar power for internal consumption in an industrial setting.

Energy sales in 2024 stood at approximately 123 million euros, down 27% on the previous year.

This reduction was due essentially to the transfer of the Setúbal combined-cycle natural gas power station to operation for internal consumption; in the previous year, the plant had operated exclusively for sale to the market.

By way of compensation, the reduction in power sales resulting from operation of the Setúbal plant for internal consumption enabled Navigator to to make a corresponding reduction in power purchases for operation of the group's largest paper machine.

Another important development during the year was the participation by the Group's industrial units in the manual Frequency Restoration Reserve Band Market (mFRR Band). This system service, provided to the operator of the power grid by qualified consumers, helps to safeguard the security of supply in the National Electrical System, which has already proved to be decisive for protecting domestic consumers and critical users. Over the course of the year, Navigator's units were mobilised on 32 occasions to reduce their power consumption, under the mFRR Band service.

Another important development in 2024 was completion of work on new solar arrays for internal power consumption at the industrial sites in Figueira da Foz, Aveiro and Vila Velha de Ródão. With photovoltaic solar power facilities featuring total rated capacity of approximately 38 MW, Navigator is now Portugal's largest generator of solar power for internal consumption in an industrial setting.

4.6. Financial performance

Cost management and growing sales volumes of UWF, packaging and tissue enabled us to achieve EBITDA of 547 million euros.

Variable costs were brought down significantly over the year which, in conjunction with management of paper prices, especially in segments with greater value added, afforded additional protection for results. These factors, combined with a sales strategy of prioritising mill brands and product and market diversification, made it possible to achieve EBITDA of 547 million euros.

Cash costs came down by between 2% and 10% in all pulp and paper segments (printing and writing, tissue and packaging). Continued efforts to control costs have made it possible to cut cash costs by between 10 and 14% in comparison with 2022, although they remain above pre-pandemic levels.

It should be stressed that 2024 was marked by the crisis in the Red Sea, requiring changes to shipping routes and prompting an upward tendency in freights worldwide. Despite these difficulties, Navigator succeeded

in keeping its logistical costs on a downwards course, with a 6% reduction in relation to 2023.

Navigator remains focused not just on managing its variable costs, boosting efficiency in consumption of raw and subsidiary materials, by reducing specific consumption levels, in particular in pulp, paper and Tissue production, but also on making efforts to contain fixed costs.

Total fixed costs ended the period at a higher level than in 2023, due to the incorporation of the Navigator Tissue Ejea unit in the 2nd quarter of 2023 and Navigator Tissue UK in May 2024, the increase in the value of the bonus awarded by way of employee profit sharing, increased severance payments under the rejuvenation scheme and non-recurrent costs related to the acquisition of Accrol. However, when the new acquisitions are excluded, fixed costs, not including Personnel costs, rose by well under the rate of inflation for the year.

In this context, Navigator achieved EBITDA of 547 million euros in 2024 and an EBITDA / Sales margin of 26.2% (up 0.5 p.p. on 2023).

4.7. Sustainable financial management

The Interest Bearing Net Debt/EBITDA ratio stood at 1.13 (vs. 0.98 in 2023), consolidating the Group's financial strength profile.

Net debt in 2024 grew by 128 million euros in relation to 2023: in a period marked by large disbursements associated with the acquisition of Accrol (€153 million), dividends (€150 million) and capex (€241 million), this reflects robust capacity for cash flow generation. The Interest Bearing Net Debt/EBITDA ratio stood at 1.13 (vs. 0.98 in 2023), consolidating the Group's financial strength profile.

Debt totalling 95 million euros was repaid over the year, whilst six new long term facilities were contracted, for a total of 355 million euros, of which 330 million euros was drawn during the year (230 million euros maturing in 7 years – bullet - and the remaining 100 million euros in 6 and 5 years). Of that borrowing, 250 million euros is on a flat rate basis, either by hedging the interest rate with derivatives (interest rate swaps) or else directly contracted on that basis.

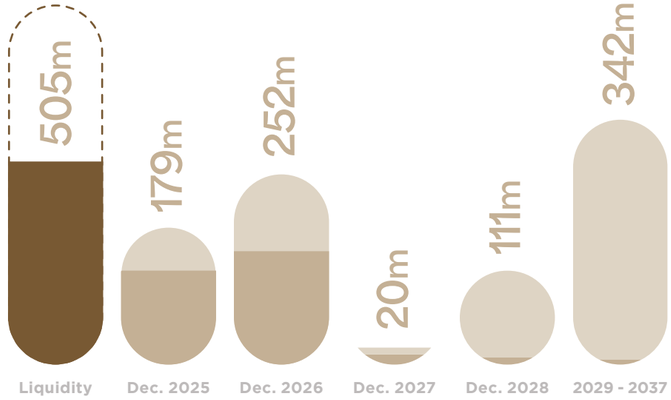
Navigator continues to enjoy ample liquidity, with 218 million euros in long term facilities available, an appropriate level of average debt maturity, with rationally staggered repayments, and approximately 65% of total debt tied to sustainability (vs. 46% in 2023) and 89% of total debt issued on a flat rate basis, directly or via hedging instruments, enabling us to maintain low financing costs in a scenario of sharply rising interest rates.

Despite the new facilities contracted, incorporating higher market interest rates, the average cost of debt issued at 31 December remained below 2.4%.

Navigator is committed to carrying on its business in full compliance with environmental, social and governance (ESG) principles and best practices and has established this Sustainability-Linked Finance Framework to support the financing and/or refinancing of its activities in general, through bond issues or loans indexed to sustainability indicators.

Debt profile

Total issued: €904 M Average maturity: 3.5 years



Liquidity = **Cash €287 M** + Long term facilities available €218 M

2.4%
Average Cost of Issued Debt (Dec 2024)

89%
Fixed rate

65%
Of Total Debt on Sustainable Basis

Sustainable

4.8. Share performance

Total shareholder returns (TSR) for Navigator in 2024 stood at 7%, again reflecting steady performance by the shares and distribution of dividends.

The international economy proved fairly resilient in 2024, with growth in global GDP of more than 3%. Business was driven by a consistent employment market and a recovery in spending power. With inflation coming down, close to the target levels of the monetary authorities, the central banks reacted to this adjustment and set about cutting their reference rates.

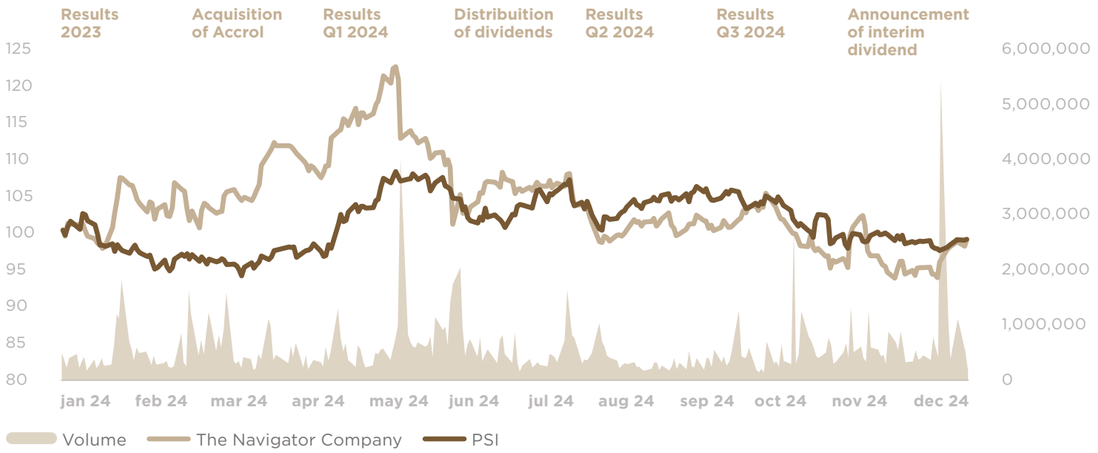
However, growth was not evenly spread: in the US, the economy remains robust with GDP growth surpassing expectations, whilst in the Euro Zone, GDP continues to be sluggish. In China, the difficulties in the real estate sector and slack domestic demand continue to weigh on the economy, although the strong foreign trade results helped to keep growth at close to 5%.

This scenario meant that, in general 2024 was a positive year for the main stock markets. The global index MSCI ACWI was up 15% on the year (after a gain of 20% in 2023) and Euro Stoxx 600 rose by 6% (up 13% in 2023).

However, after the presidential elections in the United States, this dynamic abated somewhat, especially after the Fed, at its December meeting, poured cold water on expectations of interest rate cuts.

The year ended with a strong dollar, and great uncertainty as to the potential disruptive effects of the economic policies of the incoming US president and the evolution of monetary policy. The escalation of war in the Middle East and Ukraine posed

Navigator Share Price 2024



Source: Bloomberg

the largest challenge to economic and financial forecasting.

The share prices of Pulp and Paper sector companies were hit, especially in the second half of the year, by volatility in the pulp prices, when benchmark indexes suffered a sharp downwards adjustment, after reaching all-time highs in July 2024. Most European shares in the sector ended the year with a loss.

Total shareholder returns (TSR) for Navigator in 2024 stood at 7%, again reflecting steady performance by the shares and distribution of dividends.

Navigator shares grew in value by 1.18% over 2024, closing the year at €3.59 per share. The listed prices fell to its lowest level of €3.402 in early December, having peaked at €4.436 on 15 May, following the acquisition of Navigator Tissue UK. Average daily trading stood at 567,101 shares, with an average daily turnover of 2.1 million euros.

The annual general meeting was held on 24 May 2024, and approved distribution of dividends of €150 million, equivalent to a gross dividend of €0.21091/share, paid on 11 June. An interim dividend for 2024 was announced in December, of €100 million, equivalent to €0.14061/share, which was paid on 14 January 2025.

Navigator stock is currently included in more than 240 investment funds, 90 of which feature an ESG approach, up by approximately 15% from 2023. These funds recognise the Company's impact on environmental, social and governance issues. Navigator is also featured in around 40 share indexes.

Navigator's sustainable performance and business have been recognised in ESG questionnaires and ratings.

In February 2025, Navigator was again named by CDP – Disclosure Insight Action as a leader in climate change mitigation, with an "A" rating in the CDP Climate Change questionnaire, placing us in the A-List for Climate, with continued leadership status.

On 12 July 2024, Navigator renewed its rating as a low risk company for investors when it was named a "2025 ESG Industry Top Rated Company" in the ESG Risk Rating by Sustainalytics, one of the world's best respected ESG rating agencies.

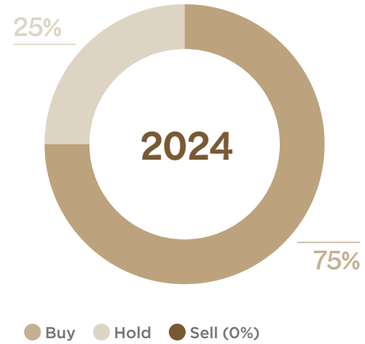
Navigator also achieved an A-rating from the MSCI ESG Ratings assessment (2024).

Navigator's rating and excellent ranking are important facts that reflect its ongoing efforts to integrate sustainability as a priority in its business model its capacity to anticipate and manage ESG risks in the conduct of its operations.

The average target price assigned by the 8 analysts following the share, at the end of the year, was 5 euros, approximately 39% above the closing price (3.59 euros), and 23% higher than the 2023 average target price, with six Buy recommendations and two Keep recommendations.

For information about Navigator's capital structure, please see the **Corporate Governance Report in this Annual Report**

Analysts' Recomendations



4.9. Contribution to State tax revenues

The tax policy has a significant impact on the business fabric, affecting all of the Group's value chain.

In the course of the Navigator Group's business, its component companies are subject to a large number of taxes, charges and contributions, making the Group a major contributor to State revenues in Portugal, helping the country to achieve its welfare and development objectives. The tax policy therefore has a significant impact on the business fabric, affecting all of the Group's value chain.

For this reason, the Navigator Group has a tax policy aligned with the Group's business development strategy, defined in accordance with the economic substance of its business and designed to ensure full compliance, by Group entities, with their tax obligations, in all the jurisdictions in which they carry on their business, seeking to comply fully with the spirit and letter of the applicable legislation.

Aware of its role in Portugal's industrial and business fabric, and because of the vital importance of transparency in dealings with shareholders, the Navigator Group has sought in recent years to calculate its Tax Footprint, identifying the volume of tax revenues obtained from its business operations and the taxes it collects and administers on behalf of the State and other parties, thereby contributing on this dual basis to the State's tax revenues.

35.22%
effective tax burden in 2024 (2023: 31.42%)

€124m
Total tax bill, contribuitions and charges (2023: €109m)

As illustrated in the "Taxes paid" graph, the Group footed a total tax bill in 2024 (including more than 20 different taxes, contributions and charges) of €124 million (2023: €109 million), equivalent to an effective tax burden of 35.22% in 2024 (2023: 31.42%) on pre-tax profits. This tax burden consisted primarily of Corporation Tax (IRC), including surcharges (Municipal and State), Autonomous (flat-rate) Taxation (TA) and Social Security contributions, the last two of which totalled €93 million (2023: €79 million) and €23 million (2023: €22 million), respectively.

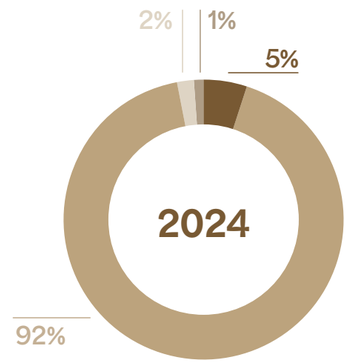
Taxes paid include fairly substantial environmental taxes, totalling 5 million euros. These include the Petroleum Products Tax, Water Resources Charge, Public Maritime Domain Charge, Waste Management Charge, Special Consumption Tax (IEC) on electricity, Extraordinary Contribution on the Energy Sector (CESE), Single Road Tax (IUC) and CO_2 licenses, on which the outlay was higher than in the previous year (2023: 4 million), due to more licenses being needed. This increase also demonstrates the fiscal contribution to the pursuit of sustainability goals, in line with the Group's policy. Accordingly, the size of the Group's tax bill again shows that its contribution is already high, meaning that the creation of new charges or financial contributions in future will clearly result in double taxation and a heavy tax burden for the Group, the consequence of which will be to limit Navigator's capacity to invest in more sustainable projects, as we have been doing.

In taxes levied by the State, Navigator as a whole paid out, in 2024, a sum of 1158 million euros (2023: €1119 million), with VAT once again the single largest contributor to this total (2024: €1064 million vs. 2023: 1017 million), pointing to the Group's collaboration in collecting tax revenues for the Portuguese State. It should be noted that Navigator is not remunerated by the State for collecting this tax, in contrast to what happens in other jurisdictions, and even to the situation in Portugal for other economic operators, which are remunerated by the tax authority (e.g. attachments made on the tax authority's request), meaning that Navigator bears in full the costs of levying these taxes on the State's behalf.

Mention should also be made of the VAT assessed and self-assessed by Navigator in other jurisdictions where it is registered for VAT purposes outside Portugal, where it collected an additional total of €59 million in VAT (2023: €57 million) for the respective state authorities.

The Group also collects €10.9 million in Social Security contributions payable by its Employees (2023: €10.4 million) and €24 million in income tax (IRS) deducted at source (2023: €34 million), essentially on salaries paid to its Employees. The labour tax rate for 2024 stood at 16.16% (2023: 18.90%), and the increase was essentially due to the reduction in the Group's consolidated profits (acquisition of Accrol). This indicator is calculated as the ratio between taxes levied on labour (Social Security contributions payable by the company and the worker, and IRS deducted from employees' pay) and pre-tax profits.

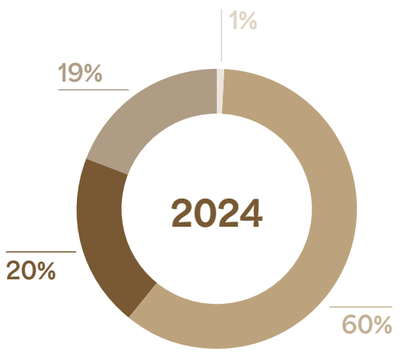
Taxes collected



In taxes levied by the State, Navigator as a whole paid out, in 2024, a sum of 1158 million euros.

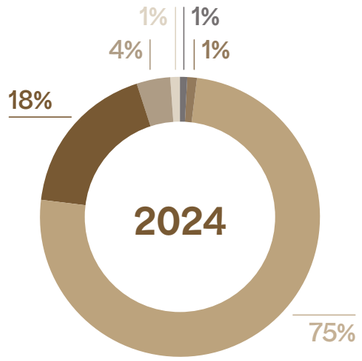
- VAT assessed and self-assessed (VAT registrations abroad)
- VAT assessed and self-assessed
- Personal /corporate income tax withholdings
- Social Security under the responsibility of the employee
- Seizures (0%)

Main taxes paid



- Autonomous taxation
- CIT
- Social Security contributions supported by Company
- Municipal and State surcharge

Total tax paid



- Stamp duty
- Other taxes
- CIT
- Social Security supported by Company
- Enviromental taxes
- VAT non-deductible
- Property taxes (0%)

VAT collected for other states

(Figures in Euros)

Country	2024	2023
Germany	17,181,032	15,144,100
Poland	17,223,814	14,299,873
Netherlands	16,948,429	11,947,886
United Kingdom	2,325,176	8,250,287
France	1,798,043	3,602,915
Spain	2,526,286	2,417,292
Switzerland	-75	694,581
Italy	815,334	329,550
Total	**58,818,038**	**56,686,485**

In terms of the geographical distribution within Portugal of **taxes charged on a territorial basis** (municipal surcharge, Municipal Property Tax, Municipal Conveyance Tax and municipal charges), the Group has the largest tax bill in the regions of Setúbal, Figueira da Foz, Aveiro and Vila Velha de Ródão, where it pays local taxes of €2.2 million, €1.6 million, €0.8 million and €0.5 million, respectively.

Worldwide, the Group paid out a total of €57m in Corporate Income Tax (CIT) in 2023, determined on a cash flow basis. The following table provides a geographical breakdown of corporate income tax paid by jurisdiction/country:

(Figures in Euros)

Jurisdiction	Accounting result in 2022	Corporation Tax paid in 2023	Share of Corporation Tax paid in 2023	Accounting result in 2021	Corporation Tax paid in 2022	Share of Corporation Tax paid in 2022
Spain	3,397,530	4,283,482	2.62%	946,641	311,989	0.47%
Netherlands	77,631	14,239	0.01%	58,620	8,182	0.01%
Portugal	499,827,076	157,819,034	96.57%	496,215,202	64,445,158	97.00%
France	109,464	54,649	0.03%	94,340	26,322	0.04%
Germany	189,360	65,200	0.04%	204,280	237,331	0.36%
Austria	40,593	4,268	0.00%	338,780	4,268	0.01%
United Arab Emirates	3,940	0	0.00%	9,213	0	0.00%
United States	67,239,990	479,402	0.29%	3,242,467	1,137,557	1.71%
Italy	88,319	36,424	0.02%	64,145	17,087	0.03%
Morocco	18,933	2,596	0.00%	13,152	1,621	0.00%
Mexico	18,747	12,472	0.01%	11,379	8,737	0.01%
Poland	14,926	4,667	0.00%	-3,651,881	1,964	0.00%
United Kingdom	308,163	137,493	0.08%	273,674	0	0.00%
Russia	0	0	0.00%	30,832	0,00%	
Turkey	17,236	1,857	0.00%	5,654	12,310	0.02%
Egypt	8,951	887	0.00%	14,775	2,000	0.00%
Ireland	6,228	498,941	0.31%	566,730	220,107	0.33%
South Africa	0	0	0.00%	0	0	0.00%
Nigeria	0	0	0.00%	0	0	0.00%
Mozambique	13,713,375	1,447	0.00%	1,984,682	1,488	0.00%
Total	**557,653,711**	**163,417,057**	**100.00%**	500,422,683	66,436,122	100.00%

In the context of compliance with its country by country tax reporting obligations, it may be seen that, in 2023, the Group paid 97% of its global corporate income tax burden in Portugal (2022: 97.00%; 2021: 78.87%; 2020: 80.92%; 2019: 95.95%; 2018: 92.93%; 2017: 93.78%), in the 19 jurisdictions (2022: 17; 2021:18; 2020 to 2019: 16; 2018: 18; 2017:17) where the Group is established, its tax payments represented the following percentages of global corporation tax: 3.12% in Europe, 0.00% in Africa & Middle East and 0.30% in America.

Lastly, the Tax footprint report is of special importance to the Group in its efforts to computerise its tax function, with a view to the reliability of fiscal information for compliance with tax reporting obligations, and insofar as it brings together and analyses the main indicators for the many different taxes paid and collected on behalf of the State, and the Group's decisive contribution to public revenues in Portugal.

4.10. The Navigator Group's tax policy

The Navigator Group's tax policy is aligned with the group's business development strategy, meaning that the policy reflects the economic substance of its activities.

The Navigator Group fulfils the duties of corporate citizenship by complying with its obligation to create value and finance the general functions of the States where its carries on its business, by paying taxes, contributions, charges and other levies payable under the law, helping to promote the sustainable economic and social development development of these countries.

The Navigator Group's tax policy is intended to ensure full compliance, by the entities making up the Group, of their tax obligations in all the jurisdictions in which they carry on their business, seeking to comply in full with the spirit and letter of the applicable legislation.

To this end, the Navigator Group relies on its internal specialists and external consultants (where necessary) to ensure that the taxation law applicable to its business and transactions is interpreted appropriately and prudently, and it also seeks binding information from the tax authorities, where admissible and opportune, in order to ensure compliance with its tax obligations, in a spirit of collaboration and in its pro-active endeavours to minimise risks and possible tax contingencies.

The Navigator Group's tax policy is aligned with the group's business development strategy, meaning that the policy reflects the economic substance of its activities. For this reason, the Group's transactions are treated for tax purposes in keeping with its business activities, and the fiscal implications of those transactions are just one of many economic factors to be considered in management decisions at the Navigator Group.

Obviously, like any other business cost, the Navigator Group is obliged to manage its tax expenditure in a financially responsible manner for the Company and for its Shareholders. For this reason, under its tax policy, the Navigator Group makes use of the tax benefits and incentives for which it is eligible on the tax legislation of the countries where it carries on its business and which are appropriate to that business, in view of its economic substance.

In addition, in transactions with related entities, the rules, OECD guidelines and international best practices in relation to transfer pricing are considered when deciding on the terms and conditions of these intra-group transactions.

The Navigator Group also takes active steps to establish a relationship based on cooperation with the tax authorities of the countries where it carries on its business, in order to ensure it complies with tax legislation. This also entails providing the information and mandatory documents required by these tax authorities, in order to ensure that it complies with its own obligations and also that the economic operators interacting with the Navigator Group likewise comply with their respective tax obligations. Importance is also attached to appropriate and effective disclosure of the Navigator Group's tax policy, as well as of its tax footprint, providing an annual breakdown of its tax bill and of the taxes that it collects and administers on behalf of the State or other parties, thereby contributing on two fronts to the State's fiscal revenues and the payments made to public authorities. Lastly, the Navigator Group develops and complies with internal procedures for appropriate and regular oversight of its tax practices and review of its tax policy, with the involvement of its corporate boards, in order to minimise the potential financial and reputational risks involved in decision-making on taxation matters.

Modernizing the forest value chain, ensuring the conservation, protection, and preservation of biodiversity.

FLORA

FROM FOREST TO FUTURE

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05 Non-Financial Statement

Preliminary note

The Corporate Sustainability Reporting Directive (CSRD)[1] requires the disclosure of information on sustainability, in accordance with European reporting standards, with reference to the period starting 1 January 2024.

The CSRD laid down that Member States should transpose its provisions by 6 July 2024, and it is applicable to companies included within the terms resulting from its transposition into the respective national legal systems.

The process of transposing this Directive into Portuguese law was not concluded by that date, nor by the end of 2024 and, to the best of our knowledge, it remains under consideration by the competent authorities; as a result, by 1 January 2025 it has still not taken effect.

[1] Directive (EU) 2022/2464 of the European Parliament and the Council, of 14 December 2022, amending Regulation (EU) 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

Companies subject to the CSRD, such as Navigator, are already included under the Non Financial Reporting Directive (NFRD), and the CSRD represents a very significant change in sustainability reporting, requiring compliance with the more exacting criteria of the European Sustainability Reporting Standards (ESRS)[2].

In view of the failure to transpose the CSRD, the Portuguese Securities Market Commission (CMVM) issued a recommendation on 9 December 2024 to the effect that companies subject to its supervision and which the new duty would apply as from 1 January 2025 should make every effort to comply with the requirements of the Directive in question, so as to bring greater continuity, adaptability, transparency and comparability to the sustainability information disclosed, aligning themselves with its objectives..

In its annual circular in 2025, the CMVM subsequently announced that, in view of the legal context described, it will take a gradual approach, seeking above all to promote gradual adaptation by Issuers to the requirements which will follow from transposition of the CSRD.

Accordingly, when drawing up this report in line with the recommendations, The Navigator Company has complied, voluntarily, with the rules established in the CSRD, where and to the extent to which it was able to ensure full compliance with the respective provisions, considering the failure to transpose the directive, as described, within the deadlines and period indicated.

[2] Delegated Regulation (EU) 2023/2772.

5.1. General disclosures (ESRS 2)

5.1.1. Basis of preparation

5.1.1.1. General basis of preparation of the Non-Financial Statement (BP-1)

Scope of consolidation

The Non-Financial Statement has been drawn up on a consolidated basis, and the scope of consolidation is the same as for the Financial Statements. There are affiliates included in the scope of consolidation which are exempt from the obligation to submit individual or consolidated sustainability reports[3]. Encompasses information and data aligned with the calendar year of 2024, covering the period from 1 January to 31 December. For disclosures on E1-6 Gross scopes 1, 2, 3 GHG emissions and total greenhouse gas emissions (GHG) operating control was considered in determining the scope of consolidation. [ESRS 2.5a | ESRS 2.5b1| ESRS 2.5b2]

The company has not invoked the exemption established in Articles 19-A.3 and 29-A.3, of Directive 2013/34/UE, on the disclosure of imminent facts or matters under negotiation for companies established in a Member State of the EU [ESRS 2.5e]

Value chain

In keeping with the double materiality principle, relevant information on the value chain is included, both upstream and downstream, whenever necessary for an understanding of Navigator's material impacts, risks and opportunities and to point to compliance with the qualitative characteristics defined in the Corporate Sustainability Reporting Directive (CSRD). In keeping with this, commitments and specific actions have been incorporated to ensure sustainable practices at all stages of our operations. These commitments can be consulted in the 2030 Roadmap (Chap. 3.4.4). [ESRS 2.5c]

Intellectual property, know-how or results of innovation

Navigator has not used the option of omitting information about intellectual property, know-how or results of innovation [ESRS 2.5d].

External verification

The information contained in the Non-Financial Statement has been verified by KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. This firm has prepared an independent limited reliability assurance report (Chap. 9.4).

5.1.1.2. Disclosures in relation to specific circumstances (BP-2)

Time horizons

Navigator has selected time horizons consistent with the ESRS definitions for impacts, risks and opportunities, except for climate risks. The time horizons are: short term (<1 year), medium term (1 to 5 years) and long term (>5 years). In the case of climate risks, the time horizons are aligned with the TCFD recommendations: medium term (up to 2035) and long term (up to 2050). [ESRS 2.9a]

Value chain, sources of estimation and outcome uncertainty

The metrics/indicators/KPIs which include estimated upstream and/or downstream value chain data, using indirect sources, are scope 3 emissions (E1-6). Calculation of this indicator uses estimates based on the best

[3] Navigator Brands, S.A.; Navigator Parques Industriais, S.A.; Navigator Paper Figueira, S.A.; Empremédia - Corretores de Seguros, S.A.; Empremedia, DAC; Empremedia RE, DAC; RAIZ - Instituto de Investigação da Floresta e Papel; Enerpulp – Cogeração Energética de Pasta, S.A.; Navigator Pulp Figueira, S.A.; Ema Cacia – Engenharia e Manutenção Industrial, ACE; Ema Setúbal - Engenharia e Manutenção Industrial, ACE; Ema Figueira da Foz - Engenharia e Manutenção Industrial, ACE; Navigator Pulp Setúbal, S.A.; Navigator Pulp Aveiro, S.A.; Navigator Fiber Solutions, S.A.; Navigator Tissue Aveiro, S.A.; Navigator Tissue Ródão, S.A.; Navigator Tissue Ibérica, S.A.; Navigator Tissue Ejea, SL; Navigator Tissue France, EURL; Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda; Navigator Forest Portugal, S.A.; EucaliptusLand, S.A.; Gavião - Sociedade de Caça e Turismo, S.A.; Afocelca – Agrupamento Complementar de Empresas para Proteção Contra Incêndios, ACE; Viveiros Aliança - Empresa Produtora de Plantas, S.A.; Bosques do Atlântico, SL; Navigator Africa, SRL; Navigator Paper Setúbal, S.A.; Navigator North America Inc.; Navigator Afrique du Nord; Navigator España, S.A.; Navigator Netherlands, BV; Navigator France, EURL; Navigator Paper Company UK, Ltd; Navigator Holding Tissue UK, Ltd; Navigator Corporate UK, Ltd; Accrol Holdings, Ltd; Navigator Tissue UK, Ltd; LTC Parent Ltd; Leicester Tissue Company Ltd; Art Tissue Ltd; John Dale (Holdings) Ltd; John Dale, Ltd; Severn Delta, Ltd; Navigator Italia, SRL; Navigator Deutschland, GmbH; Navigator Paper Austria, GmbH; Navigator Paper Poland SP Z.O.O; Navigator Eurasia; Navigator Paper Mexico; Navigator Middle East Trading DMCC; Navigator Egypt, ELLC; Navigator Paper Southern Africa; Portucel Nigeria Limited; Navigator Green Fuels Setúbal, S.A.; Navigator Green Fuels Figueira da Foz, S.A.; Navigator Abastecimento de Madeira, ACE; Pulpchem Logistics, ACE.

available information, albeit subject to uncertainty, in particular emissions associated with the transformation of intermediate products (Category 10) and the end of life of products (Category 12) Scope 3 emissions are also calculated on the basis of emission factors from credible data bases[4] which, even so, may not best represent the reality of Navigator's value chain. [ESRS 2.10]

Additionally, estimates are used in the case of disclosures on: estimated financial impact of climate change (E1. SBM-3); water withdrawal (E3-4); hours worked for unwaged workers (S1-14); and monetary value of donations in kind (specific disclosure by entity). Unless otherwise indicated, the metrics disclosed in the sustainability statement have not been validated by an external entity other than the auditor of the report. For further information, please see sub-chapter 9.4 [ESRS 2.11]

Comparative information

Navigator has made use of the transitional provision related to section "7.1 Presenting comparative information" of ESRS 1 and, in the case of metrics, does not present the comparative information required by this section in this reporting year. Comparative data is presented only for the targets established, where available/applicable.

Changes in preparation or presentation of sustainability information

Changes in the preparation and presentation of sustainability information in comparison with the previous reference period, where applicable, are identified jointly with the respective information. It should be noted that, in environmental indicators, as in previous year, scope 1 emissions have been revised, incorporating the changes in EU ETS (European Union Emissions Trading System) verification and information not available at the time of publication of the 2023 Annual Report. These changes have a materiality of less than 0.2%. It is noted that, in the case of social indicators, the 2023 own workforce data (indicator S1-6) has been updated to include workers at the Tissue Ejea unit (Spain) [ESRS 2.13].

Reporting errors in prior periods

Navigator has not identified material errors in relation to information reported in prior periods. [ESRS 2.14]

Disclosures stemming from local legislation or generally accepted sustainability reporting pronouncements

The Non-Financial Statement seeks to consolidate and reflect or approach and commitment to sustainability matters. It has been drawn up in accordance with (see "Preliminary note" at the start of this chapter): (1) the European Sustainability Reporting Standards (ESRS); and (2) the Non-Financial Reporting Directive, transposed into Portuguese law by Decree-Law 89/2017, of 28 July. Navigator also reports with reference to the GRI (Global Reporting Initiative) Standards, presenting the respective index in Chapter 9.2. [ESRS 2.15]

Incorporation by reference

Navigator has adopted the "Incorporation by reference" approach to improve the narrative structure of the report and has included certain disclosure requirements over the course of the annual report and in the Non-Financial Statement itself. The list of disclosure requirements incorporated by reference and their location in this report is contained in Chapter 9.1.1. [ESRS 2.16]

[4] Ecoinvent, CEPI and Eurostat.

5.1.2. Governance

The information on the Statement on due diligence (GOV-4) is contained in Chapter 9.1.1.

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

Description of bodies

The following information is incorporated by reference to other parts of the management report and documents:

- → Disclosure of the composition and diversity of the administrative, management and supervisory bodies (ESRS 2.21a/c/d/e): Chap. 3.2 Governance Model in this report and in sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance;
- → Representation of employees and other workers on the company's administrative, management and supervisory bodies (ESRS 2.21b): Chap. 3.2 Governance Model in this report and in sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance;
- → Disclosure of the identity of the members of administrative, management and supervisory bodies (ESRS 2.22a): sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance;

Sustainability governance

Sustainability governance is supported by a number of different bodies and corporate committees, each with clearly defined functions with regard to sustainability management. Powers to decide on Navigator's mission, strategy, policies and targets (including as regards sustainable development) lie with the **Board of Directors**.

The design of our 2030 Responsible Management Agenda (Chap. 3.4.2), published for the first time in 2021, was subject to strategic reflection in 2024, in order to conciliate it with the review of the double materiality analysis, in accordance with the ESRS standards. This reflection was presented and approved by the Executive Committee and the commitments and priority plans established in the 2030 Agenda and Roadmap were adjusted to as to align them with international trends and the social and environmental challenges facing Navigator's business (Chap. 3.4.1). [ESRS 2.22b/d]

The **Executive Committee** has delegated management of the 2030 Roadmap to the heads of the different Company departments and there is a team of **sustainability key users**, in various departments, who track the action plan established for the areas where intervention is required under the Roadmap. [ESRS 2.22c]

This team works with management staff, and with support from the **Sustainability Department**, to assess Navigator's performance in relation to the objectives set. Any changes to the original plans are reported to the Executive Committee for approval, and then made public in the Annual Report. [ESRS 2.22c/d] The Sustainability Department is overseen by the executive director responsible for sustainability issues, enabling coordination across all other Navigator departments and with the Sustainability Forum in order to address specific issues. [ESRS 2.22c]

The **Sustainability Forum** is one of the main committees providing support to the Board of Directors. Headed by the Chief Executive Officer, this structure is supported by a consolidated model with internal and external members, including leading figures linked to major Stakeholder groups, such as members of academe, NGOs, industrial associations and forestry producers' organizations. [ESRS 2.22c]

The Sustainability Forum is an arena for dialogue and meets twice a year. One of the annual sessions is internal, attended by the Forums Permanent Members (internal and external) and the second session adopts an open model, with participation by a wide-ranging group of Stakeholders (Chap. 3.4.5). These sessions have often taken on a regional flavour, seeking to reach out to Local Communities, and to benefit from the cooperation between Navigator and the various municipalities where we have operations, as well as to foster collaboration with leading figures in our sphere of activity. [ESRS 2.22c]

Participation by external Stakeholders is also a feature of the Environmental Board, which consists of four members, all of them leading academics and independent figures, of respected technical and scientific expertise, especially in the environmental areas relevant to Navigator's business. [ESRS 2.22c]

The Ethics and Integrity Committee comprises three prestigious independent figures, appointed by the Board of Directors, who select their own chairman and are charged with monitoring the rules established in the Code of Ethics and Conduct [ESRS 2.22c/ G1.5a]

In addition, attention is drawn to the role of the risk management structures in implementing the respective policies and in managing ESG risks. [ESRS 2.22c]

There are also the Community Monitoring Committees (Chap. 5.3.3) – in Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão – which include representatives of municipal authorities, local bodies, NGOs and universities, among others. These committees reflect a policy of openness and sharing information about the activities of the various industrial complexes, as well as seeking to learn about our Partners' expectations and needs. [ESRS 2.22c]

This governance model enables engagement across various Group structures on sustainability matters, and to incorporate external perspectives from significant Stakeholders into efforts to honour our commitment to create value sustainably (understood as a simultaneous quest for economic prosperity, environmental responsibility and a fair society) and to actively encourage our Partners and Stakeholders to join us in pursuing these goals. [ESRS 2.22c]

The following information is incorporated by reference to other parts of the management report and documents:

- → Functions and responsibilities of administrative, management and supervisory bodies in overseeing risks (ESRS 2.22a/b/c): Chap. 3.3 Risk management in this report and in sections 50 to 51 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance.
- → Role of administrative, management and supervisory bodies with regard to business conduct (ESRS G1.5a): chap. 3.2 Governance Model and sections 11-38, Corporate Governance Report | Part I - Information on Shareholder Structure, Organisation and Corporate Governance | B. Statutory Bodies and Committees | II. Management and supervision | III. Audit

Expertise and skills

The members of the Board of Directors and the Executive Committee have powers and are responsible for decision-making processes relating to all sustainability issues. Internal departments report all matters relating to sustainability to the EB. Likewise, sustainability matters are discussed by the Environmental Board and the Sustainability Forum, which report to the Executive Committee and the Board of Directors. It may also be noted that, in connection with ESG (Environmental, Social and Governance) requirements, a training programme was designed and implemented in 2022 and 2023, by a specialist external firm, aimed at the executive directors and a number of other senior managers, in order to strengthen internal expertise in the organisation of these fields. The topics addressed included the dynamics of the international agenda and the response of institutions to climate and social challenges (2030 Agenda, the Paris Agreement and the European Union Green Deal), sustainable finance, Environmental Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD), double materiality, TCFD and the Sustainability Due Diligence Directive, which are directly or indirectly related to the IROs which have been formally identified. [ESRS 2.23a/b]

Board of Directors

Executive Committee

Sustainability Department

The driving force behind programmes to promote sustainable development, in coordination with the team of internal sustainability key users, ensuring that Sustainability is built into The Navigator Company's corporate culture.

Sustainability Forum

Chaired by the CEO, this structure seeks to promote dialogue and cooperation with Navigator's main Stakeholders, bringing together an array of Portuguese and international specialists.

Environmental Council

It monitors and issues opinions on environmental aspects of our operations and draws up recommendations relating to the environmental impact of our main ventures, on the basis of legal provisions and the Navigator Group's policy

Ethics and Integrity Committee

Impartially and independently monitors the work of Company bodies in disseminating and complying with the Code of Ethics in all the companies of the Navigator Group.

Corporate Governance Committee

Oversees compliance, on a permanent basis, with the provisions of the law, regulations and the articles of association applicable to corporate governance. Analyses the Company's practices and conduct in the field of corporate governance and proposes the discussion, alteration and introduction of new procedures. Assesses and proposes changes.

Risk Oversight Committee

Oversees the application of the risk management policy and the operationalisation of the risk management model (ERM - Enterprise Risk Management) defined by the Group, contributing to the promotion of a risk culture at Navigator.

Community Monitoring Committees

(Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão)

Members are drawn from a range of stakeholders, including representatives of municipal authorities, local bodies, NGOs and universities. With the aim of ties with the community and local engagement, strengthening these committees are designed to implement a policy of openness and sharing of relevant information at the different industrial complexes, and for us to learn about our partners' expectations and needs.

Structure

Corporate Boards and Committees

Sustainability Forum

Chair: António José Pereira Redondo (CEO)

General Secretary: Maria Teresa Aliu Presas (Member of the Board of Directors)

Internal members: João Paulo Cabete Gonçalves Lé, José Fernando Morais Carreira de Araújo, Dorival Almeida, Nuno Miguel Moreira de Araújo dos Santos, António Quirino Soares and Vitor Paranhos Pereira

External members: Ana Miranda, Assunção Cristas, Filipe Santos, Filipe Duarte Santos, Francisco Gomes Silva, Francisco Ferreira, Helena Freitas, José Júlio Norte, Luís Neves Silva, Margarida Tomé, Maria da Conceição Cunha, Rosário Alves and Rita Nabeiro

Environmental Council

Chair: Maria da Conceição Cunha

Members: Ana Miranda, Margarida Tomé and Joaquim Poças Martins

Corporate Governance Committee

Chair: Ricardo Miguel dos Santos Pacheco Pires

Members: António José Pereira Redondo, António Pedro Gomes Paula Neto Alves and Rui Tiago Trindade Ramos Gouveia

Ethics and Integrity Committee

Chair: Henrique Reynaud Campos Trocado

Members: Jaime Alberto Marques Sennfelt Fernandes Falcão and Rui Tiago Trindade Ramos Gouveia

Risk Management Board

Chair: António Redondo (Chief Executive Officer)

Members: Fernando Araújo (CFO); Goncalo Duarte (Risk Management Division); Paula Guimarães (Sustainability Division); António Neto Alves (Legal, Compliance and Public Affairs Division) and Alexandra Fernandes (Empremédia).

The following information is incorporated by reference to other parts of the management report and documents:

- Disclosures concerning the expertise of members of administrative, management and supervisory bodies in sustainability and business conduct matters (ESRS 2.23/ G1.5b): Chap. 3.2 Governance Model in this report and in sections 16 to 19 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance.

Board of Directors

(Administration and Management Bodies)

	Number of Members	Percentage
ESRS 2.21a and ESRS 2.21e		
Executive	6	42.9%
Non-executive	8	57.1%
Independent	4	28.6%
ESRS 2.21a e ESRS 2.21e		
Male	9	64.3%
Female	5	35.7%
Others	0	0%
Not disclosed	0	0%
Total	**14**	**100%**
Gender diversity on Board of Directors (Index)	**0.56**	

Supervision

The figures below refer only to the Audit Board.

	Number of Members	Percentage
ESRS 2.21a and ESRS 2.21e		
Non-Independent	1	25%
Independent	3	75%
ESRS 2.21d		
Male	2	50%
Female	2	50%
Others	0	0%
Not disclosed	0	0%
Total	**4**	**100%**
Gender diversity on Audit Board (Index)	**1**	

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

The following information is incorporated by reference to other documents:

- Information provided to bodies on IROs (ESRS 2.26a/b/AR6): sections 21, 24 and 25 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance.

The sustainability issues/IROs assessed by administrative, management and supervisory bodies, or by the relevant committees, during the reporting period, included:

- Regulatory issues and decarbonisation projects, including analysis of the EU ETS review, project to install a new biomass boiler at the Vila Velha de Ródão plant and solar power facilities.
- Review of double materiality analysis of sustainability matters in line with the ESRS standards developed in connection with the European Corporate Sustainability Reporting Directive (CSRD); calibration of material topics, adjustment of Navigator's 2030 Agenda and alignment of sustainability reporting with the CSRD and the ESRS standards.
- Nomination of new external members for the Sustainability Forum and planning of two annual sessions, given over to the topics of "Sustainability reporting in the context of the CSRD": the case of "Supplier Chain Management" (internal session) and "The Navigator Company's new 2030 Agenda" (external session).
- Project and 2025-2030 action plan for monitoring suppliers in quantification (and reduction) of emissions and the regulatory requirements concerning ESG (environmental, social and governance) practices.
- Approval of review of Risk Management Policy in the Risk Management Regulations.
- Approval of the Environmental Policy, addressing the main environmental issues considered in relation to Navigator's business and referring, where applicable, to other Company policies dealing with similar matters.
- Presentation of issues related to programmes for certification groups and Forestry producers' organisations, including presentation on Forestry Development Programme, focussing on strategies, performance indicators (KPIs), sustainability, technical training, certification and future challenges.
- Presentation of proposals for reformulating Navigator's biodiversity strategy and integration of Navigator in SPEA's initiative for a National Network of Bird Sanctuaries.
- Presentation of a proposed pilot project for voluntary carbon sequestration to be implemented in an area managed by the Company.
- Planning for start-up of moulded cellulose project.
- Cooperation Agreement between União das Misericórdias Portuguesas (UMP) and Navigator Forest Portugal, with a view to improving sustainability and forest management in woodlands of eucalyptus and other species on properties owned by these UMP member organisations.
- Proposals relating to Community Monitoring Committees (CMCs), as prime forums for discussion.
- Discussion of Corporate Programme for Reducing Water Use.
- Discussion of 2025 Equality Plan and associated initiatives, such as the "DEI Diagnosis".
- Monitoring of the "CRESCER" (GROWING) Project and respective initiatives.

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

The following information is incorporated by reference to other documents:

- Incentive schemes and remuneration policies linked to sustainability matters (ESRS 2.29a/b/c/e): sections 24-25 and 70 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance.

Assessment of the performance of each Executive director follows a structured internal process defined in the Remuneration Policy. The basic criteria for assessing the performance of Executive directors (in force 2023-2025) are defined in that policy, setting the variable remuneration component.

The annual variable remuneration is based on a target amount applicable to each Director and which is payable when his performance and that of the Company corresponds to expectations and pre-established goals. This target value is set after considering the general principles set out above - market, specific duties, the Company's situation -, with special attention being paid to comparable market situations in positions of equivalent importance.

Actual performance is assessed against expectations and goals, thereby defining the variation in relation to the target, on the basis of a series of quantitative and qualitative KPIs related to the performance of the Company (corresponding to the general business indicators, with a weighting of 65%) and that of the Executive director in question. These consist of Specific Goals – corresponding to the **proportion of the variable remuneration dependent on sustainability-related goals and/or impacts (20%)**, which include ESG KPIs such as, for instance, the findings of the annual Organisational climate study, reduction of CO_2 emissions, certified wood and consumption of water, energy and wood –, and Behavioural Indicators (15%). On the other hand, Non-executive directors and Members of the Audit Board only receive fixed remuneration, with no variable component, meaning there are no incentives linked to any factor. [ESRS 2.29a/b/c/e] [E1.GOV-3.13]

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

The Navigator Group's internal control system is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) guidelines, ensuring the integrity and transparency of the internal processes. In order to strengthen the reliability of sustainability reporting, the Group has adopted the COSO – ICSR (Internal Control over Sustainability Reporting) guidelines. This retains the five fundamental components of the traditional internal control model, adjusted to the sustainability context, ensuring a structured and effective approach to risk management and the quality of the information disclosed [ESRS 2.36a/b]:

Control environment:

- Navigator promotes an organisational culture that attaches value to ethics and socio-environmental responsibility. The Group's Codes of Ethics and Good Conduct establish values, principles and rules of conduct to be observed within the organisation and in dealings with Shareholders, Suppliers, Clients and other Stakeholders, in their different aspects and forms.
- The Board of Directors is responsible for creating and maintaining an effective system of internal control and risk management. Responsibility for maintaining the internal control and risk management system in relation to sustainability reporting is delegated to the Executive Committee. The control environment is supported by its own governance structure, aligned with the 3-line model of the IIA (Institute of Internal Auditors), as described in sections 50-55, Corporate Governance Report | Part III. Internal control and risk management.

Risk assessment:

- The Navigator Group's risk management process is in line with internationally accepted best practices, models and frameworks for risk management, including COSO II - Integrated Framework for Enterprise Risk Management and ISO 31000, and is supported by the Risk Management Policy.
- The Group pro-actively identifies and analyses the risks that may affect the reliability and accuracy of its sustainability reporting This includes monitoring of factors such as changes to legislation and regulations, Stakeholder expectations and environmental impacts from its industrial activities.
- The Group has adopted an approach that integrates risk management with ESG topics, ensuring a connection between the double materiality exercise and the risk management model, so as to identify, assess and mitigate impacts and opportunities strategically.

Control activities:

- The Navigator Group's controls include policies, guidelines, procedures and organisational structures that ensure compliance with the Executive Committee's instructions and mitigation of the risks associated with sustainability reporting.
- The minimum requirements for internal control are designed to prevent, detect and correct errors and irregularities in the collection, processing and disclosure of ESG information, and also to ensure data is traceable.
- These activities are implemented at all levels of the organisation and include approvals, authorisations, checks, reconciliations and segregation of duties.

Reporting and communication:

- The Group's reporting and communication channels support the collection, processing and disclosure of sustainability reporting information, and there is continuous communication between the different levels of the organisation and external Stakeholders.

Monitoring and continuous improvement:

Sustainability reporting is monitored by the Executive Committee and the Board of Directors, ensuring alignment with the Group's strategic objectives. Periodic assessments are conducted of the effectiveness of the internal control system in the context of sustainability reporting. On the basis of these assessments, corrective action is implemented with a view to continuous improvement of the quality and accuracy of the information disclosed.

In prioritising the risks related to sustainability reporting and in analysing their importance in relation to the organisation's other risks, the assessment is carried out in the broader context of the Group's main risks (see Chap. 3.3 Risk management), given that they may add to or attenuate some of the main risks. This integrated approach ensures that material risks and opportunities are incorporated in Enterprise Risk Management, the Group's risk management tool. [ESRS 2.36c/d]

Navigator arranges for periodic reporting of the findings of its risk assessment and the respective internal controls to the administrative, management and supervisory bodies, through its governance model. The findings of the risk assessment are discussed, whenever justified, at meetings of the Risk Management Committee, held quarterly, and then presented at sessions of the Risk Oversight Committee (six-monthly meetings) and the Executive Committee (weekly meetings). The Sustainability Forum (bi-annual meetings) and the Environmental Board also discuss significant issues related to sustainability (see Chap. 5.1). [ESRS 2.36e]

The following information is incorporated by reference to other parts of the management report and documents:

- → Risk control and management (ESRS 2.36a/b): sections 50-55 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance.
- → Main risks identified, together with respective mitigation strategies (ESRS 2.36c): Chap. 3.3 Risk management in this report and in section 53 of the Corporate Governance Report | Part I – Information on capital structure, organisation and corporate governance and section in this chapter on review of the double materiality analysis.

5.1.3. Strategy

5.1.3.1. Strategy, business model and value chain (SBM-1)

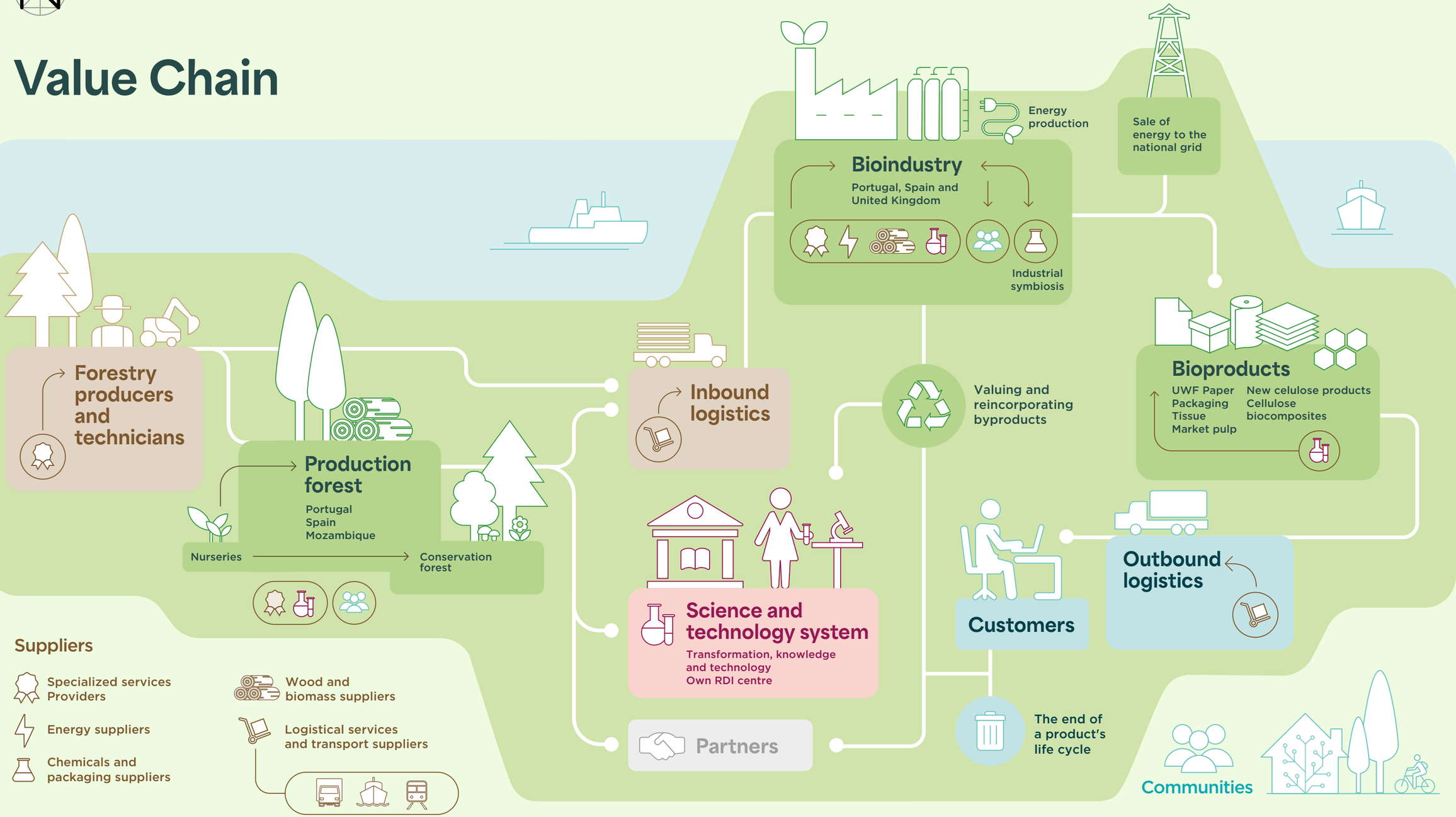
The following information is incorporated by reference to other parts of the management report and other documents:

- → Describe the significant groups of products offered and/or services provided by the company (ESRS 2.40a-i/ii): Chap. 2.2 Company Profile, Chap. 3.1 Business Strategy, Chap. 4 Performance in businesses.
- → Headcount of employees by geographical area/country (ESRS 2.40a-iii): Chap. 5.3.1.3.2 Characteristics of salaried Employees of the Company (S1-6).
- → Company's sustainability goals in terms of groups of products and services, customer groups, geographical areas and Stakeholder relations (ESRS 2.40e): Chap. 2.2 Company Profile; Chap. 2.3 Creating sustainable value; Chap. 3.1 Business Strategy; Chap. 3.4.4 2030 Roadmap; Chap. 3.4.5 Stakeholder engagement.
- → Assessment of current significant products and/or services and significant markets and groups of customers, in relation to its sustainability goals (ESRS 2.40f): Chap. 4 Performance in businesses.
- → Elements of company strategy that relate to sustainability matters (ESRS 2.40g): Chap. 3.1 Business strategy and Chap. 3.4 2030 Agenda and Roadmap, including sub-chapters 3.4.1 Global trends and challenges for Navigator, 3.4.2 Our Agenda and 3.4.3 Contribution to SDGs.
- → Exemption from disclosure of the information referred to in Article 18.1 a) of Directive 2013/34/EU (ESRS 2.41): note 2.1 on business segments in Financial Statements.
- → Business model (ESRS 2.42 a/b): Chap. 2.2 Company Profile and chap. 3.1 Business strategy.

Value chain

The figure below illustrates The Navigator Company's value chain, dividing activities into upstream, own operations and downstream, as well as the connection to leading Suppliers, distribution channels and Customers. [ESRS 2.42c]

Value Chain


Energy production
Sale of energy to the national grid
Bioindustry
Portugal, Spain and United Kingdom
Industrial symbiosis
Bioproducts
UWF Paper
Packaging
Tissue
Market pulp
New celulose products
Cellulose biocomposites
Valuing and reincorporating byproducts
Forestry producers and technicians
Production forest
Portugal
Spain
Mozambique
Nurseries
Conservation forest
Inbound logistics
Science and technology system
Transformation, knowledge and technology
Own RDI centre
Partners
Customers
Outbound logistics
The end of a product's life cycle
Communities
Suppliers
Specialized services Providers
Energy suppliers
Chemicals and packaging suppliers
Wood and biomass suppliers
Logistical services and transport suppliers
Upstream
Own operations
Own operations / Downstream
Downstream
Partners

Revenues

In 2024, Navigator generated total revenues of 2088 million euros. The revenues from the different sectors in which Navigator operates are detailed in 2.1 of the Notes to the Financial Statements, in relation to business segments:

Navigator has two Combined Cycle Natural Gas Power Stations which are currently operating for in-house consumption, with the sale of any power surpluses to the national grid. These assets fall within activity 4.30 (High-efficiency co-generation of heat/cool and power from fossil gaseous fuels) of European Regulation 2020/852 on the European Taxonomy. In 2024, earnings from this activity totalled 5.1 million euros – see Chap. 5.2.1. [ESRS 2.40d-1]

The Company is not active in producing chemicals. [ESRS 2.40d-2]

Navigator does not generate revenues associated with coal and oil activities [ESRS 2.40d i], controversial weapons [ESRS 2.40d iii] or the cultivation and production of tobacco. [ESRS 2.40d iv]

5.1.3.2. Interests and views of Stakeholders (SBM-2)

The following information is incorporated by reference to other parts of the management report:

→ The company's engagement with Stakeholders (ESRS 2.45a/b): Chap. 3.4.5 Stakeholder engagement

Navigator's **own workforce** has a central role in our business and is one of our priorities (Chap. 5.3.1). Our concern with their fundamental rights is expressed in our Human Rights Policy, which is reflected in our actions. We seek to be an exemplary employer and to maintain open and transparent dialogue with the workforce. The initiatives we pursue in order to listen to/engage with our Employees include the Industrial Relations Forum, regular meetings with Workers' Representative Organisations, the "CRESCER" (GROWING) project, Employee consultation and organisational climate surveys (Chap. 5.3.1), which enable us to make continuous improvements to our strategic approach and to respond to Employees' expectations and needs.

Through community meetings, **Workers in the value chain** also play an important role in our business (Chap. 5.3.2). They make their contributions in team meetings and training sessions (in the field and in the classroom). These contributions are analysed by the Executive Committee, which establishes action plans to implement them, and can potentially influence the Company's strategy and business model. [S2.9] On the other hand, there may be positive or negative impacts from Navigator on their interests, views and rights, including respect for their human rights, and these are managed through implementation of specific measures, enabling us to mitigate negative impacts and boost positive impacts (Chap. 5.3.2). [S2.9]

In terms of **affected Communities**, the meetings of the Community Monitoring Committees and the Community Liaison Officers (in Mozambique), as well as other engagement procedures, are designed to bring Navigator closer to Local Communities, promoting joint reflection and strengthening our social license to operate (Chap. 5.3.3). These initiatives are very important for understanding the concerns of Communities, seeking to learn about their expectations and to respond to their needs. [S3.7]

Another aspect that is given consideration is **prospecting and developing business opportunities** in using woodlands for multiple purposes, through agroforestry initiatives, such as promoting businesses to sell non-wood products or providing areas for specific activities on properties under Navigator's management, taking into account the local, regional or national economy and listening to operators or other representatives of Local Communities, when relevant and opportune. [S3.7]

We should stress that our governance model (Chap. 3.2) - which involves the participation of internal and external Stakeholders - enables engagement with various structures across Navigator on sustainability issues, to incorporate an external perspective from significant Stakeholders into efforts to honour our commitment to create value sustainably and to actively encourage all our Partners and Stakeholders to join us in pursuing these goals. We believe that only with strong governance will we be able to address the main environmental, social and economic risks and opportunities which have an impact on The Navigator Company, and the impacts we generate for our various Stakeholders. In this way, all relevant contributions from our different Stakeholders are shared with the Executive Committee. [ESRS 2.45d]

No changes occurred in the reporting period to the Company's strategy or business model as a result of Stakeholder interactions. Stakeholder views are aligned with the Company's current strategy and are often complementary. [ESRS 2.45c c1 c2]

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

Impacts, risks and opportunities

The following information is incorporated by reference to other parts of the Non-Financial Statement, more specifically to the chapters on thematic standards, for detailed information on:

→ Description of material impacts resulting from materiality assessment (ESRS 2.48a)

→ Description of material risks and opportunities resulting from materiality assessment (ESRS 2.48a)

→ Description of time horizons (ESRS 2.48ciii)

→ Specification of the impacts, risks and opportunities covered by the disclosure requirements in the ESRS (ESRS 2.48h)

The Company's negative or positive material impacts on people or the environment are identified at the start of each thematic standard [ESRS 2.48c-1]. In addition, the chapters on thematic standards detail the source of these impacts and their relationship with the Company's strategy and business model; most material impacts result from its activities or its commercial dealings, such as purchases of wood, its main raw material [ESRS 2.48c-2] [ESRS 2.48c-4]. The current and anticipated effects of its material impacts, risks and opportunities on its business model, value chain, strategy and decision-making are addressed in theme SBM-3 of the thematic ESRS. [ESRS 2.48b]

Financial effects

In the next few years, Navigator plans to conduct a quantitative analysis of sustainability-related risks and assessment of the financial position of our assets and liabilities. [ESRS 2.48d] [ESRS 2.48e]

In accordance with Appendix C of ESRS 1, Navigator has opted not to report information on the anticipated financial effects of impacts, risks and opportunities. [ESRS 2.48e]

Resilience of strategy and business model

At Navigator we believe it is essential to have a long-term plan of action that points us towards honouring the commitments set out in our 2030 Agenda. This is supported by the 2030 Roadmap, a tool based on an ESG framework, enabling the Company to achieve its ambitions, guiding and tracking its progress over time. At present, the commitments and goals in the 2030 Agenda and Roadmap relate mostly to the Group's activities in Portugal, but they are planned to evolve so as to include the other geographical regions in the next few years.

We have accordingly mapped out a position that seeks to boost value creation - maximising our performance, contributing to the resilience of our business and our corporate reputation and image, and paving the way for sustainability to feature as a strategic competitive advantage. [ESRS 2.48f]

The following information is incorporated by reference to other parts of the Non-Financial Statement, for detailed information on:

→ Creating sustainable value - Chap. 2.3

→ Business Strategy - Chap. 3.1

→ 2030 Agenda and Roadmap - Chap. 3.4

→ Analysis of climate resilience (ESRS 2.48f) – Chap. 5.2.2.1.1

Changes in material IROs in relation to previous reporting period

Not applicable. This is the first year that Navigator has implemented the Double Materiality Assessment under the CSRD. [ESRS 2.48g]

5.1.4. Impact, risk and opportunity management

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

The following information is incorporated by reference to other parts of the Corporate Governance Report:

→ Corporate Governance Report Part I - Information on Shareholder Structure, Organisation and Corporate Governance | C. Internal Organisation | III. Internal control and risk management

The publication in the Official Journal of the European Union of the Corporate Sustainability Reporting Directive (CSRD) - Directive (EU) 2022/2464 established the requirements for reporting sustainability information for a broader group of companies, through application of the European Sustainability Reporting Standards (ESRS). Because the Navigator Group is already subject to the Non-Financial Reporting Directive (NFRD), it is included in the first group of companies to implement the new directive - information relating to FY24, published in 2025. This requirement presents the various stages of implementation of the double materiality process, as well as the methodologies used, and the findings obtained.

The double materiality assessment was conducted on the basis of a wide-ranging process - carried out in conjunction with the Semapa Group - which set out to identify, assess, prioritise and monitor the potential and real impacts, positive and negative, on people and the environment, in the short, medium and long term (**materiality impact, inside-out perspective**), as well as the risks and opportunities that might in turn have a financial effect on the Company (**materiality impact, outside-in perspective**). The assessment made from these two perspectives, referred to below as "**double materiality**", was carried out in the context of each of the ESRS, dealing with environmental, social and governance issues.

The double materiality reassessment followed a **four-stage methodological approach**. This design of the process will be reviewed at least annually (or as necessary), in order to ensure alignment with the most recent practices.

The initial stage took into consideration the organisation's business and operating processes, including the geographical regions where the Group operates, and commercial relations upstream and downstream (mapping of value chain).

Past experience was taken into account, in view of the **history of significant interaction** with external experts and Stakeholders. An external listening exercise was not conducted, as it is **not required** by the CSRD. Even so, the findings obtained in this materiality review turned out to be largely aligned with previous periods.

In any case, the Sustainability Forum and the Environmental Board will nonetheless reflect on the exercise, during the course of 2025.

Contextual information and identification of IROs

The identification stage for the preliminary list of IROs involved 15 information sources, ranging from general resources, sustainability reports and the internal resources of the Navigator and Semapa Groups, as well as external resources. On the basis of the research, a list was drawn up with a total of 320 IROs, at the ESRS sub-sub-topic level and considering in the mapping the business models across the various subsidiaries of the Semapa Group (which includes The Navigator Company), the geographical regions where they operate and their location along the value chain.

In addition to the resources listed above, the four stages of the double materiality analysis also involved considering the inputs from a number of **internal specialists** who took part in the various working sessions to validate and assess the list.

Methodological approach for reassessing double materiality

1. Understand	2. Identify	3. Assess	4. Determine
Understand the business, the value chain and related activities	**Identify impacts, risks and opportunities (IROs)**	**Assess the IROs**	**Determine the material topics**
• Analyse internal operations, business model and the available data. . • Map out the value chain. • Identify relevant topics. • Engage with Stakeholders.	• Conduct research and analyses to identify relevant IROs, using sector benchmarks, internal documents and listening to Stakeholders. • Validate and prioritise the IROs identified for assessment.	• Define the threshold applicable to materiality of impact and financial materiality. • Assess materiality of impact and financial materiality.	• Identify the IROs above the established threshold. • Validate the final list of IROs, and calibrate, if necessary.
Output	**Output**	**Output**	**Output**
Mapping of value chain; list of relevant topics resulting from listening to Stakeholders.	Preliminary list of IROs.	Preliminary findings of IRO assessment.	Final list of material topics.

General resources	Sustainability reporting	Internal resources	External resources
In a stage prior to identifying the impacts, risks and opportunities, regulatory instruments and guides were consulted, with a view to application of the double materiality analysis. • Delegated Regulation (EU) 2023/2772; • EFRAG IG1 Materiality Assessment; • EFRAG IG2 Value Chain; • EFRAG IG3 List of ESRS data points (explanatory note + excel).	A basic set of IROs was developed, by reviewing the reports existing in the Semapa Group. • Navigator - Sustainability Report 2023.	Review of Semapa Group internal resources, with relevance to identification of IROs and design of the assessment methodology. • Materiality analysis for Semapa Group subsidiaries 2022 and 2023; • Semapa Group – list of risks and opportunities identified. • Risk assessment methodology (ERM). • Navigator TCFD Report.	Consultation of external information sources relevant to Navigator Group's business segments, in particular: • TNFD. Draft Sector Guidance – Forestry and Paper; • TNFD. Additional Sector Guidance – Forestry and Paper; • IRO Repository, PwC International.

[5] Navigator Group's first double materiality exercise

Description of the processes for identifying and assessing the environmental IROs

As stated above, the Double Materiality Analysis addressed all the ESRS Standards, using the same methodology and criteria to determine and assess the IROs identified in each thematic standard. No materially relevant IROs were identified for thematic standards E2 and S4.

In addition, specific aspects were considered in the context of some of the thematic standards, as presented below.

In the case of **climate**, as recommended by the TCFD, in 2002 we identified and assessed the main physical risks, acute or chronic, and the transition risks, which consist of regulatory, technological, market and reputational risks. In the course of this, and in keeping with the good practices in the TCFD Guidance on Scenario Analysis, we used **exploratory analyses** that describe a diverse range of plausible future states, which are used to assess potential climate-related risks and uncertainties, and also to test the resilience of Navigator's strategy for the different future conditions adjacent to these same scenarios (Chap. 5.2.2). We also identified climate-related opportunities, with potential positive impacts for business: As a member of the "Climate and Energy" and "Sustainable Reporting and Finance" working parties of BCSD Portugal, we took part in a task-force (TF) on the subject to climate risks and opportunities, resulting in a new "Business guide to climate risks and opportunities". The expertise acquired in this process and from the WBCSD's "Climate-related Financial Impact Guide" has been applied in the "impact pathways" approach. This is a way of calculating the financial impact of the risks and opportunities identified, on the basis of different risk implications or opportunities for the Group. In our assessment of transition risks and opportunities, we identified short, medium and long term events and analysed the exposure of our assets and business activities to these, by assessing the variation in CO_2 prices in the short, medium and long term. The information resulting from these processes contributed to identifying the IROs within the scope of the respective analysis.

In the case of **water resources**, it is stressed that the IROs identified were screened using several tools and criteria, including the WRI Aqueduct Water Risk Atlas, which makes it possible to map areas of water stress, Hydrographic Region Management Plans (HRMPs), Cycle 3, the Water Footprint Indicators, which measure the water impact of products, and the Certification under ISO 14001, which guarantees sustainable practices in water management.

With regard to **biodiversity and ecosystems**, identification and assessment of IROs was informed by Navigator's prior knowledge of its impacts on biodiversity, on the basis of its practices for assessing impacts from the Group's forestry activities and its participation in a pilot project, under the Natural Capital Protocol, undertaken in 2018. In connection with this, it is important to stress that biodiversity conservation is built into our forest management model, applying a hierarchy of impact mitigation and assessment of the wildlife both in the areas under management and the surrounding areas. Starting with this underlying body of information, the compilation of additional information and the mapping of conservation interest zones contribute to an overall assessment of the risks and opportunities and design of appropriate conservation measures. For all activities with potential impact, pre-operational assessments are carried out in order to plan the execution of operations at a local scale, considering the wildlife, cultural heritage and social factors and consulting Stakeholders.

The pilot project mentions were designed to align Navigator's existing procedures with an internationally agreed standardised structure, published in the "Forest Products Sector Guide to the Natural Capital Protocol". This exercise was carried out on the basis of data gathered over the preceding ten years and involved identifying dependencies on the basis of the ESR (Ecosystem Services Review).

Lastly, through participation in the WBCSD Forest Solutions Group, Navigator has collaborated in drawing up guidelines on sustainable forest management developed and disseminated in the document entitled "Forest Sector Nature-Positive Roadmap", which has served as an additional benchmark for identifying IROs related to **Sustainable Forest Management**. In addition, this document has served as an important starting point for defining other environmental IROs related to the forest, in relation to other topics in the standards, strengthening Navigator's integrated approach to IROs and to its value chain.

Material IRO assessment process

The process of assessing IROs was carried out through a total of **24 meetings**, involving the participation of **73 internal experts**, representing 25 sectors in 19 Departments. During the sessions for each ESRS standard, each expert gave their opinion on each of the IROs, and the final assessment was the result of a consensus between the various participants involved.

Materiality of impact

In assessing the **materiality of impact**, we addressed the negative and positive impacts, actual and potential, on the basis of their **severity** (a combination of scale, scope, and irremediable character, in the case of negative impacts only) and **probability** (not considered for the purposes of calculating the materiality of negative impacts on human rights, in which case severity was scored in the light of the respective probability). Using quantitative limits for each parameter, the material impacts were identified.

Factors for assessing the materiality of impact

Severity (average)

Scale		Scope		Irremediability*		Probability
How serious or beneficial is	+	How wide-ranging is the impact	+	How difficult is to neitralise or remedy the resulting damage	×	The probability of the impact happenong (real impacts = 1)

Assessment methodology applied

Scale	Scope	Irremediable character	Probability
5= Very great damage or benefits for people or the environment	**5=** National or international impact and/or impact on a large number of people	**5=** Difficult to remediate or irremediable/irreversible	**1=** Certain (<6 months| Happening)
4= Great damage or benefits for people or the environment	**3=** Regional impact and/ or impact on a moderate number of people	**3=** Temporary or easily remediable in the medium term	**0.80=** Very probable (6 months to 1 year)
3= Moderate damage or benefits for people or the environment	**1=** Local impact and/or impact on a small number of people	**1=** Temporary or easily remediable in the short term	**0.60=** Probable (1 to 2 years)
2= Minor damage or benefits for people or the environment	**0=** Not applicable	**0=** Not applicable	**0.40=** Unlikely (2 to 5 years)
1= Very minor damage or benefits for people or the environment			**0.20=** Rare (> 5 years)
0= Not applicable			

Time Horizon	**Short term:** Reporting year | **Medium term:** From reporting year and up to 5 years | **Long term:** More than 5 years

*aplicabble to negative impacts

Financial materiality
In assessing **financial materiality**, using quantitative limits, we assessed the probability and magnitude of the financial effects of the risks and opportunities and consequently identified the material risks and opportunities for Navigator.

It should be noted that, with regard to the magnitude criterion, the scoring scales established were based on intervals corresponding to the percentage of EBITDA, each of the subsidiaries having their respective benchmark values.

Conclusion of double materiality process
When the assessment sessions were concluded, a **limit of 3** was set, applied to the materiality of impact and financial materiality. This limit was selected so as to use the same materiality threshold as established in internal risk analyses.

Once the limit was established, a **calibration exercise** was carried out. After this review, the **final list of material IROs** for Navigator presents **60 impacts** (40 positive and 20 negative), **26** risks and opportunities (16 risks and 10 opportunities), making a total of **86 material IROs**, breaking down as follows:

- 5 environmental topics, four corresponding to ESRS E1, E3, E4 and E5 and one for Entity-specific disclosure;
- 3 social topics, corresponding to ESRS S1, S2 and S3;
- 1 governance topic, corresponding to ESRS G1.

These **findings** were subsequently **validation by the Executive Committee**.

Factors for assessing financial materiality

Magnitude
Magnitude of the potential financial effect

✖

Probability
The likelihood of the risk/ opportunity happening

Assessment methodology applied

Magnitude	Probability
5= Critical - Over 20% of EBITDA	**1=** Certain (<6 months| Happening)
5= High - Between 10% and 20% of EBITDA	**0.80=** Very probable (6 months to 1 year)
4= Medium - Between 5% and 10% of EBITDA	**0.60=** Probable (1 to 2 years)
3= Low - Between 1% and 5% of EBITDA	**0.40=** Unlikely (2 to 5 years)
1= Very low - Up to 1% of EBITDA	**0.20=** Rare (> 5 years)
0 = Not applicable	

Time Horizon

Short term: Reporting year
Medium term: From reporting year and up to 5 years
Long term: More than 5 years

Sustainability topic		Value Chain	IRO
Topic	**Sub-topic**	**Location**	**Type**
ESG Dimension: Environment			
E1 Climate change	Climate change adaptation	Upstream, Own operation and Downstream	Positive impact, Risk and Opportunity
	Mitigation of climate change	Upstream and Own operations	Positive impact, Negative Impact, Risk and Opportunity
	Energy	Upstream and Own operations	Positive impact, Negative Impact, Risk and Opportunity
E3 Water and marine resources	Water - Water withdrawal	Own operations	Negative impact and Risk
E4 Biodiversity and ecosystems	Impacts on status of species	Upstream and Own operations	Positive impact and Negative impact
	Impacts and dependencies on ecosystem services	Upstream and Own operations	Positive impact and Negative impact
	Factors with direct impact on biodiversity loss	Upstream and Own operations	Positive impact, Risk and Opportunity
E5 Resource use and Circular economy	Inflows of resources, including use of resources	Upstream and Own operations	Positive impact and Risk
	Waste	Own operations and Downstream	Positive impact and Opportunity
	Outflows of resources related to products and services	Downstream	Positive impact and Opportunity
Sustainable Forest Management (Entity Specific)		Upstream and Own operations	Positive impact
ESG Dimension: Social			
S1 Own workforce	Working conditions	Own operations	Positive impact, Negative impact and Opportunity
	Equal treatment and opportunities for all	Own operations	Positive impact, Negative impact and Opportunity
S2 Workers in the value chain	Working conditions	Upstream and Own operations	Negative impact
	Equal treatment and opportunities for all	Upstream, Own operations and Downstream	Positive impact
	Other direct work-related impacts	Own operations	Positive impact
S3 Affected communities	Economic, social and cultural rights of communities	Own operations	Positive impact
ESG Dimension: Governance			
G1 Business conduct	Corporate culture	Own operations	Positive impact and Risk
	Management of supplier relations, including payment practices	Own operations	Positive impact
	Corruption and bribery	Own operations	Positive impact

5.1.4.2. Disclosure requirements in ESRS covered by the Non-Financial Statement (IRO-2)

The materiality of information was determined on the basis of the material IROs resulting from Navigator's double materiality assessment. After identifying the material thematic standards, materiality was assessed with regard to disclosure requirements and data points. The materiality assessment process and the use of thresholds are described in the preceding section (IRO-1).

The disclosure requirements to which Navigator responds, by means of this Non-Financial Statement, together with the list of data points resulting from other EU legislation, are identified in Chap. 9.1.1 ESRS Correspondence Tables.

FROM FOREST TO FUTURE

Herdade da Espirra

5.2. Environmental Information

5.2.1. European Taxonomy

5.2.1.1. Background to the European Environmental Taxonomy

In 2019, the European Commission announced the European Green Deal, a new strategy for development with the aim of achieving climate neutrality by 2050 and to support economic growth through more efficient means and sustainable use of natural resources. To facilitate this, a practical framework for sustainable investment has been provided by **Regulation (EU) 2020/852** of the European Parliament and the Council of 18 June 2020, on the taxonomy. The taxonomy functions as a standardised and mandatory classification system, i.e. a common language, to be used to determine which economic activities are considered "environmentally sustainable" in the European Union. The idea is for companies to direct their investment flow to activities regarded as sustainable, whilst at the same time maintaining transparency in reporting and reducing the possibility of greenwashing.

According to the Taxonomy Regulation, for an economic activity to be environmentally sustainable it must:

1. Contribute to at least one of the six environmental objectives identified in the Regulation (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. Not significantly harm any of the other five objectives; and
3. Comply with the minimum social safeguards relating to Human Rights, Corruption, Taxation and Fair Competition.

In view of the European Taxonomy and the publication by the European Commission of the Climate, Environmental and Complementary Delegated Acts, the Navigator Group discloses in its 2024 reporting the results of the eligibility analysis and alignment of its economic activities.

5.2.1.2. Eligibility analysis

In 2024, the activities identified as eligible under the Climate Delegated Act, the Complementary Delegated Act and the Environmental Delegated Act are:

Activities	Code*
Forest Management	CCM 1.3
Electricity generation using solar photovoltaic technology	CCM 4.1
Electricity generation from bioenergy	CCM 4.8
Cogeneration of heat/cool and power from bioenergy	CCM 4.20
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1
Construction, extension and operation of waste water collection and treatment systems	CCM 5.3
Close to market research, development and innovation	CCA 9.2
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1

* CCM - Climate change mitigation; CCA – Climate change adaptation; BIO – Biodiversity and Ecosystem Restoration

Navigator's main economic activities, which are production of pulp and paper, continue not to be eligible under the European Taxonomy.

All the activities described above which are eligible for the climate change mitigation objective (CCM) are also eligible for the climate change adaptation objective (CCA). The Group considers that the climate change mitigation objective is the most relevant in these cases.

At present, the taxonomy delegated acts lay greatest stress on industries that are more carbon intensive / green energy intensive. This means that the Group's main activities - pulp and paper production - are not contemplated and cannot therefore be included in the Navigator Group's eligible activities.

5.2.1.3. Alignment analysis

The eligibility and alignment of activities with the technical criteria established in the taxonomy regulation are analysed annually by the Company. For each economic activity, the Group assessed the criteria of "Substantial contribution" (SC) and "Do no significant harm" (DNSH). The conclusions stated were based on the best knowledge existing at the date of analysis of these criteria.

1.3 - Forest Management	Navigator manages approximately 109 thousand hectares of woodlands in mainland Portugal, including production and conservation forests. The entire area managed is certified under the FSC® and PEFC standards, and subject to audits by independent external entities. However, one of the criteria for alignment of this activity is the existence of a specific audit for verification of SC and DNSH criteria. In order to respond to this criterion, Navigator is actively seeking a partner able to conduct an audit that responds to the requirements of the European taxonomy, and until then the activity is considered as unaligned. In connection with this activity, the Group considered in its CapEx KPI the acquisition of forest land, as well as other investment supporting forest management.
4.1 - Electricity generation using solar photovoltaic technology	Navigator has seven Solar Power Facilities for in-house consumption, which contribute to reducing scope 2 greenhouse gas emissions and also its dependence on the electricity market. Navigator considers that this activity is carried on in alignment with the criteria for SC and DNSH.
4.8 – Electricity generation from bioenergy	Navigator has two Biomass Power Plants, which used waste forestry biomass certified under the SBP standard for power generation. The Group considers that the forestry biomass used meets the criteria established in Article 29, paras. 6 and 7 of EU Directive 2018/2001. All the waste forestry biomass used is acquired on the domestic market, in compliance with Portuguese legislation, thereby complying with the sustainability criteria and in alignment with the taxonomy.
4.20 Cogeneration of heat/cool and power from bioenergy	Navigator has three High Efficiency Renewable Cogeneration Plants, which use biomass by-products resulting from pulp production, in particular black liquor and eucalyptus bark. In addition, waste forestry biomass is acquired, which is certified under the SBP standard The Group considers that the waste forestry biomass used meets the criteria established in Article 29, paras. 6 and 7 of Directive EU 2018/2001. All the waste forestry biomass is purchased on the Portuguese market and in accordance with Portuguese legislation, thereby complying with the sustainability criteria. This activity is taxonomy-aligned.
4.30 High-efficiency co-generation of heat/ cool and power from fossil gaseous fuels	The Group operates two combined-cycle natural gas cogeneration plants. Although Navigator considers that most of the technical requirements for alignment are met, it has not yet been possible to identify an external verifier to assess the activity under the Taxonomy Regulation and report its findings to the European Commission. The activity was accordingly considered non-aligned.
5.1 Construction, extension and operation of water collection, treatment and supply systems	The water used in production processes is withdrawn and treated by Navigator's own systems at the industrial complexes in Aveiro, Figueira da Foz and Setúbal. Power consumption by withdrawal and treatment systems is less than 0.5kWh per m3 of water supplied at the industrial complexes in Aveiro and Figueira da Foz, but higher in Setúbal. For that reason, this activity is considered taxonomy-aligned in Aveiro and Figueira da Foz and non-aligned at the Setúbal industrial complex.
5.3 Construction, extension and operation of wastewater collection and treatment systems	The Group has wastewater collection and treatment systems (WWTP) at all its production units in Portugal. Power consumption by these facilities is below the level set in the criterion for SC for this activity. As a result of the technical assessment of the criteria for SC and DNSH set in the Delegated Act, this activity is considered to be taxonomy-aligned.
9.2 Close to market research, development and innovation	Through Instituto Raiz, the Group carries on research activities, including applied research, and experimental development of solutions, processes, technologies and other products geared to climate change adaptation. Attention is drawn to the programme for genetic improvement of eucalyptus in 2024, with a significant contribution to climate change adaptation. The Group considers the criteria for SC and DNSH to be met, and so the activity is considered to be taxonomy-aligned.
1.1 Conservation, including restoration, of habitats, ecosystems and species	This activity contributes to re-establishing or restoring ecosystems, habitats or species habitats in good conditions. The activity meets the criteria for SC and DNSH, and so is considered to be taxonomy-aligned. The eligibility and alignment analysis took into account CapEx and OpEx relating to the Zambujo Recover Project.

Additional detail on application of criteria relating to the Appendices of the Climate Delegated Act

Application of the criteria relating to Appendix A of the Climate Delegated Act	Navigator has implemented an enterprise risk management system (ERM) which enables it to identify, assess, monitor and mitigate risks which may impact its operations, reputation and regulatory compliance (Chap. 3.3). In order to assess climate, physical and transition risks, Navigator follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Assessment of the financial impact resulting from the risks identified considers two-time horizons (2035 and 2050) and three climate scenarios aligned with rising levels of temperature increase as established by the IPCC – RCP 2.6, RCP 4.5 and RCP 8.5 (Chap. 5.2.2.2.1). Navigator establishes information on the level of exposure of its assets to the physical risks of drought, heat waves, cold, fires and pests, for each region of the country. The findings of the analysis make it possible to classify production areas in accordance with their level of climate vulnerability to the risks identified, considering the respective factors of exposure, sensitivity and ability to adapt. In reforestation and biodiversity conservation practices, the findings of the analysis described are taken into account. Navigator plans to go further in assessing its physical risks, by broadening this study to include more climate risks and scenarios and a more robust analysis of the potential impact on its activities, resulting from both its own operations and from its value chain.
Application of Appendix B criteria (Sustainable use and protection of water and marine resources)	Navigator carries on its activities in accordance with the Portuguese legislation in force, in particular Law 58/2005 which transposed Directive 2000/60/EC, and with management plan for use and protection of water resources. The Environment Impact Studies to which its facilities are subject are carried out under Directive 2014/52/ EU (updating Directive 2011/92/UE) and involve an assessment of impact on water resources.
Application of Appendix D criteria (Protection and restoration of biodiversity and ecosystems)	Biodiversity conservation is built into Navigator's forestry management model, with action to protect and restore biodiversity and ecosystems. The Navigator Group has annual plans for monitoring biodiversity in its forestry holdings. Around 12% of its woodland holdings comprise areas of conservation interest, and 4474 hectares are classified by Rede Natura 2000 as protected habitats. Navigator sets out to protect biodiversity, creating a positive impact by taking action in keeping with its commitments in connection with the act4nature Portugal initiative.
Application of criteria for DNSH for pollution prevention and control	The Group's policy is to adopt the best available techniques (BATs) for the sector, particularly those that can mitigate the environmental impacts associated pollution from its production processes. Through its **Management Systems Policy** and **Environmental Policy**, the Company has made commitments to ensuring compliance with the requirements applicable to its activities and products, and to manage and mitigate environmental risks, in particular by controlling and preventing pollution and responding to potential environmental emergencies, safeguarding the precautionary principle.

Minimum safeguards

In order for eligible activities to be classified as aligned, it is essential that they comply with minimum social safeguards. The taxonomy defines these safeguards as "alignment with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights". In order to help companies comply with these requirements, the European Commission's Platform on Sustainable Finance published, in 2022, the Final Report on Minimum Safeguards, where it identifies four essential areas that must be addressed to ensure conformity: Human Rights, Corruption, Tax and Fair Competition.

Human Rights

The Navigator Group recognises the fundamental importance of respect for Human Rights and for employment rights; this is built into its business activities. To this end, it has adopted and implemented a number of internal instruments, including the **Human Rights Policy**, the **Code of Ethics and Conduct**, the **Equality Plan** and the **Code of Conduct to Prevent and Combat Harassment at Work**.

Mindful of the important role its suppliers play in advancing Human Rights, Navigator has implemented a **Supplier Code of Conduct**, which complements the Code of Ethics and Conduct and sets out to align its partners' practices with the principles followed by the Group. Navigator has also implemented a Third-Party Vetting System, based on due diligence procedures for identifying and mitigating risks related to corruption and related offences, money laundering, international sanctions and Human Rights violations.

In 2024, Navigator signed up to the UN Global Compact, took part in the Business & Human Rights Accelerator Program and conducted a first level assessment of the actual and potential impacts of its operations throughout the value chain, identifying priorities for action. The programme enabled it to develop internal skills, establishing a firm foundation for future analyses and mitigation and remediation strategies. Also in 2024, the Company reviewed its double materiality analysis, resulting in identification of material impacts, risks and opportunities in its own operations and along the value chain. Navigator also has FSC® certification for forest management and the chain of custody, ensuring that environmental and human rights risks associated with the source of the wood it acquires are monitored.

Corruption, Fair Competition and Tax

In view of the international context in which it operates, the growing involvement of the private sector in combating corruption and related offences, and the legal obligations incumbent on it, Navigator has adopted a **Corruption Prevention and Related Offences Policy**, through which it seeks to establish a series of professional values and standards of integrity which must be shared by all its Employees.

Complementing this, Navigator has implemented a **Risk Prevention Plan for Corruption and Related Infractions (RPP)**, in which it identifies the risks of corruption and related offences to which it is exposed, establishes criteria for assessing these risks and lays down preventive and corrective measures designed to mitigate the likelihood of their materialising. Under the PPR, Assessment Reports are drawn up, quantifying the degree of execution of the preventive and corrective measures defined, as well as the projection for full implementation.

With regard to competition, Navigator is committed to acting in compliance with competition law, to abiding by market rules and standards and to promoting fair competition. These commitments are reflected in internal documents, such as the Code of Ethics and Conduct and the Supplier Code of Conduct, which expressly lay down that Navigator's business, together with that of its Suppliers, must be conducted in accordance with the standards governing fair competition and all the relevant legislation.

In tax matters, the Company has implemented a **Tax Policy**, which is designed to ensure that the entities making up the Group comply with their tax obligations, in all the jurisdictions in which they do business, seeking to maintain full compliance with the legislation applicable. Aware of its role in Portugal's industrial and business fabric, and because of the vital importance of transparency in dealings with Stakeholders, Navigator has sought in recent years to calculate its tax footprint, so as to identify and disclose the volume of tax revenues obtained from its business operations and the taxes it collects and administers on behalf of the State and other parties.

The Group regularly provides training on Ethics and Integrity for all its Employees, designed to stress the importance of the rules established in the Code of Ethics and Conduct and other internal policies. Specific training was provided in 2024 on Personal Data Protection and Employment Law. Navigator also provides a **Whistleblowing Channel**, on its website, for reporting any irregularity detected by its Stakeholders, in connection with the topics addressed above. This channel is governed by the **Whistleblowing Regulations** which the Company has implemented.

In the course of its taxonomy-eligible activities in 2024, the Navigator Group did not identify any relevant conviction on matters of Human Rights, Corruption, Tax or Fair Competition. Without prejudice to the above, attention is drawn to the anti-dumping proceedings brought by the Department of Commerce in the United States, in connection with investigation of alleged dumping practices in paper imports in several formats from five countries (Australia, Brazil, China, Indonesia and Portugal). As a result of these proceedings, anti-dumping duties are applied on Portugal's exports to the United States of certain types of paper marketed by Navigator. These exports are related to a taxonomy non-eligible activity.

5.2.1.4. Disclosure of KPIs

The Taxonomy Delegated Act (Article 8) establishes a number of key performance indicators (KPIs) associated with environmentally sustainable activities that non-financial undertakings must disclose: the proportion of their turnover (Turnover KPI), the proportion of their capital expenditure (CapEx KPI) and the proportion of their operating expenditure (OpEx KPI). Below we present the summary of findings:

Human Rights Policy

Code of Ethics and Conduct

Equality Plan

Code of Conduct to Prevent and Combat Harassment at Work

Supplier Code of Conduct

Corruption Prevention and Related Offences Policy

Risk Prevention Plan for Corruption and Related Infractions

Tax Policy

Whistleblowing Channel

Whistleblowing Regulations

KPI eligibility and alignment	Total (EUR)	Proportion eligible and aligned (%)	Proportion eligible and non-aligned (%)	Proportion non-eligible (%)
Turnover	€2,088,276,553	5.6%	0.2%	94.1%
CapEx	€461,294,721	18.3%	2.8%	78.9%
OpEx	€75,352,805	14.2%	4.8%	81.0%

Accounting policies

As established in the taxonomy, the figures reported were calculated in accordance with Navigator's Consolidated Financial Statements for the financial year ended 31 December 2024, which were prepared in conformity with the International Financial Reporting Standards (IFRS), in force on 1 January 2024 and as adopted by the European Union.

The European Taxonomy requires companies to disclose how they avoided duplication in considering economic activities eligible (numerator), in other words, in determining turnover, capital expenditure and operational expenditure. The Navigator Group determined eligible expenses on the basis of its financial and cost accounting and ensured that cost items were considered only once in calculating indicators.

In FY2023, the Navigator Group considered activity 1.3 as eligible and aligned. However, as explained in the section "Alignment analysis", Navigator has not been able to respond in full to the technical criterion for "Audit", as it is still not audited by an independent third party in accordance with the taxonomy criteria. In this year's reporting, Navigator has accordingly corrected activity 1.3 Forest Management to non-aligned, rectifying the figures in column n-1 to non-aligned.

Turnover

Turnover was determined based on International Financial Reporting Standard IFRS 15, i.e. considering sales and services provided in the course of the Navigator Group's normal business. Total turnover (denominator in calculating the ratio eligible activities) therefore corresponds to the revenue reported in the Consolidated Financial Statements (2.1 of the Notes to the Financial Statements).

The turnover from eligible and aligned activities corresponds to the sale of electricity from renewable biomass cogeneration facilities and biomass power plants. The turnover from eligible and non-aligned activities corresponds to the sale of electricity from natural gas cogeneration facilities. The other eligible activities are used mostly in internal Group operations and, as such, are not considered for the purposes of this indicator.

CapEx

The figure stated as total CapEx in the denominator calculation of the eligible activities ratio corresponds to the sum of acquisitions in 2024 of tangible assets, intangible assets (excluding CO_2 licenses) and right-of-use assets, as disclosed in nos. 3.2, 3.3 and 3.6 of the Notes to Navigator's Consolidated Financial Statements. In addition, this also takes into consideration acquisitions of intangible assets, tangible fixed assets and right-of-use assets associated with acquisition of Accrol, disclosed in no. 1.2 of the Notes to Navigator's Consolidated Financial Statements.

For the purposes of determining this ratio, additions of intangible assets related to acquisitions of CO_2 licenses were excluded, insofar as these do not correspond effectively to acquisition of licenses, but rather to licenses awarded to the Group, and their classification as intangible assets results from the accounting policy adopted by the Group. No additions were recorded in 2024 to the Group's investment properties.

The CapEx values classified as eligible, including those considered both taxonomy-aligned and taxonomy non-aligned, correspond to investment in assets or processes associated with the Group's activities, in particular:

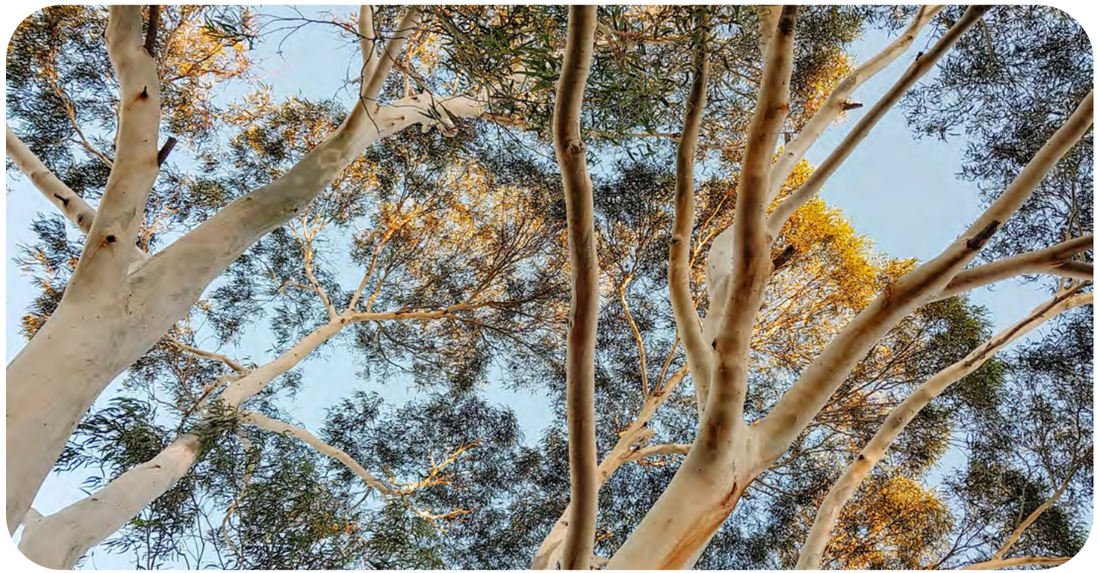
- **Investment to support forest management activities, in particular acquisition of forest land;**
- **Investment in biomass power plants;**
- **Investment in biomass cogeneration plants, which includes investment in new recovery boiler in Setúbal;**
- **Investment in effluent treatment at industrial complexes, which includes investment in WWTP 2 in Setúbal;**
- **Investment in Research & Development projects in connection with the genetic improvement programme; and**
- **Investment in conservation, including restoration, of habitats, ecosystems and species, in connection with Zambujo reCover Project.**

OpEx

The total OpEx stated in the denominator for calculation of the eligible activities ratio corresponds to the following expenditure determined on the basis of the Consolidated Financial Statements at 31 December 2024:

- **Uncapitalised research and development costs;**
- **Expense of industrial cleaning;**
- **Maintenance and repair expense included in no. 2.3 of the Notes to the Consolidated Financial Statements.**
- **Expense of specialist work directly related to maintenance and repair. These costs have been analysed item by item.**
- **Personnel expenditure in connection with maintenance and repair.**
- **Uncapitalised short term lease expense; and**
- **Other expense directly relating to maintenance of tangible fixed assets.**

The OpEx values associated with the Group's eligible activities (taxonomy-aligned or non-aligned) correspond essentially to expenditure on research and development relating to forestry, expenditure related to habitats and ecosystem conservation and restoration, uncapitalised expenditure needed to operate renewable biomass co-generation plants, biomass power plants, natural gas co-generation plants, withdrawal and treatment of water and collection and treatment of effluents.



5.2.1.4.1. Proportion of turnover from products or services associated with taxonomy-aligned economic activities

Financial year 2024		2024		Substantial contribution criteria						Criteria for DNSH ("do no significant harm") (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of turnover taxonomy-aligned (A.1) or taxonomy-eligible (A.2), 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
Text		Euro	%	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	C	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally-sustainable activities (taxonomy-aligned)																			
Electricity generation from bioenergy	**CCM 4.8**	€24,726,984	1%	S	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Cogeneration of heat and power from bioenergy	**CCM 4.20**	€92,812,610	4%	S	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5%		
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		€117,539,594	6%	6%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	6%		
Of which, enabling activities		€0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	C	
Of which, transitional activities		€0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (g)																			
High-efficiency co-generation of heat and power from fossil gaseous fuels	**CCM 4.30**	€5,118,236	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2%		
Turnover from taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (A.2)		€5,118,236	0%	0%	0%	0%	0%	0%	0%								2%		
A. Turnover from taxonomy-eligible activities (A.1+A.2)		€122,657,830	6%	6%	0%	0%	0%	0%	0%								8%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover from taxonomy non-eligible activities (B)		€1,965,618,723	94%																
Total (A + B)		€2,088,276,533	100%																

5.2.1.4.2. Proportion of CapEx on products or services associated with taxonomy-aligned economic activities

Financial year 2024		2024		Substantial contribution criteria						Criteria for DNSH ("do no significant harm") (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
Text		Euro	%	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	C	T
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	**CCM 4.1**	€2,505,217	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Electricity generation from bioenergy	**CCM 4.8**	€3,202,254	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Cogeneration of heat and power from bioenergy	**CCM 4.20**	€75,769,408	16%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	37%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**	€177,831	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Construction, extension and operation of waste water collection and treatment systems	**CCM 5.3**	€3,010,995	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%		
Close to market research, development and innovation	**CCA 9.2**	€23,020	1%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	C	
CapEx for environmentally sustainable activities (taxonomy-aligned) (A.1)		€84,688,724	18%	35%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	43%		
Of which, enabling activities		€23,020	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	C	
Of which, transitional activities		€0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T

Financial year 2024		2024		Substantial contribution criteria						Criteria for DNSH ("do no significant harm") (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
Text		Euro	%	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	C	T
A.2. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (g)																			
Forest Management Dep.	**CCM 1.3**	€7,995,895	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7%		
High-efficiency co-generation of heat and power from fossil gaseous fuels	**CCM 4.30**	€3,545,059	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**	€1,324,717	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx for taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (A.2)		€12,865,671	3%	5%	0%	0%	0%	0%	0%								8%		
A. Capex for taxonomy-eligible activities (A.1+A.2)		€97,554,395*	21%	41%	0%	0%	0%	0%	0%								51%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx for taxonomy non-eligible activities (B)		€363,740,326	79%																
Total (A + B)		€461,294,721	100%																

*The figure has been corrected compared to the CMVM version submitted on 11 April 2025.

5.2.1.4.3. Proportion of OpEx on products or services associated with taxonomy-aligned economic activities

Financial year 2024		2024		Substantial contribution criteria						Criteria for DNSH ("do no significant harm") (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
Text		Euro	%	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	C	T
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Electricity generation from bioenergy	**CCM 4.8**	€1,969,444	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Cogeneration of heat and power from bioenergy	**CCM 4.20**	€2,515,784	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**	€820,587	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Construction, extension and operation of waste water collection and treatment systems	**CCM 5.3**	€2,036,398	3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Close to market research, development and innovation	**CCA 9.2**	€3,384,703	4%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%	C	
Conservation, including restoration, of habitats, ecosystems and species	**BIO 1.1**	€7,597	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0%		
OpEx for environmentally sustainable activities (taxonomy-aligned) (A.1)		€10,734,512	14%	10%	4%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	7%		
Of which, enabling activities		€3,384,703	4%	0%	4%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1%	E	
Of which, transitional activities		€0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T

Financial year 2024		2024			Substantial contribution criteria						Criteria for DNSH ("do no significant harm") (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023 (18)	Category — enabling activity (19)	Category — transitional activity (20)
Text		Euro	%	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y; N; N/EL (b) and (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	C	T
A.2. Taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (g)																			
Forest Management Dep.	**CCM 1.3**	€3,017,074	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
High-efficiency co-generation of heat and power from fossil gaseous fuels	**CCM 4.30**	€289,239	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.1**	€297,932	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx for taxonomy-eligible but environmentally unsustainable activities (taxonomy non-aligned activities) (A.2)		€3,604,245	5%	5%	0%	0%	0%	0%	0%								3%		
A. OpEx in taxonomy-eligible activities (A.1+A.2)		€14,338,758	19 %	15%	5%	0%	0%	0%	0%								11%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx in taxonomy non-eligible activities (B)		€61,014,048	81%																
Total (A + B)		€73,352,805	100%																

5.2.1.4.4. Templates personalised in accordance with Regulation 2022/1214

Under the Taxonomy Regulation, Article 8 of the Delegated Act, standardised templates must be disclosed with regard to activities connected to nuclear energy and fossil gas.

Template 1: Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

Row	Fossil gas related activities	
1.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
2.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
3.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2: Taxonomy-aligned economic activities (denominator) - Turnover

		Amount and proportion of Turnover					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Turnover denominator**	**€117,539,594**	**6%**	**€117,539,594**	**6%**	**€0**	**0%**
8.	**Total Turnover**	**€117,539,594**	**6%**	**€117,539,594**	**6%**	**€0**	**0%**

Template 2: Taxonomy-aligned economic activities (denominator) - CapEx

		Amount and proportion of CapEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the CapEx denominator**	**€84,688,724**	**18%**	**€84,665,704**	**18%**	**€23,020**	**0%**
8.	**Total CapEx**	**€84,688,724**	**18%**	**€84,665,704**	**18%**	**€23,020**	**0%**

Template 2: Taxonomy-aligned economic activities (denominator) - OpEx

		Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the OpEx denominator**	**€10,726,916**	**14%**	**€7,342,213**	**10%**	**€3,384,703**	**4%**
8.	**Total OpEx**	**€10,726,916**	**14%**	**€7,342,213**	**10%**	**€3,384,703**	**4%**

Template 3: Taxonomy-aligned economic activities (numerator) - Turnover

		Amount and proportion of Turnover					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover numerator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Turnover numerator**	**€117,539,594**	**100%**	**€117,539,594**	**100%**	**€0**	**0%**
8.	**Amount and proportion of taxonomy-aligned economic activities in the Turnover numerator**	**€117,539,594**	**100%**	**€117,539,594**	**100%**	**€0**	**0%**

Template 3: Taxonomy-aligned economic activities (numerator) - CapEx

		Amount and proportion of CapEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx numerator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the CapEx numerator**	**€84,688,724**	**100%**	**€84,665,704**	**100%**	**€23,020**	**0%**
8.	**Amount and proportion of taxonomy-aligned economic activities in the CapEx numerator**	**€84,688,724**	**100%**	**€84,665,704**	**100%**	**€23,020**	**0%**

Template 3: Taxonomy-aligned economic activities (numerator) - OpEx

		Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx numerator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the OpEx numerator**	**€10,726,916**	**100%**	**€7,342,213**	**68%**	**€3,384,703**	**32%**
8.	**Amount and proportion of taxonomy-aligned economic activities in the OpEx numerator**	**€10,726,916**	**100%**	**€7,342,213**	**68%**	**€3,384,703**	**32%**

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover

		Amount and proportion of Turnover					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€5,118,236	100%	€5,118,236	100%	€0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Turnover denominator**	**€0**	**0%**	**€0**	**0%**	**€0**	**0%**
8.	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the Turnover denominator**	**€5,118,236**	**100%**	**€5,118,236**	**100%**	**€0**	**0%**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - CapEx

		Amount and proportion of CapEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€3,545,059	28%	€3,545,059	28%	€0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the CapEx denominator**	**€9,320,612**	**72%**	**€9,320,612**	**72%**	**€0**	**0%**
8.	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the CapEx denominator**	**€12,865,671**	**100%**	**€12,865,671**	**100%**	**€0**	**0%**

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities - OpEx

		Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CMM)		Climate change adaptation (CCA)	
Row	Economic Activities	Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€289,239	8%	€289,239	8%	€0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%	€0	0%	€0	0%
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the OpEx denominator**	**€3,315,006**	**92%**	**€3,315,006**	**92%**	**€0**	**0%**
8.	**Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the OpEx denominator**	**€3,604,245**	**100%**	**€3,604,245**	**100%**	**€0**	**0%**

Template 5: Taxonomy non-eligible economic activities - Turnover

Row	Economic Activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Turnover denominator	€0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the Turnover denominator**	**€1,965,618,723**	**94%**
8.	**Total amount and proportion of other taxonomy-non-eligible economic activities in the Turnover denominator**	**€1,965,618,723**	**94%**

Template 5: Taxonomy non-eligible economic activities - CapEx

Row	Economic Activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the CapEx denominator	€0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the CapEx denominator**	**€363,740,326**	**79%**
8.	**Total amount and proportion of other taxonomy-non-eligible economic activities in the CapEx denominator**	**€363,740,326**	**79%**

Template 5: Taxonomy non-eligible economic activities - OpEx

Row	Economic Activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the OpEx denominator	€0	0%
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the OpEx denominator**	**€61,014,048**	**81%**
8.	**Total amount and proportion of other taxonomy-non-eligible economic activities in the OpEx denominator**	**€61,014,048**	**81%**

5.2.1.5. Next steps in applying the taxonomy

In line with the Group's strategy and its sustainability goals, Navigator will press ahead in 2025 with developing procedures and action to respond appropriately to the Taxonomy alignment criteria. These activities include:

- **More robust implementation of climate risk analysis (Appendix A to the Climate Delegated Act – Annex I) aligned with the work of responding to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD);**
- **Continued development of a Human Rights due diligence procedure, designed to strengthen practices and commitments relating to operations;**
- **Analysis of potential extensions of the Taxonomy Regulation to other activities and implementation of guidelines that may have a significant impact on classification of the Group's eligibility and alignment in future;**
- **Monitoring of possible updates by European Commission to the Taxonomy Regulation, as a result of the Omnibus legislative package.**

5.2.2. ESRS E1: Climate change

5.2.2.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in value chain	Related sub-topic or sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Emission of greenhouse gases (Scope 1).	Negative impact	--	Own operations	Mitigation of climate change
Emission of greenhouse gases (Scope 2).	Negative impact	--	Amount	Mitigation of climate change
Emission of greenhouse gases (Scope 3).	Negative impact	--	Upstream/ downstream	Mitigation of climate change
Energy consumed from non-renewable sources in own operations contributes to climate change.	Negative impact	--	Upstream/Own operations	Energy
Undertake initiatives with our Stakeholders for climate change adaptation.	Positive impact	--	Upstream/ downstream	Climate change adaptation
Capture and sequestration of CO_2.	Positive impact	--	Own operations	Mitigation of climate change
Production of renewable electricity contributes to the country's renewable energy mix.	Positive impact	--	Own operations	Energy
Development of bioproducts, as an alternative to other products that cause more pollution, contributes to the non-worsening of GHG emissions during the life cycle of use of these products (post-sales).	Positive impact	--	Downstream	Mitigation of climate change
Physical impacts of climate change, through extreme weather events (e.g. hurricanes, heavy rainfall).	Acute physical risk	Medium term - From reporting year and up to 5 years	Own operations	Climate change adaptation
Change in rainfall patterns and other climate factors leading to loss of yields in production forests.	Chronic physical risk	Long term - Over 5 years	Own operations, Upstream	Climate change adaptation
Climate change can lead to potential disruption of the supply chain and the consequent impact on the availability and quality of raw materials may compromise the Group's business.	Transition risk	Long term - Over 5 years	Amount	Climate change adaptation
Increase in severity and frequency of forest fires.	Chronic physical risk	Short term - Reporting year	Amount	Climate change adaptation
- Rise in average sea level may lead to reduction of production capacity and revenue obtained and/or damage to operations.	Chronic physical risk	Long term - Over 5 years	Own operations	Climate change adaptation
Higher carbon price and reduction in availability of licenses under EU-ETS.	Risk	Medium term - From reporting year and up to 5 years	Own operations	Mitigation of climate change
Increased energy costs associated with non-renewable sources.	Risk	Medium term - From reporting year and up to 5 years	Own operations	Energy
Adaptation of portfolio to impacts of climate change which respond to consumer preferences, reinforcing competitive advantage in the market and positively impacting revenues (e.g. NVG - Investment in R&D to develop new forest-based products able to substitute forest-based products, helping to mitigate climate change).	Opportunity	Medium term - From reporting year and up to 5 years	Own operations	Climate change adaptation
The transition to more sustainable technologies may lead in the long term to significant improvements in operational efficiency and cut overall operating costs, improving profitability and/or capturing an additional market share.	Opportunity	Long term - Over 5 years	Own operations	Mitigation of climate change
Substitution of fossil fuels by renewable fuels (e.g. biomass, solar and hydrogen).	Opportunity	Medium term - From reporting year and up to 5 years	Own operations	Mitigation of climate change
Investment in energy efficiency and renewable energy sources can lead to improved profitability.	Opportunity	Medium term - From reporting year and up to 5 years	Own operations	Energy

Note: the material impacts identified are actual, and so there is no associated time horizon. [E1.SBM-3.18]

For the financial year of 2023, the resilience of the Group's strategy was analysed by quantifying the financial impact of one transition risk, three physical risks and one opportunity, considered as material for the business and considering two-time horizons - 2035 and 2050.

We developed a structured approach to assess and improve the resilience of our strategy and business model in relation to climate change, in line with TCFD recommendations. We present below: the scope of the resilience analysis; the methodology and the period for which the analysis was conducted; and the main findings, highlighting the conclusions from the analysis of scenarios. [E1.SBM-3.19a]

Scope of the resilience analysis

The resilience analysis focused on the physical and transition risks, as well as opportunities, assessing financial and operational impacts in two-time horizons (2035 and 2050). The study encompasses physical risks, in particular forest fires, water scarcity, extreme weather events and impacts on forestry yields; transition risks, such as climate regulations, increased carbon cost (EU-ETS) and changing consumer preferences; and the opportunities included investment in new forest-based products and adoption of technologies to mitigate climate impacts.

How the resilience analysis was conducted

The resilience analysis was conducted by defining climate scenarios and was based on the IPCC RCP 2.6, RCP 4.5 and RCP 8.5 models. In addition, a financial assessment was made of the impact of four climate risks and one opportunity, considering the three climate scenarios and two-time horizons.

In keeping with the TCFD recommendations for scenario analysis, the company used **exploratory analyses** that describe a diverse range of plausible future states, which are used to assess potential climate-related risks and uncertainties, and also to test the resilience of our strategy for the different future conditions adjacent to these same scenarios.

To this end, three climate scenarios were defined, considering two distinct time horizons: medium term (2035) and long term (2050). These climate scenarios were constructed on the basis of the IPCC scenarios, or Representative Concentration Pathways (RCP) – RCP 2.6, RCP 4.5 and RCP 8.5. These were complemented by narratives of plausible futures, from the "Sustainable Development Scenario" developed by the International Energy Agency and the "Climate Scenario Tool" for the food, forestry and farming products sector, developed by the WBCSD, respectively called the green, yellow and red scenario. In addition, a financial assessment was made of the impact of four climate risks and one opportunity, considering the three climate scenarios and two-time horizons.

Physical risks tend to be more severe in the 4ºC climate scenario (red scenario), given that in this scenario the likelihood of the occurrence and severity of extreme climate events is greater. However, in the 1.5°C and 2°C scenarios it is still possible that some physical risks will be moderately severe. The transition risks are generally more severe in the scenarios which comply with the aims of the Paris Agreement, i.e. the 1.5ºC scenario (green scenario) and the < 2ºC scenario (yellow scenario).

The following table sets out the scenarios considered in the resilience analysis.

Scenarios	Description of narrative	Time horizon	Base Model
Green	**Rapid and orderly climate action.** • Economy grows sustainably, with heavy investment in renewable energy and low carbon technologies. • Political and regulatory transition makes for a balanced transition, with positive impacts for Navigator. • Industry is gradually decarbonised, enabling business models to adapt, based on electrification of processes and use of renewable fuels based on green hydrogen. • Adoption of circular economy models, reducing dependence on fossil fuels. • Consumer preference for sustainable and certified products • Growing use of biomass certified as renewable fuel. • Heavy investment in R&D in new forest-based products, replacing forest-based products.	2035-2050	• IPCC SSP 1- 2.6 (RCP 2.6) • WBCSD – 1.5ºC scenario based on innovation
Yellow	**Sudden and uncoordinated climate action.** • Potential recession due to sudden measures to cut emissions. • Increased industrial costs due to increased carbon taxes and rigid regulation. • Negative impact on economic growth, with increased market volatility. • Renewable energies adopted abruptly, increasing transition cost. • Dependence on fossil fuels decreases, but without stable replacement solutions in the short term. • Increased investment in carbon capture and storage (CCS) tec. • High adaptation costs due to regulatory pressure and need for high-speed innovation.	2035-2050	• IPCC SSP 2- 4.5 (RCP 4.5) • WBCSD – <2°C scenario based on planned policies
Red	**Slow and uncoordinated climate action (no mitigation).** • Continuation of traditional operational model, without effective decarbonisation policies. • Uneven economic growth, with rising operating costs due to extreme weather events. • Breakdowns in supply chains and increased uncertainty in financial markets. • Energy pattern remains dominated by fossil fuels, with only low-level implementation of renewables. • Significant increase in energy prices, undermining industrial competitiveness. • Lack of incentives for sustainable innovation, reducing adoption of clean technologies. • Poor adoption of decarbonisation technologies due to absence of government incentives. • Retention of traditional processes, but with rising energy and environmental costs.	2035-2050	• IPCC SSP 5-8.5 (RCP 8.5) • WBCSD – >3ºC scenario based on historical tendencies

When the resilience analysis was conducted

Our resilience analysis has been continuously perfected in order to ensure that climate risks and opportunities are integrated into our business strategy. In 2022, we published our first report aligned with the TCFD recommendations. In 2023, we updated our analysis of climate risks and opportunities, including a detailed financial assessment of four risks and one opportunity. In addition, a strategy review was conducted, ensuring that these elements and the respective TCFD alignment are incorporated in Navigator's Enterprise Risk Management (ERM) system.

Findings of resilience analysis and impact of climate scenarios

The results from our analysis of climate scenarios suggest that our current strategy is resilient with regard to its ability to address climate risks and take advantage of related opportunities. Nonetheless, these results have enabled us to identify critical areas to be monitored, in order to implement mitigation and adaptation measures and also targets to strengthen Navigator's resilience to climate change. [E1.SBM-3.19]

In the future, we intend to continue to develop a more robust analysis of climate-related risks and opportunities, and also to make progress in the analysis of financial impacts from climate change on our business in line with our sustainable business strategy [E1.SBM-3.AR7c]

Risks		Mitigation measures implemented / planned	Time horizon	Estimated impact (M€/year)	Climate Scenario Green	Yellow	Red
Physical risks	Change in precipitation patterns and other climate factors leading to loss of yields in forests managed by Navigator[6]	• Geographical diversification of wood supply • Use of plants from genetic improvement programme • Sharing of technical know-how concern best silviculture practices with Forestry producers • Explore other sources of raw material in order to ensure business continuity	2035 2050	2 – 5	●●	●●●	●●●●●
Physical risks	Water scarcity at the locations of the Group's industrial complexes[7]	• Implementation of Water Use Reduction Programme (WURP) • Assessment of reuse of industrial effluents in industrial processes • Assessment of new sources of fresh water	2035 2050	8 – 40	●●	●●●	●●●●●
Physical risks	Increase in severity and frequency of forest fires[8]	• Geographical diversification of wood supply • Implementation of best silviculture practices for reducing the fire risk • Use best available technologies for fire fighting	2035 2050	2.5 - 4	●	●●●	●●●●
Transition risks	Increased cost of emission licenses in EU-ETS system[9]	• Setting of specific targets for industrial operations based on climate science • Implementation of Navigator's Decarbonisation Roadmap	2035 2050	3 – 12	●●●●	●●●	●

Potential financial impact of climate-related risks: 15.5 - 61

Caption: ●●●●● Most severe ● Least severe

[6] Reduction in forest yields due to climate change (e.g. change in resulting pattern), based on analysis conducted internally by Raiz for scenarios RCP 4.5 and 8.5. Annual impact calculated on the basis of opportunity costs associated with import of wood from outside Iberia, also considering lower pulp yields.

[7] Reduction in water withdrawal licenses as a result of less water being available in the drainage basins and aquifers from which Navigator supplies itself. Analysis based on hydrological modelling conducted by APA for RCP scenarios 4.5 and 8.5. Annual impact calculated on the basis of lost production resulting from lower volume of water authorised for withdrawal.

[8] Loss of wood in areas managed by Navigator as a result of forest fires. Annual impact calculated on the basis of opportunity costs associated with import of wood from outside Iberia, and historical data for burned area in past 10 years.

[9] Impact calculated on the basis of estimated in Navigator's Decarbonisation Roadmap, award of free licenses up to 2035 and CO_2 prices between 4 €/tCO_2 (red scenario) and 188 €/tCO_2 (green scenario).

Opportunities	Mitigation measures implemented / planned	Time horizon	Estimated impact (M€/year)	Climate Scenario Green	Yellow	Red
Investment in R&D to develop new forest-based products[10]		2035 2050	30 - 40	●●●●●	●●●	●
Potential financial impact of climate-related opportunities: **30-40**						

Caption: ●●●●● Most severe ● Least severe

We have demonstrated the capacity to adapt to climate change in the short, medium and long term, adjusting our strategy, business model and investment decisions to mitigate risks and take advantage of emerging opportunities. We have increased our access to financing by integrating ESG criteria into our financial decisions. In June 2022, Navigator issued bonds with a value of €150 million, maturing in 2028, under the Sustainability-Linked Bonds Framework, and at the same time repaid a loan of the same amount, valid until 2023. This further extended the average maturity of the Group's debt and contributed to a reduction in the Company's financing costs, as well as featuring terms tied to fulfilment of its sustainability commitments. The terms of the loan are indexed to three ESG indicators envisaged in the Company's Sustainability Agenda, and also aligned with the United Nations Sustainable Development Goals [E1.SBM-3.AR8b].

In addition, climate risk management is built into the Company's financial assessments, ensuring greater stability in the valuation of assets and projection of cash flows. Alongside this, the Company is implementing a robust capex programme geared to decarbonisation, technological modernisation and energy efficiency. [E1.SBM-3.AR8b]

5.2.2.1.2. Transition plan for mitigating climate change (E1-1)

The transition plan for mitigating climate change plays a fundamental role in the way companies adapt their business models, making them compatible with target of limiting global warming to 1.5º, in line with the Paris Agreement. Our transition plan enables us to align our strategy and business model with the target of 1.5º set in the Paris Agreement, through a number of key initiatives [ESRSE1-1.14]:

- **Climate scenario analysis and risk management:** the analysis of climate-related risks and opportunities was conducted using three climate scenarios, including the 1.5°C scenario (RCP 2.6, comparable with SSP1-2), assessing the resilience of the strategy in the face of possible regulatory and market changes. The assessment was conducted in accordance with the recommendations of the Task-Force on Climate-related Financial Disclosures (TCFD). [ESRSE1-1.14]

- **Design of a decarbonisation roadmap:** sets three specific targets for cutting the GHG emissions from our activities: 86% cut in EU-ETS emissions by 2035, in relation to 2018; 63% cut in absolute scope 1+2 emissions by 2035, in relation to 2020 and 37.5% cut in absolute scope 3 emissions by 2035, in relation to 2020, the last two targets having been approved by SBTi in 2022. The target for scopes 1 and 2 is aligned with the 1.5ºC target set by the Paris Agreement. [ESRSE1-1.14]

- **Investment in renewable energy:** we have a significant plan under way for investment in renewable energy, in particular projects to replace fossil fuels with sustainably sourced biomass, increasing the capacity of renewable biomass cogeneration facilities and building new solar power facilities. In addition, two new steam turbines are being built, for the renewable cogeneration plants in Aveiro and Figueira da Foz, which will make it possible to increase the efficiency of these facilities and bring down scope 2 emissions. [ESRSE1-1.14]

- **Shutdown of natural gas cogeneration plants:** In line with the Decarbonisation Roadmap, we anticipate shutting down the two Natural Gas Cogeneration Plants operated by the Group, by 2035. The cogeneration plant in Figueira da Foz has been operating on a backup basis since 2021, since the start-up of the new Biomass Boiler that year. The Setúbal cogeneration plant has been operating with just one of the two generator sets since 2023, and a full shutdown of the facility is anticipated by 2035, with the installation of a new Recovery Boiler, due to start up in the second quarter of 2025. [ESRSE1-1.14]

- **Carbon capture and sustainable forest management:** in a context of industrial symbiosis, we supply CO_2 from operations to our suppliers of precipitated calcium carbonate (PCC), which we then use as a raw material in producing UWF in Figueira da Foz and Setúbal. In 2024, this made it possible to incorporate approximately 123,000 tons of CO_2, of which 12,700 from fossil origin, avoiding emission into the atmosphere. In addition, sustainable management of more than 135 thousand hectares of forests, in mainland Portugal and Mozambique, enables us to point to a carbon stock of approximately 9.1 Mt CO_2e. [ESRSE1-1.14]

Our transition plan has been approved by the administrative, management and supervisory bodies. [ESRSE1-1.16i]

Compatibility of goals with limiting warming to 1.5ºC [ESRSE1-1.16a] [E1-4.34f]

Embracing an active role in the search for solutions for the climate challenge, we set two new climate science-based targets in 2022 for reduction of Greenhouse Gas (GHG) emissions. We set near-term targets of a 63% reduction in scopes 1 and 2 GHG emissions and a 37.5% reduction in scope 3 emissions by 2035, in relation to 2020 levels. The targets, approved by SBTi, are consistent with the ambition to reduce GHG emissions to the levels needed to limit global warming to 1.5ºC, in the case of scopes 1 and 2 emissions, and well below 2°C, in scope 3 emissions. The targets were set on the basis of decarbonisation trajectories in the sector and the wider economy, ensuring conformity with scientific climate principles. [ESRS E1-1.16a]

Climate scenarios were analysed on the basis of the IPCC's 15°C scenario (RCP 2.6) and the Sustainable Development Scenario of the International Energy Agency (IEA). This approach ensures a balanced transition, guaranteeing that climate action is compatible with sustainable development principles. [ESRS E1-1.16a]

The approach to analysis of climate scenarios, risk and opportunities assessment and target setting has been aligned with the Forest Sector Net-Zero Roadmap of World Business Council for Sustainable Development (WBCSD), a benchmark mapping a credible decarbonisation trajectory for the sector. We continue to monitor developments in terms of climate science, especially the GHG Protocol and SBTi benchmarks for the sector. [ESRS E1-1.16a]

It should be noted that the Company is not excluded from EU benchmark indicators aligned with the Paris Agreement. [ESRS E1-1.16g]

Decarbonisation levers

Our climate transition plan is based on several levers and actions for cutting GHG emissions, aligned with the targets and strategy for climate change mitigation. The main measures adopted include operational optimisation, implementation of new technologies and changes to the product portfolio, advancing the transition to a low-carbon economy. The main decarbonisation levers and actions include: [ESRS E1-1.16b] [ESRS E1-1.16h]

Energy transition and adoption of renewable energy

Navigator is focused on advancing the energy transition at its industrial complexes, investing in the use of renewable fuels, in particular sustainable biomass (biomass that meets the sustainability criteria set in REDII), rather than fossil fuels. We invest in highly efficient technologies that make it possible to maximise the energy content of biomass, such as the construction of a new recovery boiler at the Setúbal Industrial Complex, due to start up in 2025.

We are also committed to producing renewable electricity, by upgrading our current high efficiency cogeneration facilities and installing new solar power facilities for in-house consumption, helping to bring down scope 2 emissions. In 2024 Navigator started up the solar power facility at Tissue Aveiro, with power capacity of 1.9 MWp, and the second solar power facility at Paper Figueira, with capacity of 2.7 MWp.

[10] Development of new forest-based products and solutions to replace fossil-based plastic is an opportunity that may represent new business areas for Navigator, in the short and medium term. In connection with the From Fossil 2 Forest Mobilising Agenda, Navigator has estimated potential Gross Value Added to be achieved in 2027 in relation to 2020 as a result of these new products.

Alongside this, a new solar power facility was built on the ground in Figueira da Foz, with capacity of 17.4 MWp, in a partnership with EDP, ensuring a supply of renewable electricity for 25 years. [ESRS E1-1.16b]

Operational Efficiency

In addition to the energy transition, Navigator has been working to implement operational efficiency projects at its industrial complexes in order to optimise energy intensity on an ongoing basis. In 2024, energy efficiency projects completed presented a potential annual energy reduction of 4.6 GWh, helping to optimise resources. [ESRS E1-1.16b]

Adaptation of product and service portfolio

Development of the gKRAFT sustainable packaging segments, which offers alternatives to fossil-based plastics, supporting the transition to renewable, low carbon products. Production of moulded cellulose articles to substitute disposable plastics in the food packaging sector, in alignment with sustainability goals. [ESRS E1-1.16b]

Sustainable forest management and carbon sequestration

Sustainable management of 136 850 hectares of forest plays a fundamental role in mitigating climate change. Among other advantages, this makes it possible to sequester 9.1 Mt of CO_2[11]. In addition, the cellulose and paper products marketed by Navigator make it possible to store approximately 2.6 Mt CO_2[12] equivalent. [ESRSE1-1.16b]

Initiatives along the value chain

Navigator is also aiming to reduce the emissions along its value chain (scope 3). To that end, the Company is drawing up a decarbonisation plan that will involve working closely with its logistical suppliers, in promoting low carbon solutions, efficient processes and optimised routes. [ESRS E1-1.16b]

Investment and financing supporting execution of transition plan

Our decarbonisation roadmap is ambitious and requires action throughout the value chain. In the context of scopes 1 and 2 emissions, the roadmap includes a set of 23 initiatives, of which 17 are supported by the RRP and one by the Innovation Fund - the European Union fund for climate policy, focusing especially on energy and industry. It may be noted that we have so far concluded eight of the proposed initiatives. Of the others, fourteen have been approved and are in progress. Execution of the 23 initiatives is estimated to represent investment in excess of 350 million euros in the period 2019-2028. In the field of energy efficiency, more than 8 million euros has been invested in projects that bring energy savings of approximately 100 GWh/year, avoiding the emission of 23,000 tons of CO_2. These measures have included improvements to the production of compressed air, optimisation of cooling systems, installation of LED lighting and improved thermal efficiency, bringing annual savings of 6 million euros in our energy costs. These initiatives have also made it possible to optimise consumption of energy from primary sources per ton of manufactured output. [ESRSE1-1.16c]

Main CapEx projects in decarbonisation in 2024

In 2024, work started on the Tissue Aveiro Solar Power Facility and the 2nd Rooftop Facility at Paper Figueira, two projects supported by the RRP and representing investment of approximately €2.5 million, aligned with the technical criteria of the European taxonomy. [ESRSE1-1.16e]

Another solar facility with a capacity of 17.4 MWp at the Figueira da Foz Industrial Complex also went into operation, in a partnership with EDP. This will supply approximately 26.3 GWh/year of 100% renewable power, over 25 years.

Significant progress was made in building the new high efficiency recovery boiler in Setúbal, and this is planned to start up in the second quarter of 2025. This facility, fundamental for optimising generation of thermal energy from sustainable biomass, will enable us to scale down operation of the Natural Gas Cogeneration Plant. In relation to the baseline in the decarbonisation roadmap, the new recovery boiler will bring a potential reduction in excess of 100 thousand tons of CO_2. Partial funding has been provided by the European Investment Bank (EIB), under the REPowerEU programme. This project, along with other improvements made to Renewable Cogeneration Plants using Bioenergy have contributed to eligible CapEx, aligned with the technical criteria of the European taxonomy, for activity 4.20. [ESRSE1-1.16c] [ESRSE1-1.16e] [ESRSE1-1.16f]

ESG initiatives undertaken in 2024, including investment in decarbonisation projects, represented approximately 51% of total CapEx, corresponding to around 120 million euros. [ESRSE1-1.16c]

Future CapEx plans

We remain committed to identifying and analysing new technological solutions which can be translated into initiatives for inclusion in the Decarbonisation Roadmap, so as to eliminate future emissions associated with industrial assets and processes. We are actively seeking to achieve the commitments made in the 2030 Agenda in relation to climate change, in particular by cutting scopes 1, 2 and 3 emissions.

Progress in implementation of the transition plan

The progress made in implementing our transition plan is witnessed by the reduction in emissions, growth in the use of renewable energy and the channelling of investment to sustainable initiatives. In relation to the reduction of GHG emissions, by 2024 we achieved a 41% reduction in direct EU ETS (EU Emissions Trading System) emissions, in comparison with 2018 levels. In the context of the SBTi targets, we achieved a reduction in scopes 1 and 2 emissions of approximately 36%, in relation to the baseline year, and 14%, in relation to 2023 [E1-4.2.80j].

The reduction in direct emissions, in relation to the reference years, has been driven by implementation of eight decarbonisation projects, as well as by the slower pace of paper production, which enabled us to scale down operation of Natural Gas Cogeneration.

In addition, there was a substantial reduction in 2024 in the emissions factor for electricity in Portugal, demonstrating the increased incorporation of renewables in the national energy mix [E1-4.2.80j].

With regard to scope 3 emissions, which encompass emissions associated with the supply chain, transport and product life cycle, there was an increase of 10% in relation to the baseline year and a reduction of 8% in relation to 2023. In this area we have made significant improvements in the collection, analysis and quantification of emissions, and in particular identified more appropriate emissions factors, more precise estimates of kilometres travelled and more complete calculation methodologies, in relation to emissions for processing and end-of-life treatment of sold products (C10 and C12, respectively) [E1-4.2.80j]

This progress means the Company remains on the right track to achieve the target of a 63% reduction in scopes 1 and 2 GHG emissions by 2035. [ESRSE1-1.16j] [E1-4.2.80j]

In relation to the transition to renewable energy, 80% of the primary energy consumed in 2024 was from renewable sources, in particular biomass and solar energy, equalling the target set for 2030. [ESRSE1-1.16j] [E1-4.2.80j]

Energy consumption per ton of output in industrial activities in Portugal was brought down by approximately 1% in relation to 2023, in line with Navigator's ambition, set out in its 2030 agenda, of optimising energy intensity, year after year. [E1-4.2.80j]

The Company's climate action was recognised in 2024 by Carbon Disclosure Project (CDP), earning it a score of "A", which confirms it as a leader in climate performance. In addition, the Company remains aligned with international frameworks, such as the Science Based Targets (SBTi) initiative and the Task Force on Climate-related Financial Disclosures (TCFD). [ESRSE1-1.16j]

[11] Accumulated stock in forests in Portugal and Mozambique.
[12] The inventory of the accumulated stock in forests in Mozambique uses the figure recorded in 2021 as the baseline.

5.2.2.2. Management of impacts, risks and opportunities

5.2.2.2.1. Policies related to climate change mitigation and adaptation (E1-2, MDR-P)

Navigator's policies and strategies reflect a wide-ranging commitment to sustainability and response to climate change, most notable its **Environmental Policy** and the **Management Systems Policy**.

The Environmental Policy and the **Decarbonisation Roadmap** are framed by the Company's Purpose, establishing commitments for the Climate and Nature, in keeping with the materially relevant topics in Navigator's 2030 Agenda and contributing to the successful implementation of the UN Sustainable Development Goals (SDGs). They focus on mitigating climate change, promoting reduction of greenhouse gas emissions and encouraging investment in renewable energy and efficient processes.
In particular, they lay down the following commitments [E1-2.25]:

- → **To take an active role in the low-carbon economy**, in line with current scientific knowledge, through sustainable management of its forests, investment in renewable energy sources and improving the efficiency of its processes, products and services.
- → **To reduce greenhouse gas emissions (GHG)** with a view to achieving carbon neutrality, in line with the aims of climate action as set out in the Paris Agreement.
- → **To incorporate climate risk assessments in the decision-making process**, in line with European recommendations and the main international frameworks.
- → **To achieve**, systematically, **improved energy performance** and **optimisation of processes**.

The Management Systems Policy sets out Navigator's general commitments in relation to its quality environmental, energy and safety management systems. This stresses the adoption of best available techniques for improving environmental performance - which includes energy performance and adoption of efficient and sustainable practices - and encourages suppliers to develop products and services which are aligned with the Company's requirements and aims. [ESRS 2.65a | E1-2.25]

Complementing this, it may be noted that the **Forestry Policies** (Chap. 5.2.6) and **PG 80 – Management of Environmental Issues** address climate change adaptation, ensuring the resilience of ecosystems and effective management of the environmental impacts associated with the company's operations. [E1-2.25]

Environmental Policy

Management Systems Policy

Document	Environmental Policy
Description of key contents and general objectives [ESRS 2.65 a]	In line with the principles of prevention, mitigation and remediation of the actual and potential impacts of operations, with the requirements to which the Company has signed up voluntarily and with all the applicable obligations to comply with the law, this lays down Navigator's general commitments on environmental matters. It also includes specific content on: climate change and CO_2 sequestration; water management; circular economy; energy and raw material management; sustainable forestry management and biodiversity conservation.
Scope [ESRS 2.65b]	It applies to Navigator's own operations and has impacts upstream and downstream in the value chain, on Suppliers and local Communities. It covers all geographical regions and Navigator's business areas.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	UN Fundamental Right of access to a clean environment
Availability [ESRS 2.65f]	Available on the Intranet and online.
References throughout of the non-financial Statement	• E3 – Water and marine resources (Chap. 5.2.3) • E4 – Biodiversity and ecosystems (Chap. 5.2.4) • E5 – Resource use and circular economy (Chap. 5.2.5) • Sustainable forest management (Chap. 5.2.6)

Document	Decarbonisation Roadmap
Description of key contents and general objectives [ESRS 2.65 a]	Roadmap setting targets and goals for mitigating climate change in Navigator's industrial activities
Scope [ESRS 2.65b]	Applies to own operations, including internal Stakeholders, and covers Portugal.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Director responsible for Energy
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	SBTi
Availability [ESRS 2.65f]	Available on the Navigator's Annual Report

5.2.2.2. Actions and resources in relation to climate change policies (E1-3, MDR-A)

Navigator plans to implement action and allocate resources under its policies related to climate change, both to initiatives already under way and to those planned for implementation. Execution of seven actions already undertaken, comprising the Tissue Aveiro Solar Power Facility (SPF), Figueira Rooftop SPF 2, Adaptation of Burners to H_2, Installation of variable-frequency drives (VFD) in Aveiro, Installation of LED lighting in Figueira da Foz and Installation of a Reboiler for Steam Production in Vila Velha de Ródão, entailed capital expenditure (CapEx) of €1.0m, €1.5m, €4.5m, €0.1m, €0.2m and €0.4m, respectively. [ESRS 2.69b]

Initiatives planned and due for completion in 2025, which include Tissue SPF in Vila Velha de Ródão, New Steam Turbine at Tissue Aveiro, New Steam Turbine at Paper Figueira and New Recovery Boiler in Setúbal, represent multiannual CapEx of €2.2m, €18.7m, €7.6m and €135.8m, respectively. [ESRS 2.69b]

The following table presents a detailed description of the actions carried out and planned, including their scope (own operations), time horizon and the results already achieved or expected.

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68 a ESRS 2.68e]
Actions aimed at reducing scope 1 emissions				
Adaptation of burners to H_2	Executed	Own operations (Figueira da Foz) (Reduction of scope 1 emissions)	2024	7,500 tCO_2/year
Installation of 1 Reboiler for steam production in Ródão	Executed	Own operations (Vila Velha de Ródão) (Reduction of scope 1 emissions)	2024	3.8 GWht/year 793 tCO_2/year
New Recovery Boiler in Setúbal	Planned	Own operations (Setúbal) (Reduction of scope 1 emissions)	2025	101,000 tCO_2/year
Actions aimed at reducing scope 2 emissions				
Tissue Aveiro SPF	Executed	Own operations (Aveiro) (Reduction of scope 2 emissions)	2024	2.5 GWh/year 260 tCO_2/year
Figueira Rooftop SPF 2	Executed	Own operations (Figueira da Foz) (Reduction of scope 2 emissions)	2024	3.7 GWh/year 384 tCO_2/year
CFV Figueira Solo	Executed	Own operations (Figueira da Foz) (Reduction of scope 2 emissions)	2024	26.3 GWh/year 2,701 tCO_2/year
Installation of Aveiro SPF	Executed	Own operations (Aveiro) (Reduction of scope 2 emissions)	2024	0.5 GWh/year 53 tCO_2/year
Installation of LED Lighting Figueira da Foz	Executed	Own operations (Figueira da Foz) (Reduction of scope 2 emissions)	2024	1.1 GWh/year 109 tCO_2/year
CFV Tissue Ródão	Planned	Own operations (Vila Velha de Ródão) (Reduction of scope 2 emissions)	2025	5.9 GWh/year 606 tCO_2/year
New Steam Turbine Tissue Aveiro	Planned	Own operations (Aveiro) (Reduction of scope 2 emissions)	2025	11,200 tCO_2/year
New Steam Turbine Paper Figueira	Planned	Own operations (Figueira da Foz) (Reduction of scope 2 emissions)	2025	2,800 tCO_2/year

Note: For further information on CapEx - Nos. 3.2, 3.3 and 3.6 of the Notes to Navigator's Consolidated Financial Statements

5.2.2.3. Targets and metrics

5.2.2.3.1. Targets related to climate change mitigation and adaptation (E1-4, MDR-T, MDR-M)

In our 2030 Roadmap (Chap. 3.4.4) we have set **six targets** relating to **climate change mitigation and adaptation**, in line with the IROs identified [E1-4.33]. By 2035, we aim to achieve a reduction of 86% in direct EU ETS emissions of CO_2 at our industrial complexes, and also to reduce scopes 1 and 2 GHG emissions by 63% and scope 3 GHG emissions by 37.5%. Another of our targets is to optimise energy intensity, with efforts to improve efficiency on an ongoing basis and ensure that 80% of the primary energy consumed is from renewable sources. Attention is drawn to the objective of developing cloned plants and improved seeds, able to boost yields by between 30% and 50% and of offering greater resilience to climate change.

The targets set for reducing CO_2 emissions are directly related to our **Decarbonisation Roadmap** and **Environmental Policy**, reflecting our commitment to sustainability and reducing GHG emissions. These have been established in line with the Company's own operations in Portugal and Spain, involving participation by internal Stakeholders, the Environmental Board, the Community Monitoring Committees, the Faculty of Science and Technology at Nova University Lisbon and the SBTi. [E1-4.2.80 | E1-4.2.80c/g/h]

The following table shows the different targets set and the progress achieved. [E1-4.2.80j]

Goal and target	% covered, by scope	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[E1-4.34a e 34b]	[E1-4.34b]	[E1-4.34c]		[E1-4.34a e 34b e ESRS 2.80j]	[E1-4.34a e 34b e ESRS 2.80j]	[E1-4.34a e 34b e ESRS 2.80j]	[E1-4.34d e ESRS 2.80b]
Cut direct EU ETS CO_2 emissions by 86%	89% Scope 1	774,464 tCO_2 Baseline: 2018	Scope 1 EU ETS	-28.6% 552,587 tCO_2	-41.0% 457,990 tCO_2	-41% 454,234 tCO_2[13]	-86% Year: 2035
Cut scopes 1 and 2 GHG emissions by 63%	91% scope 1 96% scope 2 Location Based*	937,710 tCO_2e Baseline: 2020	Scope 1+2	Goal defined in 2022	-26% 698,715 tCO_2e	-36% 599,397 tCO_2e	-63% Year: 2035
Cut scope 3 GHG emissions by 37.5%	76% scope 3**	958,266 tCO_2e Baseline: 2020	Scope 3	Goal defined in 2022	+6.8% 1,142,275 tCO_2e	+9.6% 1,050,577 tCO_2e	-37.5% Year: 2035
Optimise energy intensity, year after year	-	Baseline: 2020	Energy intensity	12.0 GJ/t	12.9 GJ/t	12.7 GJ/t	Year: 2030
Increase use of renewable energy as proportion of total primary energy consumption	-	70% Baseline: 2020		76%	80%	80%	80% Year: 2030
Develop genetically improved clones and seeds, with gains in yields and resilient to climate change.	-	-	Gain in volume and pulp (%), Genetic diversity (no. of hybridisations, no. of clones delivered or other diversity indicator.	New clone varieties delivered for production. Clone selection has had impacts on the resistance of eucalyptus to disease, in nurseries and in the field. Incorporation of new genetic materials in the programme (release of more than 100 individuals). Poor year for seed production.	Incorporation of 29 lots of seeds for 24 species through importation and collection at Portuguese “Escaroupim” arboretum, to increase diversity in Genetic Improvement Programme in the long term through hybridisation with *E. globulus*.	3 new clones delivered in the Viveiros Aliança portfolio, with a genetic gain of 41% (volume and pulp), all resistant to *Neopestalotiopsis*, and two with known resistance to *Ophelimus*.	Maintain gains in volume and pulp (30-50%) and/or enrich genetic diversity (for biotic and abiotic factors).

* Target for activities in Portugal. The following emissions sources are excluded from scope 1: i) emissions associated with fluorinated gases; ii) own fleet; iii) CH4 and N2O associated with fertiliser use, representing approximately 4% of inventory.

**The following categories were included: Category 1, excluding emissions associated with purchases of PCC, pulp, services, wood and waste forestry biomass; and categories 3, 4, 9, 10 (emissions related to processing pulp into UWF and tissue) and 12 (50% of emissions associated with landfill disposal).

[13] Figure corrected through EU ETS verification (previous figure 456,689 tCO_2)

As part of the goal of an 86% reduction in EU ETS emissions by 2035, an interim target was set of 31.5% by 2027. This target was exceeded two years running, and so we now regard it as attained. [E1-4.2.80e].

In relation to the target calculation methodology, the reduction in direct EU ETS emissions of CO_2 from industrial complexes has been defined in accordance with the European Emissions Trading Scheme Directive. In addition, the two targets relating to scopes 1, 2 and 3 emissions have been set on the basis of the principles of the GHG Protocol and aligned with the SBTi initiative [E1-4.2.80f]. The targets set and validated by SBTi encompass all of Navigator's activities. [E1-4.34b]

No **changes** were made to the value of the targets, the year set for attainment, the calculation or data collection methodology or to the assumptions, sources or limitations, in relation to the previous reporting period. [E1-4.2.80j]

The **baseline years** for the targets, 2018 and 2020, were selected as being periods which are representative of the Company's operations, with production levels in line with the average for the previous five years. [E1-4.AR25a]

The reference **target values** aligned limiting global warming to 1.5ºC for scopes 1 and 2 were calculated on the basis of the methodology and tool provided by SBTi. [E1-4.AR26]

The progress made in the past in order to achieve the goals established prior to the current reference year is documented in the 2030 Roadmap (Chap. 3.4.4). [E1-4.34c]

We set out **decarbonisation targets** in the light of various future factors, including changes in consumer preferences, the evolution of regulations and new technologies. The business diversification plan and product portfolio that the company has implemented in its sustainable business strategy ensures that the strategy for transition to a low carbon model is robust and adaptable to different future scenarios. [E1-4.34e]

5.2.2.3.2. Energy consumption and mix (E1-5)

	[E1-5.37/38] Energy mix	Total 2024 (MWh)
[E1-5.38a]	Fuel consumption from coal and coal products	-
[E1-5.38b]	Fuel consumption from crude oil and petroleum products	240,757
[E1-5.38c]	Fuel consumption from natural gas	2,050,398
[E1-5.38d]	Fuel consumption from other fossil sources	39,973
[E1-5.38e]	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	346,079
[E1-5.37a]	**Total energy consumed from fossil sources**	**2,677,206**
[E1-5.37b]	**Total energy consumed from nuclear sources**	**123,061**
[E1-5.37ci]	Fuel consumption for renewable sources including biomass	8,943,195
[E1-5.37cii]	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	898,251
[E1-5.37ciii]	Consumption of self-generated non-fuel renewable energy	10,938
[E1-5.37c]	**Total energy consumed from renewable sources**	**9,852,383**
[E1-5.37]	**Total energy consumption**	**12,652,651**
[E1-5.AR34]	Fossil sources as a % of total energy consumption	21%
[E1-5.AR34]	Nuclear sources as a % of total energy consumption	1%
[E1-5.AR34]	Renewable sources as a % of total energy consumption	78%

Note: Methodology - The energy consumption reported includes primary energy and electricity consumed in all geographical regions, including Navigator Tissue UK, merged into the group in May 2024. It excludes consumption of electricity at international offices, due to the low materiality. Energy consumption at industrial facilities represents 99.9% of Navigator's total consumption, and the rest is divided between forestry operations, offices in Portugal and employee mobility. Electricity and natural gas consumption are measured using our own meters managed by the network operator. Fuel oil and biomass consumed are measured using the weighbridges at the industrial complexes. Black liquor is quantified using flow meters at the entrance to the recovery boiler. Considering the net calorific value (NCV) of fuels consumed in accordance with the EU ETS Regulation. Energy consumption related to employee mobility estimated on basis of kilometers recorded on the respective platforms or estimated on the basis of invoiced costs. The most significant changes in 2024 include energy associated with a full year of operation of Navigator Tissue Ejea, as well as the energy consumed at Navigator Tissue UK, merged into the group as from May 2024.

At the 3 pulp mills, Navigator produces renewable electricity from biomass in high efficiency cogeneration facilities. In addition, it has two biomass power plants dedicated to the sale of electricity, located in Aveiro and Setúbal, respectively. It also produced renewable power at 7 solar power facilities for in-house consumption, located at the industrial complexes in Aveiro, Figueira and Setúbal, as well as at Instituto RAIZ and at the Espirra Estate. In addition, in Setúbal and Figueira da Foz, power is generated in two combined-cycle natural gas plants, although the plant in Figueira da Foz is currently operating only on a back-up basis.

	Power generation	Total 2024 (MWh)
[E1-5.39]	**Total power generation**	**1,373,621**
[E1-5.39]	Electricity produced from renewable sources	1,070,207
[E1-5.39]	Electricity produced from fossil sources	303,414
	Electricity sold	**1,159,115**

Note: Power generation is quantified using dedicated meters.

[E1-5.38/40/41] Energy intensity	2024
Consumption of energy in HCIS [MWh]	12,652,651
Net revenues from HCIS [€]	2,088,276,553
Energy intensity (MWh / M€)	6,059

Note: Energy intensity is calculated on the basis of total energy consumption and total revenues, as Navigator's economic activities are classified as being high climate impact sectors (HCIS) [E1-5.42]

5.2.2.3.3. Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)

[E1-6.44a] Scope 1 GHG emissions	2024 (tCO_2eq)
Scope 1 GHG emissions from fossil sources	509,037
Scope 1 GHG emissions from biogenic sources	3,551,724

Note 1: The GHG Protocol guidelines have been followed. [E1-6.AR39b]

Note 2: Scope 1 emissions from fossil sources include emissions under the European Emissions Trading Scheme (EU ETS), which in 2024 represented 454,234 tCO_2, in other words, 89% of total scope 1 emissions. This figure is provisional, as it has not yet been EU ETS verified. [E1-6.44a/48b/50b]

Note 3: CO_2 emissions from biogenic sources result from combustion of black liquor and other biomass fuels for energy production. They are calculated in accordance with MRR Guidance Document no. 3, of the European Commission, in line with the sustainability criteria of the REDII Directive.

The calculation of scope 1 emissions includes direct emissions associated with activities carried out by the Company. This scope includes the activities of Portucel Moçambique, Navigator Tissue Ejea, Navigator Tissue UK (from May to December 2024), and excludes the international offices, due to their low materiality. This calculation counts the CO_2 emissions included in the European Emissions Trading Scheme (EU ETS), which in 2024 represented approximately 89% of the scope 1 total. The other emissions of CO_2, CH_4, N_2O and fluorinated gases are also counted, in accordance with the requirements of the GHG Protocol. We include emissions relating to industrial, forestry and R&D activities, as well as emissions related to employee travel in our own fleet. CO_2 emissions from biogenic sources result from combustion of black liquor and other biomass fuels for energy production, in line with the sustainability criteria of the REDII Directive. Biogenic CO_2 emissions are part of the natural carbon cycle and are treated as carbon neutral. [E1-6.AR39b]

The most relevant changes in 2024 include emissions associated with a full year of operation of Navigator Tissue Ejea, as well as the emissions associated with Navigator Tissue UK, merged into the group as from May 2024. [E1-6.47]

The Corporate Inventory of GHG emissions is described in the following table [E1-6.44d/52/AR47]

[E1-6.44d/52/AR47] Total GHG emissions (tCO_2eq)	2024	2023	% Δ
[E1-6.44a] Scope 1 GHG emissions	**509,037**	**508,833**	**0%**
EU ETS emissions	**454,234**	457,990	-1%
Other scope 1 emissions	**54,803**	50,843	8%
GHG emissions from regulated emission trading schemes (%) [E1-6.44a/48b/50b]	**89%**	90%	
[E1-6.44b/49/52] Gross location-based Scope 2 GHG emissions	**140,633**	**230,642**	**-39%**
[E1-6.44b/49/52] Gross market-based Scope 2 GHG emissions	**126,020**	**312,942**	**-60%**
[E1-6.44c/51] Total Gross indirect (Scope 3) GHG emissions	**1,388,985**	**1,397,752**	**-1%**
Category 1: Purchased goods and services	**856,601**	792,005	8%
Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	**90,324**	100,052	-10%
Category 4: Upstream transportation and distribution	**95,383**	90,208	6%
Category 9: Downstream transport and distribution	**96,808**	116,597	-17%
Category 10: Processing of sold products	**102,467**	154,224	-34%
Category 12: End-of-life treatment of sold products	**147,402**	144,667	2%
Total location-based GHG Emissions	**2,038,655**	**2,137,228**	**-5%**
Total market-based GHG Emissions	**2,024,042**	**2,219,528**	**-9%**

Note 1: The GHG Protocol guidelines have been followed. [E1-6.AR39b/AR46d]

Note 2: Scopes 1, 2 and 3 emissions include emissions associated with all Navigator's activities in all geographical regions, except for emissions associated with the international offices due to their low materiality (<0.02%). The emissions of Navigator Tissue UK, merged into Navigator in May 2024, were included in scopes 1 and 2 and there are plans for extending this to scope 4 next year.

Note 3: Other scope 1 emissions represent emissions associated with industrial assets outside the scope of EU ETS, emissions associated with fluorinated gases, methane and nitrous oxide and emissions associated with travel in our own fleet.

Note 4: The 2023 figures, including EU ETS emissions, fluorinated gases, methane and nitrous oxide, have been updated, incorporating the EU ETS verification prior to publication of the 2023 Sustainability Report, information not previously available. The materiality of the adjustment is less than 0.2%

Note 5: Location-based scope 2 emissions were calculated with the latest emissions factors from the International Energy Agency (IEA). Market-based emissions consider the emission factors of the vendors as well as the supply of 100% renewable energy under Power Purchase Agreements (PPA). The 2024 figures are provisional, as the final emission factor values are not yet available.

Note 6: In scope 3, categories 2, 5, 6 and 7 are excluded, due to their low materiality. Navigator conducted a materiality analysis in 2022, and identified these categories as not material. Categories 8, 11, 13, 14 and 15 are excluded because they do not apply to Navigator's business. [E1-6.AR46i]

There was a reduction of approximately 5% in 2024 in the corporate emissions inventory in relation to 2023. Scope 1 emissions remained at the same level as 2023, including, however, emissions associated with a full year of operation of Navigator Tissue Ejea and seven months of Navigator Tissue UK. In relation to the baseline year of 2018, EU ETS emissions have come down by 41%, achieving practically half of the target established for 2035.

In industrial activities in Portugal, direct emissions per ton of output came down by approximately 5% in relation to 2023, as a result of improved operational efficiency at mills and less consumption of fuel oil.

In relation to scope 2 emissions, there was a significant reduction of 39% in relation to 2023 (location-based) and 60% (market-based), due above all to the reduction in emissions factors. In the case of location-based emissions, the emissions factor in Portugal was $kgCO_2/MWh$, impacted by the high level of incorporation of renewable energy in the national mix. In the case of market-based emissions, the result was impacted by the supply mixes of vendors. This indicator considers the contractual instruments established for supply of renewably sourced electricity, in particular a Power Purchase Agreement (PPA) for 115 GWh with Endesa which includes guarantees of renewable origin, as well as supply of power under physical PPAs with the solar power facilities at Figueira da Foz and Ejea [E1-6.45d]. Attention should also be drawn to Navigator Tissue UK, where the electricity purchased is 100% renewable.

In order to calculate scope 3 emissions, the guidelines of the GHG Protocol are considered. This involves following a hybrid methodology: average data and spent data. The combination of these two methodologies offers the best approach to calculating scope 3 emissions. [E1-6.AR46h] The emissions factors selected for calculating scope 3 emissions are taken from credible databases, mostly from Ecoinvent and DEFRA. We do not use emissions factors provided by suppliers [E1-6. AR39] and [E1-6.AR46g]. Scope 3 emissions in 2024 remained in line with those recorded in the previous year.

Improvements were made during the year to the calculation methodology for this scope, aligned with Navigator's commitment to progressively incorporate more comprehensive and better quality data. The scope of raw materials considered was expanded, to include the geographical regions of Portugal, Spain and Mozambique. However, emissions associated with Navigator Tissue UK have still not been included, due to the complexity of gathering data. With regard to category 1, packaging materials, chemicals and other raw materials not previously quantified were added. In relation to category 4, the distances travelled in wood transportation were estimated on the basis of the municipality of origin of the raw material.

[E1-6.53/54] GHG emissions intensity	GHG emissions 2024 (tCO_2e)	Net Revenues 2024 (€)	GHG emissions intensity ($tCO_2e/M€$)
Location-based	2,038,665	2,088,276,553	976
Market-based	2,024,042	2,088,276,553	969

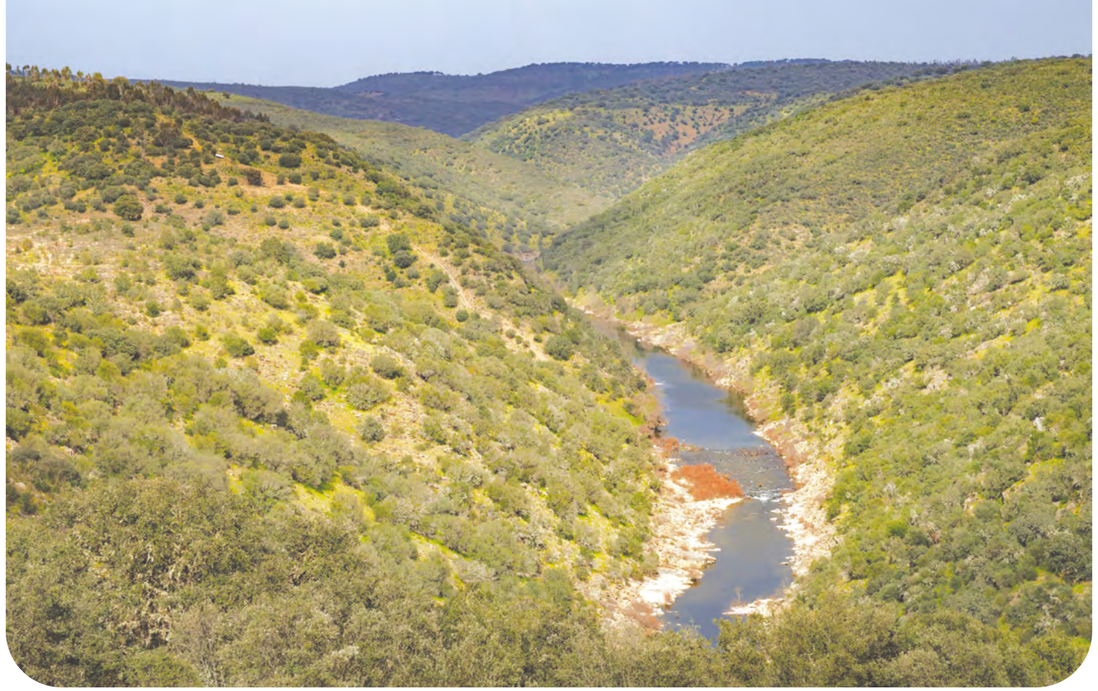
Note: For more information related to Navigator's net revenues in 2024, please see no. 2.1 to the Financial Statements. [E1-6.55]

CO_2 stock retained in our products

[MDR-M] Biogenic carbon retained in our products	2024
Total Mt CO_2	2.6

5.2.2.3.4. Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)

In 2023, Navigator conducted an analysis of financial impacts, in accordance with the TCFD recommendations, quantifying the impact of 4 risks and 1 opportunity (see section on SBM-3, at the start of this chapter). Nonetheless, as permitted by Appendix C to ESRS 1, Navigator opted not to report additional information on this analysis.



5.2.3. ESRS E3: Water and marine resources

5.2.3.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in value chain	Related sub-topic or sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Water withdrawal in area of water scarcity and/or stress (Intensive use of shared resource)	Negative impact	--	Own operations	Water withdrawal
Underground water withdrawal	Negative impact	--	Own operations	Water withdrawal
Surface water withdrawal	Negative impact	--	Own operations	Water withdrawal
Water stress	Risk	Short term – reporting year	Own operations	Water withdrawal

Note: the material impacts identified are actual, and so there is no associated time horizon.

5.2.3.2. Management of impacts, risks and opportunities

5.2.3.2.1. Policies related to water and marine resources (E3-1, MDR-P)

The Navigator Company has developed and formalised a series of policies in which the subject of water is addressed, including the **Environmental Policy** and the **Management Systems Policy**. In addition, and specifically in connection with forestry activities, the Forestry Policy addresses significant water issues, among other things. These policies are complemented by several other more specific documents such as the General Procedure for Management of Environmental Issues and Technical Standard 08 - Management of Water Resources. [E3.9]

The Environmental Board, the Sustainability Forum and the Local Community Monitoring Committees are bodies belonging to the sustainability governance structure that include external Stakeholders (Chap. 3.4.5) and take part in defining Navigator's policies, contributing scientific expertise and the concerns most relevant to local Communities. [ESRS 2.65e]

Navigator's Environmental Policy addresses issues of water use and supply effluent treatment and the design of products and services, establishing clear commitments to invest in the best available technologies, continuous optimisation of industrial processes and promotion of water efficiency and ecodesign of products.

As a more general policy supporting the Environmental Management System in accordance with ISO 14001, the Management Systems Policy sets out a commitment to mitigate and minimise environmental impacts associated with Navigator's activities, whilst also promoting adoption of the best available techniques for improving environmental performance, which includes water (and effluent) management. [E3.11] [E3.12c] [ESRS 2.65 a]

The **Forestry Policy** does not explicitly address water management, but is part of the sustainable forestry management model, in accordance with the applicable legislation and the PEFC and FSC® standards (FSC®-C010852). In order to ensure that water resources are preserved and used sustainably, a specific water management strategy has been designed, aligned with environmental goals and targets incorporated into forestry management practices [E3.11] [ESRS 2.65 a]. This strategy is designed to prevent impacts on water resources and to boost the positive impacts, ensure that water quality is maintained, and that water remains available. Its priorities are biodiversity conservation and protection of aquatic ecosystems, ensuring the integrity of surface and underground water bodies, as well as preservation of river ecosystems and the environmental services they provide, promoting retention of sediments, hydrological regulation and protection against erosion [E3.AR18a] [E3.AR18b]. Implementation of this approach is ensured by the Forestry Management System, which includes Technical Standard 08 - Management of Water Resources, defining the good practices applied to water management in forestry activities. This set of good practices is applied in the areas of protection, rehabilitation and maintenance. Its scope includes own operations in Portugal and Spain, covering local communities and relevant State authorities.

We recognise that certain regions where we operate face challenges related to **water stress**. In accordance with the WRI Aqueduct Tool (August 2024 version) the industrial complexes in Aveiro, Figueira da Foz, Setúbal and Ejea (Spain) are located in drainage basins with a level of water stress equal to or higher than 40% [E3.13] [E3.AR28]. The Industrial Complex in Vila Velha de Ródão and the five tissue converting plants in the United Kingdom are located in drainage basins with a level of water stress of less than 20% Navigator has clearly accepted a commitment to contribute to studying and maintaining the ecological requirements of the drainage basins in which it operates, especially in those presenting water stress, acting in close cooperation with the Authorities and local Communities. [E3.11] [ESRS 2.65 a] [E3.AR17] [E3.12c]

The following information is incorporated by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

- → Presentation of Environmental Policy: Chap. 5.2.2
- → Presentation of Management Systems Policy: Chap. 5.2.5
- → Presentation of Forestry Policy: Chap. 5.2.6

5.2.3.2.2. Actions and resources related to water and marine resources (E3-2, MDR-A)

Water is a resourced used throughout Navigator's value chain, from forestry production through to the end product. At the different stages of our industrial processes, where the materiality of impact is most significant, water is used in steam production, transport of materials, cooling systems and other areas The water used is predominantly obtained through surface and underground intakes, and there are only occasional cases where it is obtained from the municipal water network. As a shared resource, it is especially important to use water efficiently, in order to minimise the impact on the water environments in which we operate. Our water intakes are licensed by the National Water Resources Authority, and water is withdrawn in strict compliance with the upper limits authorised.

In this context, Navigator has since 2017 implemented the PRWU (Programme for Reducing Water Use) in its operations. the aim of which is a 33% reduction in specific use of water by 2030, in relation to 2019. This programme includes a set of initiatives for optimising processes, such as recovery of water from industrial processes, recirculation of filtered water and closed washing circuits, thereby reducing withdrawal of fresh water. In 2024, around 14 strategic initiatives were concluded under the PRWU, representing a potential annual reduction of approximately 2.4 million m³ of water. In Aveiro, among other measures, Navigator upgraded the vacuum circuit in the production of unbleached pulp, with reuse of hot water in the showers of the pulp drying machines. At the pulp mills in Figueira da Foz and Setúbal, it was possible to implement measures to reuse secondary condensates from evaporation. In transferring slurry pulp to paper machine 4 in Setúbal, reuse of clarified water has made it possible to make significant reductions to water use, with an estimated annual potential of approximately 450 thousand m³ of water. [E3.18b] [E3.18c]

The installation of an ultrafiltration system with Membrane Bioreactors (MBRs) at **WWTP no. 2 in Setúbal**, a project funded by the RRP and concluded in 2023, made it possible in 2024 to achieve a reduction of more than 80% in the organic load of the processed effluent (measured in mgCOD/l treated effluent), when compared with pre-product levels. This significant improvement in management of the WWTP has resulted in an opportunity to reuse the effluent generated in industrial processes, in keeping with a circular approach to the use of resources. In 2023, still at the trial stage, it was possible to use approximately 720 m³/day of treated effluent in the water circuit of paper machine no. 3, and this is expected to increase in the years ahead, as new opportunities are identified. Alongside this initiative the multidisciplinary PRWU team will continue to identify and implement further measures to optimise water use in the years ahead, with a focus on reusing and streamlining the use of this resource at the stages of pulp bleaching, pulp drying and pulp transfer to the paper machines. [ESRS 2.68] [ESRS 2.69]

In addition to the steps taken in an industrial setting, we apply good management practices for water resources in forestry sectors, through measures for protection, rehabilitation and maintenance, ensuring that ecosystems are preserved, as well as the quality of the water in our operations [E3.18d]. Up to 2024, 2813 hectares were identified as priority areas for protection and sustainable management of water resources in Portugal and 27 hectares in Spain. In Mozambique, the action taken focuses on assessing water quality in drainage basins, and no significant negative impacts have been identified in basins with an occupation rate of more than 15%.

The most significant CapEx projects have included: the WURP, with CapEx of 3.6 M€ (Aveiro, Figueira da Foz and Setúbal); and direct reuse of treated effluent from WWTP 2 in Setúbal, with a CapEx of 0.2M€. The relationship between the current financial resources allocated to these actions or action plans and the most significant figures in the financial statements can be consulted in the chapter on the financial statements. [ESRS 2.69b]

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68 a]	[ESRS 2.68 a]	[ESRS 2.68 b]	[ESRS 2.68 c]	[ESRS 2.68 a ESRS 2.68e]
WURP Aveiro	Executed	Own operations, Aveiro	2022-2024	Reduction of water use by 85,000 m³/year
WURP Figueira da Foz	Executed	Own operations, Figueira da Foz	2022-2024	Reduction of water use by 950,000 m³/year
WURP Setúbal	Executed	Own operations, Setúbal	2022-2024	Reduction of water use by 1,400,000 m³/year
Direct reuse of effluent from WWTP 2 in Setúbal	Planned	Own operations, Setúbal	2025	Reuse of 500,000 m³/year

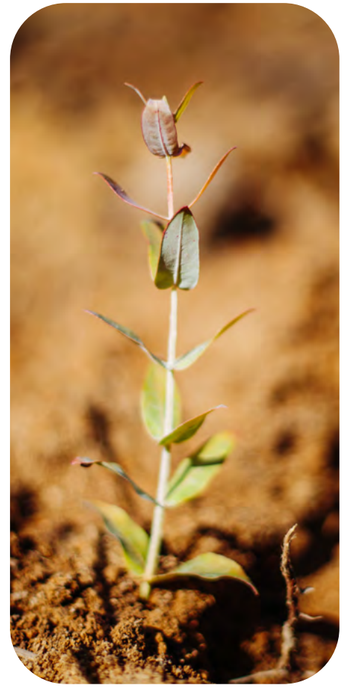
Note 1: WURP - Water Use Reduce Programme. The measures reported were concluded in 2024. CapEx executed during the period 2022-2024. Estimated outcomes associated with the measures on the basis of 1 full year of operation.
Note 2: For further information on CapEx - Nos. 3.2, 3.3 and 3.6 of the Notes to Navigator's Consolidated Financial Statements

Remediation of impacts
We implement various measures to prevent, mitigating and offset the environmental impacts of our operations. As examples, we may cite our collaboration with scientific Institutions and local Authorities in order to reduce the environmental effects of our authorities and to minimise the risks for neighbouring Communities. In Aveiro, management and monitoring of salinity levels in Rio Novo do Príncipe, by constructing a temporary water covering structure in the summer months, enables us to ensure the quality of the water needed for industrial operations, and also for farming by local Communities. In Figueira da Foz, Navigator guarantees the operation and maintenance of the water supply channel to the factory, which is also the structure that provides water for irrigation to the agricultural Producers of Baixo Mondego. In Setúbal, we have implemented a plan for management of water withdrawal from the Mitrena peninsula aquifer, in order to monitor and mitigate the impacts of salination of the water body. [ESRS 2.68d]

5.2.3.3. Targets and metrics

5.2.3.3.1. Targets related to water and marine resources (E3-3, MDR-T)

Our commitment to responsible management of water resources considers the quantity withdrawn, but also the quality of the water discharged, as materialised through **three targets in our 2030 Roadmap**. [ESRS 2.80c] These are aligned with our 2030 Agenda and the Sustainable Development Goals (SDGs), Specifically SDG 6 (Clean Water and Sanitation), SDG 9 (Industry, Innovation and Infrastructure) and SDG 12 (Sustainable Consumption and Production). [ESRS 2.80f]



Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS 2.75 ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.68J] [ESRS 2.80J]	[ESRS 2.80e]
Cut specific use of water by at least 33% by 2030 (Applies to own industrial operations in Portugal)	Benchmark value: 22.4 m^3/t Baseline: 2019	m^3 of water per ton of output	Reduction of 14.7%. (19.1 m^3/t)	Diminuição de 5.1%. (21.2 m^3/t)	Reduction of 8.5%. (20.5 m^3/t)	15.1 m^3/t Year: 2030
Reduce by 10% the organic load in Navigator's industrial effluents by 2030, in relation to 2022 (Applies to own industrial operations in Portugal)	Benchmark value: 4.6 kgCOD/t Baseline: 2022	kgCOD/ton of output	(4.6 kgCOD/t)	Increase of 2% (4.6 kgCOD/t)	Increase of 12% (5.1 kgCOD/t)	4.1 kgCOD/t Year: 2030
Study the potential for reducing water consumption at the Espirra nurseries with a reduction of at least 10%/year in water use up to 2030. (Applies to own forestry operations in Portugal)	Benchmark value: 363,756 m^3/year Baseline: 2022	m^3 water		Reduction of 15% (310,100 m^3/year in relation to 2022)	Reduction of 7% (288,279 m^3/year vs. 310,100 m^3 in relation to 2023)	260,000 m^3/year Year: 2030

Note 1: the method for calculating metrics is unchanged from the previous year [ESRS 2.13], and no prior period errors were identified for the first two targets; in the case of the 3rd target, this is the first reporting year [ESRS 2.14]. These metrics are subject to external verification in connection with this report, and are not verified by other entities [ESRS 2.77 b]. No interim targets were developed [ESRS 2.80e].

The first two targets are associated with the Management Systems Policy, in mitigating and minimising the environmental impacts of the Company's activities, aligned with the requirements of the Environmental Management System under ISO 14001. These are also associated with the Environmental Policy, in promoting reduction of water use in industrial processes and minimisation of environmental impacts resulting from industrial effluents in natural water courses, implementing, whenever possible, the best available techniques (BATs), in particular in reuse processes and closed circuits, as well as removal and treatment of pollutants. Target 3 is likewise related to the Environmental Policy. [ESRS 2.80a]

The targets for **reduction of specific water use** and **of the organic load** in Navigator's **industrial effluents** were established considering the local and global context in which the Company operates, addressing its own industrial operations in Portugal, where the materiality of impact on water is most significant, and are not science-based [ESRS 2.80c | ESRS 2.80g | ESRS 2.80f]. They are related to management of water resources and reduction of water consumption. Internal Stakeholders were involved in setting them, through the different forums and procedures for dialogue with external Stakeholders, in particular the Environmental Board, the Community Monitoring Committees and the Sustainability Forum, seeking to ensure transparency and alignment with the expectations of the Communities, Authorities and Experts. [ESRS 2.80h]

The target for reduction of specific use of water contributes to reducing water withdrawal, as it seeks to scale down the water intake by optimising industrial processes, reusing internal flows and implementing more efficient technologies [E3.AR23]. It considers all the water withdrawn,including process water, cooling water and water for steam production. The methodology established is based on alignment with a sector benchmark, ensuring the strategy of reducing water consumption uses the best available practices. Historical analysis of the water volumes used at different stages of the process has enabled us to detect critical consumption points and possible optimisations. The benchmark year has been set as 2019, which was representative of normal operation of the mills. [ESRS 2.80f]

The measures that Navigator has implemented with regard to use of water resources are helping the Company achieve the target of a 33% reduction in specific water use. In 2024, in the industrial operations in Portugal, specific water use stood at 20.5 m^3/t, approximately 8.5% lower than in the baseline year (22.4 m^3/t). In absolute terms, total water withdrawal was approximately 11.6% lower than in 2019, down by approximately 8 hm^3, equivalent to 1.5 months of mill operations in Portugal. [ESRS 2.80j]

The Company operates in regions with water pressure and has implemented measures to **reduce the organic load in its effluents**, such as MBR ultrafiltration at the Setúbal WWTP and oxygen delignification at the pulp mills, ensuring compliance with the Emission Limit Values (ELVs). Established in 2023, these are based on an integrated strategy, considering European guidelines, including the Industrial Emissions Directive. They consider the organic load, measured in kg of chemical oxygen demand in the treated effluents at Navigator's own WWTPs on its industrial complexes. Continuous monitoring ensured progress is assessed and measures adjusted, as necessary. In order to reduce water use, the Company has adopted reuse of internal flows, taking advantage of condensates and optimising industrial processes, so as to minimise withdrawal in areas where water is most scarce. Identification of strategic investment projects, such as installation of ultrafiltration systems at WWTPs and oxygen delignification at pulp mills will enable Navigator to achieve its target, helping to significantly reduce the pollutants discharged. [E3.23 | [ESRS 2.80f]

In relation to the target for reducing the organic load in industrial effluents, there was an increase of 12% in relation to the baseline year (5.1 kgCOD/t as compared to 4.6 kgCOD/t), impacted by operational problems at the pulp mills and the Figueira and Setúbal WWTPs. [ESRS 2.80j]

The target of **studying the potential for water reduction and consumption at nurseries** is being met by a study to assess the potential for cutting water consumption at the Espirra Nursery, with the aim of promoting responsible management of this natural resource in an area identified as under water stress, according to the WRI tool [E3.23]. The strategy is based on full implementation of drip irrigation in the nursery, minimising water losses and cutting consumption, as well on continuous monitoring and control of the irrigation system [ESRS 2.80f | ESRS 2.80c | ESRS 2.80g]. In 2024, there was a reduction of 21% in relation to the baseline year and of 7% in comparison with 2023. These results

reflect the effectiveness of the actions and measures implemented to achieve the established objective. [ESRS 2.80j]

We have based water management on a climate risk analysis, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The focus is on the availability and quality of water in the drainage basins in which we operate, considering the physical risks, such as water stress and drought, and transition risks, including regulatory changes and stricter environmental requirements. Navigator's Enterprise Risk Management (ERM) system includes assessment of these risks and implementation of mitigation measures, with a direct impact of business continuity and resilience. [ESRS 2.80f]

Metrics (E3-4, MDR-M)

5.2.3.3.2. Total water consumption (E3-4)

Water withdrawal (million m³)		2024
[E3.28a]	Aveiro (Portugal)	12.5
[E3.28a]	Vila Velha de Ródão (Portugal)	0.7
[E3.28a]	Figueira da Foz (Portugal)	22.5
[E3.28a]	Setúbal (Portugal)	24.9
[E3.28a]	Ejea (Spain)	0.2
[E3.28a]	Forestry Operations - Portugal and Spain	2.1
[E3.28a]	Forestry Operations - Mozambique	0.1
[E3.28a]	Other (Portugal)	0.04
[E3.28a]	**Total**	**63.0**
[E3.AR32] [E3.28b]	**Total in areas of water stress**	**61.9**

Note 1: The data on water withdrawal in Aveiro, Ródão, Figueira, Setúbal and Ejea and locations in the forestry sector in Portugal and Spain is obtained exclusively through direct measurement, which accounts for 100% of the information source. In the case of the forestry sector in Mozambique, 99.8% of the data is from direct measurement, whilst 0.2% is from extrapolations. Information on data quality is not available for the United Kingdom [E3.AR29].

Note 2: Areas with high water stress are deemed to be regions where the percentage of total water withdrawn is high (40-80%) or extremely high (over 80%) in the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI).

Note 3: In industrial activities, Navigator uses flow meters calibrated in accordance with validated standard methodologies. Figures are reported to the relevant Authorities. [E3.28e]

Note 4: In forestry activities, flow meters are used at each borehole and there is an annual analysis for each borehole. [E3.28e]

Note 5: Total water withdrawal is calculated by considering two components: forestry consumption and consumption in infrastructures. Water consumption in forests includes the water used in producing plants, measured using meters, and an estimate of consumption per plant planted or replanted, assuming 2.1 waterings per plant, with 5 litres of water each time, for a total area of 47.82 hectares. Water consumption in infrastructures corresponds to the use of offices, and is measured by meters and aligned with billing data. It is assumed that all the water withdrawn is consumed, consider 0% losses, as there is no measurement system for assessing waste.

Note 6: The figure for water withdrawal in the United Kingdom was not reported, as the group of industrial complexes was acquired in 2024.

Water intensity (m³/M€)		2024
[E3.29]	Total water withdrawal (hm³)	63.0
[E3.29]	Turnover (million euros)	2,088
[E3.29]	**Water intensity (m³/M€)**	**30,184**

Note 1: The calculation of water intensity considers the total volume of water withdrawn and total consolidated turnover.

5.2.3.3.3. Anticipated financial effects from water and marine resources-related impacts, risks and opportunities (E3-5)

The following information is incorporated by reference to other parts of the Non-Financial Statement: description, quantification, time horizons and assumptions for anticipated financial effects related to water scarcity risk [E3.33a | E3.33b | E3.33c] – Chap. 5.2.2 Climate Change (E1) (ESRS 2 SBM-3\Results of Analysis of Resilience and Impact of Climate Scenarios). In accordance with Appendix C of ESRS 1, Navigator has opted not to report the remaining information in the first year of presenting its non-financial statement.

5.2.4. ESRS E4: Biodiversity and ecosystems

5.2.4.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in value chain	Related sub-topic or sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Activities of suppliers of materials and services in the value chain may cause biodiversity loss.	Negative impact	-	Amount	Size of species population
Impact on species with threatened status due to degradation of ecosystems caused by upstream activities.	Negative impact	-	Own operations and upstream	Global risk of species extinction
Exploitation and/or mismanagement of natural resources by Suppliers may lead to an impact on ecosystem services.	Negative impact	-	Amount	Impacts and dependencies on ecosystem services
Advancing habitat preservation and restoration, in conservation interest areas, contributing to the protection and recovery of biodiversity and to resilience in the face of climate change.	Positive impact	-	Own operations	Size of species population
Implementation of programmes and/or projects for restoration, conservation or direct or indirect protection of important ecosystems or habitats with external entities.	Positive impact	-	Own operations	Impacts and dependencies on ecosystem services
Exploitation and/or mismanagement of natural resources by the Company may lead to a negative impact on ecosystem services.	Negative impact	-	Own operations	Impacts and dependencies on ecosystem services
Development of partnerships with academe and/or other entities in conducting scientific studies may contribute to advancing and conserving biodiversity and to restoration methodologies.	Positive impact	-		
Variations in rainfall patterns, high temperatures, extreme weather events, droughts, forest fires, diseases and pests, and water availability may have a negative impact on business through biodiversity loss, species distribution and abundance and ecosystem resilience, with consequent reduction of productivity, less access to raw materials and increased operating costs	Risk	Medium term - From reporting year and up to 5 years	Own operations and upstream	Climate change
Contribution to reduction in no./intensity of forest fires through programmes and/or projects, reducing financial losses and positively impacting the social license to operate.	Opportunity	Short term - Reporting year	Own operations	Factors with direct impact on biodiversity loss

Note: The material impacts identified are actual, and so there is no associated time horizon. The double materiality assessment did not point to an material negative impact with regard to degradation, desertification or impermeabilisation of soils. [E4.16b]

Navigator manages approximately **109 thousand hectares of woodlands** in **mainland Portugal**, including **production forests**, and **areas given over to conservation of relevant wildlife** - Conservation Interest Zones (CIZs). All our woodlands in mainland Portugal are **certified under the FSC®** system (license no. FSC®-C010852), since 2007, and the **PEFC** system (licenses no. PEFC/13-23-001), since 2009. This is an activity considered eligible by the taxonomy. [E4.16a]

We should stress that **35% of these forest holdings intersect with classified areas**, such as the National Network of Protected Areas (RNAP) and the Natura 2000 Network (RN2000) – Special Conservation Zones and Special Protection Zones –, RAMSAR sites (Wetlands of International Importance) and the UNESCO Biosphere Reserve. It should also be noted that 64.7% of the forest holdings that intersect with sensitive areas is given over to eucalyptus production. [E4.16a]

In the holdings under our management, in mainland Portugal, the CIZs are areas that we manage with conservation aims, serving as an important habitat for a diverse range of flora and fauna, including species with different conservation and protection statuses, and endemic species. Within these zones, the High Conservation Value Areas (HCVAs), an exclusive FSC® certification concept, are the most relevant, in view of the presence of environmental, social and cultural heritage elements of exceptional value, which are thereby safeguarded.

In **Galicia (Spain) we manage 1 111 hectares of forest** and **28% of these holdings lies within sensitive areas** (mostly in the Biosphere Reserve), and 82.2% of this area is given over to eucalyptus production. [E4.16a]

In **Mozambique** we manage approximately **26 932 hectares**, with **no operations in sensitive or classified areas**. [E4.16a]

We have a **Forest Management Plant (FMP)** for our own and rented holdings with regard to out operations in **mainland Portugal**; this plan complies with the requirements transposed in the technical standards of the Institute of Nature Conservation and Forests, established by ministerial order on the basis of Decree-Law 15/2009. This includes the Biodiversity Conservation Programmes (BCPs), for our forestry holdings that overlaps with areas designated for nature conservation or biodiversity, in connection with RN2000 and the RNAP. The aim of these programmes is to ensure that the interventions proposed in the FMP are compatible with and contribute to conservation of protected species and habitats, where their favourable status depends on forest management. These programmes take into consideration the applicable provisions of the RN2000 Sectorial Plan and other relevant plans and regulations (e.g. management plans or regulations for protected areas and for territorial planning). [E4.16a]

In **Mozambique**, we have a specific **Forest Management Plan (FMP)**, still without all the information in the FMP for Portugal and without the framework of local standards, given that these do not exist. This guidance document is aligned with forest certification standards, characterising the physical environment, the socio-economic environment and the Company's actions in areas under management. As well as structuring the management of forestry assets, it provides an integrated overview of the Company's approach, offering an understanding of the overall approach and contributing to improved individual and organisational performance. [E4.16a]

In **Galicia** (Spain), checklists of requirements are drawn up, which are given to Service providers, setting out the constraints needed to prevent or mitigate potential negative impacts from operations, including those which affect biodiversity and ecosystem services. Whenever necessary and applicable, environmental impact studies are carried out and local Stakeholders are consulted, along with the relevant authorities. Each area operation plan is subject to a specific assessment process. [E4.16a]

It is important to note that, although Navigator's operations affect some threatened species, this impact has been mitigated. The Sustainable Forest Management system (Chap. 5.2.6.2.1) includes **detailed matrices for assessing environmental and social impacts**, providing for integrated mitigation measures. [E4.16c]

5.2.4.1.2. Transition plan for biodiversity and ecosystem conservation (E4-1)

Since 2008, our **business strategy has been built into out forest management model**, and is key to **business resilience**. This strategy is based on assessment of wildlife and the impacts of our operations, on collaboration with Experts and local Communities, on monitoring of biodiversity and ecosystems, and also on gathering information on species and habitats, for mapping and conservation.

In planning and executing our activities, we seek to **balance productivity, resource conservation and the well-being of Communities**. To this end, we identify natural, landscape, heritage and socio-cultural resources, ensuring they are preserved and improved. **Prior assessment of the environmental and social impacts and the risks** associated with our operations is an essential practise, enabling us to adopt more responsible management.

The evolution of this strategy seeks to respond to the challenges imposed by international initiatives, such as the **EU 2030 Biodiversity Strategy, COP15 and the Kunming-Montreal Agreement**, as well as **ESG requirements and the Nature Restoration Law**, and to align the governance strategy for biodiversity, aims and endeavours with the regulatory and social requirements, especially in reporting and certification.

In order to strengthen biodiversity conservation, we have developed **targets for 2030 and 2050** (see section "Targets and metrics" and Chap. 3.4.4), including the **statement of positive biodiversity impacts and creation of biodiversity credits**, in partnership with Academe. Alongside this, we have invested in internal training on biodiversity, ecosystem services and restoration, ensuring improved **Employee expertise**.

We take an active part in **designing environmental policies through discussion forums**.

Assessment of direct and indirect impacts, risks and dependencies on biodiversity and ecosystem services is a priority. We maintain **certification of responsible forest management** and regularly review our practises so as to minimise negative impacts, especially in high conservation value areas.

In Mozambique, we invest in **raising environmental awareness**, **development of technology for monitoring soils and water resources** and in **partnerships with organisations such as the Wildlife Conservation Society (WCS) and Biofund**. We also implement an **Action Plan for Biodiversity** and a **Social Development Programme** (Chap. 5.3.3), focused on improving food security, increasing incomes and community welfare, and thereby reducing the pressure on natural resources.

With this integrated approach, we have stepped up our commitment to biodiversity conservation and sustainable development, contributing to ecological regeneration and improvement of the ecosystems in which we operate. [ESRSE4-1.13]

5.2.4.2. Management of impacts, risks and opportunities

5.2.4.2.1. Policies related to biodiversity and ecosystem conservation (E4-2, MDR-P)

The Company's policies and strategies reflect a wide-ranging commitment to sustainability and a response to biodiversity and ecosystem conservation. The **Environmental Policy** and **Forestry Policies** focus on promoting **responsible management of our plantations and agro-forestry holdings**, with the aim of producing tangible and intangible goods, with respect for conservation of wildlife and socio-cultural assets. Together, through carbon sequestration and storage, in forests and in the resulting raw materials and products, the plantations and agro-forestry holdings we manage contribute to a **circular bioeconomy** and perform an important role in **mitigating the effects of climate change**, in alignment with the **Sustainable Development Goals** - most notably SDGs 15, 2 and 6 (Chap. 5.2.2). Reflecting our commitments, we were among the initial signatories to the **act4nature Portugal initiative**, promoted by BCSD Portugal (see sections on actions and targets). [ESRS 2.65a | E4-2_AR13]

Our various commitments include the Environmental Policy**,** which deals with promoting sustainable forest management, and conservation of biodiversity and ecosystem services as an integral part of our forest management model (Chap. 5.2.6). It also establishes commitments relating to climate change and sequestering CO_2 – an important driver of biodiversity loss - and energy management (Chap. 5.2.2), water management (Chap. 5.2.3), raw materials and the circular economy (Chap. 5.2.5). [ESRS 2.65a| E4-23a | E4-2_AR4]

The Forestry Policy stresses our aware of the importance of our assets and adoption of a **forest management model** that seeks to contribute to maintaining and continuously improving the economic, ecological and social functions of forested areas, both at the level of individual woodlands, and at the forest landscape scale, embracing a long-term commitment to: The commitments established, directly related to biodiversity and ecosystems conservation, include the following [ESRS 2.65a | E4-23a | E4-2_AR4 | E4-24a/b/d]:

- To make an active contribution to **countering illegal logging** and to **controlling the origin of the wood it purchases**.
- To maintain and improve responsible management of woodlands, in a balance with their natural and social surroundings, developing and promoting actions, including with third parties, that ensure that **deforestation or degradation are avoided** and/or that **forests are conserved**.

Environmental Policy

Forestry Policy

- To develop and promote the concept of forest plantations which, thanks to the way they are managed, can make a positive contribution to preserving the **integrity of ecosystems and protecting high conservation values**, assuring **effective processes for Stakeholder participation** and fostering economic growth and job creation

- To implement a forest management model for which the good practices are documented in a **Forest Management System**, and informed by expertise obtained through **Research and Development**, as well as including measures to mitigate potential environmental and social impacts.

- To keep conservation of biodiversity and ecosystem services as an integral part of the forest management model, seeking to ensure that the planning and execution of forestry activities results in, at least, **maintaining the biodiversity values on our holdings ("no net loss")** or implementing initiatives, such as restoration, that lead to a **biodiversity gain ("net positive gain")**,

- To promote **adoption of best practices by Suppliers** and encourage them to operate in keeping with the guiding principles of responsible forest management, through support, by transferring know-how, monitoring and sharing experiences.

- To maintain a **proactive attitude in relation to other entities in the forestry sector**, such as Landowners, Forestry producers and other Stakeholders, including Suppliers of raw materials, developing strategic partnerships and working actively to improvement the overall performance and competitiveness of forests and fostering initiatives for forest certification, as a way of promoting responsible management, and also of **countering the factors that lead to deforestation, forest degradation and/or conversion of natural ecosystems**.

The Mozambique Forestry Policy also addresses our role as an **agent of economic and social development**, with the aim of establishing forest plantations and promoting the **creation of agro-forestry areas, conciliating the production of goods with conservation of natural resources** and responsible action in relation to the families and communities living in our project areas (Chap. 5.2.6). [ESRS 2.65a | E4-24b]

The guidelines stemming from our Environmental and Forestry Policies are set out in key documents of the Forest Management System, in particular the Company's **Technical Standards**, the **Biodiversity Assessment Techniques Manuals** (BATMs) and the **Conservation Action Plans** (CAPs).

These policies are directly linked to mitigation of impact **factors that contribute to biodiversity loss** and to the **IROs identified in the double materiality analysis**, covering not only the impacts related to biodiversity and ecosystems, but also dependency on ecosystem services, physical risks, traceability of the source of wood from the supplier chain, among other things [E4-23a/b/c/d/e | E4-2_AR4], translated into the targets and actions presented in the following sections.

With **forest certification** and **support for producers** (Chap. 5.2.6), we manage our forest holdings in mainland Portugal in keeping with the legal requirements applicable to the sector and other regulations and standards to which we have signed up voluntarily, the pan-European criteria for sustainable forest management, in accordance with Portuguese Standard NP 4406 (Sustainable Forest Management) and the Principles and Criteria of the Forest Stewardship Council®, with which our policies are aligned. **Certified forest management** allows us to guarantee that the **wood used in our products** - pulp and paper - **is obtained from forests managed on a responsible basis**. [ESRS 2.65d | E4-2_AR12]

Through our Forestry Policy, we guarantee our commitment that the **production, supply and consumption of raw materials** is in line with principles of sustainability and biodiversity protection (Chap. 5.2.6). We limit purchases of wood and fibre to Supplies who present proof of responsible practices, avoiding negative impacts on protected areas; we require conformity with the European Timber Regulation (EUTR) and give priority to FSC® e PEFC™ certification, ensuring that natural forests are not converted and traditional rights are not violated. [E4-23d/e]

Mozambique Forestry Policy

We invest continuously in **monitoring and assessment, active protection and conservation** (such as rehabilitation or restoration or natural habitats and ecosystems), benefiting species that use them for their ecological functions of feeding, shelter or breeding. These also serve as ecological corridors, enabling species to disperse naturally and permitting genetic interchange between populations. [E4.23e]

We are committed to maintaining and disseminating our Forest Management System, establishing and updating strategic goals, promoting continuous improvement of its effectiveness and ensuring transparency and alignment with sustainability challenges. [E4-23aiii e AR4]

We have ensured that conservation of biodiversity and ecosystem services is built into our corporate strategy, aligning it with the most up-to-date scientific knowledge and with voluntarily accepted commitments. In order to systematise and assess impacts and dependencies on biodiversity, we are designing a simplified framework, inspired by key elements of the Natural Capital Protocol, in an approach to be tested in a pilot project. [E4.23e]

In addition, we are stepping up training and awareness raising for our Employees, both internal and external, through activities that address biodiversity conservation and implementation of good corporate practices, ensuring more effective engagement, aligned with sustainability principles. [E4-2_23] [E4-23e]

The following information is incorporated by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

- Presentation of Environmental Policy: Chap. 5.2.2
- Presentation of Forestry Policy: Chap. 5.2.6
- Presentation of Portucel Moçambique Forestry Policy: Chap. 5.2.6
- Presentation of Mozambique Social Development Plan: Chap. 5.3.3

5.2.4.2.2. Actions and resources related to biodiversity and ecosystems (E4-3, MDR-A)

Our approach is centred on biodiversity monitoring, and on promoting biodiversity and ecological restoration, with the aim of maintaining or improving the conservation status of natural and semi-natural habitats, and much of our work in this area is on a long term basis. This action is part of our integrated and sustainable forest management (Chap. 5.2.6).

In connection with the **act4nature Portugal** initiative, we have submitted a set of commitments relating to biodiversity and ecosystem services [E4.23e], which we renewed in 2023 (see section "Targets and metrics"), updating and establishing new targets, with the ultimate objective of generating a positive impact, or a net gain, in biodiversity. These targets are centred on implementing **annual monitoring plans for species and habitats, as well as work to maintain, improve conservation status and restore biodiversity and ecosystem services (B&ES)** in the forest holdings under our management. This approach encompasses conservation, rehabilitation and ecological restoration. [E4.23e]

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68 a]	[ESRS 2.68 a]	[ESRS 2.68 b]	[ESRS 2.68 c]	[ESRS 2.68 a ESRS 2.68e]
Zambujo reCover	Executed and planned	Own operations in Portugal, Idanha-a-Nova	2022-2050	40 hectares of eucalyptus converted to holm oak + 70 hectares with work to improve conservation status of holm oak habitat 9,340 hectares Forests of *Quercus ilex* and *Quercus rotundifolia*. Collection of 50 kg of Q. rotundifolia acorns on Zambujo estate for germination in nurseries and subsequent planting on property.
Recovery of the Monchique oak	Executed and planned	Own operations, upstream and downstream in South-west Portugal	2023-2030	Molecular studies employed whole-genome sequencing (WGS) of 80 individuals from nine populations, followed by bioinformatics analysis of populations structure. The findings show a geographical pattern of hybridisation towards the Monchique core areas, with the outlying populations in the Mira and Ribeiras de Aljezur populations presenting high degree of introgression with Portuguese oak. However, it was clear that there were pure individuals, in Monchique and in the Ribeira do Seixe valleys, even when compared with the populations in southern Spain (Algeciras). Collection of acorns in turn permitted germination of around 1,558 plants of *Q. canariensis*, *Q. faginea* and *Q. lusitanica*, from 8 distinct provenances, and with germination rates that varied between 20.8% and 87.5%. These will serve for restoration work and creation of metacollections in various botanical gardens and arboretums. In addition, the grafting process was successful on to pendunculate oak (*Q. robur subsp. broteroana*) rootstock.
ForCe Project – Forest Certification (FC) in Eucalyptus Plantations	Executed and planned	Own operations, upstream and downstream in central Portugal and in Brazil	2022-2026	Final results yet to be determined - Session for presentation of partial and preliminary results by Faculty of Science, University of Lisbon.
Sowing plants to attract pollinators to the Espirra Estate	Executed and planned	Own operations in Portugal	2023 - 2026	In a 2023 study, the areas seeded presented a higher number of individuals and nearly twice as many species as the area not seeded, indicating that the sowing of forest species considerably increased biodiversity at this site.
Inclusion in Network of Bird Sanctuaries	Planned	Own operations, upstream and downstream in Portugal	2025 - 2026	Establish a network of areas throughout Portugal where birds and their habitats are protected and monitored, in partnership with the Landowners, engaging with the general public and considering both threatened species and common species. The goal is to reverse the tendency for reduction in various species of birds regarded as common, which has been happening in recent decades, and at the same time to contribute to biodiversity conservation, as a whole, and to raising environmental awareness among the general public. Specifically: Survey populations of birds occurring on the Espirra and Alfebrinho Estate, in line with the different forms of land use on the property, establish a management plan, designed to encourage these populations and regularly monitor bird populations and the effects of management actions on the respective demography and on how they use the different habitats.
Annual plan for monitoring and assessment of impacts prior to each forestry operation.	Executed and planned	Own operations in Iberian Peninsula and in Mozambique	Ongoing	Experts are hired to help with the monitoring and the findings enable us to make adjustments from time to time in the conservation measures and strategies to be adopted in the following year. In 2024, monitoring (of flora, fauna and vegetation) was carried out by experts on 19 properties throughout mainland Portugal and 7 nesting sites for threatened species were monitored.
Forest restoration pilot programmes	Executed and planned	Own operations in Mozambique	2023-2026	Contracting of areas only and exclusively for conservation. Identification of costs associated with restoration. Capacity to engage with the Community on the goal of preservation. Engagement and meetings with potential partners (nursery operators, acquisition of other experiences in the region, etc.).

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68 a]	[ESRS 2.68 a]	[ESRS 2.68 b]	[ESRS 2.68 c]	[ESRS 2.68 a ESRS 2.68e]
LIFE Serras do Porto	Executed and planned	Upstream, Own operations, Downstream, in Portugal	2022-2027	Navigator Forest Portugal, SA is a partner of the Parque das Serras project in Porto. In this project, the Company has approximately 55 ha (total area) to carry out ecological restoration work on some of its areas within the Regional Protected Landscape. Up to 2025, there are plans for 6.34 ha of infilling (substitution of trees which have not survived planting) of maritime pine and arbutus and 1.22 ha of chemical devitalisation of stumps and manual planting of arbutus, totalling 7.11 ha (12% of project area). In an area of 16.42 ha, coppice shoots will be cut, with devitalisation of stumps and manual planting of cork oaks and arbutus (densification). In addition, felled wood material is being placed to form a stockade, and localised undergrowth clearance is being carried out. Along the Silveirinhos stream there is an area of 0.98 ha where acacias are being manually felled/debarked, making a total of 17.40 ha (31% of project area). Wildlife was monitored in 2023, and in 2024 we conducted water analyses, in order to gauge the ecological status of the riverside gallery forests.
Multi-criterion spatial analysis, in order to prioritise areas for biodiversity protection	Started, not concluded	Own operations in Mozambique	2025	Map and prioritisation of conservation/protection areas under Portucel's management Map of areas with potential for contracting (exclusively) for conservation purposes Scale up partnership with WCS
Alignment of biodiversity strategy with TNFD LEAP approach	Planned	Own operations (Iberian Peninsula)	2025	It is planned to align strategy for all the Group's forestry activities with the LEAP approach by the end of 2025.

Work currently under way includes: the **ForCe** project will generate new knowledge for science, which will promote conservation of vertebrates, sustainability of eucalyptus plantations, attainment of certification and SDG 8, 12 and 15 objectives; and **Zambujo ReCover**, network of bird sanctuaries and sowing for insects, which contributes to SDG 15 and, in the case of insects, the 2030 European Biodiversity strategy (decline of pollinators is reversed). [ESRS 2.68a]

The Company's activities take into account the Habitats and Birds directives. We assess, identify and map the species and habitats existing and potentially existing in the estates managed. We accordingly adopt measures to conserve species (e.g. when necessary, adjusting the timing of operations to avoid breeding cycles), when present or potentially present on the land. We protect Natura 2000 Network habitats, maintaining or improving their state of conservation, when possible (e.g. restoration), as well as protecting or improving the state of conservation of the habitats of species, such as by creating buffer zones around water courses.

The fundamental principle of water resource management in forestry operations is to **prioritise protection over rehabilitation** (because it is more effective to conserve an existing ecosystem than to artificially reinstate one), thereby reducing the use of more complex and more expensive interventions. Even so, when a given site is in need of rehabilitation, the objective is for it to return as close as possible to its natural state, so that it can achieve its potential.

In Mozambique, the biodiversity conservation approach is based on two dimensions: the macro dimension, applying across all project areas and with broader aims, such as raising community awareness of environmental issues and promoting conservation farming, as part of the Social Development Programme (Chap. 5.3.3), and a more micro approach, specific to each conservation/protection block identified. All the relevant actions, teams responsible, monitoring frequencies and other details are included in an internal document called the **Action Plan for Biodiversity (APB)** This document includes analyses and innovative strategies suited to a forest management model, the mosaic model, which is less usual around the world. We have the Wildlife Conservation Society (WCS) as partner, which has worked with us since 2016 on improving and strengthening the effectiveness of our conservation approach, which has been achieved through an variety of projects. In addition, we have been training our focal points in the community - Community Liaison Officers (Chap. 5.3.3) – to use a tool enabling them to survey the fauna and flora in the location/community in which they live or work. This information will be useful for constructing an internal data base which will enable us to have more information, and so make for better decisions on where to focus conservation efforts. In late 2024 we concluded a project designed to identify priority areas for forest protection and restoration, within Portucel's operating areas. This approach, currently in a digital format, involves compiling indicators and making geographical analyses and is based on multiple criteria (operational and ecological), in order to define priorities, both in current areas and in areas to be contracted future, exclusively for conservation purposes.

We continue to run pilot projects for forest restoration, serving for analysis of the best adapted species, survival rates, maintenance costs, spacing, and other factors.

We work to raise awareness of environmental issues, reaching out to the families and the Communities in the areas where we operate. In this work, we seek to build know-how and encourage vigilance as to the impact that practices used by the Community have on natural resources, and we also provide brief practical training activities in more sustainable solutions, using resources available locally. Likewise, as part of the Food Security pillar in the Social Development Programme (Chap. 5.3.3) Portucel runs an agricultural extension programme aimed at families, which includes **training in conservation farming techniques**, provision of improved seeds and hands-on training in demonstration fields for agricultural crops. These initiatives enable us to improve community skills and awareness of good practices, promoting more efficient use of the land, making it more productive, and for longer. In addition, we encourage beekeeping as a source of sustainable income, a safeguard for biodiversity and a way of protecting critical forest areas, reducing the need for broadcast burns. Alongside this, our teams support families and communities in creating safe conditions for burns - a deeply rooted practice - ensuring this is done in a controlled fashion, taking due account of factors such as temperature, humidity, wind and slopes.

We apply the mitigation hierarchy in biodiversity and ecosystem conservation. In Portugal, these practices are integrated into the forest management model, ensuring protection of biodiversity on the basis of impact assessments, use of Geographical Information Systems (GIS) and implementation of conservation and ecological restoration plans. The operations are monitored by internal and external audits, ensuring compliance with FSC® and PEFC standards. In Mozambique, prevention, minimisation and restoration measures are implemented, in order to reduce the environmental impact of forest operations. These include the mapping of sensitive areas, maintenance of ecological corridors, protection of critical habitats and limitation of interventions during nesting seasons. In addition, steps are taken to minimise the fragmentation of ecosystems, so as to reduce pressure on natural resources and restore degraded areas through reintroduction of native species.

We have adopted sustainable planning which balances production and conservation, in keeping with the precautionary principle and mitigation of impacts, Environmental assessments include identification of priority conservation areas, where specific measures are applied to maintain and rehabilitate habitats, such as the creation of protection strips around water courses and implementation of buffer zones for threatened species. Strategic partnerships are also promoted with Experts and local Communities in order to strengthen environmental monitoring and implementation of good practices. As a signatory to the act4nature Portugal initiative, Navigator ubdertakes to integrate biodiversity into its business models and contribute to protection and recovery of ecosystems by 2030. [E4.28a] [AR19]

Before we start any afforestation or forest activities and in operations to apply plant protection products, we conduct a comprehensive local assessment, which includes identifying water points, bodies of water, water courses and habitats. Protection strips are established around water courses in order to reduce disruption to the soil, preserve riparian gallery forests, conserve habitats and improve water quality. To this end, the forest management practices adopted by the Group divide into two types (protection/rehabilitation/restoration and maintenance), both based on the **precautionary principle**. [AR20d]

The Company allocates each year an internal budget to biodiversity conservation, with a view to attaining the aims of our annual programme for monitoring wildlife, and for developing partnerships on biodiversity conservation, consultancy and training projects. We also have a budget devoted to habitat maintenance and improvement, rehabilitation and restoration. It may be noted that the recovery of *Quercus canariensis* falls within the scope of "Genetic improvement and forestry reproduction activities - RRP TransForm Agenda Project", for genetic conservation and ecosystem recovery for *Quercus canariensis* (Monchique oak), and is co-funded by this programme. The LIFE Serras do Porto project is also co-funded by Project 101074476 — LIFE21 CCA-PT-LIFE SERRAS DO PORTO. [ESRS 2.69a]

5.2.4.3. Targets and metrics

5.2.4.3.1. Targets related to biodiversity and ecosystem conservation (E4-4, MDR-T)

In our 2030 Roadmap (Chap. 3.4.4), we have several goals/targets related to biodiversity and ecosystem conservation (indicated in the table). We have also integrated fire prevention and fire fighting into our forest management strategy, recognising the impacts, dependencies, risks and opportunities for biodiversity and ecosystems (Chap. 5.2.6), for which we have set a specific target.

The targets are aligned with targets 2, 4, 10 and 11 of the **Kunming-Montreal Global Biodiversity Framework**, relevant aspects of the **Eu Biodiversity Strategy for 2030** and other **national policies and legislation** related to biodiversity and ecosystems. [E4-32b] They also seek to contribute to some of the **SDGs, such as 15 and 17** (see Chap. 3.4.3). [ESRS 2.80f]

The following information is incorporated by reference to other parts of the management report:

- Target "Help reduce rural fires, seeking to ensure that the burned area under Navigator's management stays below 1% each year", which, in the mitigation hierarchy, falls under prevention: MDR-T, ESRS 2, §80 – Chap. 5.2.6.3.1
- Performance achieved in 2024, in relation to commitments made by Navigator through the act4nature Portugal initiative: MDR-T, ESRS 2, §80j – Chap. 9.3

Goal and target	Mitigation hierarchy level	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[ESRS 2.80]	[E4 32f]	[ESRS 2.80d]	[ESRS 2.75] [ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Create positive impact on (or net gain in) biodiversity by taking action in keeping with commitments made by Navigator through act4nature Portugal.	Prevention, minimisation, recovery and rehabilitation	Benchmark value: Not applicable Baseline: 2020		See Progress Report on Meeting Act4nature Portugal Commitments 2022 (see online)	See Progress Report on Meeting Act4nature Portugal Commitments 2023 (see online)	The results are in the table Actions and resources related to biodiversity and ecosystems (E4-3, MDR-A); see also chapter 9.3. Progress Report on Meeting Act4nature Portugal Commitments	By 2024, complete the approach to integrating B&ES conservation into corporate strategy, in line with available scientific knowledge and voluntarily accepted commitments; By 2026, to establish a simplified framework, in line with the key elements of global benchmark frameworks, (e.g. Natural Capital Protocol), for systematic assessment of B&ES impacts and dependencies, testing the approach in a pilot project. By 2030: execute annual species and habitat monitoring plans and work to maintain, improve the state of conservation and restore B&SE in the forest holdings managed by the Company, in the following areas: (i) conservation; (ii) rehabilitation; and (iii) ecological restoration. By 2030: in the field of ecological restoration, start and/or continue work on at least 110 hectares. By 2030: continue the other work to maintain and improve state of conservation (work on at least 30 ha/ year) By 2030: execute at least one project for recovery of a threatened species and support another. By 2030: run training programmes with content relating to B&ES conservation topics and raise awareness of good business practices, for internal and external employees. Year: 2030
Consolidate the Biodiversity By The Navigator Company project	Minimisation	Benchmark value: Not applicable Baseline: 2022		• Approximately 24,700 social media followers; • 14,299 new followers • More than 96,000 hits on website; • 156,000 website hits since launch • Approximately 210 online content items.			By 2025: Execute 4 partnerships Baseline: 2022 **Interim Target** By 2025: Raise the profile of Navigator's biodiversity conservation strategy with urban adults and Portuguese NGOs. Baseline: 2022

Note: For the first two goals, the geographical scope is mainland Portugal; the others, for which information is available online, include action abroad, although some of the associated initiatives take place in Portugal [ESRS 2.80c | E4.32d].
The calculation method for goals/metrics is unchanged in relation to the previous year. [ESRS 2.80i]

The targets established for biodiversity and ecosystem conservation are related to the policies identified and described above, in the case of creating positive impact (or net gain) in biodiversity, through actions under commitments made by Navigator under the act4nature Portugal initiative, and there is a direct connection to the Forestry Policy and the Environmental Policy, in which these targets are embraced by Navigator [ESRS 2.80a | ESRS 2.80f]. In the case of commitments made to Act4Nature, it should be stressed that these were analysed by the Advisory Board of BCSD Portugal [ESRS 2.80h]. The target for the Biodiversity By The Navigator Company project was set with through continuous engagement, over the years, with various Stakeholder groups in the forest sector and local Communities. [ESRS 2.80h]

5.2.4.3.2. Impact metrics related to biodiversity and ecosystem conservation (E4-5, MDR-M)

Owned, rented or managed sites within or in the vicinity of protected areas of key biodiversity zones

	[E4_35]
Number (sites)	383
Area (hectares)	37,901.00

In Mozambique, there are no areas where work has been done in or in the vicinity of protected areas, of key biodiversity zones.

In addition, entity-specific metrics are reported. The following data has been audited in the annual audit of compliance with responsible forest management standards. [ESRS 2.77b]

Name	Performance 2024
Total hectares, not owned, rented or managed, restored or conserved, in mainland Portugal	123.54 ha
% of total owned, managed or rented area set aside for restoration or conservation, in mainland Portugal	11.8%
% of total owned, managed or rented area set aside for restoration and conservation, in mainland Portugal	1.8%
No. species of fauna and flora, in mainland Portugal	268 species of fauna 1.195 species of flora
No. red list species identified, in mainland Portugal (GRI 304-4)	5 are classified as Critically Endangered, 17 as Endangered, 46 as Vulnerable and 30 as Near-threatened, using the classification of the International Union for Conservation of Nature.
Habitats protected or reclaimed (ha)	Protected habitats (ha): 4,474 Reclaimed habitats (ha): 123
Location in or close to protected areas and areas with high biodiversity index	National Network of Protected Areas (RNAP) Hectares: 7,608 % of total holdings managed: 7.0 Sites classified in the Natura 2000 Network Hectares: 26,996 % of total holdings managed: 24.8 Special Protection Zones (ZPE) in the Natura 2000 Network Hectares: 20,359 % of total holdings managed: 18.7

Methodological notes [ESRS 2.77a]:

- The 1st metric results from the sum of hectares in the plot where ecological rehabilitation and restoration work is carried out (maintenance and upgrading of habitat conservation status), and the information on execution in the field is confirmed by the Forestry Production and Operations Department in the Forest Management System (INFLOR).
- In the 2nd, 3rd, 6th and 7th metrics, the percentages and hectares of classified or protected areas are taken from SIG data bases, which contain the area effectively managed by the Company, up to 31 December 2024. In particular, the CIZs are catalogued in the SIG data base, in the table of attributes, making it possible to calculate this area in relation to the total area. Forest management certification requires a minimum of 10% CIZs.
- In the case of the species identified (4th and 5th metrics), species of fauna are mapped in SIG (Geographical Information Systems) by property where they have been identified, by experts, and catalogued in accordance with their threatened status; the same for threatened flora. The calculation is made on the basis of the species existing on the properties under management, up to 31 December 2024. It refers only to native fauna and flora.

5.2.4.3.3. Anticipated financial effects from important biodiversity and ecosystems-related risks and opportunities (E4-6)

The Navigator Group is still assessing the anticipated financial effects of the material risks and opportunities related to biodiversity and ecosystems, and for this reason, and in accordance with Appendix C to ESRS 1, Navigator has opted not to report information in the first year of preparing its Non-Financial Statement. [E4.45abc]

5.2.5. ESRS E5: Use of resources and circular economy

5.2.5.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in value chain	Related sub-topic or sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Use of raw materials from renewable resources.	Positive impact	--	Own operations	Inflows of resources, including use of resources
Reuse of waste/by-products.	Positive impact	--	Own operations	Waste
Creation of industrial symbioses in materials flow	Positive impact	--	Downstream	Waste
UWF products sold to Clients and Users are designed with a view to a long life or a circular life cycle, helping to ensure that less waste ends up in landfill.	Positive impact	--	Downstream	Outflows of resources related to products and services
Products sold to Customers have high recyclability rates.	Positive impact	--	Downstream	Outflows of resources related to products and services
Building stronger competitive position as a response to the preferences of Clients and End consumers for circular, low carbon products with a high recycling rate.	Opportunity	Medium term - From reporting year and up to 5 years	Downstream	Outflows of resources related to products and services
Implement practices for reuse of materials, in order to reduce costs and dependence on virgin resources, differentiate the company in the marketplace and strengthen its image as a leader in sustainability.	Opportunity	Short term - Reporting year	Own operations	Waste
Difficulty in sourcing raw materials (e.g. chemicals; sands; alternative raw materials) due to disruptions in logistical chains (e.g. geopolitical conflict, strikes, etc.).	Risk	Medium term - From reporting year and up to 5 years	Amount	Inflows of resources, including use of resources
Less wood available for pulp production due to competition for this raw material from other uses (e.g. burning for energy production).	Risk	Medium term - From reporting year and up to 5 years	Amount	Inflows of resources, including use of resources
Loss of production forest due to competition for land use (e.g. installation of solar panels rather than production forests).	Risk	Medium term - From reporting year and up to 5 years	Amount	Inflows of resources, including use of resources

Note: The material impacts identified are actual, and so there is no associated time horizon.

5.2.5.2. Management of impacts, risks and opportunities

5.2.5.2.1. Policies related to resource use and circular economy (E5-1, MDR-P)

We have several policies which structure our approach to the use of resources and the circular economy, and which ensure a responsible development model, promoting substitution of virgin raw materials with renewable materials and sustainable sources of supply [E5-1.15] The most important of these are the **Environmental Policy** and the **Management Systems Policy**. These policies are complemented by procedures for managing environmental issues (PG80) and waste management (PG27) [E5-1.14]. In order to ensure compliance with best environmental practices, the Company has adopted recognised standards, including ISO 14001, and conforms to the legal requirements at national and European level. Attention is also drawn to ISO 9706, which guarantees that paper does not lose its properties over 100 years (on display) or 200 years (in dark storage). [ESRS 2.65d]

The Company's Environmental Policy lays down Navigator's general commitments in relation to environmental matters, establishing guidelines for sustainable operations. In connection with the circular economy, the Company is committed to: (1) promoting the circular bioeconomy, reusing waste and by-products from processes within a logic of industrial symbiosis and incorporating them in new applications and products; (2) using ecodesign both in products such as packaging, selecting more sustainable materials and ensuring they are recyclable and, whenever possible, biodegradable; (3) actively encouraging Consumers to recycle its products, through dedicated messaging and campaigns. The Environmental Policy also underlines the need to: demonstrate the sustainable origin of wood, giving priority to certified sources and promoting use of renewable materials, as well as product recyclability; develop and apply solutions which make for more efficiency in using wood in the industrial process; whenever technical and economically viable, replace hazardous chemicals with non-hazardous products, in keeping with best available techniques. [ESRS 2.65a]

In our Management Systems Policy, we commit ourselves to mitigating and minimising the environmental impacts of our operations, working to reuse waste in closed-loop systems and to adopt best available techniques for improving environmental performance. We also encourage our Suppliers to develop products aligned with our environmental requirements, highlighting the incorporation of renewable materials as a strategic indicator. In addition, we promote compliance with FSC® and PEFC standards, strengthening

Environmental Policy

the commitment to sustainable forest. PG80 - Management of Environmental Issues, a complementary document to this policy, also guides the Company towards preferential use of renewable resources, rather than non-renewable resources. [E5-1.15]

The Environmental Policy, the Management Systems Policy and PG80 - Management of Environmental Issues adopt a comprehensive approach, applying, whenever possible and appropriate, the strictest level in the **waste hierarchy**, assigning priority to **prevention**. The Company works to develop and implement processes and technologies that maximise efficiency, minimise losses and encourage recirculation of resources, helping to reduce waste production. This policy includes measures for prevention, recycling and reuse. PG27 - Waste Management Procedure lays down guidelines for the correct sorting and classification of waste, ensuring that the final disposal is the most appropriate and causes the least possible impact on health and the environment. The approach adopted follows a hierarchy that assigns top priority to prevention, followed by (preparation for) reuse, recycling, other types of recovery and, in the final instance, disposal. It promotes extending the life cycle of materials, paving the way for synergies between Navigator and its partners, within the logic of the circular economy. Taken together, these documents prioritise waste prevention and minimisation, rather than processing, including recycling, and the underlying principle is reduction of waste generation at source, promoting efficiency in the use of raw materials, avoiding waste and optimising production processes. In addition, they require that significant environmental matters be managed with a focus on reduction at source, prior to considering other options, such as recycling and recovery. [E5-1.AR9a/b]

Document	Management Systems Policy
Description of key contents and general objectives [ESRS 2.65a]	This Policy sets out Navigator's general commitments in relation to its quality, environmental, energy and safety management systems.
Scope [ESRS 2.65b]	It applies to own operations, and is aimed at internal and external Stakeholders (e.g. Suppliers, Industrial Synergies), and covers Portugal, Spain and Mozambique.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	• Product Safety Standards (BRC and IFS, for food use) • ISO 9706 (Guarantee that paper does not lose its properties over 100 years (on display) or 200 years (in dark storage) • FSC® and PEFC standards, certifying the origin of fibrous materials
Most relevant complementary documentation	General procedure: Management of Environmental Issues (PG80)
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business partners and Stakeholders through the intranet and is displayed at workplaces, as well as on the company's website.
References throughout of the non-financial Statement	• E1 – Climate change (Chap. 5.2.2) • E3 – Water and marine resources (Chap. 5.2.3) • S1 – Own workforce (Chap. 5.3.1) • S2 – Workers in the value chain (Chap. 5.3.2)

The following information is incorporated by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f:

→ Presentation of Environmental Policy - Chap. 5.2.2

5.2.5.2.2. Actions and resources related to resource use and circular economy (E5-2, MDR-A)

In alignment with our targets for reducing the disposal of waste at industrial landfill sites and developing sustainable and value added applications for by-products from the industrial process (see section "Targets and metrics"), we have adopted a set of strategic actions. [ESRS 2.68]

The measures adopted are designed to boost circularity in the use of resources and to this end we are increasingly investing in **innovative solutions**, prioritising **reduction of waste generation**, maximising recycling and **recovering of by-products**. These initiatives not only improve the Company's environmental efficiency but also generate solutions for local Communities, reducing the material impacts of operations. [ESRS 2.68]

The main measures implemented include [ESRS 2.68e]:

→ **Reduction of waste production** – in 2024, only 9% of raw materials used resulted in waste. Including fuels in the raw materials used, waste generated represented 7%.

→ **Minimising production of hazardous waste** which, in 2024, represented only 0.2% of total waste generated.

→ **Development of bioproducts from forest raw materials**, contributing to a more sustainable and innovative business.

→ **Building up partnerships with universities and research centres**, driving the creation of innovative solutions for recovering industrial by-products.

→ **Efforts to source Portuguese raw materials**, thereby shortening value chains. In 2024, approximately 65% of wood used was sourced from Portugal, contributing to domestic value added. In addition, 75% of subsidiary raw materials were acquired from Portuguese suppliers.

→ **Implementation of best practices in waste management** in Navigator's internal processes, in collaboration with OGR and other industrial partners. Examples of these practices included minimising dust when unloading ash, by humidifying them, use of tanker trucks (instead of open trucks), to reduce dust dispersion during transport and raising the awareness of hauliers to the correct stowage of loads.

→ Demonstration projects, in partnership with academic institutions and companies, which promote the use of waste in developing new products, permitting the partial or total substitution of virgin raw materials and working to have waste reclassified as by-products.

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68a] [ESRS 2.68e]
Recovery of carbonate sludges	Executed	Own operations, External partners, Portugal	Ongoing	51.3 thousand tons recovered in 2024
Recovery of biological sludges	Executed	Own operations, External partners, Portugal	Ongoing	59.0 thousand tons recovered in 2024
Recovery of sand	Executed	Own operations, External partners, Portugal	Ongoing	40.0 thousand tons recovered in 2024
Resource management in forestry operations	Executed	Own operations, Portugal and Spain	Ongoing	61% reduction in waste generated and not sent for disposal, in comparison with 2023.
Reuse of BPP ash	Planned	Own operations, External partners, Portugal	Start-up 2025	Potential recovery of 15,000 tons of fly ash over 5 years
Installation of Lime Kiln Figueira	Planned	Own operations, External partners, Portugal	Start-up 2025	90% reduction in production of carbonate sludge
Alteration of fly ash discharge system to dry method	Planned	Own operations, External partners, Portugal	Start-up 2025	Dry fly-ash discharge will make it possible to identity new applications for recovering this waste product
Production of soil-cement	Planned	Own operations, External partners, Portugal	Start-up 2025	Recovery of fly-ash from biomass boilers in production of Low Carbon Clinker

Note: No negative material impacts and only positive impact have been identified associated with the use of resources and the circular economy, meaning that no remediation actions are identified [ESRS 2.68d]

In industrial operations, optimisation of production processes is a strategic priority, with a view to minimising fibre losses, reducing consumption of chemicals and increasing the efficiency of water use. These initiatives are part of a sustainable approach, seeking to mitigate the material risks associated with reduced availability of wood and difficulties in sourcing raw materials. Implementation in 2023 of a new wood preparation line (LM3) at the Figueira industrial complex resulted, in 2024, in significant improvements in fibre losses associated with this stage in the pulp production process. The oxygen delignification process to be installed at the Setúbal paper mill, planned to start up in 2025, will make it possible to reduce consumption of chemicals at the pulp bleaching stage.

We take steps with a positive impact in the context of the circular economy, promoting the **use of renewable raw materials and a forest-based bioeconomy**. Action is implemented to **reuse waste/by-products**, based on R&D promoted by RAIZ and in partnership with other economic operators, in a context of **industrial symbiosis**. In the context of the circular economy, the reuse of carbonate sludges, resulting from the causticisation process at pulp mills, is a partnership with Secil and Cimpor, and these sludges are incorporated in the production of cement products. In addition, some of the carbonate sludges produced at the Figueira da Foz unit are incorporated in the production of precipitated calcium carbonate (PCC), and essential raw material for producing paper on the site. **Recovery of biological sludges** generated in effluent treatment at the industrial complexes is achieved through composting, and as a fuel in the production process for expanded clay (Leca). **Recovered sands** generated in the biomass boilers are also used to produce construction materials, thanks to their classification as a by-product. In 2024, at the Setúbal Industrial Complex, Navigator introduced the sieving of sands in order to separate them into grain sizes, optimising and boosting the potential for using them in civil construction [E5-1.19].

We also have plans, for example, for **reuse of ash from the Biomass Power Plant (BPP)** in Aveiro, by Saint Gobain, in producing mortars, for installation of a lime kiln at the Figueira da Foz unit, for changing the system for unloading ash to a dry process, for production of soil-cement and sieving of sands, as indicated in the following table [ESRS 2.68]. Implementation of the recovery of BPP ash, installation of a lime kiln in Figueira and changing the ash unloading system to a dry process required capital expenditure (CapEx) in 2024 of €0.8m, €30m and €0.1m, respectively [ESRS 2.69b]

The process of reclassifying waste as by-products, as happened with sands in 2019 and as is planned for fly-ash in 2025, plays a fundamental role in achieving our goals. In the same way, implementation of measures to recover carbonate sludges, biological sludges, biomass boiler sands and fly ash contributes directly to attaining those goals, by avoiding the disposal of these materials at landfill sites. [ESRS 2.68a]

Management of waste produced in forestry activities, including in plant production, ensures selective collection, correct stowage and routing to an appropriate final destination, prioritising reuse operations whenever possible. We also discourage unlawful disposal of waste in woodlands, alerting the relevant authorities, so they can investigate and pursue the matter. Waste management in forestry operations is aligned with high standards of resource efficiency, application of circular business practices, measures taken to avoid waste production and optimised waste management in keeping with the waste hierarchy [E5-3.20].

Implementation of this action has required significant capital expenditure (CapEx) or operating expenditure (OpEx) (current and future), through the budgets of the departments responsible for managing waste.

The action plan has specific financial resources allocated, including an annual budget for waste management, ensuring it is routed to OGR. In addition, there are annual budgets for environmental improvements, which may include optimisation projects in waste management and the circular economy. [ESRS 2.69a]

CapEx - Nos. 3.2, 3.3 and 3.6 of the Notes to Navigator's Consolidated Financial Statements. [ESRSE 2.69b]

5.2.5.3. Targets and metrics

5.2.5.3.1. Targets related to resource use and circular economy (E5-3, MDR-T, MDR-M)

Our **2030 Roadmap** (Chap. 3.4.4) has established **two targets** focussing on **waste**. The target for reducing disposal of waste in industrial landfill is aligned with national and European goals for sustainable waste management.

It contributes to SDG 12 (Sustainable Consumption and Production), promoting reuse of materials, and is in keeping with the national targets established for waste management and with European Directive 2018/850, which imposes tougher restrictions and encourages recycling and reused for energy purposes. In addition, it is compliant with the **waste hierarchy principle**, prioritising reduction and reuse over final disposal and supports the General Waste Management Rules (GWMR) by fostering the circular economy, reducing the environmental footprint of industry and incentivising technologies for reusing waste [ESRS 2.80f]. The target relating to development of **sustainable, value-added applications, for by-products from the industrial process** falls under other types of recovery, in the waste hierarchy. [E5-3.25]

Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS 2.75] [ESRS 2.80B]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80e]
Achieve by 2030 a rate of waste disposal in industrial landfill of less than 10%.	14% in 2021	Waste deposited in landfill (t)/Waste generated (t)	Goal reformulated in 2022	12%	12%	<10% in 2030
Develop sustainable applications and added value for by-products from industrial process (sludges, ash and other inorganic waste)	N/A	N/A	991 t of carbonate sludges 28,395 t of sand for incorporation	4,800 t of carbonate sludges recovered in production of PCC 35,624 t of sand (by-product) recovered for construction sector	1,355 t of fly-ash recovered in concrete articles 1,260 t of carbonate sludges recovered in production of PCC 39,995 t of sand (by-product) recovered for construction sector	N/A

Note: No changes have been made to the value, year, calculation methodology, assumptions, sources or limitations of targets [ESRS 2.80i | ESRS 2.13], and no prior period errors have been identified [ESRS 2.14]. These metrics are subject to external verification in connection with this report, and are not verified by other entities. [ESRS 2.77b]

Both targets are in relation to Navigator's own operations in Portugal. They are not science-based, nor were ecological threshold values considered. These targets are not a legal obligation but are adopted voluntarily as a result of engagement with internal Stakeholders, the Environmental Board and the Community Monitoring Committees. The targets set are aligned with the Environmental Policy and the Management Systems Policy, and the respective complementary documents. [E5-3.25 | ESRS 2.80a| ESRS 2.80g| E5-3.26 | E5-3.27]

The methodology for setting the first target was based on the following points [ESRS 2.80f]:

- → Alignment with the goal of reducing the amount of waste dumped in landfill, indexed to sector benchmarks.
- → Historical analysis of waste and by-product flows.
- → Identification of waste recovery opportunities: For the main secondary flows, potential recovery solutions were analysed, maximising reincorporation into production processes.
- → Reclassification from waste to by-product: This approach permits alternatives to conventional recovery with OGR, extending the possibilities for reuse.
- → Planning and scheduling: The company has established a multiannual plan for implementing the measures, so that the target is met gradually.
- → Monitoring and readjustment

Seeking to exploit the full potential for circularity in our production processes, Navigator works continuously with RAIZ and technological and industrial partners to assess sustainable applications for by-products from the industrial process. In relation to this target, wastes and by-products which are recovered in value-added applications are quantified. Quantification uses the same methodology for all waste generated [ESRS 2.80f]. Performance in 2024 presented a positive trajectory in comparison with previous years, with an increase of 5% in materials recovered in applications of this type, in relation to 2023. [ESRS 2.80j]

5.2.5.3.2. Resource inflows (E5-4)

Operations	Resource inflows
[E5-4.30]	[E5-4.30]
Products (including packaging)	In its industrial processes for eucalyptus kraft pulp, UWF paper, packaging, tissue and energy, Navigator adopts a sustainable and efficient industrial model in the use of resources. Its production chain involves incorporating essential raw materials, auxiliary products and packaging used throughout the process and in final distribution, as well as a range of technological equipment. Packaging materials include materials from renewable sources, such as cardboard boxes, wrapping paper, wooden pallets and labels, but also other materials, such as stretch or cling film, plastic belts and wire for bundling.
Materials	Essential raw materials used in Navigator's industrial processes include Eucalyptus globulus wood from sustainably managed forests, both from its own plantations and acquired from third parties. Of the total wood consumed, 73% is from plantations certified by the FSC® and PEFC™. For pulp production, we should mention chemicals such as sodium hydroxide, sodium chlorate, sulphuric acid, oxygen and hydrogen peroxide. Production of UWF paper uses precipitated calcium carbonate (PCC), starch, gluing agents and optical whitening agents. In tissue production, we use wet strength agents. In addition, Navigator used purchased fibre, complementing the eucalyptus fibre produced internally with long fibre pulp, recycled fibre and unbleached fibre. In terms of fuel, the Company uses black liquor and eucalyptus bark from wood used in pulp production, as well as residual forest biomass for energy generation. It also uses some fossil fuels, including natural gas, fuel oil, diesel and propane.
Water and assets	Water is a fundamental resource, and is used for the cooking, bleaching and paper sheet formation stages. Approximately 80% of the water used is duly treated and returned to the environment, ensuring the sustainability of the production process.

Resource inflows	2024 (t)	2024 (%)
TOTAL [E5-4.31a]	**5,241,400**	
Renewable	4,569,007	87%
Non-renewable	672,361	13%
Recycled	32	0%
TOTAL [E5-4.31c]	**5,241,400**	
Wood	4,359,966	83%
Chemicals	702,754	13%
Fibre	81,400	2%
Packaging	96,271	2%
Others	1,010	0%
TOTAL [E5-4.31a]	**5,241,400**	
Total biological materials	4,503,929	86%
Total technical materials	737,472	14%
Biological Materials [E5-4.31a]	**4,503,929**	
Sustainably sourced biological materials [E5-4.31b]	4,441,366	99%
Other biological materials	62,563	1%

Resource inflow data is calculated on the basis of measurements, at the factory gate, of the weight of the most relevant raw materials. The industrial complexes are equipped with weighbridges duly calibrated for measuring wood, chemicals, fibre, fuel, packaging materials and other things. In addition, for materials which are quantified by unit, in particular packaging materials, the respective unit weights are used for conversion into tons. We have quantified the materials consumed in all Navigator activities in all geographical regions, except for Navigator Tissue UK. [E5-4.32]

5.2.5.3.3. Resource outflows (E5-5)

Products and materials

Navigator develops products which incorporate the principles of the circular economy, ensuring that pulp, paper and tissue are designed with the focus on durability, recyclability and recirculation in the biological cycle.

BEKP (Bleached Eucalyptus Kraft Pulp) is a renewable and biodegradable material, which can be used in producing new paper or recycled fibres. Sourced from plantations certified by the FSC® and PEFC, its sustainable origin is guaranteed [E5-5.35].

High yield unbleached eucalyptus pulps, in particular **UEKP** (Unbleached Eucalyptus Kraft Pulp) and **HYKEP** (High Yield Eucalyptus Pulp), have been developed to produce packaging materials, helping to substitute fossil plastic.

UWF (Uncoated Woodfree) **Paper** is outstandingly durable, maintaining its quality even after multiple recycling's. As a 100% recyclable product [E5-5.36c], it can be reincorporated in the production process as a secondary fibre, and can also be reused in sketch and note pads prior to recycling.

Tissue paper is developed for efficient use, reducing waste per sheet through compaction technology. Some products include recycled fibre, promoting the recirculation of materials. In addition, they are biodegradable, permitting sustainable integration into the biological cycle with low environmental impacts. [E5-5.35]

A production unit for **moulded cellulose** packaging started up in 2024 at the Aveiro Industrial Complex. With production capacity for 100 million articles, this unit is able to produce trays, dishes and plates for food or ready meals. These renewably sourced products are able to substitute packaging made from fossil-based plastic. [E5-5.35]

Packaging products, including moulded cellulose products, are also products from *Eucalyptus globulus* fibres. These products include uNotesleached pulps such as UEKP and HYKEP, which use less chemicals.

In addition to products sold, by-products are generated at the industrial units which can be incorporated into other materials. **BPP fly ash**, classified as a by-product in January 2025, can be incorporated in specific mortars, partially or totally replacing mineral binder. **Sands for biomass boilers**, classified as a by-product in October 2019, can be used in manufacturing cement, cement mortars and paving, as fine aggregates.

Navigator paper is outstandingly **durable** and offers **optimised use**, presenting high opacity and strength, enabling it to be reused more times before recycling. In addition, all paper products produced by Navigator are 100% recyclable, due to being uncoated, ensuring they can be recirculated in the production cycle. The production process minimises the use of harmful chemicals, permitting unrecycled products to be biodegradable. [E5-5.35]

As an intermediate product, the durability of **pulp** cannot be quantified, as this depends on the manufacturing process. The durability of **tissue**, as a single-use product, can also not be quantified. The UWF paper produced by Navigator complies with ISO 9706:1994, guaranteeing a useful lifespan of more than 200 years in archives (dark storage). [E5-5.36a/5.36b]

All products produced by Navigator are from **biological and biodegradable sources**. The volumes of products and by-products produced by Navigator are all calculated on the basis of direct measurement. UWF paper is 100% recyclable and is a product designed in accordance with circular principles [E5-5.40].

Waste

[E5-5.37a/5.37b/5.37c/5.39]

Total waste generated (t)	Hazardous	Non-hazardous	Total waste
	2024	2024	2024
TOTAL	**979**	**445,622**	**446,601**
Recovered	**620**	**300,307**	**300,927**
Preparation for reuse	93	0	93
Recycling	137	184,852	184,988
Other forms of reuse	391	115,456	115,847
Disposal	**359**	**145,315**	**145,674**
Incineration, providing energy	0	88,759	88,759
Landfill	113	56,335	56,448
Others	246	221	467

The **waste** generated in Navigator's activities is **mostly non-hazardous**, and in 2024 this accounted for 99.8% of total waste generated. [E5-5.38]

In **industrial activities**, the waste flows with the largest volume are WWTP sludges generated in treating effluents, fly-ash from biomass boilers and carbonate sludges from the causticising process at pulp mills. The waste management hierarchy principle is used, applying the highest level whenever possible, as laid down in the Company's policies and procedures. [E5-5.38]

In **forestry activities**, the **most significant waste flows** consist of packaging, packaging waste and used tyres, the latter derived from illegal dumping by third parties on properties managed by the Company. The materials present in waste include plastics, chemical wastes with hazardous and non-hazardous properties, and wood. [E5-5.38]

Approximately 67% of all waste generated is **sent for recovery**. Examples include the recovery of WWTP sludges, in agricultural applications, and incorporation of fly-ash and sand from the biomass boilers in cement products and other construction materials. Carbonate sludges are mostly generated at the Figueira da Foz Industrial Complex, due to the limited capacity of the chemical lime recovery process. With the start-up of the new lime kiln, planned for 2025, a significant reduction in production of this waste is anticipated. Of the waste disposed of, 61% is used to produce energy on site, in Navigator's renewable cogeneration facilities, eliminating the inefficiencies associated with transporting, treating and sending these waste products to third party facilities, substituting fossil fuels. Only 12% of the waste generated is sent to **landfill**. [E5-5.38]

The calculation methodology used is based on direct measurements made on the duly calibrated weighbridges existing at the industrial complexes, and the information is logged on the e-GAR platform. [E5-5.40]

5.2.5.3.4. Anticipated financial effects from important risks and opportunities related to resource use and the circular economy (E-6)

In accordance with Appendix C of ESRS 1, Navigator has opted not to report information on the anticipated financial effects of impacts, risks and opportunities related to resource use and the circular economy in this first reporting year.

5.2.6. Entity-specific disclosures - Sustainable Forest Management

5.2.6.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in value chain	Related sub-topic or sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Promoting forest management certification and chain of custody of national partner entities, through dedicated initiatives and programmes.	Positive impact	-	Upstream	(Entity-specific disclosure)
Ensuring that the wood purchased comes from credible (certified) sources and does not contribute to deforestation, conversion of natural forests or damage to relevant ecosystems.	Positive impact	-	Upstream	(Entity-specific disclosure)
Disseminate technical information and provide training on good forest management practices, including practices for the conservation of relevant natural and socio-cultural values.	Positive impact	-	Own operations and Upstream	(Entity-specific disclosure)
Promote research and innovation linked to production and conservation forest and the sharing of knowledge in these areas.	Positive impact	-	Own operations and Upstream	(Entity-specific disclosure)
Protecting and conserving the natural, cultural and social values existing in the areas under the company's forest management, whether owned or leased.	Positive impact	-	Own operations	(Entity-specific disclosure)
Contribution to reducing the number/ intensity of forest fires through programmes and/or projects, reducing financial losses and positively impacting the social licence to operate.	Opportunity	Short Term - Reporting Year	Own operations	Direct impact drivers on biodiversity loss

Note: The material impacts identified are real and therefore do not have a time horizon associated with them.

At Navigator, sustainable forest management is intrinsically linked to the Impacts, Risks and Opportunities (IRO) identified in themes E1 (Climate change), E3 (Water and marine resources), E4 (Biodiversity and ecosystems) and E5 (Use of resources and circular economy), and is fully in line with the applicable regulatory requirements.

We promote **forest certification, resource traceability and capacity building in the sector**, ensuring the protection of ecosystems and the sustainable use of raw materials. Our approach strengthens **environmental resilience** and contributes to **creating value** throughout the production chain and communities, aligning us with the principles of the **circular economy and biodiversity conservation**.

The **main paper fibre** used by the Company (*Eucalyptus globulus*) has several advantages over other species, such as the production of paper with a **lower specific grammage** and using **less forest area**, the possibility of a greater number of subsequent recyclings and higher quality and potential for use in new products.

5.2.6.2. Management of impacts, risks and opportunities

5.2.6.2.1. Policies related to Sustainable Forest Management (MDR-P)

Our commitment to responsible management of forest areas, in full balance with their natural and social surroundings, is also a commitment to take action against the forces that lead to deforestation and forest degradation, as set out in the Forest Sector SDG Roadmap (a reference roadmap published by the Forest Solutions Group, WBCSD, to inspire the forest sector's contribution to the Sustainable Development Goals).

We manage our forest assets in mainland Portugal in accordance with the **legal requirements** applicable to our activity and other regulations and policies that we have voluntarily signed up to, such as the pan-European criteria for sustainable forest management, in accordance with the Portuguese standard **NP 4406** for **Sustainable Forest Management**, and the **Principles and Criteria of the Forest Stewardship Council®**. **Forest management certification** ensures that the wood used in our products - pulp and paper - comes from responsibly managed forests. We have been FSC® certified since 2007 and PEFC certified since 2009, with 100 per cent of the forest area under our management in mainland Portugal certified by these two systems. Forest assets in Mozambique are managed in accordance with the legal framework applicable to our activities and the forest management principles and criteria of international certification systems. Portucel Moçambique is FSC® Chain of Custody certified and is in the process of obtaining FSC® Forest Management certification [ESRS 2.65d]. The conservation of biodiversity and ecosystem services (Chap. 5.2.4) is an essential part of this model, seeking to guarantee the maintenance or improvement of biodiversity values through restoration initiatives.

We express our commitments to promoting sustainable forest management in our **Forestry Policies** and **Environmental Policy** (Chap. 5.2.2). Through these policies we promote the preservation of natural values and ecosystems, contribute to soil formation and the fight against erosion, protect the forest against fires and regularise the water cycle, enhancing land use that stimulates territorial cohesion and wealth creation.

Document	Forestry Policy
Description of key contents and general objectives [ESRS 2.65 a]	The Navigator Company's Forestry Policy is committed to the sustainable management of its forest resources, promoting responsible practices that ensure the sustainable production of tangible and intangible goods. This Policy defines general objectives and principles for forest management activities that the company uses to make decisions.
Scope [ESRS 2.65b]	It is aimed at Own operations and has an impact on the Upstream and Downstream of the value chain, on Suppliers and on local communities in the Iberian Peninsula.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee
Standards or industry initiatives the policy aims to commit to [ESRS 2.65d]	• FSC® wood certification standards • Portuguese standard NP 4406 for Sustainable Forest Management in accordance with the principles and criteria of the Forest Stewardship Council®.
Most relevant complementary documentation	• General Environmental Aspects Management Procedure (PG80) • Forest Management System • Supplier Code of Conduct
Available at [ESRS 2.65f]	Available on the Intranet and Internet pages
References throughout the Non-Financial Statement	• E1 – Climate change (Chap. 5.2.2) • E3 - Water and marine resources (Chap. 5.2.3) • E4 - Biodiversity and ecosystems (Chap. 5.2.4) • E5 - Use of resources and circular economy (Chap. 5.2.5) • S2 - Workers in the value chain (Chap.5.3.2)

Through our Forestry Policy, we are committed to managing our assets in accordance with the FSC® and PEFC forest certification standards and to implementing and promoting a responsible forest management model, both in our Own operations and with Suppliers, which involves (i) mitigating potential negative impacts and conserving and restoring biodiversity and ecosystem services, and (ii) managing biotic and abiotic risks (including those arising from climate change). In particular, we aim to [ESRS 2.65a]:

- → Developing and promoting the concept of **forest plantations** which, through the way they are managed, can make a positive contribution to **maintaining the integrity of ecosystems and protecting high conservation values** and guaranteeing **effective stakeholder participation processes**, fostering economic growth and employment.
- → Implementing a forest management model whose best practices are documented in a **Forest Management System**, are informed by the knowledge derived from **Research and Development** and include **measures to mitigate** potential environmental and social impacts.
- → Ensuring the **health and safety of our Employees**, including the **employees of third parties** that provide forestry services, guaranteeing them adequate training/information for the risks assessed.

We also ensure that the **production, supply and consumption of raw materials** follow principles of sustainability and biodiversity protection. We limit **the purchase of wood and fibres to Suppliers who demonstrate responsible practices,** avoiding negative impacts on protected areas. To this end, we require compliance with the European Timber Regulation (EUTR) and favour FSC® and PEFC™ certifications, ensuring that there is no conversion of natural forests or violation of traditional rights. [ESRS 2.65a]

The Policy refers to recognised standards and certifications supervised

by third parties, ensuring sustainable practices through **independent audits**. [ESRS 2.65d] In addition, we promote the sustainable management of ecosystems, with **continuous monitoring of biodiversity, habitat conservation plans and measures to minimise environmental impacts** (Chap. 5.2.4). We invest in **research and partnerships to evaluate and improve performance**. [ESRS 2.65a]

Through our Policy we have also taken on a **leading role in expanding the forest certification process in Portugal** (see next section). [ESRS 2.65a]

Portucel Moçambique's Forestry Policy should also be mentioned. In order to guarantee the generation of value and the recognition of its activity by society in general, Shareholders, Employees, Customers, Suppliers and other Stakeholders, the Company has adopted a forest management model that: (1) aims to contribute to the maintenance and continuous improvement of its productive, economic, ecological, social and environmental functions, both at the stand level and at the landscape level; (2) is based on criteria developed in accordance with The Navigator Company's good technical, environmental and social practices. [ESRS 2.65a]

Portucel Moçambique's Forestry Policy

Document	Portucel Moçambique's Forestry Policy
Description of key contents and general objectives [MDR-P_01; §65 a] [ESRS 2.65 a]	It demonstrates Portucel's commitment to the sustainable management of its business, in order to ensure that its activities are carried out in accordance with the best environmental, social and economic practices.
Scope [MDR-P_02; §65 b] [ESRS 2.65b]	It is aimed at Own operations and has an impact on the Upstream of the value chain, on the Government and on local communities. It covers all the geographies in which Portucel Moçambique operates in Mozambique (Manica and Zambézia).
Most senior level position accountable for its implementation [MDR-P_03; §65 c [ESRS 2.65c]	Board of Directors
Standards or industry initiatives the policy aims to commit to [ESRS 2.65d]	Forest Stewardship Council® Principles and Criteria United Nations Global Compact
Available at [MDR-P_06; §65 f] [ESRS 2.65f]	Available through the Internet page
References throughout the Non-Financial Statement	• E1 – Climate change (Chap. 5.2.2) • E3 – Water and marine resources (Chap. 5.2.3) • E4 – Biodiversity and ecosystems (Chap. 5.2.4) • E5 – Resource use and circular economy (Chap. 5.2.5) • S2 – Workers in the value chain (Chap. 5.3.2)

The following information is inserted by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

→ Environmental Policy presentation: Chap. 5.2.2

5.2.6.2.2. Actions and resources related to Sustainable Forest Management (MDR-A)

In line with our 2030 Agenda and Roadmap (Chap. 3.4.4), and in accordance with the defined objectives and targets (see next section), we have invested in programs to support the **increase in sustainable, certified forest management** and **support for Forest owners**, going beyond the areas under our direct management and aiming to cover a greater number of owners - encouraging them to adopt good practices and invest in the conservation of the territory's natural and socio-cultural values. These initiatives seek to respond to the individual needs of Forest Partners at national level, including the recently created **Forest Producers Club** and the **Eucalyptus Forum**. The aim of these programs is to stimulate the **sharing of knowledge and the training** of forest Stakeholders, as well as to **protect** forests and Communities from **forest fires**.

Through various support programs for Forest Management Certification Groups, Chain of Custody/Responsibility Groups, Forest Producer Organizations, Companies and Forest Producers, we contribute to **build a common front in defense of the interests of the national forest sector**.

Principal actions	Status	Action scope	Time horizon	Results
[ESRS 2.68 a]	[ESRS 2.68 a]	[ESRS 2.68 b]	[ESRS 2.68 c]	[ESRS 2.68 a ESRS 2.68e]
Portugal's forest activity				
Eucalyptus Forum project	Taken	Own and downstream operations of the value chain, in Portugal	2024	In 2024, the Eucalyptus Forum project was born, with the aim of promoting in-depth reflection on forestry issues and, in particular, planted eucalyptus forests. The initiative centred on two meetings. At the first, an ISCTE study of Portuguese society's perceptions of eucalyptus was presented, and six workshops were held, attended by around 70 participants from outside Navigator. The second meeting, in partnership with the Expresso newspaper, brought together national and international experts from various fields in four round tables. The work of the two meetings gave rise to a body of ideas and responses aimed at promoting forest literacy. In total, the meetings were attended by around 400 people.
Clube Produtores Florestais Navigator (Forestry Producers Club)	Taken and planned	Upstream operations with owners, forestry Associations, Service Providers and wood and biomass Suppliers in Portugal	Continuous	Support for the acquisition of 5 pieces of forestry equipment, worth €0.3 million; 2. Protocol with Galp, for discounts on fuel at the pump, with an estimated impact on companies of €0.5 million; Protocol with the Caixa Central de Crédito Agrícola Mútuo to boost investment, where €0.5M has already been facilitated; Partnership with Empremédia to offer members more advantageous insurance conditions. 5 policies closed, totaling €0.6 million.
Support programs for forest producers	Taken and planned	Upstream and downstream operations in Portugal	Continuous	Continuation of the incentive associated with the supply of certified wood (absolute value of €4/m³). Support for 18 forest management and/or chain of custody certification groups and other forest Producer Organizations. TecFloresta - 77 sessions were held, with a total of 470 participants, promoting the transfer of technical-scientific knowledge and tools to support forest management. Premium Program - Free technical support, open to all Owners with eucalyptus forests, covering 1842 hectares. Best Eucalyptus - Project developed within the scope of Biond (Navigator and Altri), to improve good practices for Producers and private forest owners. the most relevant program being Limpa e Fertil (PLA), with 78,764 hectares intervened, until the end of 2024, and 9,790 forest producers benefited (cumulative values). Of the area intervened in 2024 (15,064 ha), 12,181 ha were fertilized for the 2nd time, since the program began.
Prior assessment of forestry operations for impacts on natural, cultural and social values	Taken and planned	Own operations in Portugal	Continuous	Creation of 406 checklists for operations considered to have the greatest impact on the environment.
Promote the Florestas.pt platform as the national reference for forestry data	Taken and planned	Baseline value: 2 initiatives Baseline year: 2020	Continuous	To collect, systematise and disseminate comprehensive information and knowledge on Portuguese forestry and agroforestry, highlighting their relevance, challenges and opportunities in a clear, inspiring and accessible way. 744 articles published since launch 490,000+ visitors to the site in 2024 1,621,412 visitors to the site since launch. 126 digital contents in 2024. 714 newsletter subscribers. More than 115 personalized replies by email; 7 awareness-raising actions/participation in initiatives; 4 new Partners in 2024 (27 since launch).
Mozambique's forest activity				
Environmental and social compliance audit	Taken and planned	Downstream operations with the Mozambican Government, in Mozambique	Continuous	The Mozambican legal framework provides for an annual external and independent audit to assess compliance with the Environmental Management Plan (a plan resulting from the potential negative and positive impacts that the forestry project could have).
Water and soil monitoring	Taken and planned	Downstream operations with Employees and service providers in the forestry business, in Mozambique	Continuous	On an annual basis, we monitor the river basins over which we have an occupation of at least 15%, in order to assess the water quality parameters upstream and downstream, monitoring the impact of the plantations on water quality. The programme also covers soil fertility monitoring, allowing for an assessment of the soil in the same location throughout the eucalyptus growth cycle (in Mozambique, 8 years).
Environmental education program in the Communities	Taken and planned	Own operations with the Communities in Mozambique	Continuous	Carrying out environmental awareness-raising in communities, with the aim of promoting sustainable practices in the areas where we operate. Awareness-raising activities for 5520 people; 146 sessions.
Increasing knowledge and areas of restoration	Planned	Own and downstream operations with the Communities in Mozambique	2025-2030	Collection of areas for conservation only. Identification of costs associated with restoration. Ability to involve the community in the preservation goal. Involvement and development of meetings with potential partners (nurserymen, acquisition of other experiences in the region, etc.).

Note: No negative material impacts were identified, only positive impacts, so no remediation actions have been identified. It should be noted, however, that we systematically identify and assess the environmental and social impacts of forestry activities, giving rise to matrices used in the planning and execution phase of operations, thus making it possible to avoid negative impacts or act accordingly when they occur. As part of this assessment, local consultation is also carried out with Interested Parties, such as the Local Community and/or experts in the different natural, social and cultural aspects being assessed. The communication channels that affected Stakeholders can use to remedy the negative impacts of these operations include our website, the complaints channel and the Community Liaison Officers (Chap. 5.3.3). [ESRS 2.68d]

In 2024, the **Eucalyptus Forum** project was born, an initiative promoted with the aim of gathering and sharing knowledge about national forests, from their history to their future. It aims to provide a solid base of information, with the broad involvement of Society, seeking literacy based on scientific research into planted eucalyptus forests and the value they create in their many dimensions - social, economic and environmental. There were two main moments for sharing knowledge, with around 400 participants. We presented the perceptions of eucalyptus in Portuguese society, based on the results of the study on perceptions of eucalyptus in Portugal, carried out by ISCTE. The debate centred on eucalyptus plantations and their role in climate adaptation and the forest-based bioeconomy, and the foundations were laid for the design of initiatives to get to know the reality of eucalyptus and the pulp and paper sector. With a connection to culture and to those who make paper their raw material, this Eucalyptus Forum was attended by writers José Eduardo Agualusa, Mia Couto and Miguel Esteves Cardoso and by physicist, professor and essayist Carlos Fiolhais. [ESRS 2.68 a]

The support **programmes for Forestry Producers** were continued, with the aim of promoting the productivity, resilience and sustainability of the national forest, involving the players in the eucalyptus sector, thus contributing to the development of the rural world and boosting the transfer of knowledge. [ESRS 2.68 a]

Faced with the problem of forest fires and the resulting impacts at various levels - social, economic and environmental - we are committed to prevention through good forestry practices, in order to make the forest area under our management more resilient. We regularly carry out actions to: maintain paths and firebreaks; control vegetation; reduce the fuel load and create zones of discontinuity. We are also committed to supporting firefighting through Afocelca, the Forest Protection Company, and we support the recovery of burnt areas, in particular through our participation in the Nodeirinho and Derreada projects, promoted by Biond - Forest Fibers from Portugal. These initiatives aim to reduce the risk of fire, control invasive species and restore the productive potential of the affected forests. Despite continued efforts, in 2024 there was an increase in the area burnt, due to fires that occurred in September in the centre and north of the country, affecting several areas under the company's management (see 'Targets and metrics' section).

Mozambique is also actively working on this dimension, through a strategy based on the generalised implementation of a series of actions, duly accompanied and monitored, including: the use of controlled fire (or cold burning); harrowing/manual digging; clearing paths and firebreaks; the training of forest rangers and rapid intervention teams based in various locations and which minimise potential spread; the placement of beehives at the edge of the forest to encourage the protection of a family asset, as well as raising awareness, both among Employees at their intersection with Communities, and through campaigns on community radio. [ESRS 2.68 a]

In addition, we are a member of **TC 145 - Technical Commission for Sustainable Forest Management**. We collaborate in the most varied working groups that exist in this commission, participating in the preparation of documents and normative opinions in the field of forest management, reinforcing Navigator's position on these matters. This participation is active and dynamic, making it possible to update and adapt the regulatory documentation to the reality of Portuguese forestry, with many small and medium-sized forestry producers. [ESRS 2.68 a]

In Mozambique, we highlight our **participation in the Mozambican Government's forestry development programme** in Zambezia province - MOZ-RURAL. This project aims to increase the income of beneficiaries in the selected areas, increase the added value of micro, small and medium-sized agricultural businesses, increase productivity and market access for the selected small Producers and improve natural resource management practices in these areas. [ESRS 2.68 a]

5.2.6.3. Targets and metrics

5.2.6.3.1. Metrics related to Sustainable Forest Management (MDR-T)

Within the framework of our 2030 Roadmap (Chap. 3.4.4), we have defined a set of targets/goals related to sustainable forest management, which cover objectives related to:

- Consumption of certified wood by the Company;
- Certification of the chain of custody of the Company's wood suppliers;
- Training of forestry producers and dissemination of technical information;
- Monitoring the impact of the production forest on water management;
- New genetic materials;
- New tools for biological control of pests and diseases;
- Reducing fires in rural areas;
- Stock of CO_2 sequestered in the forest area under Navigator's management.

Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS 2.75] [ESRS 2.80b]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80e]
Ensure that the Company's wood consumption include no less than 80% certified wood by 2030.	Baseline value: 74% Baseline year: 2020	Percentage of certified wood used in the total wood consumed	68%	69%	73% (72.94% from the national market and 73.39% considering the total origin of certified wood received by Navigator)	Results to achieve: 80% Year: 2030
Promote chain of custody certification for all our wood Suppliers by 2030.	Baseline value: 74% Baseline year: 2020	Percentage of wood suppliers with chain of custody certification	87%	92%	92%	Results to achieve: 80% Year: 2030
Introduce and promote the establishment of natural enemies for 2 eucalyptus pests **(New 2024)**	Baseline value: *Anagonia* e *Cleruchoides* not established in Portugal Baseline year: 2023	The impact on the respective pests (parasitism rate) has yet to be determined	-	-	Development and release of 2 natural enemies: Anagonia and Cleruchoides	Results to achieve: *Anagonia* e Cleruchoides established in Portugal and with an impact on the respective pests (parasitism rate still to be determined) Year: 2030
Identify at least 1 natural enemy of Acacia dealbata and introduce it in Portugal **(New 2024)**	Baseline value: 6 species of defoliator insects identified Baseline year: 2024	Number of natural enemies of *Acacia dealbata* introduced in Portugal	-	-	Several natural enemies of *Acacia dealbata* were imported and 6 species of insects were identified, which are being studied in a confined environment	Results to achieve:: 1 natural enemy of *Acacia dealbata* introduced in Portugal Year: 2030
Develop genetically improved clones and seeds, with gains of 30-50% in yields and resilient to climate change	Baseline value: Gain in volume of 35% and in pulp of 38% (6 clones, 2 of them not resistant to *Pestalotiopsis*) Baseline year: 2020	Gain in volume and pulp (%), Genetic diversity (number of crosses, number of clones delivered or other diversity indicator)	New clone varieties delivered for production. Clone selection has had impacts on the resistance of eucalyptus to disease, in nurseries and in the field. Incorporation of new genetic materials in the programme (release of more than 100 individuals) Poor year for seed production	Incorporation of 29 lots of seeds for 24 species through importation and collection at "Portuguese "Escaroupim" arboretum, to increase diversity in Genetic Improvement Programme in the long term through hybridisation with E. globulus	3 new clones were delivered to the Viveiros Aliança portfolio with a genetic gain of 41% (volume and pulp), all with resistance to *Neopestalotiopsis*, and two with known resistance to *Ophelimus*	Results to achieve: Maintain volume and pulp gains (30-50%) and/or enrich genetic diversity (for biotic and abiotic factors) Year: 2030
Ensure the e-globulus platform reaches more Portuguese forestry producers and provideseffective support.	Baseline value: - No. of users (cumulative): 600 or - No. of registered users (cumulative): <100 Baseline year: 2019	- No. of users (cumulative) and/or - No. of registered users (cumulative)	14,883 users accessed the platform; 687 registered users; 63,394 visualisations. (cumulative values).	More than 20,000 users have accessed the platform; 850 registered users. More than 82 thousand views (cumulative values).	27,733 users accessed the platform (cumulative). 1,040 registered users (cumulative).	Results to achieve:: - No. of users (cumulative): 35,000 or - No. of registered users (cumulative): 1250 Year: 2030
Monitoring the impact of production forestry on water management	Baseline value: Qualitative Baseline year: 2019	Installation of two experimental forest basins to quantify flows and monitor hydrological responses	-	-	Frequent collection of field information and integration into the eco-hydrological model, greater knowledge of plantation-water use interaction	Results to achieve: Knowledge of hydrological dynamics in forested experimental basins and the relationship with forest management, embodied in published works or other forms of dissemination Year: 2030

Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
[ESRS 2.80]	[ESRS 2.80d]	[ESRS 2.75] [ESRS 2.80b]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80j]	[ESRS 2.80e]
Launch of the "Clube Produtores Florestais Navigator" (Navigator Forestry Producers Club)	Baseline year: 2023	Not applicable	-	-	Target reached in 2024.	Interim targets: – Hold a meeting of the main Stakeholders by 2025 – Guarantee 100 new subscriptions by 2025 – The Club's 1st anniversary event was held, with the participation of the main Stakeholders. No. of registered members: 367
Consolidated Forestry Producers project, promoting and disseminating technical information about forestry production, helping to share best practices, by 2030.	Baseline year: 2020	No. of initiatives/year (digital and in person): 10 No. of forestry producers contacted/year: 10 thousand	5 exhibitions in the agroforestry sector in Portugal and Galicia; 2 forestry fundraising campaigns in the Galicia region; 3 editions of the magazine, with an average print run of 15,000 copies; 300 digital contents; 112 participants in the 1st Meeting of Forestry Producers; Impact on a community of more than 12,500 people.	9 exhibitions in the agroforestry sector in Portugal and Galicia; 2 forestry fundraising campaigns in the Galicia region; 3 editions of the magazine, with an average print run of 15,000 copies; 200 digital contents; 111 participants in the 3rd Meeting of Forestry Producers; Impact on a community of more than 15,000 people.	11 initiatives (10 events in the agroforestry sector in Portugal and Galicia; 1 forestry fundraising campaign in Galicia) 4 editions of the magazine, with an average print run of 15,000 copies; more than 200 digital contents; 130 participants in the 4th Meeting of Forestry Producers; (Interim target reached in 2024) Impact on a community of more than 18,000 people.	Interim targets: - Carry out 40 initiatives to contact forestry producers by 2025. - Hold 4 Forest Producer Meetings by 2025 (interim target reached in 2024) - Guarantee 100 new subscriptions by 2025. Year: 2030
Contribute to the reduction of wildfires in rural areas, endeavouring to ensure that the area burnt under Navigator's management is less than 1% per year.	Baseline value: 2.1% Baseline year: 2018	% of burnt area under Navigator management	0.3%	1.8%	2.66%	Results to achieve: <1%/year Year: 2030
Ensure that the stock of CO_2 sequestered in the forest holdings under Navigator's management does not fall by more than 10% in relation to 2022 (baseline year), by 2030.	Baseline value: 6.1 Mt CO_2e Baseline year: 2022	Cumulative stock of CO_2 sequestered in the forest area under Navigator's management (Mt $CO_2eq.$)	6.1 Mt CO_2e	6.2 Mt CO_2e	6.4 Mt CO_2e (+4.9% compared to 2022)	Results to achieve: Positive variation in the stock of CO_2 sequestered in the forest area under Navigator's management compared to 90% of the 2022 value (baseline year) Year: 2030

Note: The geographical scope of the targets defined is mainland Portugal. [ESRS 2.80c | E4.32d]

Setting targets

The targets set for sustainable forest management are in line with previously identified policies, reflecting Navigator's commitment to promoting responsible forest management, ensuring the conservation of ecosystems, the enhancement of biodiversity and the efficient use of natural resources, in accordance with Portuguese standard NP 4406 and the pan-European criteria for sustainable forest management. The Company adopts practices that are consistent with the FSC®-C010852 Principles and Criteria, helping to prevent illegal logging and controlling the origin of the wood purchased. It maintains and improves the management of forest areas, in balance with the natural and social environment, promoting actions that prevent deforestation, degradation or forest conversion. It develops and incentivises plantations that protect high conservation values and fosters effective Stakeholder participation processes, boosting economic growth and employment. The forest management model is based on good practices documented in a Forest Management System, informed by research and development, with measures to mitigate environmental and social impacts.

We encourage our **Suppliers to adopt responsible practices** through support, knowledge transfer and monitoring, as well as maintaining a proactive stance in collaboration with Forestry Producers and other agents in the sector, promoting certifications and counteracting factors that induce forest degradation. We also ensure the dissemination and continuous improvement of our Forest Management System, establishing and updating objectives, always in line with the commitments made in our Forestry Policy. [ESRS 2.80a]

Biological pest control is an effective and sustainable solution in economic and environmental terms. Its implementation makes it possible to reduce the negative impact of pests, helping to increase the productivity and resilience of the national eucalyptus forest. [ESRS 2.80a]. Biological control is a control method that involves introducing specific natural enemies of these pests to reduce their impact. The selection and introduction of natural enemies is a time-consuming process that requires detailed studies to ensure that the biological control agents are effective and will not have negative impacts. RAIZ (Chap. 3.4.2) has a biofactory and specialised technicians with the capacity to import, study, produce and release natural enemies of eucalyptus pests. The biological control solutions applied in Portugal favour not only Navigator directly, but also all other forestry producers, since the natural enemies act throughout the area where the target pests are established. [ESRS 2.80f]

The **development of genetically improved clonal and seminal plants** is in line with forestry policy, promoting the renewal of eucalyptus production forests using improved clonal and seminal plants that provide higher quality performance, better growth and resilience to climate change. It contributes to: (1) maximising the profitability of productive areas, reducing the pressure on other non-productive areas (conservation/ preservation); (2) mitigating the proliferation of pests and diseases through the use of plants that are more resistant to these biotic agents, helping to improve the phytosanitary health of the national forest. [ESRS 2.80a]

The methodology used to establish the target is based on **conventional breeding techniques**, where the selection of parents, controlled crossing plans, trials to test the offspring obtained and, finally, the selection of new parents and the restart of a new breeding cycle predominate. Improvement between cycles is monitored using BLUP (Best Linear Unbiased Predictor) type statistical analysis techniques, ranking all the individuals in the programme according to their gain value. The variables to be improved are growth (wood volume), survival, wood density, pulp yield and rooting. Adding qualitative information on resistance to diseases and pests to the programme is done in addition to the genetic gain and can have a restrictive effect on selection. Periodically, successively better clones are identified in one or more of the criteria mentioned, which are recommended to Aliança Viveiros (clone portfolio) for large-scale plant production. [ESRS 2.80f]

It should be noted that climatic conditions and resistance to pests and diseases require the development of customised solutions, with a broader portfolio that allows choices of genetic material better adapted to different local soil and climate conditions (cold, dryness, biotic risks). The solutions serve not only Navigator, but also the forestry producers who access the plants produced in our nurseries, thus promoting the environmental and economic sustainability of the industry and contributing to the development of the forestry sector. [ESRS 2.80f]

Increasing the reach and effectiveness of the e-globulus platform among Portuguese forestry producers is one of Navigator's targets for sustainable forest management. This platform is a tool that encourages responsible and sustainable forest management and contributes to technical training. It is aligned with the dissemination of good practices and the transfer of knowledge to the public (forest owners, forestry technicians and other interested organisations, academia and others) [ESRS 2.80a]. The e-globulus platform aims to encourage the adoption of forest management practices that are adjusted to the local reality. It is a knowledge transfer tool that can be used by Navigator, forestry producers and other organisations in the sector, among others. The platform's appeal to users is assessed quantitatively and, as with other online platforms, by monitoring the evolution of recorded indicators, such as the number of users and visualisations. [ESRS 2.80f]

Water resource management is extremely important for forestry production. The continuous improvement of management practices is based on the technical and scientific knowledge that is being produced. We don't just study experimental basins; we also continually invest in understanding the influence of soil and climate on the productive capacity of stands and in studying silvicultural practices adjusted to local conditions. We consider plant growth and also the conservation and greater retention of water in the soil. This goal is related to a research project, in partnership with the University of Aveiro, which consists of monitoring two instrumented experimental basins to assess water availability (quality and quantity), trying to understand the dynamics of the hydrological response throughout the development cycle of the stands. In addition, this data is used to feed hydrological modelling (with the SWAT model - Soil and Water Assessment Tool), and scientific papers have already been published in international journals and disseminated at scientific congresses. [ESRS 2.80f]

The goals involved internal and external Stakeholders through different forums and structured dialogue mechanisms, such as the **Environmental Council** and the **Sustainability Forum**, seeking to ensure transparency and alignment with the expectations of Communities, Authorities and Experts. [ESRS 2.80h]

During 2024, no changes were made to the target value, target year, calculation or data collection methodology, assumptions, sources or limitations. However, new goals have been reformulated and defined, with a view to continuous improvement. [ESRS 2.80i]

RAIZ

e-globulus

Target performance

Name	Target performance in 2024
	[ESRS 2.80j]
Ensure that the Company's wood consumption include no less than 80% certified wood by 2030	Compared to 2023, Navigator increased the use of certified wood in its processes by 4 pp. This goal is progressing and the target set is expected to be reached before 2030.
Promote certification of the chain of custody of all our wood Suppliers by 2030	Compared to 2023, Navigator maintained its performance, continuing to work towards the target set. This objective is in progress and is expected to be reached before 2030.
Introduce and promote the establishment of natural enemies for 2 eucalyptus pests	Two natural enemies of two important eucalyptus pests were produced in a biofactory and released in the field. The effect of these natural enemies is being monitored in the field.
Identify at least one natural enemy of *Acacia dealbata* and introduce it to Portugal	Regarding new natural enemies, several species of acacia defoliators were imported from Australia, and their potential is being studied by RAIZ to assess which species could be beneficial as biological control agents.
Develop genetically improved clonal and seed plants, with 30-50% productivity gains and resilience to climate change	Every year, the target is reviewed in a meeting with internal Stakeholders in order to prioritise criteria for selecting genetic materials (growth, survival, wood quality, rooting, resistance to pests and diseases), analysing the trend of genetic gain in the portfolio. The incorporation of three new genetic materials into the clonal plant portfolio will improve the performance of Aliança Nurseries in terms of phytosanitary control (in relation to Neopestalotiopsis), greatly strengthening the clonal solutions for reforestation in areas with a high-water deficit.
Increase the reach and effectiveness of the e-globulus platform among national forest producers	In 2024, headings were strengthened (e.g. 'is-Science'), functional improvements were developed and new content was produced. The platform is kept responsive, functional and updated for public consultation. The trend in use and interest in the platform is monitored by Google Analytics indicators.
Monitor impact of production forests on water management	In 2024, the study on the impacts of climate change on the two national forested basins with contrasting soil and climate conditions was deepened, particularly with regard to water and biomass production, and the assessment of the water scarcity/availability index.
Launch of the "Clube Produtores Florestais Navigator" (Navigator Forestry Producers Club)	Goal achieved in 2024, with the celebratory meeting.
Consolidated Forestry Producers project, promoting and disseminating technical information about forest production, helping to share best practices, by 2030	4 editions of the magazine, with an average print run of 15,000 copies; more than 200 pieces of digital content; 10 exhibitions in the agroforestry sector in Portugal and Galicia; 130 participants in the 4th Meeting of Forestry Producers; 1 forestry fundraising campaign in the Galicia region. Impact on a community of more than 18,000 people.
Help reduce rural fires, seeking to ensure that the burned area under Navigator's management stays below 1% each year	In 2024, the focus on fuel management was maintained as a priority, and efforts were made to provide fire-fighting support within the scope of Afocelca, in order to improve intervention capacity in fires that jeopardise Navigator's assets. The extreme weather conditions in September 2024, combined with other factors, boosted the occurrence and spread of rural/forest fires in the Centre and North of the country, thus affecting a significant area of the Company's assets under management, leading to an increase in the area burnt in relation to the total under management (≈2.7%).
Ensure that the stock of CO_2 sequestered in the forest holdings under Navigator's management does not fall by more than 10% in relation to 2022 (baseline year), by 2030	In 2024, we are looking at a positive evolution of 226 kt in the stock of CO_2 sequestered in the forest area under Navigator's management. We have yet to finalise how to account for carbon in the soil, following on from the work started last year with RAIZ.

5.2.6.3.2. Impact metrics related to Sustainable Forest Management (MDR-M)

Metrics	2024
CO_2 sequestered in our forests	
Portuguese forests, detained by Navigator	**6.4 Mt CO_2**
Area of eucalyptus	5.3 Mt CO_2
Area of cork oak, coniferous and other forest species	1 Mt CO_2
Agricultural areas, with shrub or bush species	0.16 Mt CO_2
Portucel Moçambique eucalyptus forest	**2.7 Mt CO_2**
Total	**9.1 Mt CO_2**
Certified forest area in mainland Portugal	
Certified forest area in mainland Portugal, both via FSC® and PEFC	108,654 ha
Segregation by type of area under management in mainland Portugal	
Area of eucalyptus	79,791 ha
Area of other forest species	10,023 ha (9% managed area by Navigator)
Area of other land use	20,104 ha (18% managed area by Navigator)
Total area managed	
Area in Portugal	108,807 ha
Area in Spain	1,111 ha
Area in Mozambique	26,932 ha
Total	**136,850 ha**
Total hectares of owned, leased or managed forests that have been converted to plantations or non-forest land use since 2020	
Area in Portugal	0 ha
Area in Spain	0 ha
Area in Mozambique	0 ha
Number of trees planted	
Number of trees planted in Portugal	3.4 M
Number of trees planted in Mozambique	0.3 M (*Eucalyptus grandis urophyla* plants)
Total	**≈3.7 M**
Number of plants produced in nurseries	
Nurseries in Portugal	7,731,275 (forest and ornamental plants)

Metrics	2024
Nurseries in Mozambique	1,519,755 (only *Eucaliptus spp*)
% Burnt area under Navigator's management	
Portugal continental	2.66% (% in ha)
Moçambique	0
e-globulus	
Number of total users	27,733 (cumulative)
Number of views	91,854 (cumulative)
Number of registered users	1040 (cumulative)
Number of news, events and updates	+ of 35
"Clube Produtores Florestais Navigator" (Navigator Forestry Producers Club)	
Number of registered users	367
Turnover	€538m
Number of Employees and members	2680
Investment in infrastructure and services for forest fire defense	
Investment in forest fire prevention and support in Portugal	€8.80m
Afocelca's activities in Portugal	€3.02m
Clearing and vegetation control activities in Portugal	€5.40m
Maintenance of paths and firebreaks in Portugal	€0.46m
Provision of specific PPE in Mozambique	€2448
Fire Prevention and Fighting Services - Human and material resources in Mozambique	€101,673
Manual digging vs. harrowing in Mozambique	€147,113
Cold burning (controlled fire) in Mozambique	€161,157
Pre-fire weeding in Mozambique	€107,828
Supply of certified wood	
Certified wood in the National market	72.94%
Certified wood in total wood purchased - National and international markets	73.39%

5.3. Social Information

5.3.1. Own workforce (ESRS S1)

5.3.1.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in the value chain	Sub-topic or related sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Improvement of job security of Workers with fixed-term and open-ended contracts.	Positive impact	-	Own operations	Job security
Shift work impacts on quality of life and physical and mental health.	Negative Impact	-	Own operations	Work schedule
Paying attractive salaries (monetary benefits) and granting non-monetary benefits promotes employee satisfaction.	Positive impact	-	Own operations	Adequate wages
Paying attractive salaries (monetary benefits) and granting non-monetary benefits promotes employee satisfaction.	Opportunity	Short Term - Reporting year	Own operations	Adequate wages
Promoting social dialogue between the Management and Workers' representatives leads to a greater involvement of Workers regarding common interests and may impact Workers' conditions.	Positive impact	-	Own operations	Social dialogue
	Positive impact	-	Own operations	Freedom of association, the existence of works councils, plus information, consultation and participation rights of Workers
Greater bargaining power of Workers covered by collective bargaining.	Positive impact	-	Own operations	Collective bargaining, including the percentage of Workers covered by collective agreements
Work-life balance improves the health and well-being of Employee	Positive impact	-	Own operations	Work-life balance

Description	Impacts, Risk or Opportunity	Time horizon	Location in the value chain	Sub-topic or related sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Workforce empowerment and continuous skill assessment assist Employees' professional and personal growth.	Positive impact	-	Own operations	Training and skills development
We guarantee equal pay for work of equal value in the geographies we operate in.	Positive impact	-	Own operations	Gender equality and equal pay for work of equal value
At Navigator, there is currently a rejuvenation program ongoing, allowing Employees from the age of 57 to join it, interrupting their cycle in the Organisation. This program has the advantage of granting better economic conditions to the Employees covered, in light of their current job situation, thus allowing them to interrupt their professional activity before the legal retirement age.	Positive impact	-	Own operations	Diversity
At Navigator, there is currently a rejuvenation program ongoing, allowing Employees from the age of 57 to join it, interrupting their cycle in the Organisation. This program offers clear benefits for the Company, allowing it to "renew" its workforce, with all the resulting advantages (e.g. absenteeism).	Opportunity	Medium Term - Between the reporting year and up to 5 years	Own operations	Diversity
A lack of gender representation and age diversity creates less inclusive and equitable environments, reducing innovation and a sense of belonging.	Negative Impact	-	Own operations	Diversity
Accidents at work or occupational diseases lead to fatalities, injuries or other pathologies	Negative Impact	-	Own operations	Safety and health
Non-compliance with occupational safety rules and procedures adversely affects the health and safety of Workers	Negative Impact	-	Own operations	Safety and health
Implementing programs and policies promoting a safe working environment, including training in safety, ergonomics and well-being, tends to increase satisfaction, productivity and positively influences the Company's reputation, reducing the number of occupational accidents	Opportunity	Short Term - Reporting year	Own operations	Safety and health

Note: The identified material impacts are real and not time-specific.

Our human capital represents a priority for Navigator and is the focus of continuous and structured investment to promote its development, evolution and sense of accomplishment. Proof of the importance of **Talent Management** is the direct supervision by the CEO of The Navigator Company. The **Human Resources** department is headed by a member of the Executive Committee. This structure highlights the strategic role of our Employees in the sustainability and future of our business and the social and economic impact generated in the local communities we operate in (Chap. 5.3.3).

Our **approach to people management** is based on the stability of working arrangements, the appreciation of merit, growth (internal progression and continuous skills development) and the promotion of safe working environments for about 4,000 Employees. Navigator seeks to be a **reference employer**, betting on the satisfaction of its workforce, which translates into greater productivity, the ability to attract young talent and the retention of qualified professionals, thereby positively influencing the Company's reputation. [ESRS S1.14d] [ESRS S1.13b]

Navigator's **workforce** includes Employees with a contractual relationship with the Group and non-employees (temporary workers). The latter are subdivided into two groups: workers hired through temporary employment agencies and non-employees providing services or manpower to Navigator through explicit contractual agreements. Currently, the number of non-employees is small and so therefore they were not considered in the scope of this profit and loss account. [ESRS S1.14a]

We actively invest in promoting the safety, health and well-being of our Employees and acknowledge the relevance of these dimensions for both quality of life and productivity. We are aware of the **impacts** inherent to our operations, including the possibility of occupational accidents and diseases, and we are firmly committed to creating a **safe and healthy environment**. Events like these, aside from impacting our Employees and their families, may also compromise the achievement of our health and safety objectives. We thus promote a **culture of Occupational Safety and Health (OHS)** that aims at, in a sustained manner, minimise risks, reduce accidents at work and eradicate occupational diseases. Conducting business in a responsible manner also helps us reduce costs and mitigate risks for people and workers in the value chain (Chap. 5.3.2), Communities (Chap. 5.3.3) and environment (Chap. 5.2) – especially in the context of our industrial units and forestry operations – and ensure the preservation of facilities and equipment. [ESRS S1.13a] [ESRS S1.14d]

The identified negative material impacts include both **systemic impacts and individual incidents**. Shift work and a lack of gender representation and age diversity are examples of systemic impacts that can, respectively, affect the quality of life and physical and mental health of shift Workers, and create a less inclusive and equitable environment, reducing innovation and a sense of belonging, thus adversely affecting the organisational culture and productivity. See also occasional incidents, e.g. accidents at work resulting from non-compliance with safety standards, which may compromise the health and safety of Employees. [S1.14b]

Navigator adopts several practices that generate significant **positive impacts** on the **well-being and development**

of its Employees, and in particular of its employees in the several regions Navigator operates in. [S1.14c] The offer of **attractive salaries and benefits**, together with **continuous training and work-life balance**, contributes to Employee satisfaction, growth and well-being. **Social dialogue and collective bargaining** promote the improvement of working conditions and encourage involvement and active participation of Employees in the organisation. The **rejuvenation program**, offering economic advantages for older employees, reflects Navigator's commitment to the well-being of all its Workers. Furthermore, moving from fixed-term to open-ended agreements provides **job security,** reinforces Employee stability and satisfaction, aligning with our mission of providing a stable and secure professional path. Finally, **equal pay for work of equal value** proves our commitment to fairness and justice in the workplace, reinforcing Navigator's culture of inclusion.

Our workforce is predominantly male, a gender imbalance historically influenced by the physical demands of forestry and industrial jobs. We are well aware of this challenge and take on the responsibility of promoting a culture of equity, committing ourselves to value **diversity, gender equity and inclusion**, effectively ensuring equal opportunities in the workplace. [ESRS S1.13a] [ESRS S1.14d]

After an internal assessment carried out by Navigator, no Employees with specific characteristics or in a particular context who, when carrying out their activities, were exposed to increased risk of damage were identified, according to the impacts and opportunities identified in the materiality assessment. [S1.15] On the other hand, we highlight the rejuvenation program, a measure aimed at a specific workforce group, well-being of older Employees and optimisation of Navigator's human resources management. [S1.16]

We are well aware of our role in building a fairer and more sustainable society by conducting our operations and activities based on a responsible corporate culture and ethical principles. We thus reaffirm our commitment to **respecting Human Rights** in all our operations and the value chain, ensuring that we promote decent work environments free from any form of exploitation, as expressed in the commitments of our Human Rights Policy. In this context, the Group has not identified, in its operations, countries or geographical regions with an increased material risk of forced, compulsory or child labour. [ESRS S1.14f] [ESRS S1.14g]

As a company, we undertake to catalyse change and positively influence society, promoting a positive and lasting impact. The material impacts, risks and opportunities identified cover all our Employees and may change depending on the location and country. [ESRS S1.14] It is worth mentioning that the material impacts on our human capital do not result from transition plans to reduce negative environmental impacts or climate neutrality, but from our continued commitment to valuing people and creating safe and equitable working conditions. [ESRS S1.14e]

5.3.1.2. Impacts, risks and opportunities management

5.3.1.2.1. Policies related to own workforce (S1-1, MDR-P)

We assume the importance of respect for Human and Labour Rights and our commitment to value diversity, gender equity and inclusion as an integral part of the global development of our business activity, through the adoption and implementation of several internal instruments, of which the following stand out: the **Code of Ethics and Conduct;** the **Human Rights Policy**; the **Equality Plan**. In addition, and concerning the promotion of occupational safety and health, we refer to the **Major Accident Prevention Policy (MAPP)**, in line with the objectives established in **the Management Systems Policy** [S1.20 | S1.23 | S1.24a | S1.24c | S1.24d]. We seek, whenever possible, to adjust and align practices in the different geographies we operate in, ensuring coherence and alignment with our principles and strategic objectives.

The Code of Ethics and Conduct reflects the values and commitments that guide our performance, promoting integrity, transparency and responsibility. This Code ensures decent working conditions for Employees and expressly prohibits child and forced labour, in line with the ILO Conventions and the Universal Declaration of Human Rights [ESRS 2.65d | S1.20 | S1.21 | S1.22]. It is complemented by the Code of Conduct for Suppliers (Chap. 5.4.1) and by the Internal Regulations and Good Practices Guides for Occasional Workers and Service Providers of Portucel Moçambique. [AR13]

Within the scope of **non-discrimination**, the Code of Ethics and Conduct establishes that Employees must not act in a discriminatory manner with other Employees or to any persons, namely based on race, religion, sex, sexual orientation, ancestry, age, language, territory of origin, political or ideological beliefs, economic situation, social context or contractual relationship, fostering respect for human dignity as one of the basic principles of the culture and policy followed by Navigator [S1.24b | S1.24c]. In addition, this document is complemented by the Code of Conduct to Prevent and Combat Harassment at Work. [S1.24a]

For Navigator, respect for human dignity as a fundamental right is an essential ethical issue and one of the basic principles of our Group's culture and policy. We are convinced of our role in building a better society by conducting operations and activities based on a responsible corporate culture. Under our Human Rights Policy we put measures in place to ensure that the Human and Labour Rights of all those establishing a relationship with the Navigator Group are respected. We also undertake to promote measures to identify the main impacts and potential risks of Navigator in the field of Human Rights, namely through due diligence processes, and to implement appropriate measures to prevent, mitigate and remedy possible non-compliance situations. To ensure the implementation of these commitments, this Policy defines a matrix of responsibilities associated with its governance model, establishing the specific powers of each area, board and commission involved and ensures a clear and efficient management of the activities provided for therein. [S1.20 | S1.21 | S1.24d]

We are committed to respecting Human Rights, in our operations and value chain, under the principles established in the International Charter of Human Rights, the OECD Guidelines for Multinational Enterprises, the Fundamental Conventions of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights, and are signatories to the English and Portuguese versions of the "CEO's Guide on Human Rights", published by WBCSD and BCSD Portugal, respectively, with other companies at the international and national levels. [S1.20 | S1.21 | S1.22 | S1.24c]

The documents guiding our responsible conduct and in the commitments made by the Navigator Group contain and acknowledged a broad list of Human Rights, such as: freedom; equality and dignity; non-discrimination and coercion; freedom of thought, conscience and religion; prohibition of slavery and child labour; health and safety at work; recognition of freedom of association and collective bargaining and equal and gender opportunities. [S1.24a | S1.24c]

It's also worth mentioning that, on the operational work fronts in Mozambique, the Community Liaison Agents (Chap. 5.3.3) also assess aspects related to Human Rights, such as the existence of child labour. Due to the existence of a minority Shareholder – International Finance Corporation (IFC) –, Mozambique's operations are governed by the Performance Standards (PS) of this institution, of which we would like to highlight PS2: Work and Working Conditions and PS4: Community Health, Safety and Security. [S1.20] | S1.21]

Our Human Rights Policy, in line with the principles set out in the Code of Ethics and Conduct, expressly prohibits **child labour, forced labour** and other forms of **modern slavery** (including human trafficking). We therefore undertake not to employ people under these conditions nor tolerate labour exploitation practices. [S1.22]

In our Policy, we are also committed to valuing **diversity, gender equity and inclusion**, to effectively ensure equal opportunities in the workplace. This commitment extends to Migrant Workers and Persons with Disabilities, ensuring the absolute prohibition of any form of discriminatory conduct, whether in the relationship with Employees (or with local Communities – Chap. 5.3.3). [S1.24a | S1.24b | S1.24c]

Code of Ethics and Conduct

Code of Good Conduct to Prevent and Combat Harassment at Work

Human Rights Policy

To duly implement the structuring instruments mentioned above, the first step would be to prevent and avoid situations of discrimination is the training and awareness of our Employees. To this end, we offer training on Ethics and Integrity to all Employees to reinforce the importance of the rules provided for in the internal instruments on Human Rights. [S1.24d]

Within the scope of **Diversity, Equity and Inclusion (DEI**), it is worth mentioning that we have implemented a governance model with the identification of a person in charge and a committee, reporting to the Board of Directors, supported by a broad multidisciplinary working group, which emerged aimed at strengthening the diagnostic model, proposal and implementation of internal initiatives and projects in this field. In this model, the creation of the **Equality working group** takes into account gender, age, nationality and professional experience diversity, and its members represent the boards most directly involved in the strategy and monitoring of the theme [S1.24a]. To strengthen gender equality in its different dimensions and the Navigator Group's practices in this field, as well as to continue the development of policies that facilitate the reconciliation of personal, family and professional life, several measures were implemented as provided for in the Gender Equality Plan 2024 and the Equality Plan 2025 was defined. [S1.24a]

Equality Plan 2025

Document	Equality Plan
Description of key contents and general objectives [ESRS 2.65 a]	Its main objective is to promote and ensure a level playing field within the Company to eliminate discrimination, especially concerning gender. In addition, it aims at creating an inclusive environment that recognises and values diversity, providing equal opportunities for all employees.
Scope [ESRS 2.65b]	It focuses on the company's operations and impacts Employees in Portugal.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	
Availability [ESRS 2.65f]	This document is shared with all Employees through the Intranet and Internet sites.

The Company translates the **remuneration**[14] policy of its Employees based on the career model structured around functional families, aiming at promoting equal pay, competitiveness and retention of talent, aligning professional progression with merit and organisational growth. It includes mobility guidelines, structured career plans and continuous training programs to develop team skills. Under the new **Career Plan for Operational Technicians**, skill training programs have been created, and a new registration and monitoring system has been implemented that can be monitored directly by the managers. This model allows teams to continuously acquire skills and develop their professional potential based on a number of factors provided for in the plan. This approach was defined jointly by the Human Resources Department (career plan) and the Compensation and Benefits department (rewards program) and approved by the Executive Committee, in line with the OECD Guidelines for Multinational Enterprises, Fundamental Conventions of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights.

[14] Set of practices that, although not formalized in a "policy" document, are in force.

Navigator has an **Occupational Safety and Health Management System (OSHMS)** governed by ISO 45001 and covering internal and external Employees. We undertake to provide a safe and healthy work environment, preventing occupational injuries and diseases, in line with the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights. This commitment is operationalised through [S1.23]:

- Identification and control of risks associated with work activities and implementation of preventive measures.
- Continuous training of Employees and partners, promoting a safety culture.
- Definition of clear responsibilities and allocation of adequate resources to ensure compliance with safety standards and objectives.
- The implementation, monitoring and assessment of practices promoting occupational safety and health, thus reinforcing the protection of direct and indirect workers. This system includes:

1) Continuous risk assessment, considering the dynamics of operations and the introduction of new technologies.

2) Consultation and involvement of Employees, encouraging their active participation in the improvement identification.

3) Incident and accident management, including investigation, reporting and corrective measures to prevent recurrences.

Through the Management Systems Policy, we are committed to creating shared value with society, promoting quality, sustainability, safety and innovation in our operations, and ensuring compliance with legal and ethical obligations, from a continuous improvement and sustainable development perspective. As commitments made and with an impact on our Employees, we would like to emphasise:

- Provide safe and healthy working conditions for the prevention of work-related injury and ill-health, following the principles of continuous improvement;
- Implement social responsibility practices, particularly for the benefit of Employees and local Communities where it develops its industrial and forestry activities;
- Promote consultation and participation of Workers, as well as their personal and professional development, encouraging initiative, innovation, productivity and commitment to achieve the goals.

The Major Accident Prevention Policy (MAPP) addresses the management of risks associated with the handling of hazardous substances by ensuring [S1.23]:

- The protection of human health and the environment through robust hazard control and management systems;
- Operationality of the Internal Emergency Plan, in articulation with external entities, to ensure an effective response to risk situations;
- Periodic review of the management system to incorporate learnings and maintain effectiveness.

These instruments are interconnected and are based on our commitment towards continuous improvement, health and safety of our Employees and the sustainability of our operations [S1.23]. It is also worth mentioning our "Mission Zero" Health and Safety Strategy, under which several actions were identified and implemented (see Section S1-4). By integrating these policies and systems, we promote a holistic approach to occupational safety and health, aligned with our sustainability, excellence and innovation values. Hence, we ensure compliance with legal and voluntary duties, the well-being of our Employees and the protection of Communities and the environment. [S1.23]

Management Systems Policy

Major Accident Prevention Policy (MAPP)

Document	Major Accident Prevention Policy
Description of key contents and general objectives [ESRS 2.65 a]	This policy highlights the commitment to prevent major accidents involving hazardous substances, promoting continuous improvement, compliance with legal requirements, the safety of operations, training of stakeholders and protection of human health and the environment.
Scope [ESRS 2.65b]	Focuses on the company's industrial operations in Portugal and impacts Employees, Stakeholders (essentially Service Providers and External Employees) and Local Communities.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business Partners and Stakeholders through the Intranet and Internet sites. It is also posted in the workplace.
References throughout of the non-financial Statement	• S2 – Workers in the value chain (Chap. 5.3.2)

It is also worth mentioning that we are developing a **Health and Wellness Policy** [ESRS 2.62] establishing guidelines to strengthen the well-being of Employees. This policy includes guidelines for the modernisation of Medical Centres and continuous improvement of Health Services, adoption of inclusive and personalised care, promotion of medical appointments and involvement of Employees in the definition of health and well-being priorities, and implementation of emergency prevention and response measures.

The following information is included by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

→ Presentation of the Code of Ethics and Conduct: Chap. 5.4.1

→ Presentation of the Human Rights Policy: Chap. 5.4.1

→ Presentation of the Management Systems Policy: Chap. 5.2.5

5.3.1.2.2. Processes for engaging both workers and workers' representatives about impacts (S1-2)

Open and transparent social dialogue has always been a major concern for Navigator, reinforced in recent years through the promotion of regular communication with the different Workers' representative structures, to establish greater proximity and to meet the objectives advocated by both parties in the labour relation [S1-27a]. Thus, not only did these structures and the different operational areas and Navigator's Human Resources (HR) Department come closer, but direct dialogue has also been encouraged with the Executive Committee and the Director in charge of the HR department. [S1-27]

A clear example of this type of initiative is the **Labour Forum**, relying on the presence of the Executive Committee and the **Workers' Representative Organisations (WRO)** of all Navigator sites and business areas, and all Industrial Directors, Human Resources, Legal Services and Safety Departments.

In this forum, a perspective on the evolution of different businesses, current and future challenges and the evolution of the global context is shared. Labour-related issues of interest to Workers are discussed here. It is worth mentioning the importance of **social dialogue** in the labour negotiation processes, which resulted in a multi-annual agreement covering the period from 2022 to 2023 and its renegotiation to cover the 2024/2025 period [S1-27]. To this extent, in addition to signing atypical **deal agreements**, the following **collective regulation instruments** were also amended [S1-27a]:

- The Navigator Company's Company Agreement entered into with Fetese;
- The Navigator Company's Company Agreement entered into with Fiequimetal;
- Navigator Tissue Ródão and Navigator Tissue Aveiro Collective agreements, entered into with the Fiequimetal and Fetese trade union structures.

Regular meetings are held with workers representation organisations (WRO), through monthly or bimonthly meetings, in all manufacturing units, promoted by the Manufacturing Boards and the Human Resources Boards. In these meetings, topics related to the evolution of business, safety of facilities and people, human resource issues, such as career plans, working hours, social benefits, labour negotiations, among others, are addressed. [S1-27b]

In Mozambique, we hold annual meetings with both Workers and Service Providers during which we communicate the project progress and gather Employees' opinions. In addition to these general meetings, the Company further hosts meetings with the second lines of management to inclusively discuss topics relevant to the project [S1-27a]. The responsibility for ensuring this dialogue rests with the Managing Director. [S1-27c]

The **effectiveness of the dialogue** can be assessed through the voluntary turnover rate, which is quite low (4.7%), a clear proof of the level of satisfaction of Employees working in the Organisation. [S1-27e]

We also have a **Whistleblowing Channel** in place, allowing us to report irregularities and/or infractions, and we conduct **consultations with Employees and organisational climate studies** (see the following sections). [S1-27]

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

In the conduct of our activities and our interactions with all Stakeholders, we consider it essential to promote a culture based on transparency and trust to have mechanisms that facilitate the identification, communication and investigation of concerns related to illegal behaviour or contrary to the Code of Ethics and Conduct or other internal regulations [S1.32 a | S1.32d]. To this end, we have implemented a Whistleblowing Channel (Chap. 5.4.1) and the following complementary channels, where Employees can express their concerns or needs [S1.32b]:

- **Organisational Climate Study**, carried out every 2 years, covering all employees.
- **"CRESCER" (GROWING) project**, aimed at improving the "commitment and sense of accomplishment" of our staff, with a page available on the intranet with the possibility of interactions on the several contents, including a dedicated space for new suggestions, feedback or comments.
- **Communication channels and transversal documents** applicable in Portugal, to better address doubts and questions of Employees, namely:

1) Employee Guide, with a summary of the main HR policies and processes in force, distributed on paper to all Employees and with an e-book version available on the intranet (published in 2024);

2) HResolve Portal, with customisation of interlocutors for the themes where employees have questions for a more agile and fast response, capable of monitoring the KPIs for continuous improvement.

3) IImplementation of a chat bot to answer Employees questions (prepared in 2024, to be launched in 2025);

There is also a **process** specifically defined for those not happy with their **Performance Assessment**. Complaints are submitted on the RHesolve Portal or by email, within 15 days after receiving the assessment, and the process is analysed by the Performance and Careers (P&C) department in partnership with the Talent Business Partner, the Management and the relevant Director. Navigator undertakes to provide a written response to the Employee and, where appropriate, the assessment is changed. [S1.32c | S1.32e]

In Portugal, we annually carry out **two consultations with Navigator workers** on occupational health and safety, where, through a digital and anonymous questionnaire, we identify strengths and development needs in Navigator's OHS area. The first consultation covers internal and external Workers, while the second is intended exclusively for internal Workers. [S1.32c | S1.32e]

In Mozambique, **complaint boxes** were installed at strategic points of the offices, to ensure that Employees can submit their complaints safely and confidentially. In the case of Occasional Workers in the field, complaints can be forwarded through the Technical Experts or Community Liaison Agents – through the complaint management mechanism for local Communities, as these Workers reside in the local Communities -, who, in turn, direct them to the Company, through the Communication Technical Experts, for analysis and resolution at the Management level. [AR30 | S1.32c]

We would like to stress that for the correct implementation of these structuring instruments and promotion of a culture of compliance based on ethical and integrated performance, Navigator understands that the training of its Employees is indispensable. To this end, we provide **training** on compliance, namely, Communication of Irregularities and Internal Policies. [S1.33]

The following information is included as reference to other parts of the Non-Financial Statement: further information on following up and monitoring the issues raised and addressed, and ensuring the effectiveness of the Reporting Channel (Chap. 5.4.1).

Whistleblowing Channel

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

Navigator is strongly committed to the appreciation and well-being of its Employees, acknowledging the fact that the responsible management of its workforce is essential to ensure a safe, inclusive and productive work environment.

We engage with our workforce, both directly and indirectly, through assorted processes that guide our decisions. In the field of **Occupational Health and Safety**, we ensure that all Employees are consulted through an online survey, carried out twice a year. The results of this survey are shared transparently, allowing everyone access to information and knowledge of the actions defined based on the responses collected. [S1.39]

In addition, we foster collaboration between the Workers' representation structures, the several operational areas and Navigator's Human Resources Department. At the same time, direct dialogue has been promoted with the Executive Committee, including the Director heading the Human Resources department. [S1.39]

We continuously develop initiatives **to strengthen organisational culture, train, improve working conditions and promote safety and work-life balance** of our Employees. We thus guarantee the implementation of actions to prevent, mitigate or correct negative material impacts on the workforce, also further promoting positive impacts and opportunities identified as material for Navigator. [S1.38a | S1.38c | S1.40b]

The Company ensures that its practices do not cause or contribute to negative material impacts on its workforce, through policies and practices ensuring a healthy, safe and inclusive work environment. We ensure that working conditions comply with legal regulations and best practices, promoting the well-being of Employees and preventing any form of exploitation or discrimination. [S1.41]

On the other hand, definition of targets and analysis of associated metrics (see section "Targets and metrics") allow the Group to monitor the evolution of its performance, and the effectiveness of the actions implemented to better adjust the adopted strategies. [S1.38d]

Among the main initiatives implemented throughout 2024, the actions developed and ongoing under the **"CRESCER" (GROWING) Project, the Health Month and the Zero Mission Strategy** stand out. We also highlight the **adhesion to the UN Global Compact** and participation, during the first half of 2024, in the **Business & Human Rights Accelerator Program**, which helped us carry out a first-level assessment of the actual and potential impacts on our workforce, the value chain and the Communities affected by its activity, identifying priorities for action. [S1.37 | ESRS 2.68]

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68a | ESRS 2.68d | ESRS 2.68e]
Talent management and human capital development				
Implementation of the "CRESCER" (GROWING) Project - an organisational culture evolution program	Executed and planned	Own operations, in all units, except the new factories in the United Kingdom	Ongoing, since 2022	Helped establish relations between Employees and is considered a success factor to retain people in the organisation and strengthen and train our leaders. Also helps foster a sense of belonging and fulfilment for Employees.
Consolidation of the results of the initiatives already implemented under the "CRESCER" (GROWING) Project	Planned	Own operations, in all units, except the new factories in the United Kingdom	2025	Consolidate project results by creating habits and practices in the organisation.
Health Month, focused on to the theme of Diversity and Inclusion	Executed	Own operations in Portugal	Ongoing, since 2018	Promote the participation and sharing of good practices in the field of health and well-being and publicise the several ongoing programs. In 2024, it focused on the theme of Diversity, Equity and Inclusion, where several workshops and webinars were made available to Employees, in particular: • Cooking workshops "A place of inclusion: Cuisine of the several countries" • Creation of an e-book to compile recipes/ ingredients used in the Health Month cooking workshops • Webinar "Stereotype with inclusive dynamics - The (Pre)Concepts" • Workshop Obstacles to Inclusion: The Stereotypes • Daily sentences on the intranet: Multicultural moment
Implementation of the measures provided for in the Equality Plan 2024	Executed and planned	Own operations	Started in 2024, ongoing	Strengthening gender equality in its different dimensions and the Group's practices in this field, as well as to continue the development of policies that facilitate the reconciliation of personal, family and professional life. The implementation of the 2024 Equality Plan included the development and planning of measures within the framework of the Company's strategy, mission and values, equal access to employment, training, equality in working conditions, protection in parenting, reconciliation of work with family and personal life, and prevention of harassment at work.
DEI Project startup	Executed and planned	Own operations	Started in the last quarter of 2024, and continuing into 2025	At the end of the year, a new project on the theme of Diversity, Equity and Inclusion (DEI) called "DEI Diagnosis" began, with the support of an external expert, aimed at strengthening the Company's compliance in terms of legal requirements, thus assisting the development of a dedicated action plan and support a consistent and integrated evolution of the Company's strategy in this matter.

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68a | ESRS 2.68d | ESRS 2.68e]
Health, safety, and wellbeing				
Mission Zero - Action 1: Development of initiatives, focusing on the areas of psychology, nutrition and physiotherapy, to provide tools to help the Employees covered improve their quality of life and adapt to shift work schedules	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2022, ongoing	Psychological, nutritional and personalised physiotherapy support Results: Improvement of quality of life and the ability to adapt to labour requirements, with a particular focus on Employees doing shift work. Strengthening skills to adapt to work challenges Results: Reduction of complaints of fatigue and muscle problems, improving productivity and well-being. Investigation and immediate response to accidents Results: Improvement in safety procedures and Employees' confidence in Navigator's response. Direct worker involvement in problem identification and problem solving Results: Implementation of solutions aligned with the real needs of Employees, strengthening a sense of belonging and appreciation. Planned metric: Implementation rate of actions proposed by Employees, from 2024. Recognition and encouragement towards the adoption of safe practices Results: Increased motivation and commitment to safety policies, contributing to a safer organisational culture. Number of recognised Employees: 133 Reduction in the number of accidents with sick leave: 47 (2024) vs. 57/2023 Empowerment to avoid future impacts Number of participations: 13,405 OVERALL result of all actions Significant reduction in incidents over the period, with a direct impact on meeting the target of the Frequency Index =4. Avoided sick leaves: 277 | Total recoveries: 321 | Partial recoveries: 137
Mission Zero - Action 2: dissemination of hobbies and leisure activities	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2023, ongoing	
Mission Zero - Action 3: Implementation of actions aimed at reducing the occurrence of occupational accidents or diseases	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2022, ongoing	
Mission Zero - Action 4: Implementation of a penalty and recognition regime associated with compliance with occupational safety rules and procedures	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2023, ongoing	
Mission Zero - Action 5: Empowerment of Workers	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2023, ongoing	
Mission Zero - Action 6: Implementation of programs and policies to promote a safe working environment	Executed and planned	Own operations in Portugal (Industrial and Forestry)	Started in 2021, ongoing	
Extension of the implementation of the Zero Mission Strategy to all industrial and forestry units in Iberia	Planned	Iberia (Industrial and Forestry)	2026	The extension of the Mission Zero strategy aims at strengthening the physical and mental health of Employees, promoting their well-being and safety in the workplace. A reduction in occupational accidents and diseases is expected, as well as greater compliance with safety rules and procedures. In addition, the initiative contributes to training and skills development, creating a safer and more qualified working environment.
Action Plan 2025	Planned	Iberia (Industrial and Forestry)	2025 - 2026	Improving health and safety.
Further actions				
Participation in the Business & Human Rights Accelerator Program - a UN Global Compact program that encourages companies from all sectors to take concrete actions to protect Human and Labour Rights.	Executed	Transversal	2024	Through participation in the program, Navigator analysed and identified the main risks for its workforce, the value chain and the Communities affected by its activity. An action plan was then developed and focused on one of the identified salient issues – Occupational Safety and Health – to ensure continuous due diligence on Human Rights, in line with the main risks identified, at a later stage. In addition, the plan aims, in the future, also to strengthen internal skills and establish a solid basis for future analysis, as well as for the implementation of risk mitigation and remediation strategies.

The implementation of the actions under the Mission Zero strategy and the "CRESCER" (GROWING) Project required the allocation of significant financial and human resources. [ESRS 2.69a | S1.43]

5.56 million euros were allocated to develop Mission Zero actions in 2024, e.g. capital expenditures (CapEx), and 2.14 million euros pertaining to operating expenses (OpEx). In addition to the financial resources allocated 19 internal employees and 23 external employees (including health teams), helped implementing these actions [ESRS 2.69 to | S1.43]. For 2025, 6.4 million euros. e.g. CapEx, and 2.5 million euros OpEx should be allocated. [ESRS 2.69 a | S1.43]

400 thousand euros (OpEx) were allocated to the "CRESCER" (GROWING) Project in 2024. The Project implementation also involved an internal team of 3 people and more than 100 Employees from different levels within the organisation's hierarchy. For 2025, 576 thousand euros (OpEx) should be allocated. [ESRS 2.69 a | S1.43]

The following information is included by reference to other parts of the Annual Report:

More information on the relationship between current financial resources allocated to actions or action plans and the most relevant amounts are

contained in the financial statements: ESRS 2.69b – Notes 2.3, 3.2, 3.3, 3.6 of the Annual Report Financial Statements.

Talent management and human capital development

Aligned with the purpose, "It's the people, their quality of life and the future of the planet that inspire and move us", The Navigator Company created an internal, mobilising and organisational transformation project, transversal to the entire Group – the **"CRESCER" (GROWING) project**. [ESRS 2.68a] Under the motto "That all Navigator people lead the future of the Organisation, committed and accomplished", the "CRESCER" (GROWING) project has 3 objectives:

1) Stimulate a Sense of Belonging

2) Improving Our Way of Working

3) Prepare Current and Future Leaders

In the diagnostic phase, held in 2023, we held focus group sessions with more than 200 Employees, resulting in a Roadmap of 29 initiatives, whose implementation is ongoing over 3 years. The work teams were given autonomy to implement the solutions, create a dynamic of mobilising work and also bring employees closer to different areas, functions, generations and geographies [ESRS 2.68a]. Within the scope of the "CRESCER" (GROWING) Project, the following actions implemented to prevent, mitigate or remediate negative material impacts on the own workforce stand out [S1.38a]:

- Leadership with Purpose Manual + Lead Program - customised behaviour guide for Navigator leaders, later consolidated in a training program;
- Recognition Program - to encourage the recognition and appreciation of the behaviours to be fostered in the Organisation;
- Employee Guide - compilation of human resources policies to facilitate the clarification of doubts and the integration of new Employees;
- Referral Program - so that everyone can contribute to the create teams and the future of the Organisation;
- Development of several support tools: Leader Dashboard, Task Master to support prioritisation, People Plan, Quick Guides on various topics, among others;
- Digital Forum: Aimed at stimulating digital literacy, disseminating Navigator's digital initiatives and enhancing Digital communication;
- Navigator Family Tour – relaunch an internal program whereby Employees and families are invited to visit the industrial complexes, now with differentiated activities for children under 12 years old who, for safety reasons, cannot move around the industrial operations;
- Straight to the Top - STT2.0 – program to collect ideas for improving operational efficiency and reducing costs to reward successful ideas from individuals or teams.

Every 2 years, within the scope of the several companies of the Semapa group, an organisational climate study is carried out for all employees [S1.38b | S1.38c | S1.38d], the results of which allow us to reinforce and update the "CRESCER" (GROWING) project roadmap. In 2024, and in addition to the Climate Study, a survey – Pulse – was conducted to delve deeper into themes that required evolution or clarification, where, once again, all the Company's Employees were involved in the national territory and international offices covered by the Climate Study. [S1.38b | S1.38c | S1.38d]

The **Health Month**, on the theme of Diversity and Inclusion, helped focus on some of the impacts, risks and opportunities identified as priorities, namely the negative impact associated with the lack of gender representation and age diversity, correlated with the creation of less inclusive and equitable environments, resulting in a reduction in innovation and the sense of belonging of Employees. [ESRS 2.68a | S1.38a]

Health, safety, and wellbeing

Within the scope of the **Mission Zero strategy,** defined for the 2023-2026 triennium, an ambitious action plan was established - based on the five pillars of the strategy: Monitoring and Control; Operational Excellence; Leadership; Skills; Behavioural Program - which responds to the identified material impacts and opportunities, acting not only in the mitigation of negative impacts but, above all, their prevention and promotion of opportunities. [ESRS 2.68a | S1.38a | S1.38c | S1.40b]

The Occupational Health (OH) team has developed several initiatives, especially in the field of psychology, nutrition and physiotherapy, to provide tools to help the Employees covered improve their quality of life and adapt to shift work schedules. Among the initiatives, the following stand out (Action 1):

- Workshops on sleep, with tips to improve sleep quality;

- Nutritional guidelines on what to eat before, during and after shifts;
- Recommendation of exercises to improve muscle structure throughout the day.

To promote work-life balance and the health and well-being of our Employees, the OH team, in partnership with several managers and Employees, promoted the dissemination of hobbies and leisure activities, inspiring other Employees to join in. These actions included (Action 2):

- Exhibitions, information leaflets and webinars;
- Promotion of physical exercise, through clarification sessions and explanatory leaflets;
- Face-to-face and Teams sessions during the working hours;
- Ergocoaching that, combined with physical activity at work, encourages not only exercise but also the improvement of muscle condition. In 2024, these activities were extended to all Employees, including shifts, normal, operational and white collar workers.

Within the scope of the pillars of the strategy that concern the Behaviour and Leadership, Operational Excellence and Competence programs, among the actions implemented with the objective of reducing occupational accidents or diseases are the following (Action 3):

- Gamification – development of a platform with weekly games and challenges on security, procedures, rules and good practices;
- Safety Walks – more than 16,000 held in 2024, with behaviour correction and improvement of unsafe conditions identified;
- Safety Moments – daily sessions for operational teams to analyse

and discuss relevant information related to events that occurred in the previous week;

- Transversal Procedures – elaboration of standards on critical topics such as Work Permits, Risk Assessment and Lockout Tagout (LOTO), and it is a very critical procedure related to the consignment of equipment and fluid lines;

- AGIR Accident Investigation – Serious and Irreparable Accidents, such as contact with chemicals, machinery/ equipment or work at height, are investigated within 24 hours, with presentation of conclusions to the Director in charge.

As a way of encouraging compliance with occupational safety rules and procedures, a penalty and recognition regime associated with compliance was implemented (Action 4). This system:

- Recognises and rewards proactive, exemplary and participatory Employees;

- Penalises, via cardinal rules, productivity awards and disciplinary procedures, those who do not comply with the norms, rules and procedures.

Recognising that the training of the workforce and the continuous skill assessment assists the professional and personal growth of Employees, in 2024 more than 37,000 hours of safety training were provided (Action 5). New approaches were adopted in terms of training, of which the following stand out:

- Role-play and gamification dynamics;

- The Industrial Challenge, which involved all Operational Technicians in discussions based on filming real situations of (in)safe behaviours;

- Reinforcement of the training of Employees through the possibility of conducting e-learning and face-to-face courses.

It is also worth mentioning the focus on implementing programs and policies promoting a safe working environment, including training in safety, ergonomics and well-being (Action 6), as a means to increase employee satisfaction and productivity and, simultaneously, positively impact the reduction in the number of accidents, thus positively influencing Navigator's reputation. The following initiatives stand out:

- Safety Month included the game "The Expedition", with practical exercises and team dynamics;

- The quarterly "Safety Conversations", led by the Industrial and Forestry Directors, involving Supervisors and Operational Technicians;

- The Supervisors Forum, dedicated to safety, identified programs to improve and proposals for new initiatives in 2025.

For 2025, in addition to continuing the 2024 actions, the following initiatives stand out [ESRS 2.68a]:

- Certification of safety leaders;

- Extend the recognition program to collective and service provider initiatives;

- Develop a security management platform;

- Carry out the improvement project of the winders/rewinders;

- Implement Near Miss campaigns, share good practices and incidents with the testimony of Employees.

The actions implemented under Mission Zero were developed to predict, cooperate and support the availability of solutions for Employees directly impacted by the identified material impacts. These actions were fundamental to mitigate adverse effects and promote the recovery and well-being of injured Workers. The results are presented in the following worksheet. [ESRS 2.68d | ESRS 2.68e]

5.3.1.3. Targets and Metrics

5.3.1.3.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5, MDR-T)

Under our 2030 Roadmap, and aware of the importance of responsibly managing the impacts and opportunities related to our Employees, we have established a set of strategic commitments to guide and monitor our journey. These commitments translate into specific goals that reinforce the promotion:

- Of safe and responsible behaviours contributing to a true **culture of safety and well-being**, improving working conditions, reducing work-related musculoskeletal diseases (WMSDs) and, consequently, occupational accidents and diseases, ensuring a safe and healthy environment for our Employees and culminating in our ambition to achieve zero accidents associated with our operations. [AR49a]

- The **development and empowerment of human capital** aligned with current and future needs contribute to the **qualification and employability of young people** in the regions where we operate.

Goal and target	Scope	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
	[ESRS 2.80c]	[ESRS 2.80d]	[ESRS 2.75 | ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Health, safety, and wellbeing							
Achieve Zero Accident Target through continuous improvement in safety, under the new 2021-2025 OHS Strategy: - Frequency index ≤2, in 2030	Own operations, Iberia. It includes internal employees and external workers	Baseline value: 7.3 Baseline year: 2022	Frequency index	7.3	5.8	4.1	Results to achieve: Frequency index (IF) ≤2.0 (Internal and external employees) Year: 2030 Interim target: Achieve a Frequency Index =2.6, in 2025 (Baseline year 2022).
Achieve an Occupational Accident Frequency Index ≤0.3 in 2025	Own operations in Mozambique. It includes internal employees and external workers	Baseline value: 2.5 Baseline year: 2022		2.5	1.6	0.36	Frequency Index: ≤0.3 Year: 2025
<10% accidents mischaracterised for non-compliance with rules and procedures **(new)**	Own operations, Iberia. It includes internal employees and external workers	Baseline value: 49% Baseline year: 2022	<10% accidents mischaracterised for non-compliance with rules and procedures **(new)**	-	-	19% **(new goal 2024)**	Results to achieve: <10% Year: 2030
Develop the Ergonomics Axis: 100 jobs intervened by 2030.	Own operations, Iberia.	Baseline value: 52 Baseline year: 2022	Intervened workstations (accumulated) - Ergonomics Project	52 (accumulated value)	72 (accumulated value)	202 (accumulated value)	Results to achieve: 100 jobs intervened Year: 2030
Develop the Occupational Health program by 2030: - Work Capacity Index (WIC): 45% in 2030; - Evaluation of Employee satisfaction with the program: >95%	Own operations, covers all geographies except Navigator Tissue Ejea and Navigator Tissue UK	Baseline value: 52 Baseline year: 2020	Work capacity index Assessing Employee satisfaction	Since the monitoring of this index is carried out every 4 years, the revaluation of the Work Ability Index (WAI) will take place in 2025. 97%	Since the monitoring of this index is carried out every 4 years, the revaluation of the Work Ability Index (WAI) will take place in 2025.	Since the monitoring of this index is carried out every 4 years, the revaluation of the Work Ability Index (WAI) will take place in 2025. 97%	Results to achieve: 45% >95% Year: 2030

Goal and target	Scope	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
	[ESRS 2.80c]	[ESRS 2.80d]	[ESRS 2.75 | ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Talent management and human capital development							
Establish partnerships with educational institutions in all regions we operate in, in the national territory (universities and technical schools) and internship programs, contributing to the development of skills and employability of young people.	Own operations in Portugal	Baseline value: -- Baseline year: 2020	No. of actions in universities and technical schools No. of internship programs	Participation in 19 job fairs (face-to-face and virtual). 6 pitch sessions. 10 presentations on the Company and Junior Recruitment Programs. 6 seminars/workshops on topics related to the Company's activity. 3 open sessions for final year master students at FCTUC, Nova FCT and ISA. 11 meetings between Navigator representatives and Teachers from educational institutions to increase synergies. 2 Merit Scholarships awarded at Nova FCT. Joint protocol with Altri, Corticeira Amorim and Sonae Arauco for the full financing of 22 scholarships in the field of forestry engineering at the universities of UTAD/FEUP, ISA and ESAC. 8 student group visits to our factories (242 students). 104 internships, of which: • 49 professional internships of Staff (47%); • 55 professional internships of Operational Technicians (53%); • 35 summer internships. 9 long-term trainees (24-month program) welcomed	Participation in 26 initiatives at universities (trade fairs, pitches and presentations). 31 curricular internships/ dissertation projects. 3 open sessions for final year master students at FCTUC, Nova FCT and UA. 8 scholarships awarded. 23 student group visits to Navigator factories (636 students). 109 professional internships, of which: • 51 professional internships for graduates and masters, with integration of 27.4% of these in the staff; • 58 professional internships for future Operators, with integration of 67.2% of these as Operational Technicians. About 50% integration of professional internships. 3 long-term trainees (24-month program); 48 summer internships.	<u>No. of actions in universities and technical schools</u> Average of execution of the plan above 90%: 100%, in 2024 (considering only the number of job fairs). <u>No. of internship programs</u> Execution of the internship plan in 2024: 80.85% 291 Internships 172 professional internships: • 47 professional internships for graduates and masters (27%); • 125 professional internships of Operational Technicians (73%).	Results to achieve: - Year: 2030 <u>Interim targets:</u> - Integrate 20% of the professional internships directed to Boards - Integrate 50% of the professional internships of Operational Technicians

Goal and target	Scope	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
	[ESRS 2.80c]	[ESRS 2.80d]	[ESRS 2.75 | ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Cover 80% of Employees with individual development plans (IDPs) customised to their professional needs and projects, in alignment with Navigator's succession needs, by 2030	Own operations, covers all geographies except Navigator Tissue Ejea and Navigator Tissue UK	Baseline: - Baseline year: 2020	% of Employees with development plans customised to their professional needs and projects	37% of the total number of Employees with IDP 76% of Technicians/Specialists/ Managers with IDP	31% of the total number of Employees with IDP 38% of Technicians/Specialists/ Managers with IDP	31% of the total number of Employees with IDP 53% of Technicians / Specialists / Managers with IDP	Results to achieve: 80% Year: 2030 Adjusted interim targets in 2024: - 45% of the total number of Employees with IDP in 2025 (Base year 2021); 60% of Technicians / Specialists /Managers with IDP in 2025 (Base year 2022).
Create awareness in the teams about good practices and ESG sustainability commitments by 2026	Portugal	2023	N/A	-	-	The S-pertise Program was created and the syllabus of the Sustainability and ESG training, starting in 2025, was structured. The internal Sustainability Hub platform was launched with sustainability content for employees	Until 2026 host **periodical awareness actions and offer training to 80%** of Employees. .
Continuously monitor the main motivational stimuli of Employees to achieve a better adaptation of the management practices, policies and processes implemented.	Own operations in Portugal, International Offices and Mozambique	2020 N/A	"CRESCER" (GROWING) project Climate Survey No. of Open Days	Straight to the Top program. Employer branding actions: Onboarding, Semapa event. Open days, in a total of 69 sessions, aimed at new Employees and people already integrated into the Organisation, to foster the transversality of knowledge between the various areas. The launch of the "CRESCER" (GROWING) project included the hosting of listening sessions with the involvement of about 200 people, whose inputs should lead to a roadmap of initiatives and actions to be implemented gradually and consistently	The **Straight To The Top** program covered 4 industrial complexes, with the following results: 35 ideas submitted; 1 award-winning idea. Organisational climate survey witnessed a 73% participation rate (the highest value of all surveys conducted at Navigator).	"CRESCER" (GROWING) project - 45% implementation of the roadmap of initiatives suggested by Employees. Climate Survey - Average result of indicators related to satisfaction and engagement: 65.4 (2023); We held 69 Open Days in 2024 - 34 in the 1st semester and 35 in the 2nd semester	"CRESCER" (GROWING) project: implementation of 100% of the roadmap in 2030. Climate Survey: Average >70% in the indicators related to satisfaction and engagement of the climate study.

Target-setting process

In general, our targets are set through benchmarking exercises, considering the best practices in the sector and, in specific cases (such as the percentage of the number of accidents mischaracterised due to non-compliance with rules and procedures and interventions in jobs, for example), we consider the evolution of the results obtained over the last three years, in light of the established action plan (bringing together several initiatives and actions) [S1.46 | ESRS 2.80f | S1.47]. The opinions of different internal and external Stakeholders are also taken into account, through different forums and structured dialogue mechanisms such as the Sustainability Forum, to ensure transparency and alignment with the expectations of Communities, Authorities and Experts.

In the development of our goals, we seek on the one hand, to ensure the focus on the continuous development of our Employees, in alignment with Navigator's strategic objectives and, on the other hand, we take into account the local context of the geographies we operate in. In this context, it is worth mentioning our contribution to the qualification and employability of young people, including in the inner regions of Portugal, where some of our factories are located. [S1.46 | ESRS 2.80f]

To ensure effective monitoring of our performance against the established goals, we regularly monitor progress through daily, monthly or quarterly evaluations, depending on the specific nature of each indicator. [S1.47]

We have also been developing several initiatives and moments of internal sharing, such as Safety Moments, Weekly Meetings, quarterly industrial meetings, and local industrial meetings, ensuring regular and integrated performance analysis. The results are submitted and presented and discussed in Steering Committees and in local and corporate OSH Committees, where corrective and improvement measures are also defined [S1.47]. Furthermore, under our commitment towards continuous improvement, the lessons learned, and the results obtained are widely disseminated, promoting a culture of safety and reinforcing the application of prevention and penalisation measures whenever necessary. [S1.47]

In particular, the Zero Accident Goal and workplace interventions (Develop the Ergonomics Axis) were developed in alignment with the Safety policy integrated into the management systems in order to provide safe and healthy working conditions for the prevention of work-related injury and ill-health, following the principles of continuous improvement [S1.46 | ESRS 2.80 a]. To set these targets we relied on the participation of Stakeholders, integrating information on internal and external Employees, who receive training and information on the rules and procedures, as well as information on the penalty regime applicable in case of non-compliance. [S1.46 | ESRS 2.80h]

Although we consider it essential to have a long-term action plan directing us towards achieving the commitments outlined under our 2030 Agenda, we should be mindful of the fact that, as a corporate management tool, the Roadmap is not static. Annually, a reflection is made that may lead to fine-tuning of some of the objectives set, establishment or adjustment of intermediate goals and, in some cases, setting of new goals. In this context, we emphasise that, in light of the response to the ESRS Standards, some adjustments were made, namely definition and/or explanation of the associated metric, base year, result to be achieved, baseline, etc. [S1.46 and ESRS 2.80i]

Performance against targets

Health, safety, and well-being

Regarding our performance in 2024, we emphasise that, through the implementation of the Mission Zero strategic plan, we were able to, after five years, achieve the much-coveted Frequency Index (FI) of 4.1 – an intermediate goal established for 2024 –, showing the effectiveness of an integrated and multidisciplinary approach. This result is proof of everyone's effort, commitment and dedication in building a safer working environment. It reflects an increasingly strong safety culture, where every action counts and where the protection of our people always comes first.

Among the several actions carried out (see section S1-4), efforts were made in areas such as continuous training, with more than 37,000 hours of safety training, and the introduction of innovative methodologies such as gamification and role-play. [S1.46 | ESRS 2.80j | S1.47]

The promotion of healthy practices, such as Ergocoaching and well-being activities, combined with the structuring of transversal procedures for critical topics, contributed to an increasingly present safety culture. Initiatives such as Safety Walks, the Supervisors Forum and Safety Talks were instrumental in involving all levels of the organisation in identifying risks and implementing solutions. [S1.46 | ESRS 2.80j | S1.47]

It is also worth mentioning the fact that were able to meet the target established for 2030 before that date as regards the number of jobs intervened (100) for ergonomics purposes and reached, in 2024, a cumulative total of 202 jobs intervened. [S1.46 | ESRS 2.80j | S1.47]

Regarding Mozambique, we have been monitoring the **Frequency Index (FI)** since 2020, pointing to a continuous improvement in safety through a significant investment in raising Communities' awareness as to the need to operate safely, educating Service Providers traditionally focused rather on operations and less on safety and environmental issues. This work resulted in a reduction in the Frequency Index from **2.5 in 2022 to 0.36 in 2024**. However, to obtain a more comprehensive view, Portucel Moçambique adopted, in 2024, the measurement of a Combined Safety Indicator, which integrates a Frequency Index (with a weighting of 60%) and a Severity Index (weighting of 40%), thereby allowing a better assessment of both the number of accidents with sick leave and their severity. A note on the absence of fatalities in Portucel Moçambique operations.

Talent management and human capital development

In 2024, several measures were implemented to promote and reinforce the construction of Individual Development Plans (IDPs), consolidating a culture of continuous growth. Among the main initiatives, the prioritisation of Employees to benefit from this plan stands out, ensuring broader access, and constant communication through multiple channels, such as email, intranet, webinars and training. In collaboration with the Learning Centre, these plans became the basis for identifying new training needs to be integrated into the annual training plan. In addition, performance assessments and development programs now include specific guidance for creating or adjusting plans, while the Talent Review process now provides personalised development guidance for all Employees involved. Quality was ensured through management reviews, driving continuous improvement.
The guideline has been updated with practical examples, focused on key competencies, and the Performance Improvement Plan process has been reformulated, with a greater focus on developing and building these growth tools.

Four years after having established this objective and in the face of all the actions implemented in the year under analysis and past years, the need to review and adjust the intermediate target to [S1.46 | ESRS 2.80i] was identified:

- 45% of the total number of Employees with IDP in 2025 (Baseline year 2021);
- 60% of Technicians / Specialists / Managers with IDP in 2025 (Baseline year 2022).

Our commitment to increasing youth employability is reflected in the establishment of 172 professional internships in the year 2024.
Whenever possible, we carry out these internships under the IEFP (Portuguese Employment and Professional Training Institute) state program, contributing to youth employability policies. In 2024, the integration rate of post-training operational technicians was 73%, so the intermediate target was exceeded by 23%. In the case of the Staff, the integration rate was 27%, so we are 7pp above the intermediate target. [S1.46 | ESRS 2.80j]

5.3.1.3.2. Characteristics of the undertaking's employees (S1-6)

Navigator is present in several countries, with almost 4,000 employees. Responsible management of our human capital is key to ensuring a fair and inclusive working environment, promoting talent retention.

Below, the main characteristics of Navigator's employees are presented[15].

This information is essential to understand the impact of the Navigator Group's work practices and to define informed strategies on human capital management.

Total employees, broken down by gender		2024	2023[16]	% Δ
	Number of employees (staff numbers)			
S1-6-002	Male	**3,213**	2,821	13.9%
S1-6-003	Female	**752**	646	16.4%
S1-6-004	Other	**--**	--	--
S1-6-005	Not disclosed	**--**	--	--
S1-6-001	**Total employees**	**3,965**	**3,467**	**14.4%**

Total employees, broken down by country/region		2024
	Number of employees (staff numbers)	
S1-6-006	Portugal	**3,180**
	Mozambique	**128**
	Spain	**176**
	France	**9**
	Italy	**8**
	Germany	**7**
	USA	**7**
	United Kingdom	**437**
	The Netherlands	**3**
	Turkey	**3**
	Poland	**2**
	Austria	**2**
S1-6-007	South Africa	**1**
S1-6-008	Morocco	**1**
S1-6-009	Mexico	**1**
	Total employees	**3,965**

The 2024 data refer to the number of employees as at December 31 and include all Workers with a contractual relationship with Navigator, including Navigator Tissue Ejea and Navigator Tissue UK Workers. The total number of employees includes the 14 members of the Board of Directors. [S1.50d]

The total number of Workers is also disclosed in notes 7 and 7.1 of the financial statements. [S1.50f]

[S1.50b e S1.52]

Total number of employees, by type of contract, broken down by gender		2024
S1-6-003, S1-6-002, S1-6-004, S1-6-005, S1-6-001	**Number of Workers**	
	Male	**3,213**
	Female	**752**
	Other	**--**
	Not disclosed	**--**
	Total	**3,965**
1-6-014, S1-6-013, S1-6-015, S1-6-016, S1-6-012	**Number of permanent employees**	
	Male	**3,021**
	Female	**696**
	Other	**--**
	Not disclosed	**--**
	Total	**3,717**
S1-6-021, S1-6-020, S1-6-022, S1-6-023, S1-6-019	**Number of temporary employees**	
	Male	**192**
	Female	**56**
	Other	**--**
	Not disclosed	**--**
	Total	**248**
S1-6-028, S1-6-027, S1-6-029, S1-6-030, S1-6-026	**Number of Workers' non-guaranteed working hours**	
	Male	**0**
	Female	**0**
	Other	**--**
	Not disclosed	**--**
	Total	**0**

[S1.50b, S1.51 e S1.52]

Total number of employees, by type of contract, broken down by gender		2024
S1-6-010, S1-6-011, S1-6-001	**Number of Workers**	
	Portugal	**3,180**
	Outside Portugal	**785**
	Total	**3,965**
S1-6-017, S1-6-018, S1-6-012	**Number of permanent employees**	
	Portugal	**2,950**
	Outside Portugal	**767**
	Total	**3,717**
S1-6-024, S1-6-025, S1-6-019	**Number of temporary employees**	
	Portugal	**230**
	Outside Portugal	**18**
	Total	**248**
S1-6-031, S1-6-032, S1-6-026	**Number of Workers' non-guaranteed working hours**	
	Portugal	**0**
	Outside Portugal	**0**
	Total	**0**

The 2024 data refer to the number of employees as at December 31 and include all Workers with a contractual relationship with Navigator, including Ejea and UK tissue Workers. [S1.50d]

[15] It is worth mentioning that trainees/scholarship holders and governing bodies are not considered in these values.
[16] Updated data in relation to the 2023 Annual Report, with the inclusion of Navigator Tissue Ejea Employees

The recruitment of temporary employees takes place based on explicit contracts with stipulated time and place. These agreements are essentially established to address the lack of human capital and/or expert workers required to carry out temporary projects or events. [S1AR56]

[S1.50c]	Employee turnover rate	2024
S1-6-047	Number of Employees who left the Company	**355**
	Number of Employees in the reporting period	**3,784**
S1-6-048	Employee turnover rate (%)	**9.4%**

Note: The outputs and headcount of Navigator Tissue UK were accounted for as of the acquisition date (May).

For 2024, all outputs throughout the year were accounted for, including the tissue units in Ejea and tissue in the United Kingdom [AR56 | AR60 | S1.50d], considering as the denominator the average number of staff in the 12 months of the year. [AR59 | S1.50d]

5.3.1.3.3. Characteristics of non-employees in the undertaking's own workforce (S1-7)

Mozambique has non-employees, both in the provision of services and hired through employment agencies. These Workers perform their duties independently, without a direct link with a fixed employer and are remunerated according to the services provided or the agreements signed.

The number of non-employees is reported in numbers. These correspond to Temporary Workers (TW) working full-time at the end of 2024 [S1.55b-1 | S1.55b-2] and only Temporary or non-employees were considered [S1.55b-2]. The data presented does not include information regarding the geographies where the Group has fewer than 50 Employees.

[S1.55a]	Number of non-employees	2024
	Non-employees	
S1-7-001	Portugal	**124**
S1-7-002	Mozambique	**182**
S1-7-003	United Kingdom	**0**
S1-7-004	Spain	**17**
	Other Geographies	**0**
	Total	**323**

5.3.1.3.4. Collective bargaining coverage and social dialogue (S1-8)

Collective labour conventions		2024
Coverage of collective labour conventions (%)		
S1-8-002	**Within the EEA**	**99%**
S1-8-003	Portugal	**100%**
S1-8-004	Spain	**89%**
	France	**0%**
	Italy	**0%**
	Germany	**0%**
	The Netherlands	**0%**
	Poland	**0%**
S1-8-005	Austria	**0%**
S1-8-007	**Outside the EEA**	**0%**
S1-8-008	Mexico	**0%**
	Mozambique	**0%**
	USA	**0%**
	United Kingdom	**0%**
	South Africa	**0%**
	Morocco	**0%**
S1-8-009	Turkey	**0%**
S1-8-001	**Total**	**84%**

Social dialogue		2024
Social dialogue (%)		
S1-8-010	**Within the EEA**	**99%**
	Portugal	**100%**
	Spain	**89%**
	France	**0%**
	Italy	**0%**
	Germany	**0%**
	The Netherlands	**0%**
	Poland	**0%**
	Austria	**0%**
	Outside the EEA	**0%**
	Mexico	**0%**
	Mozambique	**0%**
	USA	**0%**
	United Kingdom	**0%**
	South Africa	**0%**
	Morocco	**0%**
	Turkey	**0%**
	Total	**84%**

[AR70]	Reporting model to cover collective bargaining and social dialogue		
	Collective bargaining coverage		**Social dialogue**
Coverage rate (%)	**Employees— EEA (for countries with >50 employees representing >10 % of total Workers)**	**Employees– Outside the EEA (estimate for regions with >50 employees representing >10 % of total Workers)**	**Workplace representation (EEA only) (for countries with >50 employees representing >10 % of total Workers)**
0 - 19%	n/a	**UK and Mozambique**	**n/a**
20 - 39%	n/a	**n/a**	**n/a**
40 - 59%	n/a	**n/a**	**n/a**
60 - 79%	n/a	**n/a**	**n/a**
80 - 100%	Portugal and Spain	**n/a**	**Portugal and Spain**

Navigator has no agreement with the Company's Employees for representation by a European Works Council, a European Works Council or a Societas Cooperativa Europaea (SCE) Workers' committee. [S1.63b]

5.3.1.3.5. Diversity indicators (S1-9)

In the data presented, Employees in qualified positions were considered as senior staff, and all Operational Technicians and Supervisors working in the factory floor areas [AR71] were excluded.

[S1.66a]	Gender distribution at senior management level (number)	2024
	Employees at senior management level (number)	
S1-9-002	Male	**870**
S1-9-003	Female	**535**
S1-9-004	Other	**--**
S1-9-005	Not disclosed	**--**
S1-9-001	**Total**	**1,405**

[S1.66a]	Gender distribution at the senior management level (%)	2024
	Employees at senior management level (number)	
S1-9-006	Male	**61.92%**
S1-9-007	Female	**38.08%**
S1-9-008	Other	**--**
S1-9-009	Not disclosed	**--**

[S1.66b]	Distribution of Workers by age group	2024
	Number of Workers	
S1-9-010	< 30 years old	**559**
S1-9-011	30-50 years old	**2,448**
S1-9-012	> 50 years old	**958**

5.3.1.3.6. Adequate wage (S1-10)

In all countries where we operate, we ensure that the wages paid are fair and adequate, ensuring that they are above the minimum wage established in each country. [S1.69]

5.3.1.3.7. Training and skills development indicators (S1-13)

Percentage of employees who participated in regular reviews of performance and career development (%)		2024
	Genus	
S1-13-002	Male	**92%**
S1-13-003	Female	**89%**
S1-13-004	Other	**--**
S1-13-005	Not disclosed	**--**

The data presented for 2024, referring to the Performance Assessment, refers to 2023, given that the Performance Management Cycle of 2024 is not yet completed. All Employees in Portugal, Mozambique and international offices were considered, and the tissue units in Ejea and in the United Kingdom were not covered.

Employees whose performance was assessed in 2023 were appraised once in the relevant year [AR77a] under the agreed number of reviews [AR77b].

Number of hours of training per employee		2024
	Genus	
S1-13-049	Male	**100**
S1-13-050	Female	**64**
S1-13-051	Other	**--**
S1-13-052	Not disclosed	**--**
	Average number of hours training per employee	**93**

The data presented represent the total hours of training for 2024, considering the number of staff on the last day of the corresponding year. For the year 2024, a total of 3,519 Employees were considered, 684 female and 2,835 male, which corresponds to all national and international Employees, except for the tissue unit in the United Kingdom. In the case of the tissue unit in Ejea, only the e-learning registered on the Learning Centre portal was considered, and the training hours offered locally were excluded.

5.3.1.3.8. Health and safety indicators (S1-14)

Navigator has an Occupational Safety and Health Management System (OSHMS), implemented under ISO 45001, and which is certified by an external entity.

[S1.88a]	Percentage of Workers covered by a health and safety management system	2024
	Number of Workers	
S1-14-001	Labour	**74.6%**
S1-14-002	Employees	**78.4%**
S1-14-003	Non-employees	**27.9%**

The data presented refer to the OSH Management System in Portugal and Navigator Tissue Ejea, certified according to ISO 45001. It is worth mentioning that, in the Organisation some activities, namely Forest Management, Wood Supply and ROOT, are not within the scope of ISO 45001. However, operations in these areas follow the same principles and procedures. This indicator does not include the Mozambique and United Kingdom geographies.

In the period under review, no fatalities were recorded in Navigator's operations. [S1.88b]

[S1.88b]	Work-related accidents	2024
	Portugal and Spain	
S1-14-017	Labour	**159**
S1-14-018	Employees	**149**
S1-14-019	Non-employees	**10**
	Mozambique	
S1-14-017	Labour	**25**
S1-14-018	Employees	**15**
S1-14-019	Non-employees	**10**

[S1.88c]	Accidents at work (per 1,000,000 hours)	2024
	Portugal and Spain	
S1-14-020	Labour	**28.6**
S1-14-021	Employees	**27.8**
S1-14-022	Non-employees	**50.2**
	Mozambique	
S1-14-020	Labour	**12.15**
S1-14-021	Employees	**8.67**
S1-14-022	Non-employees	**30.56**

The data above refer to the operations performed in Portugal, Spain and Mozambique, and as regards other geographies the Company is still in the process of integrating information.

As for Portugal and Spain, and as regards the number of hours worked by employees, the records in the Company's information system were considered. The hours worked by non-employees are estimated from the number of Employees crossing the gates and whose access is recorded in the computer system, assuming that they work an average of 8 hours a day. In the case of forest areas, there is a record and control dedicated to this collection of information. The Project Directorate has its own information gathering, which is accounted for by the local teams [AR90].

In Mozambique, the accounting of hours worked was carried out in a disaggregated way for the three groups considered: Number of employees; Individual service providers (PSI) and Occasional work. For each of these groups, the methodology applied was the following [AR90]:

- Staff: (Number of working days of each month x 8 h) x number of staff - days of absence of Employees of this category
- Individual service providers: Number of working hours of each month x number of PSI
- Duty sheets (workdays) collected by the operational team, and which give rise to payment.

The data presented refer to the operations in Portugal and Mozambique, and in the latter geography, there was no record of work-related diseases. 100% of these Employees are entitled to family care leave.

Number of confirmed occupational diseases		2024
	Work-related illness	
S1-14-023	Employees	**4**
S1-14-024	Non-employees	**--**

Number of days lost due to work-related injury and death due to work-related accidents, work-related ill-health and deaths due to ill-health in Employees		2024
	Portugal and Spain	
S1-14-025	Employees	**2,187**
S1-14-026	Non-employees Workers	**--**
	Mozambique	
S1-14-025	Employees	**--**
S1-14-026	Non-employees	**20**

In Mozambique, the 20 days of sick leave indicated for the year 2024 were a consequence of a (the only) accident with sick leave that occurred in 2024, which involved an external Worker (of a forestry service provider).

5.3.1.3.9. Work-life balance metrics (S1-15)

Percentage of Workers entitled to and using family care leave (%)		2024
S1-15-003	**Male**	**6.1%**
S1-15-004	Female	**7.6%**
S1-15-005	Other	**--**
S1-15-006	Not disclosed	**--**
S1-15-002	**Total**	**6.5%**

The information above refers to Employees of companies in Portugal and Mozambique and Ejea. Parental, paternity, maternity and family care leave were considered for this calculation. 100% of these Employees are entitled to family care leave.

5.3.1.3.10. Remuneration metrics (pay gap and total remuneration) (S1-16)

Gender wage gap (%)		2024
S1-16-001	**Total**	**2%**

Ratio of annual total remuneration		2024
S1-16-018	**Total**	**32.25**

To calculate the wage gap between men and women, only regular monthly salaries as of 12/31/2024 were considered (which include basic remuneration, remuneration for exemption from fixed working hours (EFWH), complementary remuneration, shift allowance and performance of functions). [S1.97c]

To calculate the annual total remuneration ratio, the total monthly remuneration of the highest-paid individual was considered compared to the median of the total monthly remuneration of the headcount (excluding the highest-paid individual). Salary data are based on all regular monthly remuneration (which includes base remuneration, EFWH Allowance, Shift Allowance and other

complementary monthly remuneration of a regular nature). For this purpose, the entire Navigator staff as at 12/31/2024 is accounted for.

5.3.1.3.11. Incidents, complaints and severe human rights impacts (S1-17)

The total number of work-related discrimination incidents, including harassment and complaints, reported by the Compliance Area, results from the Whistleblowing Channel (see section S1-3). As mentioned above, this channel is intended for the communication of irregularities by Employees, Suppliers, Customers, Service Providers, Local Communities or any other interested parties and can be accessed via the website and Intranet. [S1.103d] Portucel Moçambique has a specific document for the management of complaints from the Communities: the Complaints Management Mechanism. [S1.103d]

The total number of work-related discrimination incidents, including harassment, corresponds to the substantiated complaints received by the Compliance Area through the Whistleblowing Channel in 2024. The number of complaints submitted by Employees through the grievance communication channels reflects the total number of complaints received by the same Channel throughout 2024, which includes other issues, in addition to those related to Human Rights.

No cases of serious human rights incidents were confirmed in 2024.

		2024
[S1.103a] S1-17-001	**Total number of work-related discrimination incidents, including harassment in the reporting period**	**1**
[S1.103b] S1-17-002	**Number of complaints submitted by Employees through the grievance reporting channels**	**37**
[S1.103c] S1-17-003	**Fines, penalties and compensation for damages (€)**	**0**
[S1.104a] S1-17-04	**Number of serious human rights incidents related to the Company's workforce**	**0**
[S1.104b] S1-17-05	**Total amount of fines, sanctions and compensation for damages caused by serious human rights incidents related to the Company's workforce (€)**	**0**
[S1.106] S1-17-06	**Number of serious human rights incidents in which the Company played a role in ensuring redress for those affected**	**0**

5.3.1.3.12. Entity specific metrics (MDR-M)

In addition to the metrics to be reported under the ESRS, Navigator monitors an additional set of metrics that support the analysis of the evolution of its performance. [ESRS 2.77c]

Occupational Health Program

Our approach to Occupational Health and Safety (OHS) puts the well-being of Employees at the heart of the operation. To that end, we have a robust Occupational Health (OS) structure, with a psychologist, a nutritionist, a social worker and four physiotherapists, as well as a medical team (which includes six occupational physicians, four curative medicine physicians and 20 nurses), ensuring close and accessible monitoring to all Employees in the industrial, forestry and administrative areas.

The Portuguese manufacturing units are equipped with Medical Stations, providing specialised support whenever necessary. The nursing team ensures continuous assistance 24 hours a day, except Vila Velha de Ródão unit, where the service is available during daytime hours.

The different capacities of the Occupational Health team work closely together, providing integrated and multidisciplinary monitoring, and promoting actions aimed at risk prevention, health promotion and improvement of the quality of life at work.

One of the structuring projects of this strategy is the Ergonomics Project, which is there in all industrial units and nurseries, with more than 200 jobs being the focus of this type of intervention. This initiative, conducted by the physiotherapists of the Occupational Health team, aims at analysing the jobs identified as critical, through regular field visits and feedback from Employees. The investment made has been significant, but the results point to a reduction of about 50% in work-related musculoskeletal injuries since the beginning of the project.

Physical activity at work has been an essential pillar in health promotion, complementing this preventive approach. In 2024, we started offering daily sessions via Teams, ensuring participation of all Employees, regardless of their location. More than 1000 Employees were registered and joined the sessions on a regular basis both in person and online. This initiative has helped reduce work-related musculoskeletal diseases (WMSDs), reinforcing the importance of movement and physical well-being in the prevention of health problems.

In addition to these initiatives, we are reinforcing our commitment to health promotion through structured programs, such as sleep analysis, food habits during shifts and social support, as well as the Health Month (celebrated annually in October), promoting several outreach activities with operational teams.

To complement this support, we also provide Health Insurance for our Employees from all geographies, granting access to a wide network of medical services and specialists.

[ESRS 2.77c – Entity specific metrics]

Occupational Health Program	2024
No. of Physiotherapy appointments	**2,116**
No. of Nutrition appointments	**716**
No. of Psychology and Social Work appointments	**1,044**
No. of casualties avoided	**277**
No. of Employees covered	**2,671**
No. of partial/total recoveries	**321/137**

Ergonomics Project

A Project that includes several actions, namely the direct intervention in the workstations and the awareness of Employees about the correct posture to carry out certain tasks.

[ESRS 2.77c – Entity specific metrics]

Ergonomics Project	2024
No. of posts intervened	**202***
No. of Actions Performed	
Number of approved actions	**214**
Number of implemented actions	**141**

* Accumulated numbers since the beginning of the project.

Young Talent
In this metric, the professional, summer and trainee internships that took place during 2024 were counted. In total, on December 31, 2024, 111 trainees were considered present, with 21,292 hours of training. [ESRS 2.77a]

Birth Premium
In 2023, a new measure under the protection of parenthood was implemented, in the form of a Birth Premium, applicable to the children of Employees born from the beginning of the year. This is a parenting support benefit, materialised in the awarding of a premium equivalent to one month of base remuneration to all Employees with children born as of January 1 of each calendar year. The Birth Premium is paid in the month following the child's birth month. [ESRS 2.77a]

In 2024, this premium was awarded to 109 Employees, corresponding to an investment of about €150,653.

Young Talent	2024
No. of young people in the Talent Attraction Program	298
Integration Fee (%)	50%
No. of hours of training for trainees	21,292

Note: The Talent Attraction Program accounts for all trainees from 2024.
For the calculation of the number of hours of training, the trainees who collaborated with the Company on December 31, 2024 are considered.

[ESRS 2.77c – Entity specific metrics]

Birth Premium	2024
No. of Employees	109
Premium Amount (€)	150,652.54

Note: The Birth Award is awarded to all Employees of the companies of the Group

Evolution of employee salaries and benefits

[ESRS 2.77c – Entity specific metrics]

Evolution of Employee salaries and benefits	2024	2023	2022
Evolution of Employee salaries and benefits (€m)	202,709	171,127	185,194

Note: The evolution of employee salaries and benefits refers to the Portugal and Mozambique geographies. This metric corresponds to Indicator GRI 201-01.

Grants and benefits
In 2024, €9,453,335 were allocated in social support benefits and subsidies, within the scope of family support programs and benefits attributed to Employees in Portugal, such as health insurance, life insurance and pension fund, corresponding to an average €2,729 investment per Employee.

Nationalities
At the end of 2024, Navigator had Employees of 40 nationalities in its staff.

[ESRS 2.77c – Entity specific metrics]

Nationalities	2024
Number of nationalities	40

5.3.2. Workers in the value chain (ESRS S2)

5.3.2.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in the value chain	Sub-topic or related sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Non-compliance with occupational safety rules and procedures adversely affects the health and safety of Workers	Negative Impact	-	Amount/Own operations	Safety and Health
Training and improving the skills of Workers have a positive impact on their income.	Positive impact	-	Amount/Own operations/ Downstream	Training and skills development
Ensuring access of all Workers to hygiene, sanitation and drinking water conditions impacts the health of Workers in the value chain.	Positive impact	-	Own operations	Water & Sanitation

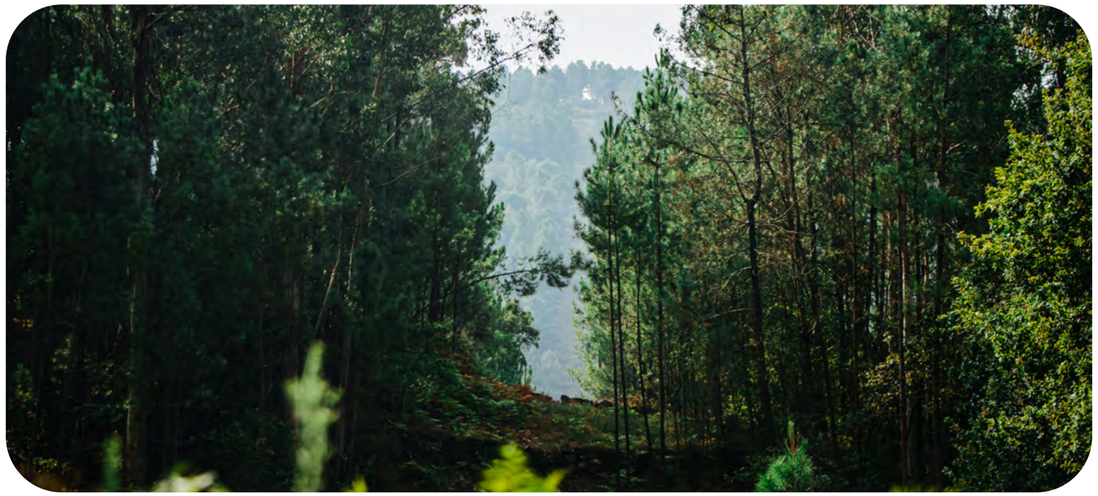
Note: The identified material impacts are real and not time-specifice

Navigator's approach to sustainability rests on the development of a business with responsible management, including **workers in the undertaking's value chain,** as part of this **responsible action**. We take a comprehensive approach to ensure **the occupational safety and health (OSH)** of everyone working along our value chain, including direct employees (Chap. 5.3.1) and **employees of our Suppliers, Service Providers and Partners**. Workers in the value chain subject to material impacts include **service providers working in forestry activities and those working in industrial operations** we focus also on [S2.11a]

Acknowledging the fact that non-compliance with occupational safety rules and procedures adversely affects the health and safety of Workers, we promote a **safety culture**, in line with our "**Mission Zero**" strategy aimed at eliminating occupational accidents. The objective of Mission Zero covers those working and collaborating with us, without excluding Workers from specific groups, geographies or other classifications. [S2.10a-1] [S2.11]

We establish strict **criteria** for **Suppliers and Partners** – through specific policies, our Service Provider Manual, among other documents -, requiring them to know and comply with the procedures and rules in force in the Company, ensuring the implementation of **preventive practices and promoting audits and risk assessments**, ensuring compliance with our occupational safety and health standards and contributing to the adaptation of the business strategy. We reinforce the importance of safety culture through our **Occupational Safety and Health Management System**, certified by **ISO 45001**, ensuring that both Direct Employees and External Workers operate under safe conditions (Chap. 5.3.1). [S2.10a-1]

We value **continuous training** as an essential mechanism for the training of Workers in our value chain. By providing training in occupational safety, correct use of Personal Protective Equipment (PPE) and operational risk management, we help to reduce accidents and improve the skills of Workers, with direct impact on their performance and achievement. [S2.10a-1]



In the **forestry activity**, the **Operations Quality Control process** informs and validates compliance of the Service Providers' practices with the technical references and with the legal, social and environmental requirements in force, minimising the risk of failure of the operations carried out. The results obtained support the selection of Service Providers for the performance of future operations. The Safety and Waste Management Sheet, together with the respective safety procedures, is equivalent to the Service Provider Manual referred to above, is a specific instrument in forestry activity. In **Logistics and Transport**, the **Road Transport Environment and Safety Procedure** is equivalent to the Service Provider Manual and is a specific instrument for the transportation activity. [S2.10a-2| S2.10a-1]

We do not operate in geographies or with products involving significant risks **of child, forced or compulsory labour** among workers in the Company's value chain. [S2.11b]

The identified **material negative impacts** can be classified either as generalised or systemic, or as related to specific incidents or business relationships [S2.11c]. **Widespread or systemic** impacts result from structural factors such as gaps in safety culture, gaps in training, or weaknesses in oversight of OSH practices in the value chain. These impacts may manifest themselves through recurring trends, such as the increase in the accident rate among contractors due to little knowledge of internal procedures. The impacts related to **individual incidents or specific business relationships** may result from specific situations of non-compliance by Service Providers or Workers, resulting in accidents or risk events. [S2.11c]

Regardless of its origin, non-compliance with rules and procedures can lead to serious occupational accidents, thus increasing the need for strict supervision, audits and frequent follow-up actions, as well as full compliance with our **Service Provider Manual** or similar documents specific to the forestry activity. [S2.11c]

Activities that result in **positive material impacts** include OSH training, regular audits and inspections, sharing good practices, and integrating Service Providers into the Company's safety culture [S2.11d]. Key types of value chain Workers who are or may be positively affected include: [S2.11d]

a) Contracted workers and Service providers – by complying with the rules and procedures, they reduce risk exposure and improve their OSH performance.

b) Supervisors and security management teams – they benefit from a more controlled and predictable environment, facilitating risks identification and mitigation.

c) Internal employees interacting with third parties – are impacted by the global improvement of the safety culture, which reduces accidents and promotes a safer working environment.

It is worth mentioning that Workers of Service Providers and, where applicable, those in the logistics and transportation sector, have specific rest areas available inside the Company's facilities, as well as access to sanitary facilities, changing rooms and water points. We thus ensured these Workers have access to **adequate conditions of hygiene, sanitation and drinking water**, promoting their well-being, health and better working conditions. [S2.11d]

After an internal assessment carried out by Navigator, no Employees with specific characteristics or in a particular context who, when carrying out their activities, were exposed to an increased risk of damage were identified, according to the impacts and opportunities identified in the materiality assessment. [S2.12]

Strict compliance with rules and procedures, combined with structured and continuous training, thus raises the operational safety levels, resulting in a reduction in incidents and strengthening of the safety culture throughout the value chain. [S2.11d]

5.3.2.2. Impacts, risks and opportunities management

5.3.2.2.1. Policies related to value chain workers (S2-1)

In line with the principles guiding our operations, we are committed to fostering responsible conduct throughout our value chain. Navigator's main policies covering Workers in the value chain are: **Human Rights Policy**; **Codes of Conduct for Suppliers**; **Major Accident Prevention Policy; Management Systems Policy**; **Forestry Policies**. These documents apply to everyone performing their activity along our value chain. In addition, as a complementary document, the **Good Practices Guide for Service Providers and Occasional Workers**, which establishes the principles, rights and duties duly aligned with ILO Performance Standard 2 - on the elimination of forced or compulsory labour, being specifically addressed to Forest Service Providers and occasional Employees recruited in the Communities where **Portucel Moçambique** operates. [ESRS 2.65a| S2.16]

In the development of these policies, **reference intergovernmental documents** were taken into account, including the United Nations Guiding Principles on Business and Human Rights, the Fundamental Conventions of the International Labour Organisation and the OECD Guidelines for Multinational Enterprises, in addition to the ISO standards that support our Management Systems Policy. [ESRS 2.65d | S2.19]

Our Human Rights Policy assumes specific commitments aimed at Workers in the value chain from the outset: to promote the different levels of The Navigator Company's value chains to respect Human Rights and labour rights, namely through appropriate contractual rules that encourage the adoption of the necessary preventive and corrective measures and the transparent treatment of information regarding possible violations of Human or Labour Rights, as well as the assessment of their compliance in these matters. This commitment is included in the matrix of responsibilities associated with the governance model of the Human Rights Policy.

Also the Supplier Code of Conduct refers to Workers in the value chain, namely [ESRS 2.65to| S2.16 | S2.17]: (1) compliance with applicable laws and regulations; (2) respect and promotion of Human Rights; (3) non-discrimination; (4) working hours; (5) health and safety; (6) freedom of association and collective bargaining; (7) environmental practices.

We emphasise, regarding the respect and promotion of Human Rights: that Navigator respects universal Human Rights in its operations and promotes their implementation in its sphere of influence and expects its Suppliers to do the same. The Code expresses the prohibition of child or forced labour of any kind, respect for the personal dignity, privacy and personal rights of each individual must be respected, further stating that all Navigator Supplier Workers must not be subject to physical punishment or physical, sexual, psychological or verbal abuse or harassment. [S2.17]

To reinforce this commitment, we have implemented a **Third Party Integrity Verification System** and included compliance clauses in agreements entered into with Suppliers, through which we ensure the adoption of several

Human Rights Policy

Supplier Code of Conduct

criteria – namely in matters of prevention of corruption and related offences, prevention of money laundering and financing of terrorism, compliance with international sanctions, including, among others, Human Rights protection.

Also in this context, it is worth mentioning that, during 2024, cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving Workers in the value chain were not reported in the channels available for this purpose. [S2.19]

The following information is included by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

→ Presentation of the Human Rights Policy and Supplier Codes of Conduct: Chap. 5.4.1

→ Presentation of the Management Systems Policy: Chap. 5.2.5

→ Major Accident Prevention Presentation: Chap. 5.3.1

→ Presentation of Forest Policies: Chap. 5.2.6

5.3.2.2.2. Processes for engaging with value chain workers about impacts (S2-2)

Engagement with value chain workers is essential to ensure actions that generate positive impacts and mitigate potential negative impacts. This involvement is particularly relevant when Employees perform functions similar to the Group's own operations, such as industrial and/or forestry operations.

Occupational Health and Safety issues are a priority for Navigator. The Company's **internal health and safety (OHS) program** includes engagement with value chain workers. These Workers must adopt the occupational safety practices established by the Company and comply with the established standards and regulations. In addition, they must participate in Navigator safety **training**, which addresses the Company's specific safety requirements, as well as external training. [S2.22a]

Navigator does not currently have any global framework agreements or agreements with global trade union federations. [S2.22d]

In addition, we have a Whistleblowing Channel and carry out **consultations with Employees** (see next section). [S2.22a]

5.3.2.2.3. Processes to remediate negative impacts and channels for value chain workers to express concerns (S2-3)

The material negative impacts identified for value chain workers are related to health and safety. The general approach to providing or help remediate these material negative impacts is based on a **structured process of accountability and continuous improvement**, under which the following processes are implemented: [S2.27 a] [S2.33 a]

- **Accident penalisation and mischaracterisation procedure** – whenever a Service Provider causes or contributes to a significant negative impact, a corrective action plan is required, which must be implemented by that Service Provider and followed up by the Navigator team. [S2.33b] [S2.23]

- **Monitoring and assessing implementation** – the Navigator team monitors the implementation of corrective measures to ensure that the incident causes are properly addressed and do not recur. [S2.33b] [S2.23]

- **Evaluation of the effectiveness of the corrective measure** – if the action implemented is not effective, the Provider may be suspended or excluded from the list of qualified Providers, thereby making sure ensuring that only Partners committed to safety are part of the value chain. [S2.33b] [S2.23]

In Mozambique, the first approach implemented is to ensure that all external Workers, especially occasional workers – whether hired by the Service Providers or hired directly – have inclusive, fast and efficient communication channels with Navigator and vice versa.

We have a **complaint management mechanism** that allows the monitoring and individualised analysis of each situation. A complaint is considered resolved only when the complainant signs their agreement with the solution presented. In the case of Occasional Workers in the field, complaints can be forwarded through the Technical Experts or **Community Liaison Agents** (Chap. 5.3.3) – through the complaint management mechanism for the local Communities, as these Workers are people residing in the local Communities –, who, in turn, direct them to the Company through the **Communication Technicians**, for analysis and resolution at the Management level. The remediation of negative impacts and assessment of the effectiveness of the implemented processes is thus ensured. [S2.27a] [S2.23]

In Portugal, we carry out an **annual consultation** with external workers **on aspects of health and safety at work**, where, through a digital and anonymous questionnaire, we identify strengths and development needs in Navigator's OSH area [S2.27a] [S2.22e].

In addition, the Group has a Whistleblowing Channel (Chap. 5.4.1) allowing value chain Workers to communicate any and all issues or concerns they may have. Personal data are treated confidentially and anonymously, ensuring protection against any type of reprisals that may arise. [S2.23]

The following information is included by reference to other parts of the Non-Financial Statement: more information on following up and monitoring the issues raised and addressed and ensuring the effectiveness of the Reporting Channel (Chap. 5.4.1).

5.3.2.2.4. Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)

We focus on conducting training, disseminating good practices and carrying out labour inspections (see table below), in order to prevent, remedy or correct negative material impacts on workers in the value chain. [S2.32b | S2.32a |S2.32c | S2.32d]

On-the-Job Training (forestry activity) is carried out in the workplace for external workers, addressing environmental and social aspects. The mitigating measures to be adopted as regards the surrounding environment are disclosed, as well as the occupational health and safety requirements applicable to the operations in question. [S2.31 | S2.22and | S2.35]

Concerning **actions to disseminate good practices for exploration and transport companies**, these are co-organised with external Partners, including organisations of Forest Producers and forest certification and chain of custody groups. These initiatives are related to safety in the performance of forestry exploration and transport operations, covering wood suppliers. [S2.31 | S2.35]

The **Work Inspections action on the work fronts** consists of visits to the several work fronts, with the main objective of managing the Safety risk. These are follow-up visits to the different work fronts in forestry operations, to assess compliance with regulations and the use of equipment (emergency and other), culminating in awareness/training for the working groups – mostly Workers from the surrounding Communities, on several health and safety matters [S2.31 | [S2.33 a | S2.33c | S2.22and | S2.35].

For the development of the actions presented in the following table, in 2024, capital expenditures (CapEx) and operating expenses (OpEx) do not apply, except the Safe Pro Forestry action, where the Corporate SST Budget was allocated. [ESRS 2.69b]

Whistleblowing Channel

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68 a ESRS 2.68e]
On-the-Job Training (forestry activity)	Held and planned	It focuses on its own operations, upstream, with an impact on Employees of Service Providers in the forestry activity. (Portugal and Mozambique)	Continuous	In 2024, 185 workers from Service Providers in the forestry activity were covered, corresponding to 264 hours of training.
Actions to disseminate good OSH practices for exploration and transportation companies	Held and planned	It focuses on downstream operations, with an impact on Employees of Wood Suppliers. (Portugal)	Continuous	In 2024, 120 Workers from Wood Supply companies were covered, corresponding to 420 hours of training.
Work inspections on the work fronts	Held and planned	It focuses on upstream operations, with an impact on Employees of Service Providers in the forestry activity. (Mozambique)	Continuous	Visits to the work fronts to assess potential "non-compliance" of the several forestry operations (within the scope of Safety). In 2024, 450 assessments were carried out on the work fronts. 164 hours of training were carried out covering about 2300 people.
SafePro Forestry	Planned	Own operations, upstream, with an impact on Employees of Service Providers in the production of plants and forest activity. It will cover Portugal	2025-2026	Under these action 100% of the external workers are trained for the activity to be carried out at Navigator This is also the action we envisage in order to make solutions available to people injured by real material impacts. [ESRS 2.68d]
Awareness of safety issues of Suppliers and Workers of logistics and inbound transportation	Planned	Own operations and amount in Portugal	2025	Awareness of the use of PPE and compliance with safety procedures at the factory doors, forests and wood parks.

In addition to the actions identified above, other projects were developed with the same objective of training all those who work in the forest, including: the II Forest Workplace Safety Seminar (Spain and Portugal), hosted in partnership by Navigator, ACT – Authority for Working Conditions and the ACF Minho Lima Certification Group; the Advance Forest Project for the advanced training of Technicians, Producers and Owners, of Biond, in partnership with Ascendum Máquinas, where they were carried out. [S2.32c and S2.32d] [S2.33c]

With the implementation of the actions undertaken, referred to above, and the planned action for the future SafePro Forestry, among others already implemented or to be implemented within the scope of Mission Zero, it is intended to reduce the probability of incidents and to eliminate occupational accidents and diseases. [ESRS 2.68a] [S2.33c]

No serious human rights issues or incidents related to our upstream and downstream value chain were reported. S2-36

The following information is included by reference to other parts of the Annual Report:

→ More information on the relationship between current financial resources allocated to shares or action plans and the most relevant amounts are contained and presented in the financial statements: Consolidated income statement of the Annual Report. [ESRS 2.69b]

5.3.2.3. Targets and Metrics

5.3.2.3.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5, MDR-T)

In our 2030 Sustainability Roadmap (Chap. 3.4.4), we have set several goals aimed at reducing the negative impacts on Workers and promoting the positive impacts identified with materials [S2.39 | ESRS 2.80c]:

- The **reduction of the frequency rates of occupational accidents** in Iberia and Mozambique, with target values that cover Navigator Employees and external workers;
- The **reduction of accidents mischaracterised for non-compliance with rules and procedures**, with a target value that covers Navigator Employees and external workers;
- **Continuous training courses in OSH** in the forestry activity for Service Providers, Suppliers and agents in the sector.

In the broader context of sustainability, these goals contribute to SDGs 8 and 3, aimed at promoting safe and healthy working conditions, reinforcing the well-being of workers in the value chain. [ESRS 2.80f]

These targets are in line with our Integrated Safety Policy in Management Systems, namely with the commitments to promote, from a perspective of continuous improvement, safe and healthy working conditions, preventing occupational injury and disease and to foster the consultation and participation of Workers, while helping their personal and professional development. In line with the Major Accident Prevention Policy, it defines roles, responsibilities and skills, ensuring the availability of information and/or training to internal Employees, Suppliers, Service Providers and other Stakeholders. It is also associated with the Forest Policy within the scope of the commitment to "ensure the health and safety of its Employees, including third parties' Employees providing forestry activity services, offering them adequate training/ information for the assessed risks". [ESRS 2.80a]

We emphasise that External Workers receive training and information on the rules and procedures and are covered by a penalty regime in case of non-compliance with rules, standards and/ or procedures (cardinal rules).

The following information is included by reference to other parts of the Non-Financial Statement:

→ More information on the targets related to the reduction of frequency rates (Iberia and Mozambique) and the percentage of accidents mischaracterised for non-compliance with rules and procedures: MDR-T, ESRS 2, §80 – Chap. 5.3.1

Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
	[ESRS 2.80d]	[ESRS 2.75]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Hold continuous training courses in OSH in the forestry activity for Service Providers, Suppliers and agents in the sector, trying to offer more than 600 annual hours	Baseline Value: 628 h 457 Workers Baseline Year: 2021	No. of people involved Total hours of training	544 hours 432 Workers	698 hours 567 Workers	655 Service Providers and Suppliers Workers and actors in the sector making a total of 2434 hours of training/sessions to disseminate good practices (Portugal) 1382 Service Providers and Occasional Workers making a total of 89 hours of training in the field of safety. (Includes classroom sessions, field sessions and awareness sessions in the safety inspections carried out on the work fronts). (Mozambique) Total: 2,037 Workers and 2,523 hours of training	Results to achieve: 600 h/year Year: 2030

In setting the goal, there was no involvement of the Stakeholders. [ESRS 2.80h]

Target monitoring is done based on the number of hours of training and the number of participants involved (absolute values) [ESRS 2.80b]. Its scope is the continuous performance of OSH training courses in the forestry activity, aimed at Service Providers, Suppliers and agents in the sector [ESRS 2.80c], covering: [ESRS 2.80f]

- No. of Workers of Service Providers in the forestry activity (in Portugal) and respective hours of training offered on the work front;
- No. of Workers of Wood Suppliers, of forestry exploration and transportation activities (in Portugal), and respective training hours to disseminate good practices;
- No. of actors in the sector (Technicians and Owners in Portugal) and respective training hours to disseminate good practices, demonstration and innovation in the forest;
- No. of Workers of Service Providers and Occasional Workers in the forestry activity (in Mozambique) and respective hours of training offered.

In addition, it is worth mentioning that these actions are developed in collaboration with external Partners and the contents are defined by the Company to ensure promotion and dissemination of good practices, in line with its sustainability principles and commitments. [ESRS 2.80f]

In 2024, the method to calculate the metric associated with the target changed, including Workers who received training/awareness and the training hours offered by Portucel Moçambique. These changes provided greater visibility to the training/awareness held in Mozambique, without compromising the comparability between reporting years. The factor that impacted this comparability was the increase in the number of Workers of Suppliers and agents of the sector who participated in the actions to disseminate good practices. [ESRS 2.80i] The assessment of the effectiveness of the target is carried out based on the management indicators, with a base period of three years. [ESRS 2.81b]

In 2024, there was a significant increase in the participation in actions to disseminate good practices, which resulted in a relevant increase in the number of Workers of Suppliers and agents of the sector covered, as well as in the total training hours. This trend may have future implications for setting new goals, requiring analysis to determine whether it is a permanent change or a one-off effect.

5.3.2.3.2 Entity-specific metrics (MDR-M)

To calculate the frequency index of occupational accidents, accidents with sick leave were accounted for and the normalisation factor of hours worked of 1,000,000 was used. [ESRS 2.80f]

[ESRS 2.77b – Entity-specific metrics]

Frequency index	2024
Frequency index	3.1
No. of accidents with sick leave	20

Note: These metrics are subject to external verification within the scope of this report and are not verified by other entities. These indicators refer to Outside workers. [ESRS 2.77b]

5.3.3. Affected communities (ESRS S3)

5.3.3.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in the value chain	Sub-topic or related sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Promotion of the local economy, territorial cohesion and settlement of populations (example in the inner areas of the countries) by generating decent jobs, improving infrastructure, investing in social welfare and ensuring respect for the cultural and environmental rights of Communities, contributing to better living conditions and balanced development in the regions.	Positive impact	--	Own operations	Economic, social and cultural rights of the Communities
Promotion of SDGs 1 and 2 with impacts on the Communities in Mozambique where the Company operates, improving their well-being	Positive impact	--	Own operations	Economic, social and cultural rights of Communities – Adequate food
Promotion of access to drinking water for local communities in Mozambique	Positive impact	--	Own operations	Water abstraction – Water & Sanitation

Note: The identified material impacts are real and not time-specific.

We have a significant presence in several regions, with industrial operations in Portugal, Spain and the United Kingdom and a forestry base in Portugal, Galicia (Spain) and Mozambique. In line with our **Purpose** (Chap. 2.1), we assume the responsibility of creating effective mechanisms for **sharing value with our Stakeholders** (Chap. 3.4.5), with special attention to local communities. These play a fundamental role in our interaction with companies, as they are the first link in the chain to experience the impacts of our forestry and industrial activities.

Following the double materiality analysis, we identified several positive **material impacts** on the Communities covered by our operations, and which are aligned with our strategy and business model, in which we propose to create long-term value, contributing to the **rural economy**, through the development of the regions where we operate and the improvement of the forest spaces we manage. [ESRS 2.48a | S3.8a-i] No material **risks and opportunities** have been identified for Navigator arising from the impacts and dependencies on the affected Communities. [S3.9d]

By investing in **infrastructure** and investing in the **hiring and qualification of talent** from the Communities, as well as in **development programs**, we reinforce the social well-being and development of the regions. [ESRS 2.48a | S3.8a-i]

At the same time, the implementation **of sustainable management** initiatives – such as forest conservation, fostering the active participation of Communities, free technical support and the training we provide to Forest Producers (Chap. 5.2.6), the contracting of local services for forestry activity, the continuous maintenance of infrastructures (network of forest paths) and the prospecting and development of business opportunities within the scope of multiple use of the forest, among others – allows us to improve management practices, increasing the productivity of products extracted from the forest. These factors strengthen the local economy, generating employment and creating conditions that encourage the settlement of populations in rural areas, while respecting local cultural and environmental values, contributing to the sustainable development of the regions. [ESRS 2.48a | S3.8a-i]

We believe that sharing with society is not only limited to our results, but also to our **knowledge, experience and resources**. Strategic partnerships with academic, institutional and community entities promote knowledge transfer and innovation (Chap. 3.4.5), and these are important factors in strengthening territorial cohesion, as well as driving the creation of economic value by integrating the community into the circular bioeconomy value chain, improving the **quality of life** and **resilience of local populations.** [ESRS 2.48a | S3.8a-i]

Through a robust strategy of **dialogue and direct engagement** with Communities, we try to create **close ties**, in all its dimensions, and we are committed to consolidating and strengthening them, ensuring that our contribution to local development is always significant and positive.

In the case of forestry operations in **Mozambique**, which are related to positive impacts associated with SDGs 1 and 2 and access to drinking water, one of the objectives is for the **sustainable development of the Communities** to follow the evolution of the project, given the great interaction that exists from the Mosaic Model, where plantations "live together" with the Communities and everything that concerns them, such as areas of high conservation value, agricultural areas, housing, places of worship, among others. Thus, only with an intrinsic and interconnected relationship is it possible to maintain the development of the project, ensuring respect for the expectations and needs of the Communities. In Mozambique, the **Social Development Program** has been adapted, where new lines of action have emerged based on the impacts and methods of implementing the activities that lead to changing or adapting development strategies. An example of this was the repair of existing water boreholes (executed by other entities), which had not been foreseen at the start of the Program, arose due to the requests of the Communities and which, after analysis, was considered to impact well-being improvement greatly. [ESRS 2.48a | S3.8a-i]

The Company identifies and assesses the impacts on the Communities in which it operates, using this information to adjust the strategy and business model, promoting the creation of shared value and ensuring that its operations are aligned with the needs of the Communities, through initiatives that enhance social and environmental benefits. [S.38a-ii]

The disclosure of this report is focused on the **affected Communities**: (i) in **the vicinity of forestry operations** in the **Iberian Peninsula** – Communities and local entities that benefit from the impacts generated by forestry activity; (ii) in the **vicinity of forestry operations** in **Mozambique** – Local communities and local entities that benefit from the impacts generated by forestry activity (employment generated by the need for labour) and by the implementation of the Social Development Program, where there are family and community benefits, namely water holes and improvement and construction of paths and infrastructures; (iii) in the **vicinity of factories** – Local population, Municipalities, Parish Councils, local entities, Non-Governmental Organizations and Universities. [S3.9a]

5.3.3.2. Impacts, risks and opportunities management

5.3.3.2.1. Policies related to Affected Communities(S3-1, MDR-P)

We have adopted a range of policies that reflect our commitment to the Communities involved in our operations, with special attention to the rights of local populations. Of these, we highlight: the **Code of Ethics and Conduct** and the **Human Rights Policy** – of transversal application to our Organisation and extendable to the counterparts we have relations with; the Forest Policies of Portugal and Mozambique; and in the context of Portucel Moçambique, the **Community Engagement Policy** and the **Social Development Program of Portucel Moçambique**.

These policies are aligned with widely recognised international instruments, such as the United Nations (UN) Guiding Principles on Business and

Human Rights, which guide business performance in respecting and promoting Human Rights. We thus ensure that our practices are in line with these principles by implementing actions ensuring protection and respect for Communities and their rights, including the consultation and active involvement of local populations in managing the impacts of our activities. [S3.17-1]

With this focus, we assume our social responsibility to the Communities we operate in, contributing to their progress and well-being, as stated in article 18. Social Responsibility and Sustainable Development, of the **Code of Ethics and Conduct** (Chap. 5.4.1)

Code of Ethics and Conduct

Human Rights Policy

Community Engagement Policy

We have implemented a **Human Rights Policy** (Chap. 5.4.1), expressing our commitment to: (i) promote the involvement of Communities to obtain feedback on Human Rights and labour rights, acknowledging the importance of their consultation and continuous dialogue to integrate their concerns into internal decision-making processes; and (ii) act in a way that respects the Human Rights of local Communities, including, where applicable, indigenous peoples, namely by adopting measures to minimise negative impacts and protect their values, culture and traditions. [ESRS 2.65a | S3.15]

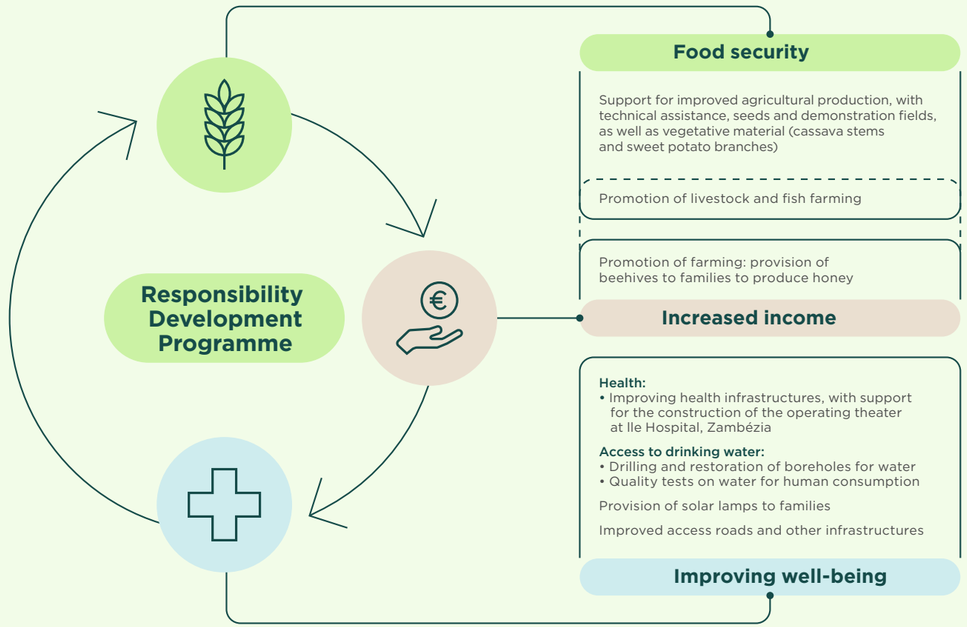
It is worth mentioning that, as the forest is our main source of resources, we also have **Forestry Policies in Portugal and Mozambique** (Chap. 5.2.6). One of the priorities is to promote knowledge about its benefits and the importance of the sustainable use of forest-based products for society. These policies have two underlying principles, e.g. reinforcing the commitment to: (i) maintain and improve the responsible management of forest spaces, in balance with their natural and social environment, developing and promoting actions, including with third parties, that guarantee the non-deforestation, degradation and/or conversion of the forest; and, (ii) availability to receive and respond to questions posed by stakeholders, disseminating the Forest Policy, promoting a relationship of high social and environmental responsibility with the surrounding Communities and abiding by the principles of the International Labour Organization. These commitments are guaranteed, in Portugal, through the application of the processes DGF N8 - Land Use, DGF S9 - Communication with Stakeholders and DGF S10 - Procurement of Goods and Services and, in Mozambique, by the Relationship Management Mechanism and the Social Development Program, developed later. Through the application of the Forest Policy in Portugal, Navigator undertakes to respect the pan-European criteria for sustainable forest management in accordance with the Portuguese Standard NP 4406 for Sustainable Forest Management and the FSC® Principles and Criteria (FSC® -C010852) [ESRS 2.65d], thus assisting in the preservation of natural values and ecosystems, soil formation and the fight against erosion, protection of the forest against fires and regularisation of the water cycle, valuing a land use that stimulates territorial cohesion and the creation of wealth.

The **Community Engagement Policy** developed for Mozambique is a fundamental pillar of our Corporate Social Responsibility. This policy reflects our commitment to cooperate, dialogue and support the Communities in the areas close to our forest areas, to build inclusive and long-term relationships, based on transparency and mutual respect between the parties involved, in a context in which we intend to contribute to their sustainable socioeconomic development. [ESRS 2.65] Portucel Moçambique's relationship with the Communities is based on dialogue and the regular implementation of the following principles: (i) proactively ensure the regular involvement of all key Stakeholders; (ii) respect all the rights, traditions and cultural heritage of the Communities, always within the framework of national legislation and respect for Human Rights; (iii) ensure proactive involvement, with a view to effective communication, based on informed and participatory consultations; (iv) create opportunities for socio-economic development in the Communities, through the employment generated in forestry operations and the activities of the Social Development Program; (v) respecting labour legislation, as well as promoting gender equality in access to employment opportunities; (vi) promoting a culture of health and safety at work; (vii) defending the interests of the community against any corrupt practices; (viii) providing a Relationship Management Mechanism, so that any person or entity can be heard, ensuring their protection from any reprisals; and, (ix) raising the Communities' awareness to the benefits of adopting good environmental practices.

Thus, Portucel Moçambique, committed to the involvement of the Communities in the development of its project, developed the **Social Development Program (SDP)**, to contribute to the sustainable socio-economic development of the Communities [ESRS 2.65]. The SDP responds, in part, to the specific risks to Communities identified in the Environmental and Social Impact Study (ESIS), between 2011 and 2013. The ESIS identified a base scenario where the approximately 24,000 families present in the project's implementation areas have high rates of food insecurity, low income, low agricultural productivity (e.g: cassava, corn), low access to drinking water, among others. The ESIS provided the baseline objective for establishing the three priorities of the SDP that seek to minimise these risks – strengthening food security, encouraging income generation, and improving the well-being of Communities.

Social Development Program (SDP)

Document	Community Engagement Policy
Description of key contents and general objectives [ESRS 2.65 a]	Portucel Mozambique's relationship with the Communities is based on dialogue and the implementation of a relationship we wish to be inclusive and long-term, based on transparency and mutual respect between the parties involved, in a context in which we intend to contribute to their sustainable socioeconomic development.
Scope [ESRS 2.65b]	It focuses on the Group's own operations and the entire value chain, involving Employees, Stakeholders (government) and Local Communities. It covers the geography of Mozambique.
Most senior level position accountable for its implementation [ESRS 2.65c]	Executive Committee of Portucel Moçambique
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	Universal Declaration of Human Rights and ILO Conventions;
Availability [ESRS 2.65f]	Made available to all employees and materially relevant stakeholders, and in all consultation processes. Available through the Intranet and Internet pages. Employees are also trained in this matter.



Document	Social Development Program of Portucel Moçambique
Description of key contents and general objectives [ESRS 2.65 a]	Portucel Moçambique is committed to the involvement of the Communities in the development of its project in Mozambique, in a context in which it intends to contribute to its sustainable and inclusive socioeconomic development.
Scope [ESRS 2.65b]	It focuses on the Group's own operations and the entire value chain of the Group, involving Employees, Stakeholders (Government, Local Communities and Civil Society). It covers the geography of Mozambique.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Standards or third party initiatives which the Company undertakes to comply with [ESRS 2.65d]	Universal Declaration of Human Rights and ILO Conventions;
Availability [ESRS 2.65f]	Made available to all employees and materially relevant stakeholders, and in all consultation processes. Available through the Intranet and Internet pages. Employees are also trained in this matter.

It is worth mentioning that, during the reporting year, there were no significant changes in the policies adopted [AR9].

The following information is included by reference to other parts of the Non-Financial Statement (MDR-P, ESRS 2, §65 a/b/c/d/f):

- → Presentation of the Code of Ethics and Conduct: Chap. 5.4.1
- → Presentation of the Human Rights Policy: Chap. 5.4.1
- → Presentation of the Forestry Policy: Chap. 5.2.6.

5.3.3.2.2. Processes for engaging with affected communities about impacts (S3-2)

At Navigator, we are committed to involving national, international and local institutional stakeholders, listening to and aligning their expectations with the Company's strategy and needs. To this end, we use several forms of communication and engagement, whose channels and frequency change according to the stakeholder group and the needs identified. [S3.21]

Among the formal mechanisms for direct interaction with the several stakeholder groups, we highlight the established bilateral communication channels, such as the **Community Monitoring Committees**, the **Community Relationship Management Mechanism** and **regular contact with stakeholders in relation to forestry activity**. In addition, we promote the **Sustainability Forum** (Chap. 3.4.5), a dialogue space that meets twice a year, with one of these sessions of regional focus, to enhance greater proximity to local communities and benefit the cooperation between Navigator and the several municipalities where we develop activities. In this way, we seek to consolidate **relationships of trust and the social license to operate**, increasing **transparency** and identifying possible **risks and opportunities.**

In addition, we have developed other initiatives that promote the approach to Communities, such as the **Navigator Tour**, which provides a direct view of our work and the way we operate in factories, RAIZ and nurseries. [S3.21 and S3.21d]

It is worth mentioning that Navigator does not have operations in geographies where indigenous peoples are present. Even so, the Company's commitment to this matter is enshrined in its Human Rights Policy, under point 2. g) [S3.23].

Community Monitoring Committees (CMCs)

The Community Monitoring Committees (CMCs) are structures that fall within the **areas of operation of the Company's industrial complexes in Portugal**, namely in Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão. These meetings, held in the surroundings of each Navigator industrial unit, are of great relevance to understanding the concerns of the Communities, seeking to meet their needs and bring the Company closer to the local Communities. [S3.21 and S3.22] Two meetings are held annually in each of Navigator's four industrial complexes – in the 2nd and 4th quarters. [S3.21d]

These Committees are led by a President (independent personality external to Navigator), with representatives of Navigator's Management and areas such as Public Affairs, Industrial, Environment, Human Resources and Sustainability and various Stakeholders – representatives of Municipalities, local entities, Non-Governmental Organisations, Universities, among others. [S3.21, S3.21 and S3.22]

The interaction generated in the meetings of the CMC facilitates joint reflection on matters that concern the life of the Communities, and the comments of its members are recorded, for later monitoring by Navigator's internal structures. The entities are subsequently informed of the progress/results of the initiatives developed. [S3.21 and S3.22] There are several topics addressed, with emphasis on industrial development projects, focusing on decarbonisation, environmental performance, environmental and forestry investments, the strategy of sustainability plans, the social environment and people development, among others. These are exposed with transparency, being analysed and discussed together, and minutes are prepared that are approved by the parties involved and that allow the subsequent monitoring of the progress achieved in the various situations analysed. In each meeting there is room for questions and answers, through an open and plural dialogue with participants. This active voice in the themes that concern the Communities, and that can range from the impacts of the Company's activity (environmental and social) to projects, has the potential to increase the well-being and quality of life of people. [S3.21 and S3.22]

It is important to highlight the institutional cooperation that characterises the Monitoring Committee for the Communities of Figueira da Foz, which is carried out by the two companies in the Pulp and Paper sector

present in this region – Navigator and Celbi – in a joint effort to build relationships with local stakeholders. In this context, both companies seek to collaborate with the Parish Councils in order to support the populations and the different local associations. All these agents participate in the Community Monitoring Committees, expressing, in a close and direct manner, their concerns and suggestions for improvement to the representatives of the two companies, who cooperate in order to find solutions to the situations presented. [S3.21]

Community Relationship Management Mechanism in Mozambique

By establishing the Community Relationship Management Mechanism, Portucel Moçambique reaffirms its commitment to try to ensure a balanced and fair relationship and contribute to the development of communities and families in the geographical areas covered by its project. The Mechanism is a process of **receiving, analysing and responding to questions posed by Stakeholders**. Portucel Moçambique assumes this Mechanism as a tool to manage aspects of potential or actual conflict, but also as a tool to assess the interconnection of the project with the Community and, to that extent, better understand the areas to improve its practices. [S3.21d]

The Community Relationship Management Mechanism is an appropriate tool for projects with potential environmental and social impact, as it defines the interlocutors and the formats by which the Company must be guided to relate to stakeholders, so that information, suggestions and/or complaints may be assessed and followed effectively for both parties – the Company and communities and families – ensuring that communities and families have prior information to decide freely and in an informed manner on issues common to both parties (FPIC-Free, Prior and Informed Consent). This procedure is shared by the IFC - International Finance Corporation – World Bank –, within the scope of its Performance Standards, which recommend that, in projects with potentially significant adverse impacts on the Communities, involvement with Stakeholders be carried out based on an **informed and participatory consultation** and that a Community Relationship Management Mechanism be installed. [S3.21]

The implementation of this Mechanism has several advantages. In addition to the management component of a balanced and fair relationship, it serves as an instrument for monitoring and evaluating the project, allowing conclusions and lessons learned for the improvement of its systems and processes. On the other hand, it is an instrument of accountability to the Communities and other Stakeholders in a transparent way, since, periodically, the Company publicise its performance in the scope of relationship management and social actions. [S3.21d]

To this end, there are several strategies for the implementation of this interaction, such as community meetings, “village meetings” (in the villages), “door-to-door” visits and the regular presence in the Communities of **Community Liaison Agents (CLA)** [S3.21d]. Community Liaison Agents (CLAs) are appointed by the Community and supported by Portucel Moçambique, which interconnect the communication between the Company and the families of one or more Communities. CLA speak the local language, thus helping the inclusion of all participants and promoting good communication in the Company’s regular meetings with the Community and families. They interact regularly with the team of Communication Technicians of Portucel Moçambique, to manage the relationship with the Communities at a more comprehensive level and coordinate and plan the work to be developed, ensuring the consistency of the actions developed in this scope. CLAs and Communication Technicians receive regular training, namely on topics such as Human Rights, non-discrimination by gender or age, avoiding corruption and others. They also receive technical training, including the use of equipment and software to improve communication. Both Liaison Agents and Communication Technicians, as well as any Employee of the Company, are possible interfaces of the Relationship Management Mechanism, anyone can have access to and which is intended to register complaints, suggestions or other concerns of the Company’s Stakeholders, especially members of the Communities, in their relationship with the Company.

We should be mindful of the fact that, in its values and principles, this Mechanism establishes equal access, regardless of its social, racial, cultural or physiological status. The principles of non-discrimination are common practice in the several activities of the Company, both in terms of employment and in the relationship with Communities and families. For example, the Community Environmental Awareness Program, and taking into account cultural characteristics, includes meetings organised to give a voice specifically to women. [S3.22]

Forestry Activity

In Portugal, in the forestry activity, regular contact is made with the Stakeholders to receive feedback regarding the impacts (social and environmental) of our operations. Information gathering is operationalised through **consultations, informal conversations or circumstances provided by events**: (i) in assessments made before operational planning and project preparation, by completing the Operational Planning and Project Preparation Support checklist, selecting stakeholders in light of current values or the framework of the area to be intervened; (ii) before or during forestry operations, through communication occurs by filling in the Local Stakeholder Consultation form; (iii) in meetings held for specific purposes, whereby minutes of those meetings or reports are produced; and (iv) whenever there are forestry operation impacts these are registered as events. [S3.21 and S3.22]

Assessment of the effectiveness of the dialogue with the affected communities is carried out through annual consultations with stakeholders by the certifying entity on forest management in the areas managed by the Company. [S3.21d]

If the impacts identified through these regular contacts and the measures defined to mitigate them are not yet reflected in the technical reference of the Forest Management System, we proceed to incorporate them so they can be taken into account in the next interventions.

5.3.3.2.3. Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)

So far no negative impacts on the economic, social and cultural rights of the Community have been identified but, nonetheless, we adopted a **systemic approach in the company to identify and assess environmental and social impacts** of forestry activities. This process results in matrices used in the planning and execution phase of operations, to prevent negative impacts and necessary action should such impacts occur. [S3.27b]

Under this assessment and as referred to in the previous section, we have conducted **local consultations** with

Stakeholders, including local Communities and/or Experts on the different natural, social and cultural aspects involved. We provide **several contact channels** (Chap. 5.4.1) to ensure effective communication with the relevant Stakeholders We have a **Regulation** and a Whistleblowing Channel (Chap. 5.4.1), accessible to any member of the affected Communities. This Channel allows communication and analysis of potential human rights violations, including non-compliance with the Code of Ethics and Conduct and the Human Rights Policy. In addition, Stakeholders may also refer directly to our Employees via email[17] and/or telephone[18]. In Mozambique, we rely also on Community Liaison Agents as an important bridge for direct communication with the Communities. These channels provide a transparent and accessible way for communities and other Stakeholders to express concerns and seek remediation, if necessary. [S3.27b]

5.3.3.2.4. Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

We commit to implementing assorted actions to enhance dialogue and reinforce the positive impacts on the Communities involved in our operations, thus helping achieve the defined objectives and goals (see next section). [ESRS 2.68a | S3.32c]

Whistleblowing Channel

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68 a ESRS 2.68e]
Community Monitoring Committees in Portugal				
Community Monitoring Committees (CMCs)	Executed and planned	They are held in Aveiro, Figueira da Foz, Vila Velha de Ródão and Setúbal, relying on the presence of representatives of local living forces (e.g. public entities, local authorities, NGOs, schools). It has a downstream impact on the value chain.	Continuous Actions	In 2024, in those meetings environmental issues of each industrial unit, and ongoing investments were put forward. Topics related to human resources and forest fires that have occurred in the 2nd semester - causes, what happened and how to mitigate - were also addressed.
Forestry Activity in Portugal and Spain				
Communication with Stakeholders	Executed and planned	Carried out in its own operations and involves all stakeholders in Portugal and Spain.	Continuous Actions	Conducting regular contact with Stakeholders to collect points of view regarding the impacts (social and environmental) of our operations. During 2024, a first analysis was carried out, incorporating positive and negative impacts, and the adoption of an approach allowing centralisation of information is under analysis.
Land use	Executed and planned	It is carried out downstream of the value chain. It involves third parties in Portugal and Spain.	Continuous Actions	Prospecting and development of business opportunities within the scope of multiple forest use, for the use of agroforestry spaces: - Sale of 4,360 arrobas of cork (revenue: €145,224); - Sale of pasture for grazing in 1,142 ha (revenue: €8,666) - Provision of 9,393 ha for hunting activities (revenue: €37,128) - Provision of 2,868 ha for field boundary-setting purposes (revenue: €162,555) - Sale of eucalyptus branches in 564 ha (revenue: €48,746)
Community Relationship Management Mechanism in Mozambique				
Settlement Meetings	Executed and planned	Carried out in its own operations and throughout the value chain. It involves the communities and local entities of Mozambique.	Continuous Actions	In 2024, 41 prior consultation and information meetings were held with the Communities.
Door-to-door visits	Executed and planned	Carried out in its own operations and throughout the value chain. Involves the communities and local entities of Mozambique.	Continuous Actions	Family visits, consultation on their needs and assessment of the level of satisfaction.
Visits to the work fronts	Executed and planned	Carried out in its own operations and throughout the value chain. Involves local Communities and Service Providers in Mozambique.	Continuous Actions	In 2024, we carried out 307 visits by Liaison Agents to the work fronts, to verify compliance with the rules of contracting, good practices and Human Rights, based on established forms.

[17] Email for Portugal and Spain: cadastro.florestal@thenavigatorcompany.com / | Email for Mozambique: comunicacao.mz@thenavigatorcompany.com
[18] Phone contact for Portugal and Spain: (+351) 265 709 000 | Phone contacts for Mozambique (+258) 2148 3645/6/7

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68 a ESRS 2.68e]
Social Development Program in Mozambique				
Strengthening food safety and diversity	Executed and planned	Value chain, with an impact on local communities in Mozambique	Continuous Actions since 2015	Included agricultural extension, through the delivery of seeds, sweet potato branches and cassava cuttings and the monitoring of the production process, with a team of Technical Experts who assisted families individually, as well as in demonstration fields from several families to figure out the most suitable crops and the best practices. The construction of barns was also supported, to store seeds and cereals for longer periods, for consumption or marketing, and the construction of 15 gardens in schools, irrigated and non-irrigated to improve young people's knowledge of best farming practices and inducing improvements in food safety and diversity, as well as the means to increase income. For further information on the results obtained see the goals and metrics section
Increasing the means to improve yield	Executed and planned	Value chain, with an impact on local communities in Mozambique	Continuous Actions since 2015	It includes beekeeping, fish farming, goat herding. In all these actions, Portucel Moçambique supported the start of activity, with materials and technical assistance. Beneficiaries also assumed some obligations, within the scope of the commitment to develop the respective activity autonomously – see the targets and metrics section for information on the results obtained.
Improving well-being	Executed and planned	Value chain, with an impact on local communities in Mozambique	Continuous Actions since 2015	Included actions such as access to drinking water, renewable energy, renovation of schools (21 thousand euros investment), support for the construction of hospital infrastructures, building and renovation of access roads and bridges. The improvement/ construction of hydraulic passages (bridges and aqueducts) was also carried out, amounting to 65 thousand euro – see the goals and metrics section for further information on the results obtained.

Note: No negative material impacts associated with the economic, social and cultural rights of the Community were identified, only positive impacts [S3.32c] and hence no remediation actions are identified. [ESRS 2.68d]

In 2024, we held the **Community Monitoring Committees meetings** in Aveiro, Figueira da Foz, Vila Velha de Ródão and Setúbal. The focus of the debate was immigration and the need to integrate foreign people, both in the Communities and in companies, creating effective conditions for inclusion. The presence of representatives from local schools was crucial to engage in an informed debate on the mechanisms to be developed in order to integrate immigrants, namely through lessons on Portuguese language and national culture and customs, as well as respect for women's rights. This theme was particularly highlighted in the industrial centre of Vila Velha de Ródão, a region in the hinterland where it is more difficult to attract talent and labour [S3.22]. This year, a survey was made to learn about the environmental, social and economic issues Community representatives considered most relevant. In view of this active listening, also in 2024, we took into account forest management, making Navigator's good practices known. Thus, in the 4th quarter, we addressed forest fires, in particular the events of September 2024, proving that the problem does not lie in the type of species planted, but rather in the type of forest management, which increases the resilience of territories, betting on fire prevention. In addition, topics from the social sphere were introduced in the meetings of the CMC meetings, namely programs for the recruitment, training and integration of Technical Experts in the industrial front. [S3.21d]

As regards forestry in Portugal and Spain, we made a **regular contact with the Stakeholders** to collect points of view regarding the impacts (social and environmental), prospecting and developing business opportunities within the scope of the multiple forest uses, for the use of agroforestry spaces. Only the implementation of this action – Land Use – required significant operating expenses (OpEx) (current and future), via the Land Use budget. [ESRS 2.68] [ESRS 2.69b]

The **Social Development Program in Mozambique** has **three priority areas of intervention** – (i) strengthening food security and diversity, (ii) increasing the means to increase income and (iii) improving well-being – which were continued during the reporting year. It is worth mentioning the incentive to adopt conservation agriculture techniques as a widespread practice in this process with a view to improving production and productivity and promoting access to drinking water for local Communities in Mozambique. The water protocol implemented by Portucel Moçambique shows that the water upstream of the operations already has microbiological contamination levels due to the intensive use of this resource for hygiene and cleaning. To mitigate this problem, community environmental awareness initiatives were created where, calling for, among other topics addressed, the need for water protection, including safety distances to the river for certain activities and the need to boil water intended for consumption. These actions are associated with the Social Development Program focused on conservation agriculture, promoting better use of soil humidity and resilience to extreme weather events (torrential rains and severe droughts).

In the future, we intend to invest in the Community Monitoring Committees, promoting greater involvement of the Municipalities in Portugal in the strategic regions for Navigator's industrial activities. In Mozambique, Village Meetings, door-to-door visits, and visits to the work fronts will be the main initiatives to be implemented.

As for the type of financial and other resources, current and future, allocated to the action plan, it is worth mentioning that Navigator adopted additional measures and initiatives, aimed especially at generating positive impacts for the affected Communities, such as the promotion of forest and biodiversity literacy, following these projects through metrics, in its 2030 roadmap. [S3.32c and S3.32d] [S3.38]

Assessing the effectiveness of the initiatives developed is an ongoing process and the good results of such initiative are there given the absence of negative feedback. Under these actions, comprehensive consultation is promoted with Stakeholders, including the local Community and Experts from several areas with potential impact on them.

In addition, we provide multiple communication channels, so that Stakeholders may express their opinions and concerns, such as The Navigator Company's website and the Reporting Channel.

In forestry operations in Portugal, Spain and Mozambique, contact can be made in person, with our Employees, by email or telephone[19].

[19] Email PT and ES: cadastro.florestal@thenavigatorcompany.com | Phone contact PT and ES: (+351) 265 709 000 | Email MZ: comunicacao.mz@thenavigatorcompany.com

In Mozambique, there are also Community Liaison Agents, play an essential role in maintaining a fluid communication between the Community and the Company. There is also a relationship management mechanism, which systematizes all requests — information, complaints, doubts, among others — seeking to provide an assessment and response in a timely manner. [ESRS3.32d]

Current financial resources are invested in actions or action plans with community impact, mainly in the form of staff costs and payments to Suppliers, as well as through the Social Development Program. [ESRS 2.69b]

5.3.3.3. Targets and Metrics

5.3.3.3.1. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5, MDR-M)

Under our 2030 Roadmap (Chap. 3.4.4), we intend to hold, annually, eight Community Monitoring Committee meetings in the surroundings of the industrial units of Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão [ESRS 2.80]. This goal is in line with SDG 12 – Sustainable Production and Consumption, as it falls under target 12.8 – Until 2030, to ensure that people everywhere have relevant information and awareness for sustainable development and lifestyles in harmony with nature. [S3.AR35]

Goal and target	Baseline	Associated metric	2022 Performance	2023 Performance	2024 Performance	Results to achieve
	[ESRS 2.80d]	[ESRS 2.75]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80J]	[ESRS 2.80e]
Hold, annually, 8 meetings of the Community Monitoring Committees, in the surroundings of the industrial units of Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão.	Baseline value: 3 CMCs meetings Baseline year: 2022	No. of CMC meetings	3 CMC meetings	8 CMC meetings	8 CMC meetings	8 CMC meetings/ year Target Year: 2030

Note: Intermediate targets [ESRS 2.80e] have not been developed, nor have there been changes in relation to the value and year of the target, the calculation or data collection methodology, the assumptions, the sources or the limitations, as these are new targets for Navigator [ESRS 2.80i]. None of the metrics were validated by an external body. [ESRS 2.77b]

The target covers the downstream value chain in Portugal [ESRS 2.80c] and is not directly related to the previously described policies [ESRS 2.80a]. It was defined based on the following qualitative assumptions: the holding of a meeting in the 2nd quarter and another in the 4th quarter of each year, in the four Navigator industrial units in Portugal – Aveiro, Figueira da Foz, Setúbal and Vila Velha de Ródão –, with the participation of the representatives of the main Stakeholders of the regions in which the Company develops its operations. Meetings are scheduled upon availability of the CMC Chairman, an independent personality, and Navigator members. For each meeting, there is a call with an agenda of environmental and social issues relevant to Navigator and the Communities. The model and the periodicity were agreed between the parties – Navigator, Chairman of the Committee and Stakeholders involved and was calculated based on the minutes of the meetings held [ESRS 2.80f/h and ESRS 2.77 a/c]. In 2024, we met the goal by holding the eight planned meetings.

5.3.3.3.2 Entity-specific metrics (MDR-M)

In addition to the metrics associated with the goals explained, other entity-specific metrics were also defined, related to: (i) **investment in infrastructure and services for Communities** in Portugal, including investment in euros in Communities; and (ii) the **Social Development Program in Mozambique**. [ESRS 2.77c]

Metrics	2024
Investment in infrastructure and services for Communities	
Paper donations, in Portugal	41.9 t Over €50,000
Donation of nursery plants in Portugal	875 plants
Monetary support in Portugal	€37,096
Investment, in euros, in initiatives for the Community	€1,6m
Social Development Program in Mozambique[20]	
Households covered	7000
Improved and distributed seeds	1,153 t
Improved barns	2465
Orange-fleshed sweet potato slices	111,928 kg
Cassava seedlings and cuttings	1,113,982 Cassava seedlings (96,738) and cuttings (1,017,244)
Assigned kits	2,922
Fish tanks	65
Distributed hives	1,757
Honey produced	6,326 kg
Constructed water holes	38
Water holes rehabilitated	64
Solar lanterns delivered	4,203
Vaccines given to poultry against Newcastle disease	949,201
People involved in environmental awareness	15,175 (45% women)
Investment, in US dollars, in the initiatives of the Social Development Program in Mozambique	8.2m

Note: None of the metrics were validated by an external body [ESRS 2.77b]

[20] On 12/31/2024, accumulated since the beginning of the Social Development Program in Mozambique.

In 2024, investment in the Mozambique Social Development Program amounted to about 600 thousand euros. It is also worth mentioning that, with this Program, we have responded to requests from several Stakeholders, in emergencies resulting from natural disasters and extreme weather events, such as cyclones, floods and the like, contributing with resources, equipment and essential goods. In 2024, these contributions totalled about 16 thousand euros, in the provinces of Manica and Zambezia. Portucel Moçambique also supplies construction materials and eucalyptus stakes for health, education and public administration institutions. [ESRS 2.77a]

Navigator Tour

With a view to approaching the Communities, we carried out 112 visits within the scope of the Navigator Tour in 2024, with a total of 2,855 visitors:

- 48 school visits (includes higher education), with 1,539 participants;
- 56 institutional visits, with 760 participants;
- 7 Employee visits, with 556 participants.

5.4. Governance Information

5.4.1. Business Conduct (ESRS G1)

5.4.1.1. Strategy

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

Description	Impacts, Risk or Opportunity	Time horizon	Location in the value chain	Sub-topic or related sub-sub-topic
[ESRS 2.48a]	[ESRS 2.48a]	[ESRS 2.48ciii]	[ESRS 2.48a]	[ESRS 2.48h]
Development of a responsible corporate culture increases the sense of belonging of Employees, their motivation and the Navigator's retention capacity.	Positive impact	-	Own operations	Corporate culture
Responsible management of Suppliers, establishing partnerships that share social and environmental responsibility values, can contribute positively to the Community and the environment.	Positive impact	-	Own operations	Management of Supplier relations, including payment practices
Robust corruption prevention practices contribute to a fairer and more transparent business environment.	Positive impact	-	Own operations	Corruption and bribery
Disclosure of incorrect information may have consequences on Navigator's reputation and may even incur fines.	Risk	Short Term - Reporting Year	Own operations	Corporate culture
The use of artificial intelligence, robotics, IoT technologies in industrial processes (cybersecurity) can result in production losses	Risk	Short Term - Reporting Year	Own operations	Corporate culture

Note: The identified material impacts are real and not time-specific.

5.4.1.2. Impacts, risks and opportunities management

5.4.1.2.1. Business conduct policies and corporate culture (G1-1, MDR-P)

Promotion of corporate culture

We are committed to ensuring **Responsible Business Conduct**, supported by the basic principles of **Trust**, **Integrity**, **Entrepreneurship**, **Innovation**, **Sustainability** and **Excellence**, reflected in a comprehensive set of Group Codes and Policies – including **Codes of Ethics and Conduct, Human Rights Policy, Compliance Policies**, among other documents.

To effectively implement these principles, we have a robust and efficient **compliance system**, ensuring clarity in responsibilities and promoting effective communication between the several parties involved. This system is in line with international best practices, with its structure and organisation based on the coordinated performance of the internal functional units, together with the management and supervisory bodies, to support the decision-making process, ensuring transparency and integrity throughout the value chain [G1.9]. To this end, we have established a **Compliance Area,** integrated into the Legal, Compliance and Public Affairs Department, in charge of implementing the Compliance Policies that frame the Navigator Group's activity throughout the legal and regulatory value chain, in a logic of transparency and justice, within the scope of preventing and combating unlawful acts. The main mission of this Area is to ensure compliance with applicable legal requirements, preventing corruption, money laundering, terrorist financing, compliance with international sanctions, conflicts of interest and promoting the protection of Human Rights and personal data [G1.9].

We highlight the **Ethics and Integrity Committee**, which plays a fundamental role in promoting and supervising the ethical principles that guide our performance. Its regulation defines the competencies, operation and responsibilities, ensuring the effective application of ethics and conduct standards. By analysing and monitoring ethical issues, this committee reinforces Navigator's commitment to integrity, transparency and responsibility [G1.9].

To promote a culture of compliance, based on ethical and integrated performance, we invest in the training of our Employees. To this end, we provide **continuous training** on compliance matters, namely regarding the Code of Ethics and Conduct, Internal Policies, Communication of Irregularities, Procedures to Address Corruption and Related Infractions (see section G1-3). Available in e-learning format, these trainings are addressed to all Employees and use practical cases to promote an interactive learning of the response that the Company's internal tools offer in everyday situations. The objective is to publicise and reinforce the importance of these instruments, stimulating the understanding of the principles expressed in them. In 2025, the Compliance Area should complement the existing training providing more complete and specific training on the protection of personal data and Human Rights. [G1.9 | G1.10g]

We also invest in the evolution and **development of our organisational culture**, encouraging employee engagement through innovative programs. The **"CRESCER" (GROWING) project** (Chap. 5.3.1), for example, aims to strengthen corporate identity and promote a collaborative and inclusive working environment. [G1.9]

Focusing on the involvement, alignment and **development of young people**, we created programs such as the Future Leaders Forum and the Future Leaders Board, promoting the active participation of emerging talents in business strategy. In addition, the Straight To The Top program encourages innovation and continuous improvement through the sharing of ideas and is open to all employees (Chap. 5.3.1) [G1.9].

Internal communication, essential for the development of corporate identity – by aligning values, strengthening organisational culture and promoting the involvement of Employees in Navigator's strategic vision – is also a priority area, with emphasis on the periodic holding of the Directors' Forum and the Supervisors' Forum, to ensure alignment between top management and operational teams.

Recognition and appreciation of Employees are important means to develop a solid corporate culture, promote motivation, engagement and a positive and productive work environment. Thus, the performance and productivity awards, combined with the celebration of special dates – such as the Remembrances of Antiquity, awarding those who have contributed to Navigator's history over the years – and the commitment to initiatives of approximation – such as the Family Open Doors program and the holiday colony for the children of Employees – reinforce the sense of belonging and involvement with the corporate culture [G1.9].

Policies and documents structuring corporate culture

Among the structuring documents of our business culture, we highlight the Code of Ethics and Conduct, which defines the model of ethical and professional conduct to be complied with by all Employees – both in the pursuit of Navigator's business activity and in the relationship with third parties – and its basic principles, promoting an organisational culture based on excellence, transparency, respect and sustainable development. Regulated issues under the Code of Ethics and Conduct are later translated into policies, specific codes of conduct, internal procedures and guidelines. [G1.7 | ESRS 2.65]

Through our Human Rights Policy, we assume the importance of respect for Human Rights and labour rights as an integral part of the global development of our business activity, in accordance with the principles established in reference intergovernmental documents. [ESRS 2.65d]

Code of Ethics and Conduct

Human Rights Policy

Document	Code of Ethics and Conduct
Description of key contents and general objectives [ESRS 2.65 a]	The Code of Ethics and Conduct mirrors Navigator's values, namely: Trust, Integrity, Entrepreneurship, Innovation, Sustainability and Excellence. In addition, it deals with central topics such as: Prevention of corruption and money laundering; Conflicts of interest; Relations with Shareholders; Competition; Intellectual and industrial property; Social responsibility and sustainable development; Safety and working conditions; Professional development and progression; Discrimination and protection of personal data, among others.
Scope [ESRS 2.65b]	It focuses on its own operations. It has an impact on all Group Stakeholders, in particular Employees and Communities. It is transversal to all geographies where Navigator operates.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Third party standards or initiatives the Company undertakes to respect [ESRS 2.65d]	In line with the Universal Declaration of Human Rights and ILO Conventions;
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business Partners and Stakeholders through the Intranet and Internet sites. Employees are also trained in this matter.
References throughout of the non-financial Statement	• S1 – Own workforce (Chap. 5.3.1) • S3 – Affected communities (Chap. 5.3.3)

Document	Human Rights Policy
Description of key contents and general objectives [ESRS 2.65 a]	It affirms Navigator's commitment to Human and Labour Rights, integrating them into the development of its activity, under international reference standards.
Scope [ESRS 2.65b]	It focuses on its own operations and the upstream and downstream value chain. It has an impact on all Group Stakeholders, in particular Employees and Communities. It is transversal to all geographies where Navigator operates.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Third party standards or initiatives the Company undertakes to respect [ESRS 2.65d / S1.20]	• International Bill of Human Rights • OECD Guidelines for Multinational Enterprises • Fundamental Conventions of the International Labour Organization (ILO) • The United Nations Guiding Principles on Business and Human Rights.
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business Partners and Stakeholders through the Intranet and Internet sites. Employees are also trained in this matter.
Most relevant complementary documentation	Internal Regulations and Good Practices Policies for Occasional Workers and Service Providers of Portucel Moçambique
References throughout of the non-financial Statement	• S1 – own workforce (Chap. 5.3.1) • S2 – Workers in the value chain (Chap. 5.3.2) • S3 – Affected communities (Chap. 5.3.3)

In order to prevent and mitigate the risks inherent in the relationships established with third parties, we have a set **of Compliance Policies** and **Codes of Conduct for Suppliers.** In order to ensure compliance with our commitment, we have implemented compliance clauses with duties Navigator's counterparties have to comply with as regards money laundering, corruption prevention, Human Rights and international sanctions, and a Third Party Integrity Verification System to assess counterparties risk in these matters.

We also undertake to ensure exemption and transparency in decision-making processes, preventing potential conflicts of interest that could compromise the integrity of our operations. In this context, we highlight the Regulation on Conflicts of Interest and Transactions with Related Parties, which establishes clear guidelines for the identification, communication and mitigation of these situations, promoting an environment of trust and impartiality. [ESRS 2.65d]

With regard to the Corruption Prevention and Related Offences Policy (see additional information in sections G1-3 and G1-4), it is aligned and complies with the applicable legal requirements, namely with the General Regime on the Prevention of Corruption [ESRS 2.65d]. The departments in charge of contracting goods or services, sales, institutional relations and marketing are most exposed to the risk of corruption and bribery, according to our Corruption and Related Infringements Risk Prevention Plan. [G1.10h]

Regulation on Conflicts of Interest and Transactions with Related Parties

Corruption Prevention and Related Offences Policy

Document	Compliance Policies - International Sanctions Compliance Policy; Third Party Integrity Verification Policy and Money Laundering and Terrorist Financing Prevention Policy
Description of key contents and general objectives [G1.7; ESRS 2.65]	They reflect the general principles of operation of the Navigator Group in its relations with third parties and the conduct that is expressly prohibited in the context of the relations established by it within the scope of its activity, and define the measures to prevent these risks, by carrying out adequate due diligence procedures, to assess the risk of criminal activities and the integrity of Navigator's counterparties.
Scope [G1.7; ESRS 2.65]	They cover all Navigator geographies.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Third party standards or initiatives the Company undertakes to respect [ESRS 2.65d]	• International Sanctions envisaged by the EU or UN • Recommendations of the Financial Action Task Force (FATF)
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business Partners and Stakeholders through the Intranet and Internet pages. Employees are also trained in this matter.

Document	Compliance Policies - Policy on the Prevention of Corruption and Related Infractions
Description of key contents and general objectives [G1.7; ESRS 2.65]	Its structuring principles are Navigator's total commitment to the prevention of corruption, the generic and transversal prohibition of the practice of acts of corruption and related infractions and the acknowledgement and reinforcement of the ethical and integrity culture already established, whether in its direct relationship with third parties or in the relationship of its Employees, in the exercise of their functions, with third parties.
Scope [G1.7; ESRS 2.65]	It covers all Navigator geographies.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Availability [ESRS 2.65f]	This document is communicated to all Employees, Business Partners and Stakeholders through the Intranet and Internet pages. Employees are also trained in this matter.

Document	Supplier Code of Conduct
Key contents and objectives [ESRS 2.65 a]	Made available to all materially relevant Suppliers, and in all consultation processes [G1.20], it sets the expected ethical standards in the supply chain. It covers topics such as: anti-corruption and bribery practices, respect for Human Rights, working arrangements, health and safety and environmental practices.
Scope [ESRS 2.65b]	It is aimed at upstream operations of the value chain. Impact all Group Stakeholders, in particular Employees and Communities. It is transversal to all geographies where Navigator operates.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Third party standards or initiatives the Company undertakes to respect [ESRS 2.65d]	• Universal Declaration of Human Rights and ILO Conventions; • OHSAS 18001 • ISO 14001
Availability [ESRS 2.65f]	Made available to all materially relevant Suppliers, and in all consultation processes. Available through the Intranet and Internet pages. Employees are also trained in this matter.
References throughout of the non-financial Statement	• S2 – Workers in the value chain (Chap. 5.3.2)

Document	Supplier Code of Conduct (Mozambique)
Key contents and objectives [ESRS 2.65 a]	It presents the responsibilities of Suppliers and Service Providers, with the objective of the long-term pursuit of a sustainable business, based on solid ethical foundations and responsibility, taking into account matters such as the global economy, human, social and environmental factors.
Scope [ESRS 2.65b]	It focuses on upstream operations of the value chain and impacts Employees, Stakeholders and Local Communities. It covers Navigator's Mozambique geography.
Most senior level position accountable for its implementation [ESRS 2.65c]	Board of Directors
Availability [ESRS 2.65f]	Made available to all materially relevant Suppliers, and in all consultation processes. Available on the Internet. Employees are also trained in this matter.
Most relevant complementary documentation	Internal Regulations and Good Practices Policies for Occasional Workers and Service Providers of Portucel Moçambique
References throughout of the non-financial Statement	• S2 – Workers in the value chain (Chap. 5.3.2)

Reporting channel and whistleblower protection

We have implemented and made available at Whistleblower Channel **accessible to Employees, Suppliers, Customers, Service Providers or any other interested parties,** as provided for in our Whistleblower Regulation, allowing the secure and anonymous communication of irregularities. The channel covers a wide range of offences, including but not limited to corruption and related offences, discrimination, harassment, health and safety, human and labour rights and environmental protection [G1.10 a | G1.10e].

This channel is made available through an online portal, managed by an external entity, contracted by Navigator, and allows reports of irregularities to be submitted through an effective, fast and suitable system for their detection, investigation and resolution – under the rules of conduct established internally and with the principles of ensuring anonymity, confidentiality, safeguarding and non-retaliation in relations with whistleblowers, complying with data protection and information security standards and legal requirements under national legislation transposing Directive (EU) 2019/1937 [G1.10 a | G1.10e].

The handling of complaints is ensured by a multidisciplinary team – the **Whistleblowing Committee (CDI)** – composed of the Legal, Compliance and Public Affairs Director (DLC), the Risk Management Director (DGR) and the Compliance Officer. Whenever a complaint involves a member of the CDI, it is forwarded to the Audit Committee, ensuring impartiality and independence in the treatment of each case. In addition, all reports of irregularities received are reported to the Audit Committee and, if they involve members of the Board of Directors or the Audit Committee itself, also to the Ethics Committee [G1.10 a | G1.10e | G1.18 a | G1.19].

The person in charge of following up on the complaints must ascertain whether the complaint contains the minimum grounds to trigger an investigation process, and decide on the involvement of other bodies, departments or Employees in light of certain requirements. If the complaint meets the minimum grounds, the investigation process is initiated, which consists of verifying all the facts necessary to assess the alleged irregularity. The investigation process may result in the filing of the complaint or in the proposal of corrective measures, forwarded to the Executive Committee and the Audit Committee, or to the Board of Directors, when the measures exceed the powers of the Executive Committee. To reinforce confidence in this mechanism, we provide **specific training** on reporting irregularities, ensuring that all Employees understand its operation and the protection guaranteed to whistleblowers [G1.9 | G1.10 a | G1.10e | G1.10g].

5.4.1.2.2. Management of the relationship with Suppliers (G1-2, MDR-P)

The **management of the relationship with Suppliers** is a fundamental strategic axis for the Navigator Group, taking into account the significant impact of its purchasing policies on the creation and distribution of value. With thousands of companies and Workers integrated into our supply chain, we are committed to establishing partnership relationships and stimulating positive change, promoting a more sustainable, resilient and efficient supply chain [G1.15 a | G1.15b].

Our activity involves the supply of wood, biomass, chemicals and other products essential to the industrial process, in addition to the acquisition of energy necessary for production and consumption. These processes have environmental and social impacts, from resource extraction and production to transportation and use. The shipment of products to more than 134 countries and approximately 4,170 delivery points requires complex logistics management, using maritime, rail and road transport, always with the commitment to minimise the environmental footprint and optimize the efficiency of the supply chain. In total, we work with **more than 7,718 Suppliers**, the most relevant being wood and biomass, chemicals and packaging, logistics and transportation, energy and specialized services [G1.15 a | G1.15b].

Whistleblower Channel

Whistleblower Regulation

Commitments entered into

Our operations reflect **not only environmental but also social concerns**, especially with regard to the safety of the people involved. Supply chain resilience and responsiveness are key factors in ensuring business continuity. The sustainable management of Suppliers has become a priority topic in the latest materiality analyses, leading to the definition of commitments and objectives under the 2030 Roadmap. Among the main goals established, we highlight the increase in certified wood and the promotion of chain of custody certification, the reinforcement of the evaluation of Suppliers based on ESG criteria, the encouragement of the adoption of sustainable practices and the commitment to the health, safety and training of Service Providers operating in Navigator's forest areas in Portugal (Chap. 3.4.4) [G1.15a | G1.15b].

Reducing CO_2 emissions associated with the value chain is also a priority, in line with the targets approved by the Science Based Targets initiative (SBTi) in 2022. We are committed to reducing scope 3 carbon emissions, namely those associated with our network of Suppliers and Logistics Partners (Chap. 3.4.4) [G1.15a | G1.15b].

Regarding the **economic impact**, we invest more than 1900 million euros annually in supplies and services. We play a major role in the Portuguese economy, being responsible for a high volume of purchases from national Suppliers, which contributes significantly to the generation of employment and the dynamics of the industrial sector. To support our Suppliers, especially those in the national and Spanish wood market, we have consolidated several measures, including **financial support for the acquisition of machinery**, **facilitating treasury and segmentation of Suppliers**, as well as the **expansion of the payment solution via a confirming solution**. These initiatives aim at fostering a more qualified, sustainable supply chain adapted to the requirements of the sector [G1.15 a | G1.15b].

We also promote active engagement with Suppliers through **collaborative initiatives and knowledge sharing**. **Supplier's Day**, held since 2015, is a platform for dialogue and continuous improvement, addressing topics such as cost reduction, industrial efficiency and sustainability. At the same time, the **Forest Producers Club**, launched in 2023, reflects our commitment to sustainable forest management and aims to unite and support the community of Forest Producers, Suppliers and Service Providers [G1.15 a | G1.15b].

The **commitment to the security of the value chain** (Chap. 3.4.4) translates into the adoption of strict criteria for Workers in forestry and industrial operations. The year 2024 was marked by the visit of the Security Coordinator of Portucel Moçambique to Portugal, where he had the opportunity to physically meet the security teams of the different sites – from the perspective of sharing experiences – and also attended meetings that will strengthen the relationship between the security structures of both geographies. It was also a year where the assumptions for the calculation of safety indexes were made and where the identification of documentary gaps began, a subject that will continue to be discussed in 2025 [G1.15 a | G1.15b].

With regard to **logistics efficiency and the reduction of the carbon footprint**, we have been focusing on the optimisation of transportation flows and the complementarity between the different modes of transport. In 2024, we continued the consolidation of maritime services in nearby ports and increased deliveries to central and northern France by sea, significantly reducing CO_2 emissions associated with road transport, resulting in an emission reduction of about – 786 t CO_2. In addition, we maintained the carrier loyalty program and encouraged fleet renewal, promoting the adoption of more efficient and sustainable vehicles. [G1.15a | G1.15b]

Energy contracting is also a strategic area, aligned with our decarbonisation commitments. In 2024, about 66% of the electricity purchased was of renewable origin, highlighting the supplies through a 115 GWh Power Purchase Agreement (PPA), established with Endesa, which includes the delivery of guarantees of renewable origin, as well as the supply of electricity through physical PPA with the photovoltaic plants of Figueira da Foz and Ejea. [G1.15a | G1.15b]

Through these initiatives, we reaffirmed our commitments to responsible management of the relationship with suppliers, promoting **long-term partnerships** based on transparency, sustainability and innovation [G1.15 a | G1.15b].

Selection and management of Suppliers

With regard to the **selection and management of Suppliers**, we follow strict social and environmental criteria, ensuring that our supply chain operates in accordance with ethical and sustainability standards. Structuring documents such as the **Supplier Code of Conduct**, **Compliance Policies** and the **Human Rights Policy** (see section G1-1) establish due diligence procedures, promoting transparency and risk mitigation. We have implemented a **Third Party Integrity Verification System**, allowing us to evaluate suppliers according to ESG criteria and ensure compliance with regulations on matters such as corruption prevention, money laundering, terrorist financing and Human Rights protection. In addition, compliance clauses are now included in contracts with Suppliers, ensuring the adoption of these principles [G1. [G1.15a | G1.15b]

In the **forestry activity**, we maintain a strict quality control of operations, evaluating the compliance of Service Providers with technical references, legal and environmental requirements. In Mozambique, these assessments are essential, due to the significant involvement of Workers and local Communities, ensuring that the practices adopted meet the highest standards of social and environmental responsibility [G1.15 a | G1.15b].

We have been developing **tools and methodologies to monitor the activity of our Suppliers**, promoting their qualification and approval. The sourcing and contracting procedure, created in 2023, integrates ESG criteria in the evaluation of Suppliers, reinforcing the commitment to sustainability. In addition, the **attribution of the European Union Ecological Label to UWF (Uncoated Woodfree Paper) and tissue products** requires a rigorous Supplier qualification process, considering environmental and performance criteria [G1.15 a | G1.15b].

Finally, our **due diligence methodologies for wood procurement** ensure compliance with international laws and standards such as the Forest Stewardship Council (FSC®) and the Programme for the Recognition of Forest Certification (PEFC™). We ensure that the wood purchased is not associated with illegal or harmful practices to the environment, conducting audits and risk assessments throughout our supply chain [G1.15 a | G1.15b].

5.4.1.2.3. Procedures to address corruption and bribery (G1-3, MDR-P)

Taking into account the international context in which we operate and the increasing participation of the private sector in the fight against corruption and related offences, as well as the legal obligations we are bound to, we have adopted the Policy on the Prevention of Corruption and Related Offences (see section G1-1). Its structuring principles, in addition to those already detailed in the Code of Ethics and Conduct, are Navigator's total commitment to the prevention of corruption, the absolute and transversal prohibition of the practice of acts of corruption and related infractions and the implementation of an ethical and integrity culture, whether in the exercise of their functions or in the relationship with third parties with whom Navigator establishes any business relationship, or other third parties with whom Navigator's Employees relate in the exercise of their functions. [G1.18a].

In addition, we have defined a **Corruption and Related Infringements Risk Prevention Plan**, in which we identify the risks of corruption and related infractions the Company is exposed to and the criteria for evaluating these risks are defined, taking into account the probability of occurrence and the impact of their materialization, according to a qualitative scale of evaluation of these two variables. Given the severity of the risk, a risk matrix is constituted, which classifies them according to a scale of insignificant, low, moderate, high or critical. [G1.18a].

We also have effective mechanisms to prevent, detect and respond to allegations of bribery and other violations, through the **Whistleblowing Channel** (see section G1-1) [G1.18 a | G1.19]. In order to ensure the effectiveness of the irregularity reporting system, the responsibility for monitoring the Reporting Channel is shared by several Navigator bodies, including the Audit Council, which periodically evaluates the internal control system and suggests improvements when necessary [G1.18c].

We communicate the existing mechanisms and instruments to all Employees, Business Partners and Stakeholders through the Intranet and Internet pages [G1.20]. In addition to the publication on the websites, the commitments are published in management reports and specific contractual clauses [G1.20]. In addition, internal training is provided to all Employees in compliance issues, namely as regards prevention of corruption and related offences (see section G1-1) [G1.21c].

Training on the Prevention of Corruption and Related Infractions is made available to Employees in e-learning format, based on practical cases and everyday scenarios, to ensure that Employees understand and correctly apply Navigator's ethical principles and internal standards.

Training is provided to the members of the Management, Management and Supervision bodies, in the same way as provided to the other Employees. In 2024, we carried out training actions on Code of Ethics and Conduct, Communication of Irregularities, Internal Policies and Prevention of Corruption and Related Infractions, involving about 2800 Employees [G1.10g]. Topics covered include the acceptance and offer of goods and advantages, travel, meals, hospitality and entertainment, political sponsorships and donations, social and corporate responsibility, money laundering, international sanctions and KYC - Know Your Counterparty. The topic of Conflicts of Interest was reinforced in this training, following the implementation of measures to strengthen internal control in this matter [G1.9 | G1.10g | G1.21c].

Anti-corruption and anti-bribery training

	Functions at risk	Managers	AMSB (Administrative, Management and Supervisory bodies)	Other Workers
Number of non-employees	2,934	292	39	2,603
Number of employees who received training	303	9	2	292
Percentage of employees who received training	10%	3%	5%	11%

Note: To integrate the term "functions at risk", Employees from the following areas were taken into account: Materials Management Directorate; Wood Supply Directorate; Logistics Directorate; Forest Management Directorate; Industrial Directorates (including Tissue); Digital Technology Directorate; Financial Directorate; Marketing Directorate; Communication and Brand Directorate; Environment and Circularity Directorate; Energy and Energy Transition Directorate; Investor Relations Office; Portucel Moçambique; Public Affairs Directorate; Project Directorate; Paper Sales Directorate Europe; International Paper Sales Directorate; Folder Sales Directorate; Tissue Commercial Directorate; gKRAFT Commercial Department and E-Commerce. Within the "Managers" category, all employees with leadership roles, including Supervisors, were included, and in the "ASMB" category, the members of the Board of Directors and the Officers.

It is worth mentioning that the Training on the Prevention of Corruption and Related Infractions was started in 2023, in e-learning format and held once. Thus, the number of completions recorded in 2024 does not reflect the total number of trainees, since a significant part of the Employees had already completed the training in the previous year.

5.4.1.2.4. Actions and resources related to material sustainability themes (MDR-A)

Under the topic of Responsible Business Conduct, the material impact was identified: "Robust corruption prevention practices contribute to a fairer and more transparent business environment". In order to address this Group's concern, several actions have been developed and adopted in order to achieve a high standard of integrity, strengthen transparency in business relationships and mitigate corruption risks, ensuring compliance with Navigator's regulatory requirements and ethical principles. [ESRS 2.68 | ESRS 2.69]

Thus, the **actions adopted and planned** are part **of Navigator's Corruption and Related Infringements Risk Prevention Plan (RPP)**, through which the risks of corruption and related infractions the Navigator is exposed to are identified, the criteria for their evaluation are defined and the preventive and corrective measures aimed at mitigating their probability of occurrence are established. In this context, these initiatives represent the implementation of these measures, resulting in the creation of mechanisms reinforcing the integrity and transparency of business activity, ensuring compliance with applicable ethical and regulatory principles and contributing to a more responsible business environment. [ESRS 2.68a]

Within the scope of the **actions developed**, the resources mobilised essentially included human resources – the Compliance team led the implementation of the measures, with the support of other departments, when necessary - and specialised external support – and a Service Provider was hired to support in the preparation and execution of the PPR and in the preparation of Procedures that aim to mitigate the identified risks. No sustainable financing instruments were used, such as green bonds, social bonds or green loans, and the execution of the plan was not dependent on specific preconditions. [ESRS 2.69a]

In 2025, the Compliance Area will complement the existing training, by providing more complete and specific training on the protection of personal data and Human Rights.

Main actions	Status	Scope of action	Time horizon	Results
[ESRS 2.68a]	[ESRS 2.68a]	[ESRS 2.68b]	[ESRS 2.68c]	[ESRS 2.68a | ESRS 2.68d | ESRS 2.68e]
Design procedures within the scope of the Plan for the Prevention of Corruption and Related Infractions	Planned	All locations, in all geographies Affected Stakeholders are Employees, Suppliers, Customers, but also other Stakeholders	2025	Achieve the goal of a fairer and more transparent business environment.
Verification of the integrity of counterparties	Executed and planned	Upstream and downstream locations, in all geographies Affected Stakeholders are Suppliers and Customers	Continuous	Risk reduction through monitoring of counterparties.
Corruption and Related Infringements Risk Prevention Plan evaluation reports	Executed and planned	It focuses on its own operations, in all geographies Affected stakeholders are Employees, Suppliers and Customers, but also other Stakeholders	2x per year: Annual Report, in April, and Interim Report (optional), in October	Quantify the degree of implementation of the defined preventive and corrective measures and plan their full implementation.
Training on the Prevention of Corruption and Related Infractions	Executed and planned	It focuses on its own operations, in all geographies Affected Stakeholders are Employees	Continuous	Ensure knowledge of internal policies and reinforce the internalization of Navigator's values by Employees.

The following information is included by reference to other parts of the Non-Financial Statement:

- → More information on the implemented actions of the "CRESCER" (GROWING) project and participation in the Business & Human Rights Accelerator Program: MDR-A, ESRS 2, §68 b/c/e, §69 b/c – Chap. 5.3.1
- → More information on the actions implemented within the scope of Supplier management: MDR-A, ESRS 2, §68 b/c/e, §69 b/c – Chap. 5.3.2.2.4

5.4.1.3. Targets and Metrics

5.4.1.3.1. Monitoring the effectiveness of policies and actions through targets (MDR-T)

In our 2030 Roadmap, we have several **defined goals that target Navigator's Supplier chain**. The goals set by Navigator are aligned with several **Sustainable Development Goals (SDGs)**, reinforcing the Company's commitment to responsible practices.

SDG 17 (target 17.16) is transversal to the goals of promoting the financial evaluation and ESG performance of Suppliers, as well as promoting partnerships for the use of more sustainable means of transportation, since all promote strategic collaborations and multi-sector partnerships for sustainability. The financial and ESG assessment of Suppliers also contributes to **SDG 8** (targets 8.4 and 8.7), by encouraging resource efficiency and the eradication of inappropriate working practices. These initiatives also strengthen **SDG 12** (targets 12.2 and 12.6), promoting the adoption of sustainable business practices and efficient management of natural resources. In addition, by integrating ESG criteria in the relationship with Suppliers, we act in line with **SDG 13** (targets 13.1 and 13.3), reinforcing resilience and capacity to mitigate climate impacts. **SDG 15** (target 15.2) is also addressed, ensuring responsible management of forests and natural resources. Finally, the Suppliers' ESG assessment also includes aspects related to water efficiency, contributing to **SDG 6** (target 6.4) by encouraging more sustainable consumption of this resource. [ESRS 2.80f]

Goal and target	Scope	Baseline	Associated metric	2024 Performance	Results to achieve
	[ESRS 2.80d]	[ESRS 2.80d]	[ESRS 2.75 | ESRS 2.80b]	[ESRS 2.80J]	[ESRS 2.80e]
Promote the financial evaluation of materially relevant Suppliers, on an annual basis, to ensure the sustainability of supply to Navigator	Transversal	Baseline value: 52 Baseline year: 2023	% of Suppliers with financial evaluation	100% of materially relevant suppliers[21] evaluated.	Results to achieve: 100% of materially relevant suppliers Year: 2030
ESG performance assessment (decarbonisation, water management and respect for human rights) for materially relevant Suppliers.	Upstream and downstream of the value chain	Baseline value: Chemical and packaging suppliers: 0%; Logistics and transportation suppliers: 25% of materially relevant Suppliers. Baseline year: 2023	% of Suppliers with ESG evaluation	100% of materially relevant chemical and packaging suppliers evaluated; 100% of materially relevant logistics and transportation suppliers evaluated.	Results to achieve: 100% for chemical and packaging suppliers; 80% for logistics and transportation suppliers. Year: 2025
Materially relevant contracts covered by Navigator's Supplier Code of Conduct	Upstream and downstream of the value chain	Logistics and transportation suppliers: 0% Wood suppliers: 0% Chemical and packaging suppliers: 100% Baseline year: 2023	% of agreements	100%	Results to achieve: 100% Year: 2026
Define a program to support the development of decarbonisation plans, water management and respect for the Human Rights of our Suppliers	Transversal	Baseline value: 52 Baseline year: 2023	-	Logistics and transportation suppliers: For 2024, it was not possible to develop a plan. It will be a target for 2026 Wood suppliers: In 2024, a decarbonization plan was drawn up by 2033, under the scope 3 of the European Union.	Results to achieve: 100% Year: 2026
Promote partnerships for the use of more sustainable means of transport (own and Suppliers)	Transversal	Baseline value: -- Baseline year: 2023	-	Logistics and transportation suppliers: Consolidation of the maritime service to central/ northern France with Wec Lines, increasing shipments by sea, to the detriment of road, resulting in an emission reduction of about -786 t CO_2 in 2024 (compared to 2023); Wood suppliers: Design a decarbonisation plan for the area, which includes partnerships.	Results to achieve: - Year: 2026

Note: The method of calculating the metrics remained unchanged compared to the previous year [ESRS 2.13], and no errors were identified for previous periods [ESRS 2.14]. These metrics are subject to external verification within the scope of this report and are not verified by other entities [ESRS 2.77 b] No interim targets have been developed. [ESRS 2.80e]

[21] Materially relevant suppliers of chemicals and packaging – representing about 80% of the total volume of purchases (spend).
Materially relevant logistics and transportation suppliers – representing about 80% of the volume (in number).
Materially relevant suppliers of wood – representing about 80% of the volume of wood supplied (m^3).

The goal of promoting the financial evaluation of materially relevant Suppliers on an annual basis, ensuring the sustainability of supply, although not related to any existing policy in the Company, aims to ensure a regular analysis of the financial health of the main Suppliers. For its definition, wood and outbound logistics suppliers were classified based on the volume of wood delivered and the number of transports carried out, respectively, and the financial evaluation was conducted using Moody's tool. This analysis covered indicators such as turnover, net income, EBITDA and share of wallet Navigator, focusing on the main Suppliers, responsible for approximately 80% of the volume delivered. The data used refers to the year available on the platform, corresponding to n-1, where n represents the reporting year. There was no Stakeholder involvement in its definition process. [ESRS 2.80a | ESRS 2.80f | ESRS 2.80h]

The goal of evaluating the ESG performance of materially relevant suppliers by 2025, ensuring the evaluation of 100% of Chemical and Packaging Suppliers and 80% of Logistics and Transport Suppliers is aligned with the Company's Decarbonization Plan, Human Rights Policy and Environmental Policy, reinforcing Navigator's commitment to sustainable practices in its supply chain. [ESRS 2.80a]

The goal of ensuring that, by 2026, 100% of new materially relevant contracts are covered by the Code of Conduct for Suppliers is directly aligned with the Company's own Code of Conduct for Suppliers, reinforcing Navigator's commitment to ethics and sustainability in its supply chain. For its implementation, the inclusion of the Code of Conduct for Suppliers in all new contracts established was adopted as a procedure, ensuring Suppliers compliance with the principles defined by the Company. [ESRS 2.80a | ESRS 2.80f]

The goal of defining, by 2026, a program to support its Suppliers in the development of decarbonisation plans, water management and respect for Human Rights is aligned with the Company's Decarbonization Plan, Human Rights Policy and Environmental Policy, reinforcing Navigator's commitment to sustainable and responsible practices in its supply chain. To define this goal, a State of the Art study was carried out in 2023/2024, with 2020 as the reference year, in which areas for improvement were identified and action plans were defined in line with the decarbonisation process. [ESRS 2.80a | ESRS 2.80f]

The goal of promoting partnerships for the use of more sustainable means of transport, both its own and its Suppliers, by 2026, is aligned with the Company's Decarbonisation Plan, reinforcing the commitment to reduce emissions in the logistics sector. To define this goal, a State of the Art study was carried out in 2023/2024, with the reference year 2020, in which areas for improvement were identified and action plans were established for the decarbonisation process. Among the solutions analysed, the possibility of partnerships for the adoption of biofuels and fleet renewal stands out. In addition, new projects were developed in collaboration with existing Partners, namely for the creation of more sustainable transport solutions, including the use of short sea shipping, with special emphasis on the service of France, which allowed the conversion of cargoes, previously transported by road, to maritime transport. However, no milestones associated with this objective have been set. [ESRS 2.80a | ESRS 2.80f]

The following information is included by reference to other parts of the Non-Financial Statement:

→ More information on the target related to the for continuous monitoring of employees' main motivational stimuli: MDR-T, ESRS 2, §80: Chap. 5.3.1

5.4.1.3.2. Incidents of corruption or bribery (G1-4)

During 2024, no cases of violations of anti-corruption and bribery procedures and standards were confirmed, nor were any fines imposed for violations of anti-corruption and bribery laws. [G1-4.24a]

Following the events that occurred in 2020 and 2021, sustained in the 2020 criminal investigation related to the alleged corruption in the wood receiving activity of one of our manufacturing centres, which led to the dismissal with just cause of the Workers involved in that activity, legal proceedings continue in the labour and criminal jurisdictions. In fact, during 2024, Navigator continued to monitor, in the competent labour courts, the actions of judicial challenge of the regularity and lawfulness of the dismissals of 28 Workers, and, to date, there have been no additional developments of the said processes. On the other hand, in the criminal forum, Navigator, as an assistant, continues to monitor said process, and it has continued to the trial phase and the respective production of evidence has already begun. [G1.24b].

5.4.1.3.3. Expenditure with local Suppliers (Entity-Specific Disclosure, MDR-M)

In addition to the metrics to be reported under the ESRS, Navigator monitors an additional set of metrics that support the analysis of the evolution of its performance. We maintain an active commitment to the development of the Communities we operate in, prioritising the hiring of local Suppliers when possible. This approach not only strengthens the national economy, but also contributes to creating shared value and building more sustainable and resilient supply chains. [ESRS 2.77a | ESRS 2.77c]

The metric of "Expenses with local Suppliers" allows to evaluate the weight of purchases made from Suppliers based in Portugal in the total of Navigator's acquisitions. This analysis includes the proportion of the procurement budget allocated to relevant operating units and the total number of Suppliers accounted for as of December 31, 2024. [ESRS 2.77a | ESRS 2.77c]

The methodology used follows the GRI 204-1 reference, considering the total expenses with Suppliers, expressed in thousands of euros, including the VAT amount. These values are in line with the Consolidated income statement of Navigator's Annual Report, ensuring the consistency of the reported information. [ESRS 2.77a | ESRS 2.77c]

Given the strategic importance of this metric, Navigator will continue to monitor and optimise its hiring policies, reinforcing its positive impact on the local economy and the sustainability of its business model. [ESRS 2.77a | ESRS 2.77c]

[ESRS 2.77c – Entity specific metrics]

Expenses with local Suppliers

	2024	2023	2022
Total number of Suppliers	**7,718**	7,490	7,303
% of local Suppliers	**70%**	73%	73%
% of foreign Suppliers	**30%**	27%	27%
Total expenses with Suppliers (thousand €)	**1,937,431**	1,793,052	1,934,460
% of expenses with local Suppliers	**75%**	74%	72%
% of expenses with foreign Suppliers	**25%**	26%	28%

For the climate, nature
and society, acting sustainably
is more than a statement – it is
operating as a responsible
business.

FAUNA

**FROM FOREST
TO FUTURE**

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06

Proposed allocation of profits

The individual accounts show net income of 286,948,195.0 euros, determined on an IFRS basis:

The Board of Directors proposes the following allocation:

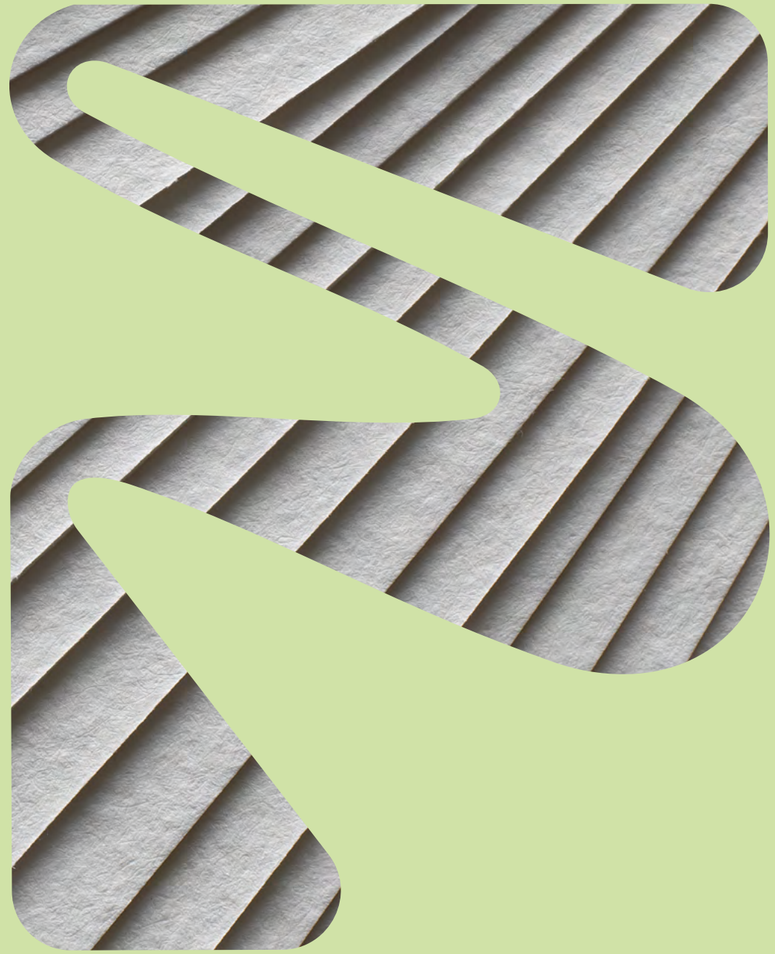
Dividends for outstanding shares	174,993,706.0 euros (0.24606 per share)
Employee profit sharing for the period up to	19,000,000.0 euros*
Retained Earnings	**92,954,489.0 euros**

*Already stated in financial statements

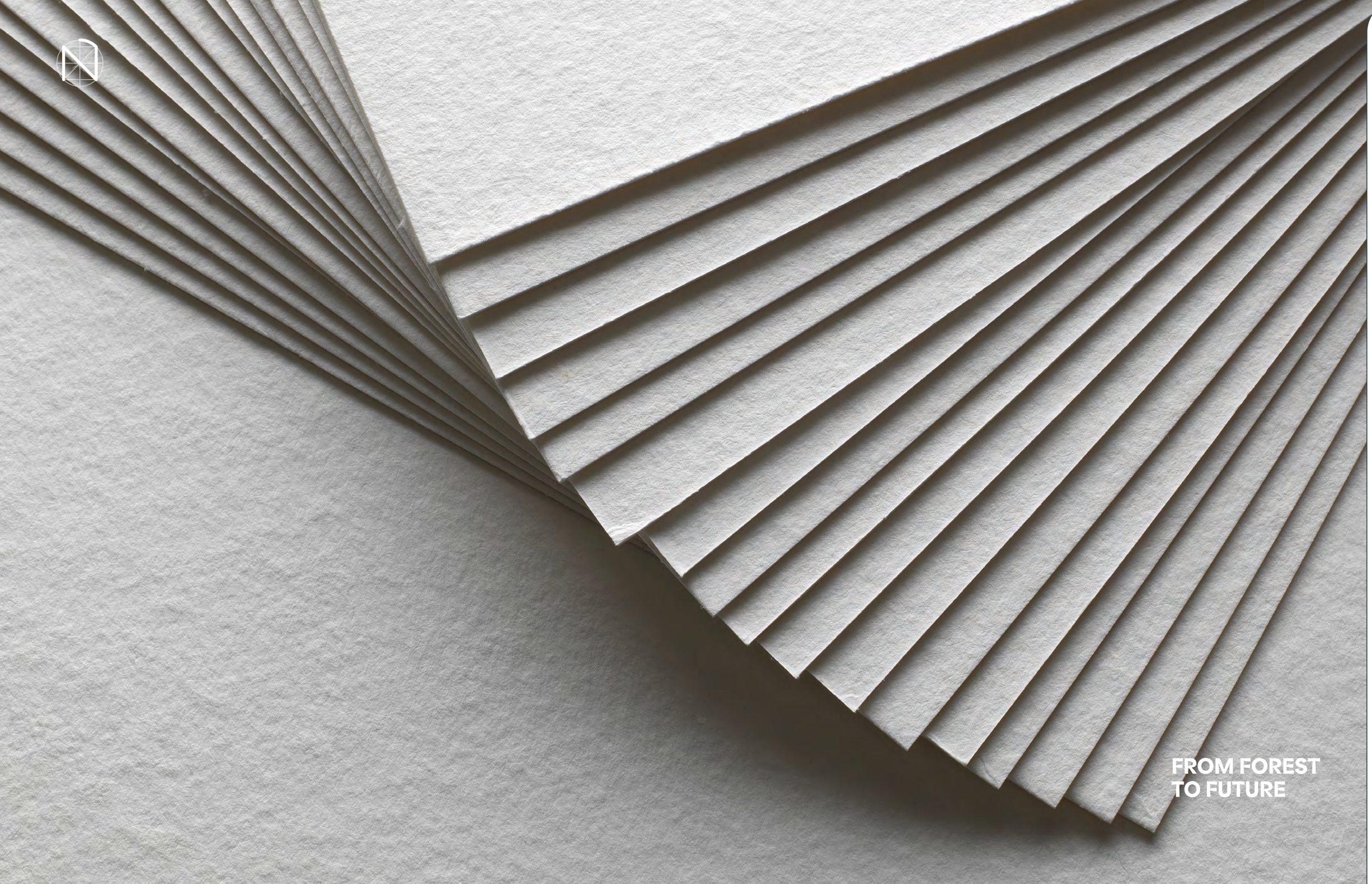
The proposed appropriation of results includes an additional dividend distribution of 75 million euros, corresponding to 0.10545 euros per share, taking into account the interim distribution of 100 million euros carried out on January 14, 2025. It further includes a proposal for employee profit-sharing of up to 16 million euros, net of the 3 million euros distributed in advance in December.

Our business vision influences its growth, driving and accelerating our next strategic steps.

FLEXI BILITY



FROM FOREST TO FUTURE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07

Declaration required

under Article 29-G,1 c) of Securities Code

Article 29-G,1 c) of the Securities Code requires that each of the persons responsible for issuers, whose names and duties must be clearly indicated, make a number of declarations, as described in the sub-paragraph in question. In the case of The Navigator Company, a uniform declaration has been adopted, worded as follows:

"I hereby declare, under the terms and for the purposes of Article 29-G.1 c) of the Securities Code that, to the best of my knowledge, the management report, annual accounts, legal accounts certificate and other financial statements required by law or regulation, even if they have not been submitted for approval at the general meeting, of The Navigator Company, S.A., for the financial year of 2023, were drawn up in accordance with the relevant accounting rules, and provide a true and fair view of the assets and liabilities, financial affairs and profit or loss of the Company and other companies included in the consolidated accounts, and that the management report contains a faithful account of the business, performance and position of the Company and other companies included in the consolidated accounts, describing the main risks and uncertainties which they face.

As required by this rule, we provide below a list of the persons signing the declaration and their office in the company:

Ricardo Miguel dos Santos Pacheco Pires	Chairman of the Board of Directors
António José Pereira Redondo	Chief Executive Officer
José Fernando Morais Carreira de Araújo	Executive director
Nuno Miguel Moreira de Araújo dos Santos	Executive director
João Paulo Cabete Gonçalves Lé	Executive director
Dorival Martins de Almeida	Executive director
António Quirino Soares	Executive director
Ana Teresa Cunha de Pinho Tavares Lehmann	Non-executive director
Hugo Alexandre Lopes Pinto	Non-executive director
Maria Isabel da Silva Marques Abranches Viegas	Non-executive director
Maria Teresa Aliu Presas	Non-executive director
Mariana Rita Antunes Marques dos Santos	Non-executive director
Sandra Maria Soares Santos	Non-executive director
Vitor Paulo Paranhos Pereira	Non-executive director
José Manuel Oliveira Vitorino	Chairman of the Audit Board
Gonçalo Nuno Palha Gaio Picão Caldeira	Member of the Audit Board
Maria da Luz Gonçalves de Andrade Campos	Member of the Audit Board

To connect business and biodiversity as the common good it represents, managing both reliably, securing a blooming Future.

FUTURE

FROM FOREST TO FUTURE

FROM FOREST TO FUTURE

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08
Our performance

The tables in the following sub-chapters provide a summary of Economic, Environmental and Social indicators.

8.1. Economic indicators

Economic Indicators	2024	2023	2022	GRI	ESRS	Chap.
Total sales	**2,088**	**1,953**	**2,465**			**4**
EBITDA[1] (million €)	547	502	736			
Operating profits (EBIT)	379	366	573			
Finantial Results	-25,8	-19	-57			
Net Income (million €)	**287**	**275**	**393**			**4**
Operanting Cash flow	454,8	410	555			
Free Cash flow[2]	22,5	92	463			
Capital expenditure	241	187	113			
Interest Bearing Net Debt[3]	617	490	382			
EBITDA/Sales (%)	**26**	**26**	**30**			**4**
ROCE[4]	20,1%	21%	35%			
ROE[5]	21,5%	21%	34%			
Interest Bearing Net Debt /EBITDA[6]	1.13	0.98	0.52			
Direct Economic Value Generated - Revenues (I) (thousand €)	**2,188,933**	**2,033,559**	**2,535,783**	**201-1**		**2.3**
Direct Economic Value Distributed (II) (thousand €)	**1,824,737**	**1,848,089**	**2,122,950**			
Operating costs	1,384,528	1,294,457	1,514,271			

[1] Operating profits + depreciation + provisions.
[2] Variation net debt + dividends + purchase of own shares.
[3] Interest-bearing liabilities - liquid assets (not including effect of IFRS 16).
[4] ROCE = Annualised operating income / Average Capital invested (N+(N-1))/2.
[5] ROE = Annualised net income / Average Shareholders' Funds (N+(N-1))/2.
[6] Interest-bearing liabilities - liquid assets/ EBITDA corresponding to last 12 months. Impact of IFRS 16: Net Debt / EBITDA 2024 on 1.3; Net Debt / EBITDA 2023 of 1.1.

Economic Indicators	2024	2023	2022	GRI	ESRS	Chap.
Employee pay and benefits	202,709	171,127	185,194			
Payments to capital providers	175,835	219,305	356,967			
Taxes	60,065	161,741	64,765			
Community investment	1,600	1,459	1,752			
Accumulated Economic Value (I-II) (thousands of euros)	**364,196**	**185,470**	**412,834**			
Financial support received from the government (thousands of euros)	**17,958**	**16,781**	**16,405**	**201-4**		
Tax Incentives / Credits	3,952	1,701	2,557			
Subsidies	10,814	12,280	12,314			
Support for research and R&D	3,192	2,800	1,533			
Total number of suppliers	**7,718**	**7,490**	**7,303**		**MDR-M**	**5.4.1.3.3**
Percentage of local suppliers (%)	70	73	73			
Total expenditure on Suppliers (€)	**1,937,431**	**1,793,052**	**1,934,460**	**204-1**	**MDR-M**	**5.4.1.3.3**
% expenditure on local suppliers	75	74	72			

8.2. Environmental indicators

Environmental indicators	2024	2023	2022	GRI	ESRS	Chap.
Forest						
% of Forest Area Managed with Certification, in Mainland Portugal	**100**	**100**	**100**		**MDR-M**	**5.2.6.3**
Wood purchased with FSC® and PEFC™ certification					**MDR-M**	**5.2.6.3**
% Portuguese	73	68	65			
% overall	73	69	68			
Materials						
Raw materials (tons)[7]	**5,241,400**	**4,714,216**	**5,156,843**	**301-1**		
Renewable	4,569,007	4,251,275	4,619,939			
Non-renewable	672,361	462,940	536,904			
% of renewable raw materials	87	90	90			
% of recycled materials used	0,00	0,00	0,01	301-2		

[7] Revised methodology for greater alignment with ESRS, now including UWF and Tissue packaging materials, compounds associated with production (retention, resistance and bleaching agents), lubricants and materially relevant MROs (maintenance, repair and operation).

Environmental indicators	2024	2023	2022	GRI	ESRS	Chap.
Energy						
Energy consumption within the organization (GJ)	**41,376,730**	**39,746,832**	**41,165,471**	**302-1**	**E1-5**[8]	**5.2.2.3.2**
Primary energy from non-renewable sources	8,392,059	7,788,102	9,825,584			
Primary energy from renewable sources	32,234,878	31,688,941	31,802,148			
Electricity acquired for consumption	4,922,607	5,400,128	4,910,655			
Electricity sold	4,172,815	5,130,339	5,372,917			
% primary renewable energy consumed	79	80	76			
% primary renewable energy consumed in Portugal[9]	80	81	76			
Energy intensity In Portugal (GJ/t output)[10]	**12,8**	**12,9**	**12,0**	**302-3**		
Reduction in energy consumption (GJ)	**19,483**	**5,604**	**65,682**	**302-4**		
Water[11]						
Water intake (thousand m³)	**62,858**	**61,989**	**63,503**	**303-3**	**E3-4**	**5.2.3.3.2**
Industrial operations	60,799	60,096	61,857			
Forestry operations	2,055	1,892	1,647			
Specific water use in industrial operations in Portugal (m³/t)	**20,5**	**21,2**	**19,1**		**MDR-M**	
Biodiversity						
Facilities in or close to protected areas and areas of high biodiversity value				**304-1**	**MDR-M**	**5.2.4.3**
National Network of Protected Areas (RNAP) (ha)	**7,608**	11,877	10,253			
% of total holdings managed	7	11	10			
Classified sites in Natura 2000 Network (ha)	26,996	44,990	43,699			
% of total holdings managed	25	42	41			
Special Protection Zones (ZPE) in the Natura 2000 Network (ha)	20,359	33,680	31,533			
% of total holdings managed	19	31	30			
Total classified areas (ha)	**54,963**	**56,684**	**53,738**		**MDR-M**	**5.2.4.3**
% of total holdings managed	50	53	51			
Habitats protected or restored (ha)	**4,597**	**4,611**	**4,314**	**304-3**	**MDR-M**	**5.2.4.3**
Protected habitats (ha)	4,474	4,420	4,243			
Restored habitats (ha)	123	191,3	71,2			

[8] Data available in MWh.
[9] The primary renewable energy consumed includes, since 2021, the electricity produced in photovoltaic solar power stations.
[10] The calculation of energy intensity took into account energy consumption by primary sources (excluding energy from Biomass Thermoelectric Plants - BTC) and the total quantity of products manufactured. The energy used by BTCs is included in the total energy consumed, but these figures are not taken into account when calculating energy intensity, since this consumption is not related to the production process.
[11] These indicators do not include Navigator Tissue UK.

Environmental indicators	2024	2023	2022	GRI	ESRS	Chap.
Emissions[12]						
Scope 1 (tCO_2e)	**509,037**	**508,833**	**592,428**	**305-1**	**E1-6**	**5.2.2.3.3**
Assets at plants (CELE scope)	454,234	457,990	552,587			
Other Scope 1 Emissions	54,803	50,843	39,842			
Scope 2 (tCO_2e)				**305-2**	**E1-6**	**5.2.2.3.3**
Purchase of power (location based)	140,633	230,642	352,517			
Scope 3 (tCO_2e)	**1,388,883**	**1,397,752**	**1,589,138**	**305-3**	**E1-6**	**5.2.2.3.3**
Category 1: Purchased Goods and Services	856,601	792,005	1,006,540			
Category 3: Fuel- and Energy-Related Activities (not included in Scope 1 or 2)	90,324	100,052	107,036			
Category 4: Upstream Transportation and Distribution	95,383	90,208	124,566			
Category 9: Downstream Transportation and Distribution	96,808	116,597	81,182			
Category 10: Processing of Sold Product	102,467	154,224	108,080			
Category 12: End-of-Life Treatment of Sold Products	147,402	144,667	161,734			
Reduction in GHG emissions as direct result of initiatives undertaken (tCO_2e)	**11,415**	**12,230**	**4,576**	**305-5**		
Waste						
Total waste generated (t)	**446,601**	**441,642**	**410,717**	**306-3**	**E5-5**	**5.2.5.3.3**
Recovery	300,927	296,348	279,862			
Disposed of	145,674	148,587	133,342			
Non-hazardous waste (t)	**455,622**	**440,709**	**410,021**		**E5-5**	**5.2.5.3.3**
Recovery	300,307	295,687	279,330			
Disposed of	145,315	148,316	133,177			
Hazardous waste (t)	**979**	**933**	**697**		**E5-5**	**5.2.5.3.3**
Recovery	620	662	532			
Disposed of	359	271	165			
Rate of disposal of waste in industrial landfill in Portugal (%)	**12**	**12**	**11**		**MDR-M**	**5.2.5.3.1**

[12] The GHG Protocol guidelines have been followed.

Scope 1, 2 and 3 emissions include emissions associated with all Navigator activities in all geographies, except for emissions associated with international offices due to their low materiality (<0.02%). Emissions from Navigator Tissue UK, which was integrated into Navigator in May 2024, have been included in scopes 1 and 2, with an extension to scope 3 planned for next year.

Other scope 1 emissions represent emissions associated with industrial assets outside of the scope of the EU ETS, ioemissions associated with fluorinated gases, methane and nitrous oxide and emissions associated with travelling in the company's own fleet. The data for 2023, including emissions within the scope of the EU ETS, fluorinated gases, methane and nitrous oxide, has been updated, incorporating the EU ETS verification that took place after the publication of the 2023 Annual Report, information that was not previously available. The materiality of the update is less than 0.2%.

Scope 2 location-based emissions were calculated using the most recent emission factors from the International Energy Agency (IEA). Market-based emissions take into account the emission factors of commercialisers, as well as the supply of 100% renewable energy under PPA - Power Purchase Agreement contracts. The figures for 2024 are provisional, as the final emission factor figures are not yet available.

Categories 2, 5, 6 and 7 are excluded from scope 3 due to their low materiality. Navigator carried out a materiality analysis in 2022, and these categories were identified as not material. Categories 8, 11, 13, 14 and 15 are excluded due to their non-applicability to Navigator's business.

8.3. Social Indicators

Social Indicators	2024	2023	2022	GRI	ESRS	Chap.
Human resources						
Number of Employees	**3,965**	**3,467**	**3,246**	**2-7**	**S1-6**	**5.3.1.3.2**
Permanent contract	**3,717**	**3,279**	**3,082**			
Men	3,213	2,686	2,549			
Women	752	593	533			
Fixed-term contract	**248**	**188**	**164**			
Men	192	135	123			
Women	56	53	41			
Safety and Health[13]				**403-9**		
Number of accidents at work	**254**	**228**	**262**		**S1-14**	**5.3.1.3.8**
Frequency rate	**4,1**	**5,8**	**7,3**		**S1-14**	**5.3.1.3.8**
Index of fatalities as a result of work-related injury	**0,0**	**0,0**	**0,0**			
Training and development						
Training hours per Employee	**93**	**78**	**42**	**404-1**	**S1-13**	**5.3.1.3.7**
By gender						
Men	100	84	44			
Women	64	53	32			
Performance assessment (%)	**77**[14]	**99**	**98**	**404-3**	**S1-13**	**5.3.1.3.7**
By gender						
Men	92	99	97			
Women	**89**	100	98			
Diversity						
% of women in the organisation	**19,0**	**19,0**	**17,7**		**S1-6**[15]	**5.3.1.3.2**
Employees by age (%)				**405-1**	**S1-9**[16]	**5.3.1.3.5**
<30 years	14,1	13,0	12,5			
30-50 years	61,7	61,8	61,1			
>50 years	24,2	25,2	26,4			

[13] According to the GRI criteria, serious accidents at work are injuries from which the Worker will not recover, i.e. is expected to recover fully within a maximum period of 6 months to the health condition prior to the accident. According to the GRI criteria, it includes all accidents that result in one of the following possibilities: deaths, accidents with sick leave, accidents that result in loss or reduction of ability to work or transfer to another job, accidents that lead to medical treatment beyond first aid, loss of consciousness, serious injury diagnosed by a doctor or other qualified health professional. It may also be referred to as TRI (Total Recordable Incidents). Note 2: The normalisation factor for hours worked of 1,000,000 was used to calculate the index. Methodological notes on the calculations made: Formulas: - Index of deaths resulting from accidents at work = (No. of deaths resulting from accidents at work / No. of hours worked) x 1,000,000 - Frequency Index = (No. of accidents with sick leave / No. of hours worked) x 1,000,000.

[14] The figures presented relate to 2023, as the 2024 Performance Management Cycle has not yet been finalised. All employees in Portugal, Mozambique and International Offices have been taken into account, with neither the Tissue units in Ejea nor Tissue in the United Kingdom being covered.

[15] Data available on the total number of women in the organisation.

[16] Data available on total number of employees by age group.

A mature phase driven
by experience, cultivating
the balance between
nature and industry.

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FROM FOREST TO FUTURE

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09
Annexes

9.1. Correspondence Tables [ESRS, Non-Financial Information, WEF]

9.1.1. ESRS

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

Disclosure Requirements	Location
ESRS 2 - General Disclosures	
BP-1 - General basis for preparation of the sustainability statements	Chap. 5.1.1.1
BP-2 - Disclosures in relation to specific circumstances	Chap. 5.1.1.2 Chap. 9.1.1
GOV-1 - The role of the administrative, management and supervisory bodies	Chap. 5.1.2.1
GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Chap. 5.1.2.2
GOV-3 - Integration of sustainability-related performance in incentive schemes	Chap. 5.1.2.3
GOV-4 - Statement on due diligence	Chap. 9.1.1
GOV-5 - Risk management and internal controls over sustainability reporting	Chap. 5.1.2.4
SBM-1 - Strategy, business model and value chain	Chap. 5.1.3.1

→ Continued

Disclosure Requirements	Location
SBM-2 - Interests and views of stakeholders	Chap. 5.1.3.2
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Chap. 5.1.4.1
IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	Chap. 5.1.4.2 Chap. 9.1.1
E1 - Climate change	
ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	Chap. 5.1.2.3
E1-1 - Transition plan for climate change mitigation	Chap. 5.2.2.1.2
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.2.2.1.1
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to climate	Chap. 5.1.4.1
E1-2 - Policies related to climate change mitigation and adaptation	Chap. 5.2.2.2.1
E1-3 - Actions and resources in relation to climate change policies	Chap. 5.2.2.2.2
E1-4 - Targets related to climate change mitigation and adaptation	Chap. 5.2.2.3.1
E1-5 - Energy consumption and mix	Chap. 5.2.2.3.2
E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions	Chap. 5.2.2.3.3
E1-9 - Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Chap. 5.2.2.3.4
E3 - Water and marine resources	
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to Water and marine resources	Chap. 5.1.4.1
E3-1 - Policies related to water and marine resources	Chap. 5.2.3.2.1
E3-2 - Actions and resources related to water and marine resources	Chap. 5.2.3.2.2

Disclosure Requirements	Location
E3-3 - Targets related to water and marine resources	Chap. 5.2.2.3.1
E3-4 - Water consumption	Chap. 5.2.3.3.2
E3-5 - Anticipated financial effects from water and marine resources-related risks and opportunities	Chap. 5.2.3.3.3
E4 - Biodiversity and ecosystems	
E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Chap. 5.2.4.1.2
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.2.4.1.1
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to Biodiversity and ecosystems	Chap. 5.1.4.1
E4-2 - Policies related to biodiversity and ecosystems	Chap. 5.2.4.2.1
E4-3 - Actions and resources related to biodiversity and ecosystems	Chap. 5.2.4.2.2
E4-4 - Targets related to biodiversity and ecosystems	Chap. 5.2.4.3.1
E4-5 - Impact metrics related to biodiversity and ecosystems change	Chap. 5.2.4.3.2
E4-6 - Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities	Chap. 5.2.4.3.3
E5 - Resource use and circular economy	
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities related to Resource use and circular economy	Chap. 5.1.4.1
E5-1 - Policies related to resource use and circular economy	Chap. 5.2.5.2.1
E5-2 - Actions and resources related to resource use and circular economy	Chap. 5.2.5.2.2
E5-3 - Targets related to resource use and circular economy	Chap. 5.2.5.3.1
E5-4 - Resource inflows	Chap. 5.2.5.3.2
E5-5 - Resource outflows	Chap. 5.2.5.3.3
E5-6 - Anticipated financial effects from resource use and circular economy-related risks and opportunities	Chap. 5.2.5.3.4
S1 - Own workforce	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 5.1.3.2
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.3.1.1.1

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Disclosure Requirements	Location
S1-1 - Policies related to own workforce	Chap. 5.3.1.2.1
S1-2 - Processes for engaging with own workforce and workers' representatives about impacts	Chap. 5.3.1.2.2
S1-3 - Processes to remediate negative impacts and channels for own workforce to raise concerns	Chap. 5.3.1.2.3
S1-4 - Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Chap. 5.3.1.2.4
S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 5.3.1.3.1
S1-6 - Characteristics of the undertaking's employees	Chap. 5.3.1.3.2
S1-7 - Characteristics of non-employee in the undertaking's own workforce	Chap. 5.3.1.3.3
S1-8 - Collective bargaining coverage and social dialogue	Chap. 5.3.1.3.4
S1-9 - Diversity indicators	Chap. 5.3.1.3.5
S1-10 - Adequate wages	Chap. 5.3.1.3.6
S1-13 - Training and skills development indicators	Chap. 5.3.1.3.7
S1-14 - Health and safety metrics	Chap. 5.3.1.3.8
S1-15 - Work-life balance metrics	Chap. 5.3.1.3.9
S1-16 - Remuneration metrics (pay gap and total remuneration)	Chap. 5.3.1.3.10
S1-17 - Incidents, complaints and severe human rights impacts	Chap. 5.3.1.3.11
S2 - Workers in the value chain	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 5.1.3.2
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.3.2.1.1
S2-1 - Policies related to value chain workers	Chap. 5.3.2.2.1
S2-2 - Processes for engaging with value chain workers about impacts	Chap. 5.3.2.2.2
S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Chap. 5.3.2.2.3
S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Chap. 5.3.2.2.4

Disclosure Requirements	Location
S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 5.3.2.3.1
S3 - Affected communities	
ESRS 2 SBM-2 - Interests and views of stakeholders	Chap. 5.1.3.2
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	Chap. 5.3.3.1.1
S3-1 - Policies related to affected communities	Chap. 5.3.3.2.1
S3-2 - Processes for engaging with affected communities about impacts	Chap. 5.3.3.2.2
S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns	Chap. 5.3.3.2.3
S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Chap. 5.3.3.2.4
S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Chap. 5.3.3.3.1
G1 - Business conduct	
ESRS 2 GOV-1 - The role of the administrative, management and supervisory bodies	Chap. 5.1.2.1
ESRS 2 IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities	Chap. 5.1.4.1
G1-1- Business conduct policies and corporate culture	Chap. 5.4.1.2.1
G1-2 - Management of relationships with suppliers	Chap. 5.4.1.2.2
G1-3 - Procedures to address corruption and bribery	Chap. 5.4.1.2.3
G1-4 - Incidents of corruption or bribery	Chap. 5.4.1.3.2
Entity-specific disclosures – Sustainable Forestry Management	
MDR-P - Policies adopted to manage material sustainability matters	Chap. 5.2.6.2.1
MDR-A - Actions and resources in relation to material sustainability matters	Chap. 5.2.6.2.2
MDR-T - Tracking effectiveness of policies and actions through target	Chap. 5.2.6.3.1
MDR-M - Metrics in relation to material sustainability matters	Chap. 5.2.6.3.2

List of data points that derive from other EU legislation

Disclosure Requirements	Datapoint	Description	Reference SFDR	Pillar 3 Reference	Reference Regulation of Reference	EU climate legislation reference	Location	Materiality
ESRS 2 GOV-1	Paragraph 21 (d)	Board's gender diversity	●	-	●	-	Chap. 5.1.2.1	-
ESRS 2 GOV-1	Paragraph 21 (e)	Percentage of independent board members	-	-	●	-	Chap. 5.1.2.1	-
ESRS 2 GOV-4	Paragraph 30	Disclosure of mapping of information provided in sustainability statement about due diligence process	●	-	-	-	Chap. 9.1.1	-
ESRS 2 SBM-1	Paragraph 40 (d) i	Undertaking is active in fossil fuel	●	●	●	-	Chap. 5.1.3.1	-
ESRS 2 SBM-1	Paragraph 40 (d) ii	Undertaking is active in chemicals production	●	-	●	-	Chap. 5.1.3.1	-
ESRS 2 SBM-1	Paragraph 40 (d) iii	Undertaking is active in controversial weapons	●	-	●	-	Chap. 5.1.3.1	-
ESRS 2 SBM-1	Paragraph 40 (d) iv	Undertaking is active in cultivation and production of tobacco	-	-	●	-	Chap. 5.1.3.1	-
ESRS E1-1	Paragraph 14	Disclosure of transition plan for climate change mitigation	-	-	-	●	Chap. 5.2.2.1.2	-
ESRS E1-1	Paragraph 16 (g)	Undertaking is excluded from EU Paris-aligned Benchmarks	-	●	●	-	Chap. 5.2.2.1.2	-
ESRS E1-4	Paragraph 34	GHG emission reduction targets	●	●	●	-	Chap. 5.2.2.3.1	-
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources broken down by source (only sectors with a high climate impact)	●	-	-	-	Chap. 5.2.2.3.2	-
ESRS E1-5	Paragraph 37	Energy consumption and energy mix	●	-	-	-	Chap. 5.2.2.3.2	-
ESRS E1-5	Paragraphs 40-43	Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	●	-	-	-	Chap. 5.2.2.3.2	-
ESRS E1-6	Paragraph 44	Gross Scopes 1, 2, 3 and Total GHG emissions	●	●	●	-	Chap. 5.2.2.3.3	-
ESRS E1-6	Paragraphs 53-55	GHG emissions intensity	●	●	●	-	Chap. 5.2.2.3.3	-
ESRS E1-7	Paragraph 56	Disclosure of GHG removals and storage	-	-	-	●	-	Non-material
ESRS E1-9	Paragraph 66	Exposure of the reference portfolio to climate-related physical risks	-	-	●	-	Chap. 5.2.2.3.4	
ESRS E1-9	Paragraph 66 (a)	Breakdown of monetary amounts by acute and chronic physical risk	-	●	-	-	Chap. 5.2.2.3.4	
ESRS E1-9	Paragraph 66 (c)	Disclosure of location of significant assets at material physical risk	-	●	-	-	Chap. 5.2.2.3.4	
ESRS E1-9	Paragraph 67 (c)	Total carrying amount of real estate assets by energy efficiency classes	-	●	-	-	Chap. 5.2.2.3.4	
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities	-	-	●	-	Chap. 5.2.2.3.4	
ESRS E2-4	Paragraph 28	Quantity of each pollutant listed in Annex II of the E-PRTR Regulation emitted into air, water and soil	●	-	-	-	-	Non-material
ESRS E3-1	Paragraph 9	Water and marine resources	●	-	-	-	Chap. 5.2.3.2.1	

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Disclosure Requirements	Datapoint	Description	Reference SFDR	Pillar 3 Reference	Reference Regulation of Reference	EU climate legislation reference	Location	Materiality
ESRS E3-1	Paragraph 13	Dedicated policy	●	-	-	-	Chap. 5.2.3.2.1	
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	●	-	-	-	-	Non-material
ESRS E3-4	Paragraph 28 (c)	Total water recycled and reused	●	-	-	-	-	Non-material
ESRS E3-4	Paragraph 29	Total water consumption in m^3 per net income from own operations	●	-	-	-	-	Non-material
ESRS 2- SBM3 - E4	Paragraph 16 (a) i	Disclosure of activities negatively affecting biodiversity sensitive areas	●	-	-	-	Chap. 5.2.4.1.1	-
ESRS 2- SBM3 - E4	Paragraph 16 (b)	Material negative impacts with regards to land degradation, desertification or soil sealing have been identified	●	-	-	-	Chap. 5.2.4.1.1	-
ESRS 2- SBM3 - E4	Paragraph 16 (c)	Own operations affect threatened species	●	-	-	-	Chap. 5.2.4.1.1	-
ESRS E4-2	Paragraph 24 (b)	Sustainable land or agriculture practices or policies have been adopted	●	-	-	-	Chap. 5.2.4.2.1	-
ESRS E4-2	Paragraph 24 (c)	Sustainable oceans or seas practices or policies have been adopted	●	-	-	-	-	Non-material
ESRS E4-2	Paragraph 24 (d)	Policies to address deforestation have been adopted	●	-	-	-	Chap. 5.2.4.2.1	-
ESRS E5-5	Paragraph 37 (d)	Non-recycled waste	●	-	-	-	-	Non-material
ESRS E5-5	Paragraph 39	Total amount of hazardous and radioactive waste	●	-	-	-	-	Non-material
ESRS 2- SBM3 - S1	Paragraph 14 (f)	Information about type of operations at significant risk of incidents of forced labour or compulsory labour	●	-	-	-	Chap. 5.3.1.1.1	-
ESRS 2- SBM3 - S1	Paragraph 14 (g)	Information about type of operations at significant risk of incidents of child labour	●	-	-	-	Chap. 5.3.1.1.1	-
ESRS S1-1	Paragraph 20	Description of relevant human rights policy commitments relevant to own workforce	●	-	-	-	Chap. 5.3.1.2.1	-
ESRS S1-1	Paragraph 21	Disclosure of whether and how policies are aligned with relevant internationally recognised instruments (ILO conventions 1 to 8)	-	-	●	-	Chap. 5.3.1.2.1	-
ESRS S1-1	Paragraph 22	Processes and measures to prevent human trafficking	●	-	-	-	Chap. 5.3.1.2.1	-
ESRS S1-1	Paragraph 23	Workplace accident prevention policy or management system is in place	●	-	-	-	Chap. 5.3.1.2.1	-
ESRS S1-3	Paragraph 32 (c)	Grievance or complaints handling mechanisms related to employee matters exist	●	-	-	-	Chap. 5.3.1.2.3	-
ESRS S1-14	Paragraph 88 (b) e (c)	Number of fatalities and number and rate of work-related accidents in own workforce as result of work-related injuries and work-related ill health	●	-	●	-	Chap. 5.3.1.3.8	-
ESRS S1-14	Paragraph 88 (e)	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	●	-	-	-	Chap. 5.3.1.3.8	-
ESRS S1-16	Paragraph 97 (a)	Gender pay gap	●	-	●	-	Chap. 5.3.1.3.10	-
ESRS S1-16	Paragraph 97 (b)	Excessive remuneration ratio for executive directors	●	-	-	-	Chap. 5.3.1.3.10	-

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Disclosure Requirements	Datapoint	Description	Reference SFDR	Pillar 3 Reference	Reference Regulation of Reference	EU climate legislation reference	Location	Materiality
ESRS S1-17	Paragraph 103 (a)	Number of incidents of discrimination	●	-	-	-	Chap. 5.3.1.3.11	-
ESRS S1-17	Paragraph 104 (a)	Non-compliance with the UNGPs on business and human rights and the OECD guidelines	●	-	●	-	Chap. 5.3.1.3.11	-
ESRS 2- SBM3 – S2	Paragraph 11 (b)	Disclosure of geographies or commodities for which there is significant risk of child labour, or of forced or compulsory labour, among workers in undertaking's value chain	●	-	-	-	Chap. 5.3.2.1.1	-
ESRS S2-1	Paragraph 17	Description of relevant human rights policy commitments relevant to value chain workers	●	-	-	-	Chap. 5.3.2.2.1	-
ESRS S2-1	Paragraph 18	Policies explicitly address trafficking in human beings, forced labour or compulsory labour and child labour	●	-	-	-	-	Non-material
ESRS S2-1	Paragraph 19	Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights and Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers	●	-	●	-	Chap. 5.3.2.2.1	-
ESRS S2-1	Paragraph 19	Due diligence policies on issues covered by ILO conventions 1 to 8	-	-	●	-	Chap. 5.3.2.2.1	-
ESRS S2-4	Paragraph 36	Disclosure of severe human rights issues and incidents connected to upstream and downstream value chain	●	-	-	-	Chap. 5.3.2.2.4	-
ESRS S3-1	Paragraph 16	Description of relevant human rights policy commitments relevant to affected communities	●	-	-	-	-	Non-material
ESRS S3-1	Paragraph 17	Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights and ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities	●	-	●	-	-	Non-material
ESRS S3-4	Paragraph 36	Disclosure of severe human rights issues and incidents connected to affected communities	●	-	-	-	-	Non-material
ESRS S4-1	Paragraph 16	Description of relevant human rights policy commitments relevant to consumers and/or end-users	●	-	-	-	-	Non-material
ESRS S4-1	Paragraph 17	Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and/or end-users	●	-	●	-	-	Non-material
ESRS S4-4	Paragraph 35	Disclosure of severe human rights issues and incidents connected to consumers and/or end-users	●	-	-	-	-	Non-material
ESRS G1-1	Paragraph 10 (b)	UN Convention against Corruption	●	-	-	-	Chap. 5.4.1.2.1	-
ESRS G1-1	Paragraph 10 (d)	Protection of whistleblowers	●	-	-	-	-	Non-material
ESRS G1-4	Paragraph 24 (a)	Amount of fines for violation of anti-corruption and antibribery laws	●	-	●	-	Chap. 5.4.1.3.2	-
ESRS G1-4	Paragraph 24 (b)	Prevention and detection of corruption or bribery	●	-	-	-	Chap. 5.4.1.3.2	-

ESRS 2 BP-2 - List of disclosure requirements/data points incorporated by reference

Disclosure Requirements	ID	Location
List of disclosure requirements/data points incorporated by reference	BP-2	Chap. 9.1.1 ESRS
Disclosure of the composition and diversity of the members of the administrative, management and supervisory bodies (ESRS 2.21a/c/d/e)	GOV-1	Chap. 3.2 – Governance model of this report and in sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Representation of employees and other workers on the company's administrative, management and supervisory bodies (ESRS 2.21b)	GOV-1	Chap. 3.2 – Governance model of this report and in sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Disclosure of the identity of the administrative, management and supervisory bodies (ESRS 2.22a)	GOV-1	Sections 11, 17, 21, 31 and 39 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Roles and responsibilities of the administrative, management and supervisory bodies in monitoring risks (ESRS 2.22a/b/c)	GOV-1	Chap. 3.3 – Risk management of this report and in sections 50-51 of the Corporate Governance Report | Part I –Information on Shareholder Structure, Organisation and Corporate Governance
The role of the administrative, management and supervisory bodies with regard to business conduct (ESRS G1.5a)	GOV-1	Chap. 3.2 – Governance model of this report and in sections 11-38 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance | B. Corporate Bodies and Committees | II. Management and Supervision | III. Supervision
Disclosure of the competences of the members of the administrative, management and supervisory bodies in terms of sustainability and business conduct (ESRS 2.23/ G1.5b)	GOV-1	Chap. 3.2 – Governance model of this report and in section 16 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about the IRO (ESRS 2.26a/b/AR6)	GOV-2	Sections 21, 24 e 25 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies exist (ESRS 2.29a/b/c/e)	GOV-3	Sections 24–25 e 70 of the Corporate Governance Report | Part I – Information on Shareholder Structure, Organisation and Corporate Governance
Disclosure of mapping of information provided in sustainability statement about due diligence process	GOV-4	Chap. 9.1.1 ESRS
Description of risk assessment approach followed (ESRS 2.36a/b)	GOV-5	Sections 50-55 of the Corporate Governance Report | Part I –Information on Shareholder Structure, Organisation and Corporate Governance
Description of main risks identified and their mitigation strategies (ESRS 2.36c)	GOV-5	Chap. 3.3 - Risk management of this report and section 53 of the Corporate Governance Report | Part I - Information on Shareholder Structure, Organisation and Corporate Governance and section of this chapter referring to the review of the Double Materiality Analysis.
Description of significant groups of products and (or) services offered (ESRS 2.40a-i/ii)	SBM-1	Chap. 2.2 Company profile, Chap. 3.1 - Business strategy, Chap. 4 - Performance in Business
Number of employees (headcount) (ESRS 2.40a-iii)	SBM-1	Chap. 5.3.1.3.2 | Characteristics of the undertaking's employees (S1-6)
Description of sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders (ESRS 2.40e)	SBM-1	Chap. 2.2 Company Profile; Chap. 2.3 Creating sustainable value; Chap. 3.1 Business strategy; Chap. 3.4.4 2030 Roadmap; Chap. 3.4.5 Stakeholder Engagement
Assessment of current significant products and/or services and significant markets and customer groups in relation to their sustainability-related objectives (ESRS 2.40f)	SBM-1	Chap. 3.4.4 2030 Roadmap
Disclosure of elements of strategy that relate to or impact sustainability matters (ESRS 2.40g)	SBM-1	Chap. 3.1 Business Strategy and Chap. 3.4 2030 Agenda and Roadmap, including sub-chapters 3.4.1 - Global Trends and Challenges for Navigator, 3.4.2 - 2030 Agenda and 3.4.3 - Contribution to the SDGs
Exemption from disclosure of the information referred to in Article 18(1)(a) of Directive 2013/34/EU (ESRS 2.41)	SBM-1	Note 2.1 Revenue and segment reporting of the Consolidated Financial Statements Report
Business Model (ESRS 2.42 a/b)	SBM-1	Chap. 2.2 Company Profile
Revenues from the various sectors in which Navigator operates	SBM-1	Note 2.1 Revenue and segment reporting of the Consolidated Financial Statements Report
Description of stakeholder engagement (ESRS 2, §45a/b)	SBM-2	Chap. 3.4.5 Stakeholder engagement
Description of material impacts resulting from materiality assessment (ESRS 2.48a)	SBM-3	Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
Description of material risks and opportunities resulting from materiality assessment (ESRS 2.48a)	SBM-3	
Disclosure of reasonably expected time horizons of material impacts (ESRS 2.48ciii)	SBM-3	
Disclosure of specification of impacts, risks and opportunities that are covered by ESRS (ESRS 2.48h)	SBM-3	
Climate resilience analysis (ESRS 2.48f)	SBM-3	Chap. 5.2.2.1.1
Disclosure of list of requirements complied with in preparing sustainability statement following outcome of materiality assessment (IRO-2)	IRO-2	Chap. 9.1.1 ESRS
Disclosure of list of data points that derive from other EU legislation and information on their location in sustainability statement	IRO-2	Chap. 9.1.1 ESRS
Minimum Disclosure Requirements for Policies- General presentation of policies	MDR-P	*
Explanation of relationship of significant CapEx and OpEx required to implement actions taken or planned to relevant line items or notes in financial statements (ESRS 2.69b)	E1-3	Notes 3.2, 3.3 and 3.6 of the Consolidated Financial Statements Report
Disclose the reconciliation to the relevant line item or notes in the financial statements of the net revenue amount (E1.55)	E1-6	Note 2.1 Revenue and segment reporting of the Consolidated Financial Statements Report

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Disclosure Requirements	ID	Location
Explanation of how the current financial resources allocated to actions or action plans relate to the most relevant amounts presented in the financial statements (ESRS 2.69b)	E3-2	Notes 3.2, 3.3 and 3.6 of the Consolidated Financial Statements Report
Explanation of how time horizons are defined, financial amounts are estimated and critical assumptions made (water and marine resources) (E3.33a, E3.33b, E3.33c)	E3-5	Chap. 5.2.2.1.1
Target 'Contribute to reducing fires in rural areas, ensuring that the area burnt under Navigator's management is less than 1% per year', which falls under prevention in the mitigation hierarchy (MDR-T, ESRS 2, §80)	E4-4	Chap. 5.2.6.3.1
Performance achieved in 2024 in relation to Navigator's commitments under the act4nature Portugal initiative (MDR-T, ESRS 2, §80j)	E4-4	Chap. 8.3
Explanation of how the current financial resources allocated to actions or action plans relate to the most relevant amounts presented in the financial statements (ESRS 2.69b)	E5-2	Notes 3.2, 3.3 and 3.6 of the Consolidated Financial Statements Report
Information on the follow-up and monitoring of issues raised and addressed and ensuring the effectiveness of the Whistleblowing Channel	S1-3	Chap. 5.4.1.2.1
Information on the relationship between current financial resources allocated to actions or action plans and the most significant amounts presented in the financial statements (ESRS 2.69b)	S1-4	Notes 7.1 and 7.2 of the Consolidated Financial Statements Report
Total number of employees (S1.50f)	S1-6	Notes 7 and 7.1 of the Consolidated Financial Statements Report
Information on the follow-up and monitoring of issues raised and addressed and ensuring the effectiveness of the Whistleblowing Channel	S2-3	Chap. 5.4.1.2.1
Information on the relationship between current financial resources allocated to actions or action plans and the most significant amounts presented in the financial statements (ESRS 2.69b)	S2-4	Consolidated Financial Statements Report
Information on the targets for reducing frequency indexes (Iberia and Mozambique) and the percentage of accidents uncharacterised by non-compliance with rules and procedures (MDR-T, ESRS 2, §80)	S2-5	Chap. 5.3.1.3.1
Information on the implemented actions of the CRESCER project (Grow) and participation in the Business & Human Rights Accelerator Programme (MDR-A, ESRS 2, §68 b/c/e, §69 b/c)	G1.MDR-A	Chap. 5.3.1.2.4
Information on the actions implemented in terms of supplier management (MDR-A, ESRS 2, §68 b/c/e, §69 b/c)	G1.MDR-A	Chap. 5.3.2.2.4
Information on the target for continuous monitoring of employees' main motivational stimuli (MDR-T, ESRS 2, §80)	G1.MDR-T	Chap. 5.3.1.3.1

(*) Given that Navigator has several corporate policies that are mentioned several times throughout the chapters, in order to avoid redundancy of information, they have been referred to via: summary tables which, whenever applicable, have a field labelled 'References throughout the non-financial statement'; text at the end of the policy section. Given their large number, they are not presented in this table.

ESRS 2 GOV-4 - Statement on Due Diligence

Core Elements of Due Diligence	Points in the Non-Financial Statement	Location
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	Chap. 5.1.2.2
	ESRS 2 GOV-3	Chap. 5.1.2.3
	ESRS 2 SBM-3	Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2	Chap. 5.1.2.2
	ESRS 2 SBM-2	Chap. 5.1.3.2
	ESRS 2 IRO-1	Chap. 5.1.4.1
		Chap. 5.2.2.2.1 Chap. 5.2.3.2.1 Chap. 5.2.4.2.1 Chap. 5.2.5.2.1 Chap. 5.2.6.2.1 Chap. 5.3.1.2.1 Chap. 5.3.2.2.1 Chap. 5.3.3.2.1 Chap. 5.4.1.2.1 Chap. 5.4.1.2.2 Chap. 5.4.1.2.3
Identifying and assessing adverse impacts	ESRS 2 IRO-1	Chap. 5.1.4.1
	ESRS 2 SBM-3	Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
Taking actions to address those adverse impacts	ESRS 2 MDR-A	Chap. 5.2.2.2.2 Chap. 5.2.3.2.2 Chap. 5.2.4.2.2 Chap. 5.2.5.2.2 Chap. 5.2.6.2.2 Chap. 5.3.1.2.4 Chap. 5.3.2.2.4 Chap. 5.3.3.2.4 Chap. 5.4.1.2.4

→ Continued

Core Elements of Due Diligence	Points in the Non-Financial Statement	Location
Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-M	Chap. 5.2.2.3.1 Chap. 5.2.3.3.1 Chap. 5.2.3.3.2 Chap. 5.2.4.3.1 Chap. 5.2.4.3.2 Chap. 5.2.5.3.1 Chap. 5.2.5.3.2 Chap. 5.2.5.3.3 Chap. 5.2.6.3.2 Chap. 5.3.1.3.1 Chap. 5.3.1.3.12 Chap. 5.3.2.3.1 Chap. 5.3.3.3.1 Chap. 5.4.1.3.3
	ESRS 2 MDR-T	Chap. 5.2.2.3.1 Chap. 5.2.3.3.1 Chap. 5.2.4.3.1 Chap. 5.2.5.3.1 Chap. 5.2.6.3.1 Chap. 5.3.1.3.1 Chap. 5.3.2.3.1 Chap. 5.3.3.3.1 Chap. 5.4.1.3.1

9.1.2. DNFI Table (Disclosure of Non-Financial Information)

This table shows the correspondence between the content of Navigator's 2024 Management Report and the information required in the report template for disclosure of non-financial information, recommended by CMVM (Portuguese Securities Exchange Commission). This template applies to issuers of securities admitted to trading on regulated markets and reflects the applicable legal rules.

A. Information about policies adopted

Chapters	Sub-chapters	ESRS	Location
A. Introduction	**1.** Description of the Company's general policy regarding sustainability issues, indicating any changes to previously approved policy.	SBM-1	Chap. 3.1 Chap. 3.4 Chap. 5.1.3.1
	2. Description of non-financial information reporting methodology and reasons for its adoption, including any changes in relation to previous years and reasons for them.	BP-1 BP-2	Chap. 5.1.1
B. Business model	**1.** General description of the Company's/Group's business model and form of organization, stating the main business areas and markets of operation (if possible, using organizational charts, graphs or functional diagrams).	SBM-1	Chap. 2.2 Chap. 5.1.3.1
C. Main risk factors	**1.** Identification of the main risks relating to the matters under report and arising from the Company's activities, products, services or business relations, including, where applicable and possible, supply and subcontracting chains.	SBM-3	Chap. 3.3 Chap. 5.1.2.1 Chap. 5.1.2.4 Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
	2. Indication of how the Company identifies and manages these risks.	GOV-1 GOV-5 SBM-3 IRO-1	
	3. Explanation of the functional division, including governing bodies, commissions, committees, or departments responsible for identification and management/monitoring of risks.	GOV-1	
	4. Express indication of any new risks identified by the Company in relation to those reported in previous years, and also of risks no longer identified.	SBM-3	
	5. Indication and brief description of the main opportunities identified by the Company regarding the matters subject to reporting.	SBM-3	

→ Continued

Chapters	Sub-chapters	ESRS	Location
D. Implemented policies			
I. Environmental policies	**1.** Description of the Company's strategic objectives and key actions taken to achieve them.		Chap. 3.4.2 Chap. 3.4.3
		4	Chap. 3.4.4
		E1-1	Chap. 5.2.2.1.2
		E1-2	Chap. 5.2.2.2.1
		E1-3	Chap. 5.2.2.2.2
		E1-4	Chap. 5.2.2.3.1
		E2-1	Not material
		E2-2	Not material
		E2-3	Not material
		E3-1	Chap. 5.2.3.2.1
		E3-2	Chap. 5.2.3.2.2
		E3-3	Chap. 5.2.3.3.1
		E4-1	Chap. 5.2.4.1.2
		E4-2	Chap. 5.2.4.2.1
		E4-3	Chap. 5.2.4.2.2
		E4-4	Chap. 5.2.4.3.1
		E5-1	Chap. 5.2.5.2.1
		E5-2	Chap. 5.2.5.2.2
		E5-3	Chap. 5.2.5.3.1
		MDR-P (entity specific)	Chap. 5.2.6.2.1
		MDR-A(entity specific)	Chap. 5.2.6.2.2
		MDR-T (entity specific)	Chap. 5.2.6.3.1
	2. Description of the main established key performance indicators.		Chap. 3.4.4 Chap. 8.2
		E1-4	Chap. 5.2.2.3.1
		E1-5	Chap. 5.2.2.3.2
		E1-6	Chap. 5.2.2.3.3
		E2-3	Not material
		E2-4	Not material
		E2-5	Not material
		E3-3	Chap. 5.2.3.3.1
		E3-4	Chap. 5.2.3.3.2
		E4-4	Chap. 5.2.4.3.1
		E4-5	Chap. 5.2.4.3.2
		E5-3	Chap. 5.2.5.3.1
		E5-4	Chap. 5.2.5.3.2
		E5-5	Chap. 5.2.5.3.3
		MDR-T (entity specific)	Chap. 5.2.6.3.1
		MDR-M (entity specific)	Chap. 5.2.6.3.2
	3. Indication, on a year-over-year basis, of the degree to which these objectives were achieved, by reference to at least:		Chap. 3.4.4
	i. Sustainable use of resources	E3-3	Chap. 5.2.3.3.1
		E5-3	Chap. 5.2.5.3.1
		MDR-T (entity specific)	Chap. 5.2.6.3.1
	ii. Pollution and climate change	E1-4	Chap. 5.2.2.3.1
		E2-3	Not material
			Chap. 8.2
	iii. Circular economy and waste management	E5-3	Chap. 5.2.5.3.1
	iv. Protection of biodiversity	E4-4	Chap. 5.2.4.3.1
II. Social and tax	**1.** Description of the Company's strategic objectives and key actions taken to achieve them		Chap. 3.4.2 Chap. 3.4.3 Chap. 3.4.4 Chap. 4.10
		S2-1	Chap. 5.3.2.2.1
		S2-4	Chap. 5.3.2.2.4
		S2-5	Chap. 5.3.2.3.1
		S3-1	Chap. 5.3.3.2.1
		S3-4	Chap. 5.3.3.2.4
		S3-5	Chap. 5.3.3.3.1
		S4-1	Not material
		S4-4	Not material
		S4-5	Not material
		G1-2	Chap. 5.4.1.2.2
	2. Description of the established key performance indicators		Chap. 3.4.4
		MDR-M (S2)	Chap. 5.3.2.3.2
		MDR-M (S3)	Chap. 5.3.3.3.2
		MDR-M (S4)	Not material
		MDR-M (G1)	Chap. 5.4.1.3.3
	3. Indication, on a year-over-year basis, of the degree to which these objectives were achieved, by reference to at least:		Chap. 3.4.4
	i. Company's commitment to the community	S3-5	Chap. 5.3.3.3.1
	ii. Subcontracting and Suppliers	S2-5	Chap. 5.3.2.3.1
		MDR-T (G1)	Chap. 5.4.1.3.1
	iii. Consumers	S4-5	Not material
	iv. Responsible investmentl	Not Applicable	Chap. 2.3
	v. Stakeholders		Chap. 3.4.5
		SBM-2	Chap. 5.1.3.2
		S1-2	Chap. 5.3.1.2.2
		S2-2	Chap. 5.3.2.2.2
		S3-2	Chap. 5.3.3.2.2
		S4-2	Not material
	vi. Tax information	Not Applicable	Chap. 4.10

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Chapters	Sub-chapters	ESRS	Location
III. Employees and gender equality and non-discrimination	**1.** Description of the Company's strategic objectives and key actions taken to achieve them		Chap. 3.4.2 Chap. 3.4.3 Chap. 3.4.4
		S1-1	Chap. 5.3.1.2.1
		S1-4	Chap. 5.3.1.2.4
		S1-5	Chap. 5.3.1.3.1
	2. Description of the established key performance indicators		Chap. 3.4.4 Chap. 8.2
		S1-5	Chap. 5.3.1.3.1
		S1-6	Chap. 5.3.1.3.2
		S1-7	Chap. 5.3.1.3.3
		S1-8	Chap. 5.3.1.3.4
		S1-9	Chap. 5.3.1.3.5
		S1-10	Chap. 5.3.1.3.6
		S1-11	Not material
		S1-12	Not material
		S1-13	Chap. 5.3.1.3.7
		S1-14	Chap. 5.3.1.3.8
		S1-15	Chap. 5.3.1.3.9
		S1-16	Chap. 5.3.1.3.10
		S1-17	Chap. 5.3.1.3.11
		MDR-M (S1)	Chap. 5.3.1.3.12
	3. Indication, on a year-over-year basis, of the degree to which these objectives were achieved, by reference to at least:		Chap. 3.4.4
	i. Employment	S1-5	Chap. 5.3.1.3.1
	ii. Organization of work	S1-5	Chap. 5.3.1.3.1
	iii. Health and Safety	S1-5	Chap. 5.3.1.3.1
	iv. Social relations	S1-5	Chap. 5.3.1.3.1
	v. Training	S1-5	Chap. 5.3.1.3.1
	vi. Equality	S1-5	Chap. 5.3.1.3.1
IV. Human Rights	**1.** Description of the Company's strategic objectives and key actions taken to achieve them		Chap. 3.4.2 Chap. 3.4.3 Chap. 3.4.4
		S1-1	Chap. 5.3.1.2.1
		S1-4	Chap. 5.3.1.2.4
		S1-5	Chap. 5.3.1.3.1
		S2-1	Chap. 5.3.2.2.1
		S2-4	Chap. 5.3.2.2.4
		S2-5	Chap. 5.3.2.3.1
		S3-1	Chap. 5.3.3.2.1
		S3-4	Chap. 5.3.3.2.4
		S3-5	Chap. 5.3.3.3.1
		S4-1	Not material
		S4-4	Not material
		S4-5	Not material
		G1-1	Chap. 5.4.1.2.1
		MDR-A (G1)	Chap. 5.4.1.2.4
		MDR-T (G1)	Chap. 5.4.1.3.1
	2. Description of the established key performance indicators	S1-5	Chap. 5.3.1.3.1
		S1-17	Chap. 5.3.1.3.11
		S2-5	Chap. 5.3.2.3.1
		MDR-M (S2)	Chap. 5.3.2.3.1
		S3-5	Chap. 5.3.3.3.1
		MDR-M (S3)	Chap. 5.3.3.3.2
		S4-5	Not material
		MDR-M (S4)	Not material
	3. Indication, on a year-over-year basis, of the degree to which these objectives were achieved, by reference to at least: **i.** Due diligence procedures **ii.** Risk prevention measures **iii.** Judicial proceedings	GOV-4 S1-5 S1-17 S2-5 S3-5 S4-5 G1-2 MDR-T (G1)	Chap. 9.1.1 Chap. 5.3.1.3.1 Chap. 5.3.1.3.11 Chap. 5.3.2.3.1 Chap. 5.3.3.3.1 Not material Chap. 9.1.1 Chap. 5.4.1.3.1
V. Anti-corruption and anti-bribery	**1.** Corruption prevention: measures and instruments adopted to prevent corruption and bribery; policies implemented to deter workers and Suppliers from engaging in these practices; information on the compliance system, indicating the relevant functional managers, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in relation to public procurement, if relevant	G1-1 G1-3 G1-4 MDR-A (G1)	Chap. 5.4.1.2.1 Chap. 5.4.1.2.3 Chap. 5.4.1.3.2 Chap. 5.4.1.2.4 Corporate Governance Report
	2. Prevention of money laundering (for issuers subject to these rules): information on measures to prevent and combat money laundering; indication of number of cases reported each year	G1-1	Chap. 5.4.1.2.1 Corporate Governance Report
	3. Codes of ethics: indication of any code of ethics to which the Company may have acceded or which it may have implemented; indication of the respective mechanisms for implementation and monitoring of compliance with the code, if applicable.	G1-1	Chap. 5.4.1.2.1 Corporate Governance Report
	4. Management of conflicts of interest: measures to manage and monitor conflicts of interest, namely requiring managers and employees to sign declarations of interest, incompatibilities and impediments.	G1-1	Chap. 5.4.1.2.1 Corporate Governance Report

B. Disclosures on standards followed

Chapters	Sub-chapters	ESRS	Location
1. Identification of the standards followed for reporting non-financial information	Identification of the standards / guidelines followed for preparation of non-financial information, including the respective options, and other principles considered in the Company's conduct, if applicable. If the Company refers to the United Nations 2030 Agenda Sustainable Development Goals (SDGs), include identification of those to which the Company is committed to contribute, indicating the measures taken each year to achieve the goals set for each of these SDGs. In other words, identify concrete actions, projects or investments with a view to attaining these SDGs.		Chap. 3.4.3
		BP-1	Chap. 5.1.1.1
		BP-2	Chap. 5.1.1.2
2. Identification of the scope and methodology for calculating indicators	Description of the scope and calculation methodology (including the calculation formula) for the indicators presented, including any limitations on this reporting. Where possible, a table should be presented showing correspondence between the indicators presented and principles or objectives considered, indicating where the information is detailed (e.g. the page of the stand-alone report on non-financial information, the annual report, any other document or the Company's website).		Chap. 8
		BP-2	Chap. 5.1.1.2
		E1-5	Chap. 5.2.2.3.2
		E1-6	Chap. 5.2.2.3.3
		E2-4	Not material
		E2-5	Not material
		E3-4	Chap. 5.2.3.3.2
		E4-5	Chap. 5.2.4.3.2
		E5-4	Chap. 5.2.5.3.2
		E5-5	Chap. 5.2.5.3.3
		MDR-M (entity specific)	Chap. 5.2.6.3.2
		S1-6	Chap. 5.3.1.3.2
		S1-7	Chap. 5.3.1.3.3
		S1-8	Chap. 5.3.1.3.4
		S1-9	Chap. 5.3.1.3.5
		S1-10	Chap. 5.3.1.3.6
		S1-11	Not material
		S1-12	Not material
		S1-13	Chap. 5.3.1.3.7
		S1-14	Chap. 5.3.1.3.8
		S1-15	Chap. 5.3.1.3.9
		S1-16	Chap. 5.3.1.3.10
		S1-17	Chap. 5.3.1.3.11
		MDR-M (S1)	Chap. 5.3.1.3.12
		MDR-M (S2)	Chap. 5.3.2.3.2
		MDR-M (S3)	Chap. 5.3.3.3.2
		MDR-M (S4)	Not material
		G1-3	Chap. 5.4.1.2.3
		G1-4	Chap. 5.4.1.3.2
		MDR-M (G1)	Chap. 5.4.1.3.3
3. Explanation of non-application of policies	If the Company does not apply policies with respect to one or more issues, the non-financial reporting provides an explanation of the reasons for this.	--	--
4. Other information	Additional data or information that is not included above but is relevant to understanding and explaining non-financial information and the respective background, in particular regarding networks/ groups of entities in the field of sustainability and responsibility to which it belongs, at national or international level, and sustainability commitments that the Company has made voluntarily, at local or global level.	--	--

9.1.3. Table summarising World Economic Forum's Stakeholder Capitalism core metrics

The following table presents The Navigator Company's response to the WEF framework (core metrics), through the alignment between the metrics established by the WEF, the GRI standards (which underpin the new framework), and the ESRS standards.

Although some of these metrics do not have a direct correspondence with the GRI, the Company addresses them indirectly through related content on the respective topics presented throughout the sustainability report.

Pillar	Topic	Metrics	Alignment with GRI	Alignment with ESRS
Governance	Governance Purpose	Purpose established	GRI 2-12	GOV-1 SBM-1
	Quality of Governance Body	Governance Body Composition	GRI 2-9 GRI 405-1	GOV-1
	Stakeholder Engagement	Stakeholder Engagement	GRI 2-12 GRI 2-29 GRI 3-2	SBM-2/3 IRO-1
	Ethical behaviour	Anti-corruption	GRI 205-2 GRI 205-3	G1-1 G1-3 G1-4
	Ethical behaviour	Advice mechanisms	GRI 2-26	S1-3 S2-3 S3-3 S4-3[1] G1-1
	Risks and Opportunities	Integration of risks and opportunities	No associated GRI	SBM-3 IRO-1
Planeta	Climate Change	Greenhouse Gas Emissions (GHG)	GRI 305-1/2/3	E1-6
		Implementation of the recommendations from the TCFD (Task Force on Climate-related Financial Disclosures)	No associated GRI	GOV-1/2/3 SBM-3 IRO-1 E1-1/2/3/4/6/9
	Biodiversity Loss	Land use and ecological protection focused on protected areas or key biodiversity areas.	GRI 304-1	E4-5
	Fresh water availability	Water consumption and withdrawal in waterstressed areas	GRI 303-3/5	E3-4

[1] Not included in this report (Not material).

→ Continued

Pillar	Topic	Metrics	Alignment with GRI	Alignment with ESRS
People	Dignity and equality	Diversity and inclusion: % of Employees by occupational category, gender, age range and other diversity categories	GRI 405-1 e 405-2	S1-9 S1-12[2]
		Pay ratio between men and women, ethnic minorities and majorities, and other groups.		S1-16
		Ratio (%) of entry-level wage compared to national minimum wage, by gender.	GRI 202-1	S1-10
		Ratio (%) of CEO's total annual compensation to median total annual compensation of all Employees (excluding the CEO)	GRI 2-21	S1-16
		Risk for incidents of child, forced or compulsory labour	GRI 408-1 and 409-1	SBM-3 S1-17
	Health and well-being	Health and safety (%). Number and rate of work-related injuries, highconsequence injuries and fatalities.	GRI 403-9	S1-14
		An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided.	GRI 403-6	S1-4/S2-4[3] S1-11[4]
	Skills for the future	Training hours (no.) per Employee	GRI 404-1	S1-13
		Training investment (€) per Employee	No associated GRI	No associated GRI[5]

[2] Not included in this report (Not material).
[3] Depending on the material issues.
[4] Not included in this report (Not material).
[5] Not included in this report (Not material).

Pillar	Topic	Metrics	Alignment with GRI	Alignment with ESRS
Prosperity	Employment and wealth generation	Rate of Employee turnover (%), by age group, gender, or other indicators of diversity.	GRI 401-1	S1-6
		Economic contribution: Direct economic value generated and distributed (EVG&D) by revenue; operating costs; employee wages and benefits, payments to providers of capital, payments to government (by country) and community investment.	GRI 201-1	No associated GRI
		Financial assistance received from the government: tax benefits and credits; subsidies; grants for investment, research and development and other relevant types of assistance, among others.	GRI 201-4	No associated GRI
		Financial investment contribution Total capital expenditures or investment in capital goods (CapEx) undepreciated, supported by narrative to describe the company's investment strategy.	No associated GRI	No associated GRI[6]
		Share buybacks + Dividend payments supported by narrative to describe the Company's strategy for returns of capital to shareholders.	No associated GRI	No associated GRI[7]
	Innovation in better products and services	R&D expenditure Total costs relating to development	No associated GRI	No associated GRI
	Community and social vitality	Taxes: The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes	GRI 201-1 e 207-4	No associated GRI

[6] Not included in this report.
[7] Not included in this report.

9.2. GRI Table

This index identifies the GRI Standards and indicators to which Navigator is responding, referring to the respective sections of the Report (or other external resources) and detailing the response, in the table, wherever applicable.

Statement of use	The Navigator Company has reported in accordance with the GRI Standards for the period from 1 January 2024 to 31 December 2024
Reporting in accordance with	GRI 1: Grounds 2021

Universal Content

GRI 2: General Disclosures 2021	**ESRS**	**Location**
Relating to the standard published in 2021		
The organisation and its reporting practices		
2-1 Organizational Details	--	Chap. 2
2-2 Entities included in the organisation's sustainability reporting	BP-1	Chap. 5.1.1.1
2-3 Reporting period, frequency and contact point	--	Chap. 5.1.1.1
2-4 Restatements of information	BP-2	Chap. 5.1.1.2
2-5 External verification	--	Chap. 5.1.1.1
Activities and workers		
2-6 Activities, value chains and other business relationships	SBM-1	Chap. 2.2 Chap. 5.1.3.1
2-7 Employees	SBM-1 S1-6	Chap. 5.1.3.1 Chap. 5.3.1.3.2 Chap. 8.3
2-8 Workers who are not Employees	S1-7	Chap. 5.3.1.3.3
Governance		
2-9 Governance structure and management	GOV-1	Chap. 5.1.2.1
2-10 Nominating and selecting the highest governance body	--	Sections 16 and 17, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | B. Corporate Bodies and Committees | II. Management and Supervision.
2-11 Chair of the highest governance body	--	Chap. 3.2
2-12 Role of highest governance body in overseeing the management of impacts	GOV-1 GOV-2 SBM-2	Chap. 5.1.2.1 Chap. 5.1.2.2 Chap. 5.1.3.2
2-13 Responsibility for managing impacts	GOV-1 GOV-2	Chap. 5.1.2.1 Chap. 5.1.2.2
2-14 Role of highest governance body in sustainability reporting	GOV-1 IRO-1	Chap. 5.1.2.1 Chap. 5.1.4.1
2-15 Conflicts of interest	--	Section 10, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | A. Shareholding Structure | 1.1.2. Shareholdings and Bonds Held and Sections 89, 90 and 91, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | E. Related Party Transactions and Conflicts of Interest | I. Procedural and Control Mechanisms
2-16 Communicating critical concerns	GOV-2 G1-3	Chap. 5.1.2.2 Chap. 5.4.1.2.3
2-17 Collective knowledge of highest governance body	GOV-1	Chap. 3.2 Chap. 5.1.2.1
2-18 Evaluation the performance of the highest governance body	--	Sections 24–25, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | A. Shareholding Structure | 1.1.2. Shareholdings and Bonds Held
2-19 Remuneration policies	GOV-3	Chap. 5.1.2.3 Section 70, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | D. Remuneration | III. Remuneration Structure
2-20 Process to determine remuneration	GOV-3	Chap. 5.1.2.3 Sections 66 and 67, Corporate Governance Report | Part I – Information on Shareholding Structure, Organisation and Corporate Governance | D. Remuneration | II. Remuneration Committee
2-21 Annual total compensation ratio	S1-16	Chap. 5.3.1.3.10

Strategies, policies and practices		
2-22 Statement on sustainable development strategy	SBM-1	Chap. 1.1/1.2 Chap. 3.4 Chap. 5.1.3.1
2-23 Policy commitments	GOV-4 E1-2 E3-1 E4-2 E5-1 MDR-P S1-1 S2-1 S3-1 G1-1	Chap. 3.4 Chap. 9.1.1 Chap. 5.2.2.2.1 Chap. 5.2.3.2.1 Chap. 5.2.4.2.1 Chap. 5.2.5.2.1 Chap. 5.2.6.2.1 Chap. 5.3.1.2.1 Chap. 5.3.2.2.1 Chap. 5.3.3.2.1 Chap. 5.4.1.2.1
2-24 Embedding policy commitments	GOV-2 E1-3 E3-2 E4-3 E5-2 MDR-A S1-4 S2-4 S3-4 G1-1	Chap. 5.1.2.2 Chap. 5.2.2.3.1 Chap. 5.2.3.2.2 Chap. 5.2.4.2.2 Chap. 5.2.5.2.2 Chap. 5.2.6.2.2 Chap. 5.3.1.2.4 Chap. 5.3.2.2.4 Chap. 5.3.3.2.4 Chap. 5.4.1.2.1
2-25 Processes to remediate negative impacts	S1-3 S2-3 S3-3	Chap. 5.3.1.2.3 Chap. 5.3.2.2.3 Chap. 5.3.3.2.3
2-26 Mechanisms for seeking advice and raising concerns	S1-3 S2-3 S3-3 G1-1	Chap. 5.3.1.2.3 Chap. 5.3.2.2.3 Chap. 5.3.3.2.3 Chap. 5.4.1.2.1
Stakeholder engagement		
2-28 Membership of associations	---	---
2-29 Approach to stakeholder engagement	SBM-2 S1-2 S2-2 S3-2	Chap. 3.4.5 Chap. 5.1.3.2 Chap. 5.3.1.2.2 Chap. 5.3.2.2.2 Chap. 5.3.3.2.2
2-30 Collective bargaining agreements	S1-8	Chap. 5.3.1.3.4

GRI 3: Material Topics	ESRS	Location
Relating to the standard published in 2021		
3-1 Process to determine material topics	IRO-1	Chap. 5.1.4.1
3-2 List of material topics	SBM-3	Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.3.1.1 Chap. 5.2.4.1.1 Chap. 5.2.5.1.1 Chap. 5.2.6.1.1 Chap. 5.3.1.1.1 Chap. 5.3.2.1.1 Chap. 5.3.3.1.1 Chap. 5.4.1.1.1
3-3 Management of material topics	SBM-3 E1 E3 E4 E5 MDR-P/A/T/M S1 S2 S3 G1	Chap. 3.4 Chap. 5.1.3.3 Chap. 5.2.2 Chap. 5.2.3 Chap. 5.2.4 Chap. 5.2.5 Chap. 5.2.6 Chap. 5.3.1 Chap. 5.3.2 Chap. 5.3.3 Chap. 5.4.1

Specific Contents

GRI 200: Economic Performance

GRI 201: Economic Performance	ESRS	Location
Relating to the standard published in 2016		
201-1 Direct economic value generated and distributed	--	Chap. 2.3 Chap. 8.1
201-2 Financial implications and other risks and opportunities due to climate change	SBM-3 SBM-3 (E1) E1-9	Chap. 5.1.3.3 Chap. 5.2.2.1.1 Chap. 5.2.2.3.4
201-3 Defined benefit plan obligations and other retirement plans	--	Consolidated Financial Statements 2023 | 7. Personnel – 7.2. Employee Benefits
201-4 Financial assistance received from government	--	Chap. 8.1

GRI 202: Market Presence	ESRS	Location
Relating to the standard published in 2016		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	S1-10	Chap. 5.3.1.3.6

GRI 203: Indirect Economic Impacts	ESRS	Location
Relating to the standard published in 2016		
203-1 Infrastructure investments and services supported	--	Chap. 5.2.6.2.2 Chap. 5.2.6.3.2 Chap. 5.3.3.2.4 Chap. 5.3.3.3.2
203-2 Significant indirect economic impacts	--	Chap. 2.3

GRI 204: Procurement Practices	ESRS	Location
Relating to the standard published in 2016		
204-1 Proportion of spending on local Suppliers	--	Chap. 5.4.1.3.3 Chap. 8.1

GRI 205: Anti-corruption	ESRS	Location
Relating to the standard published in 2016		
205-2 Communication and training about anti-corruption policies and procedures	G1-3	Chap. 5.4.1.2.3
205-3 Confirmed incidents of corruption and actions taken	G1-4	Chap. 5.4.1.3.2

GRI 207: Tax	ESRS	Location
Relating to the standard published in 2019		
207-1 Approach to Tax	--	Chap. 4.9
207-2 Tax governance, control, and risk management	--	Chap. 4.9
207-3 Stakeholder engagement and management of concerns related to tax	--	Chap. 4.9
207-4 Country-by-country reporting	--	Chap. 4.9 Chap. 4.10

GRI 300: Environmental Performance

GRI 301: Materials	ESRS	Location
Relating to the standard published in 2016		
301-1 Materials used by weight or volume	E5-4	Chap. 8.2 Chap. 5.2.5.3.2
301-2 Recycled input materials used	E5-4	Chap. 8.2 Chap. 5.2.5.3.2

GRI 302: Energy	ESRS	Location
Relating to the standard published in 2016		
302-1 Energy consumption within the organization	E1-5	Chap. 8.2 Chap. 5.2.2.3.2
302-3 Energy intensity	E1-5	Chap. 8.2 Chap. 5.2.2.3.2
302-4 Reduction of energy consumption	--	Chap. 8.2

GRI 303: Water and Effluents	ESRS	Location
Relating to the standard published in 2018		
303-1 Interactions with water as a shared resource	SBM-3 (E3) E3-1 E3-2 E3-3	Chap. 5.2.3.1.1 Chap. 5.2.3.2.1 Chap. 5.2.3.2.2 Chap. 5.2.3.3.1
303-3 Water Withdrawal	E3-4	Chap. 5.2.3.3.2 Chap. 8.2
303-4 Effluents	E3-4	--
303-5 Water Consumption	E3-4	--

GRI 304: Biodiversity	ESRS	Location
Relating to the standard published in 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	E4-5	Chap. 8.2 Chap. 5.2.4.3.2
304-2 Significant impacts of activities, products, and services on biodiversity	E4-5	Chap. 5.2.4.3.2
304-3 Habitats protected or restored	E4-3 E4-4	Chap. 8.2 Chap. 5.2.4.2.2 Chap. 5.2.4.3.1
304-4 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	E4-5 MDR-M	Chap. 5.2.4.3.2 Chap. 5.2.4.3.2

GRI 305: Emissions	ESRS	Location
Relating to the standard published in 2016		

305-1 Direct (Scope 1) GHG emissions	E1-6	Chap. 5.2.2.3.3 Chap. 8.2
305-2 Energy indirect (Scope 2) GHG emissions	E1-6	Chap. 5.2.2.3.3 Chap. 8.2
305-3 Other indirect (Scope 3) GHG emissions	E1-6	Chap. 5.2.2.3.3 Chap. 8.2
305-4 GHG emissions intensity	E1-6	Chap. 5.2.2.3.3 Chap. 8.2
305-5 Reduction of GHG emissions	E1-7	Chap. 8.2
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	E2-4	--

GRI 306: Waste	ESRS	Location
Relating to the standard published in 2020		
306-1 Waste generation and significant waste-related impacts	SBM-3 (E5) E5-4	Chap. 5.2.5.1.1 Chap. 5.2.5.3.2
306-2 Management of impacts	E5-2 E5-5	Chap. 5.2.5.2.2 Chap. 5.2.5.3.3
306-3 Waste generated	E5-5	Chap. 5.2.5.3.3 Chap. 8.2
306-4 Waste diverted from disposal	E5-5	Chap. 5.2.5.3.3 Chap. 8.2
306-5 Waste directed to disposal	E5-5	Chap. 5.2.5.3.3 Chap. 8.2

GRI 308: Supplier Environmental Assessment	ESRS	Location
Relating to the standard published in 2016		
308-1 New Suppliers that were screened using environmental criteria	G1-2	Chap. 5.4.1.2.2
308-2 Negative environmental impacts in the supply chain and actions taken	SBM-3 (G1) MDR-A	Chap. 5.4.1.1.1 Chap. 5.4.1.2.4

GRI 400: Social Performance

GRI 401: Employment	ESRS	Location
Relating to the standard published in 2016		
401-1 New employee hires and employee turnover	S1-6	Chap. 5.3.1.3.2
401-3 Parental leave	S1-15	Chap. 5.3.1.3.9

GRI 403: Occupational Health and Safety	ESRS	Location
Relating to the standard published in 2018		
403-1 Occupational health and safety management system	S1-1	Chap. 5.3.1.2.1
403-2 Hazard identification, risk assessment, and incident investigation	S1-3	Chap. 5.3.1.2.3
403-3 Occupational Health Services	S1-4	Chap. 5.3.1.2.4
403-4 Worker participation, consultation, and communication on occupational health and safety	S1-2	Chap. 5.3.1.2.2
403-5 Worker training on occupational health and safety	S1-4	Chap. 5.3.1.2.4
403-6 Promotion of worker health	S1-4	Chap. 5.3.1.2.4
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	S2-4	Chap. 5.3.2.2.4
403-8 Workers covered by an occupational health and safety management system	S1-14	Chap. 5.3.1.3.8
403-9 Work-related injuries	S1-14	Chap. 5.3.1.3.8 Chap. 8.3
403-10 Work-related ill health	S1-14	Chap. 5.3.1.3.8

GRI 404: Education and Training	ESRS	Location
Relating to the standard published in 2016		
404-1 Average hours of training per year per employee	S1-13	Chap. 5.3.1.3.7
404-2 Programs for upgrading employee skills and transition assistance programs	S1-1 S1-5	Chap. 5.3.1.2.1 Chap. 5.3.1.3.1
404-3 Percentage of employees receiving regular performance and career development reviews	S1-13	Chap. 5.3.1.3.7

GRI 405: Diversity and Equal Opportunity	ESRS	Location
Relating to the standard published in 2016		
405-1 Diversity of governance bodies and employees	GOV-1 S1-6 S1-9	Chap. 5.1.2.1 Chap. 5.3.1.3.2 Chap. 5.3.1.3.5
405-2 Ratio of basic salary and remuneration of women to men	S1-16	Chap. 5.3.1.3.10

GRI 406: Discrimination	ESRS	Location
Relating to the standard published in 2016		
406-1 Incidents of discrimination and corrective actions taken	S1-17	Chap. 5.3.1.3.11

GRI 408: Child Labour	ESRS	Location
Relating to the standard published in 2016		
408-1 Operations and Suppliers at significant risk for incidents of child labour	S1-1 S2-1	Chap. 5.3.1.2.1 Chap. 5.3.2.2.1

GRI 409: Forced or Compulsory Labour	ESRS	Location
Relating to the standard published in 2016		
409-1 Operations and Suppliers at significant risk for incidents of forced or compulsory labour	S1-1 S2-1	Chap. 5.3.1.2.1 Chap. 5.3.2.2.1

GRI 413: Local Communities	ESRS	Location
Relating to the standard published in 2016		
413-1 Operations with local community engagement, impact assessments, and development programs	S3-2 S3-3 S3-4	Chap. 5.3.3.2.2 Chap. 5.3.3.2.3 Chap. 5.3.3.2.4

GRI 414: Supplier Social Assessment	ESRS	Location
Relating to the standard published in 2016		
414-1 New suppliers selected on the basis of social criteria	G1-2	Chap. 5.4.1.2.2
414-2 Negative social impacts in the supply chain and actions taken	SBM-3 (S2) S2-4 SBM-3 (G1) MDR-A	Chap. 5.3.2.1.1 Chap. 5.3.2.2.4 Chap. 5.4.1.1.1 Chap. 5.4.1.2.4

act4nature
Empresas pela Biodiversidade

9.3. Progress Report on Meeting Act4nature Portugal Commitments

Individual Commitment 1

Finalise the approach to integrating B&ES conservation into corporate strategy, in line with available scientific knowledge and voluntarily accepted commitments by Dec. 2024.

2024

→ Generic lines of the updated biodiversity conservation strategy approved; final document under review

Individual Commitment 2

Carry out the annual species and habitat monitoring plans and work to maintain, improve the state of conservation and restore B&ES in the forestry holdings managed by the Company, in the following areas: (i) conservation; (ii) rehabilitation; and (iii) ecological restoration. Regarding ecological restoration, start and/or maintain actions on at least 110 hectares by 2030; Maintain the remaining conservation status maintenance and improvement activities (actions on at least 30 ha/year) until 2030; Carry out at least one recovery project for an endangered species and support another until 2030.

2024

→ Monitoring carried out in annual plans and specific projects.

Individual Commitment 2

Overall cumulative results of the annual monitoring plans:

→ In 2024, 19 properties were monitored by experts. In mainland Portugal, across the properties managed by the Company by the end of 2024, a total of 268 native fauna species and 1,195 native flora species and subspecies have been identified. Of these, and considering only mainland Portugal, 5 are classified as Critically Endangered, 17 as Endangered, 46 as Vulnerable, and 30 as Near Threatened, according to the classification of the International Union for Conservation of Nature (IUCN). Additionally, 51 different habitat types included in the EU Habitats Directive have been identified. This represents a slight increase in species recorded, resulting from the broader monitoring effort and the presence of more diverse habitat types across the surveyed areas. Monitoring of breeding birds revealed 5 nesting sites of the Bonelli's eagle (Aquila fasciata), a species classified as Vulnerable (VU). Of these, two were occupied, but only one was successful, resulting in two hatchlings, while two sites were severely affected by wildfires. Notably, two new nesting sites were discovered near company-managed properties by SPEA. Monitored a nest of the black stork (Ciconia nigra), a species classified as Endangered (EN), which resulted in the successful rearing of three juveniles.

→ About 11.8% of the area managed in mainland Portugal is made up of areas of conservation interest, which 4,474 hectares are classified as protected habitats under the Natura 2000 Network, dividing into 51 different habitat types. Approximately 123 hectares were subject to restoration or rehabilitation in 2024, aiming to maintain or improve the conservation status of natural and semi-natural habitats, including the continued ecological restoration of the Zambujo area, covering around 110 hectares. As part of this effort, the Company converted 40 hectares of eucalyptus plantations into holm oak woodland (*Quercus ilex*). In total, 40 hectares of eucalyptus were converted into holm oak, and 70 hectares underwent conservation improvement actions targeting the 9,340 habitat type – *Quercus ilex* and *Quercus rotundifolia* forests. Additionally, 50 kg of acorns from Quercus rotundifolia were collected on the Zambujo property for germination in nurseries and later planting on-site. This action is promoted by The Navigator Company in partnership with RAIZ – Forest and Paper Research Institute, with a total budget of €225,774.79, financed by the COMPETE 2020 Programme, under the measure "Support for climate transition / Territorial resilience to risk: Combating desertification through reforestation and actions that promote increased carbon and nutrient sequestration in the soil" (REACT-EU/FEDER).

→ Following the positive results observed in 2023 and considering the importance of insects for pollination and the goals of reversing their decline, the Company expanded the sowing of flowering species for pollinators and birds at the Espirra Estate. A study conducted in 2023 showed that the sown plot registered a higher number of individuals and nearly double the number of species compared to the unsown plot, indicating that the sowing of floristic species significantly enhanced local biodiversity.

→ Continuation of the project "Genetic Improvement and Forest Reproductive Materials – Transform PRR", which includes a dedicated activity focused on Biodiversity conservation:

- Genetic conservation and ecosystem restoration, with particular emphasis on some of the most threatened tree species in Portugal, such as the Critically Endangered Quercus canariensis and associated tree species. The recovery of the Monchique oak (Quercus canariensis) and its habitat is part of the project "Genetic improvement, production and conservation of forest reproductive materials", which aims to enhance the resilience of Portuguese forests to the impacts of climate change. The project is supported by the RRP – Recovery and Resilience Plan and is being implemented between late 2022 and 2025. It is coordinated by RAIZ – Forest and Paper Research Institute and INIAV – National Institute for Agrarian and Veterinary Research. Navigator's forestry division, the Polytechnic Institute of Castelo Branco, and Viveiros Aliança are project partners, with technical support provided by BIOPOLIS–CIBIO and the Botanical Garden of the University of Porto.

→ Summary of project results (presented by BIOPOLIS-CIBIO at the 23rd National Ecology Meeting):

- Seven oak stands were selected that had previously been identified as containing individuals with morphological characteristics resembling Quercus canariensis — five in Portugal and two in Spain (Algeciras, Andalusia) — along with two Quercus faginea (Portuguese oak) stands to serve as reference populations for molecular comparison between the two species. In each population, samples were collected from 12 to 18 individuals for molecular analysis and leaf morphometric study. Opportunistic acorn collection was also carried out for seed propagation, along with cuttings taken from individuals with morphological traits suggesting a high degree of genetic purity, intended for grafting and in vitro micropropagation.

Spectral and structural information was gathered to assess Portuguese oak stands using an unmanned aerial vehicle equipped with a multispectral imaging sensor and LiDAR. The resulting imagery and point clouds were later compared with ground-based data to evaluate the conservation status of each stand, including information on floristic diversity, species composition, structural characteristics, disturbance levels, and microhabitats.

→ Molecular studies involved whole-genome resequencing (WGS) of 80 individuals across the nine populations, followed by bioinformatic analyses of population structure. The results revealed a geographic pattern of hybridisation toward the Monchique nucleus, with peripheral populations in the Mira and Ribeiras Aljezur valleys showing strong levels of introgression with Portuguese oak (*Quercus faginea*). Nevertheless, genetically pure individuals were clearly identified in Monchique and in the Seixe river valley, even when compared to populations from southern Spain (Algeciras). Acorn collection enabled the germination of approximately 1,558 plants from Quercus canariensis, Quercus faginea, and Quercus lusitanica, originating from eight distinct provenances. Germination rates varied between 20.8% and 87.5%. These seedlings will support restoration actions and the establishment of meta-collections in various botanical gardens and arboreta. Additionally, grafting was successfully carried out on Quercus robur subsp. broteroana rootstocks for potential large-scale application, and the micropropagation process has already yielded highly promising results

→ Continuing its collaboration with FCUL (Faculty of Sciences of the University of Lisbon) and the University of Aveiro on the WildForests project (https://www.iniav.pt/projetos/wildforests), the Company is providing logistical support for a new FCT-funded project entitled "ForCe – FORest."Certification as a tool to preserve vertebrate biodiversity in exotic forestry plantations, with the main objective of understanding the role of Forest Certification as a mechanism to ensure the functional and conservation value of Eucalyptus plantations for vertebrate species. The Company is also a partner in the project "Adapting Serras do Porto to Climate Change – LIFE SERRAS DO PORTO" (LIFE21 CCA/PT/4476), which has forests as its central theme and includes a comprehensive set of interventions with a high positive impact on landscapes and ecosystems, as well as monitoring, communication, awareness-raising, and civic engagement activities. Among other actions, the Company aims to strengthen the alignment of productive forestry activities with conservation and climate change adaptation goals in the region. Restoration and requalification activities are currently underway to improve the conservation status of natural habitats over approximately 55 hectares (total project area). By February 2025, 6.34 hectares of *retanchas* (replacing trees that did not survive) of maritime pine and strawberry tree had been completed, along with 1.22 hectares of chemical stump devitalisation and manual planting of strawberry trees, totalling 7.11 hectares (12% of the project area). In addition, 16.42 hectares of thinning and chemical stump devitalisation are being carried out, followed by manual planting of cork oaks and strawberry trees (densification). Felled woody material is being arranged into palisades, and shrub clearance is being performed in targeted locations. At Ribeira das Silveirinhos, 0.98 hectares are being manually cleared and invasive acacias are being cut and uprooted, amounting to 17.40 hectares (31% of the project area).

→ In 2023, natural values were monitored, and, in 2024, water analyses were carried out to assess the ecological status of the riparian galleries. These actions are complementary to those implemented by other project partners, enabling an intervention with a positive impact on the landscape and ecosystems. The aim is also to monitor the evolution of the restored plots to evaluate the positive impact on biodiversity. In addition to the project partners, the Company worked with the support of Montis-ACN and Floradata to achieve the proposed objectives.

Restoration and requalification activities are currently underway to improve the conservation status of natural habitats over approximately 55 hectares (total project area)

Individual Commitment 3

By 2026, define a simplified framework aligned with key elements of global reference frameworks (e.g. Natural Capital Protocol) to systematise the assessment of B&ES impacts and dependencies, testing the approach in a pilot project.

2024

→ Estimated to begin in 2025, with the alignment of the Biodiversity strategy to the LEAP approach of the Taskforce on Nature-related Financial Disclosures (TNFD).

Individual Commitment 4

Ensure that the Company's wood consumption includes no less than 80% certified wood by 2030 and promote forest management certification in Portugal to help achieve it.

2024

→ 72.94% certified wood originated from the national market, and 73.39% considering the total certified wood received by Navigator.

→ 91.7% of wood suppliers have a certified chain of custody.

Individual Commitment 5

By 2030, run training programmes with content relating to B&ES conservation topics and raise awareness of good business practices, for internal and external Employees.

2024

→ **Tec4Forest** – Training and technical knowledge transfer programme for external stakeholders. In 2024, a total of 470 participants took part in 57 sessions: the training syllabus covered good practices applicable to the main activities of Forest Producers' Organisations (FPOs) and certification groups.

→ In addition, the company supported sessions organised by Biond under the "Melhor Eucalipto" (Better Eucalyptus) and "Melhor Floresta" (Better Forest) programmes in 2024, aimed at promoting best forest management practices.

Melhor Eucalipto

20 sessions **510** participants

Melhor Floresta

51 sessions **550** participants

→ The training syllabus on good practices applicable to core forestry activities (plantation establishment, maintenance, and operations) included guidelines and procedures related to soil and water conservation, preservation of areas of conservation interest — including buffer zones along watercourses — protection of nests and dens, safeguarding of cultural and archaeological heritage, protection of flora species of conservation interest, and waste management arising from various activities. One of the Tec4Forest sessions was entirely dedicated to supporting forestry associations by providing tools to help identify fauna and flora species with threatened status.

→ AFLOBEI, in partnership with the Company, carried out an awareness-raising initiative at one of the properties managed by NVG, entitled "Reconciling the Management of Eucalyptus Areas with Natural Values and High Conservation Value Areas". The event highlighted NVG's actions in these areas and provided a platform for discussing various measures and issues related to forest management with different forest producers.

→ Preliminary results of the ForCe project – Forest Certification as a tool to preserve vertebrate biodiversity in exotic forestry plantations – were presented to Company staff, particularly those from Forest Management, Sustainability, Communication and Brand, and RAIZ.

Individual Commitment 6

By 2030, promote and/or participate in innovation projects and the development of nature-based solutions applicable to the management of natural areas, processes or products.

2024

→ Ongoing development of research agenda projects under “From Fossil to Forest”, focused on the use of eucalyptus fibre in the production of rigid moulded cellulose packaging under the “gKRAFT Bioshield” brand.

Individual Commitment 7

Disclose, on a regular basis, information from multistakeholder initiatives in which the company takes part in order to promote B&ES conservation, directly or indirectly.

2024

→ Ongoing participation in the BCSD Act4nature initiative and the Biodiversity Working Group of BCSD Portugal. Under the scope of the project Natura Connect – Designing a Resilient and Coherent Trans-European Network for Nature and People, funded by the European Union, the Company (through its forestry division) was invited to take part in a Think Tank aimed at “establishing prolific dialogues on the political, socio-economic and technical challenges related to the implementation of the EU Biodiversity Strategy for 2030 in terrestrial systems in mainland Portugal.” This Think Tank includes representatives from civil society, businesses, NGOs, and public institutions such as ICNF – Institute for Nature Conservation and Forests, FlorestGal, DGT – Directorate-General for Territory, APA – Portuguese Environment Agency, with the support of the Ministry for the Environment and Climate Action.

Outreach content on biodiversity and ecosystem services, including Portuguese forest habitats and their importance for conservation, was shared via social media and the platforms Biodiversidade.com.pt.

An article on biodiversity was published in the November 2024 edition of the BCSD Pt “é-Sustentável” newsletter: https://bcsdportugal.org/noticias/a-importancia-de-agir/

Individual Commitment 8

Publicly report, on an annual basis, the progress made in implementing the Act4nature Portugal commitments and provide visibility to the Company’s main actions under this initiative.

2024

→ Progress report available online on The Navigator Company’s website on the 2024 Annual Report.

9.4. Independent Auditor's Limited Assurance Report on Sustainability Statement

KPMG

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY STATEMENT

To the Board of Directors of
The Navigator Company, S.A.

Limited assurance conclusion

We have performed a limited assurance engagement on the Consolidated Sustainability Statement of **The Navigator Company, S.A.** (the “Group”) included in the section “Non-Financial Statement” of the Management Report (the “Consolidated Sustainability Statement”) at 31 December 2024 and for the period from 1 January to 31 December 2024.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement of **The Navigator Company, S.A.** at 31 December 2024 and for the period from 1 January to 31 December 2024 is not prepared, in all material respects, in accordance with:

- the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the “Process”) is in accordance with the description set out in section 5.1.4.1 – Processes to identify and assess material impacts, risks and opportunities (IRO-1); and,
- the disclosures required by Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”), included in section 5.2.1 – European Taxonomy.

Basis for conclusion

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information – ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the other standards and technical guidelines of *Ordem dos Revisores Oficiais de Contas*.

The procedures performed in a limited assurance engagement are different in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under these standards are described in the “Our Responsibilities” section below.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Quality and Independence

Our firm applies the International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the *Ordem dos Revisores Oficiais de Contas'* code of ethics.

Other matters

The comparative information included in the Group's Consolidated Sustainability Statement at 31 December 2023 has not been subject to our limited assurance engagement. Our conclusion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Supervisory body for the Sustainability Statement

The Board of Directors is responsible for designing, implementing and maintaining a process to identifying the information reported in the Consolidated Sustainability Statement in accordance with the ESRS, and for disclosing this process in section 5.1.4.1 – Processes to identify and assess material impacts, risks and opportunities (IRO-1) of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- or long-term;
- the assessment of the materiality of identified impacts, risks and opportunities related to sustainability matters, by selecting and applying appropriate thresholds; and
- the selection and application of methodologies and the making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for:

- preparing the Consolidated Sustainability Statement in compliance with the ESRS;
- preparing the disclosures in section 5.2.1 – European Taxonomy of the Consolidated Sustainability Statement in accordance with Article 8 of the Taxonomy Regulation;
- designing, implementing, and maintaining an appropriate information and internal control system to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and,

- selecting and applying appropriate sustainability reporting methods for the preparation of the Consolidated Sustainability Statement and making assumptions and estimates about sustainability disclosures that are reasonable in the circumstances.

The Supervisory body is responsible for overseeing the Group's Consolidated Sustainability Reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and reporting our limited assurance conclusion to Board of Directors. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement performed in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in section 5.1.4.1 – Processes to identify and assess material impacts, risks and opportunities (IRO-1).

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement, but not evaluating the design of particular control activities, obtain evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures focused on disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work we performed as the basis for our conclusion

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

We designed and performed our procedures to provide a basis for our conclusion. The nature, timing and extent of our procedures depended on our understanding of the Consolidated Sustainability Statement and other circumstances, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to Process, we:

- Obtained an understanding of the Process by:
  i. Performing inquiries of relevant personnel, at both corporate and operational level, regarding the sustainability strategy and policies for materially relevant aspects, and the implementation of these across various business areas; and
  ii. Reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process was consistent with the description of the Process, set out in section 5.1.4.1 – Processes to identify and assess material impacts, risks and opportunities (IRO-1).

In conducting our limited assurance engagement with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement through the understanding of the control environment, processes and information system relevant of the Group relevant to the preparation of the Consolidated Sustainability Statement, but not with the purpose of expressing a conclusion on the effectiveness of the Group's internal control;
- Evaluated whether the material information identified by the Process is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis, on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

11 April 2025

KPMG & Associados -
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with no. 20161489)
represented by
Rui Filipe Dias Lopes
(ROC no. 1715 and registered at CMVM with no. 20161325)

Valuing forests and bioproducts, cultivating the growth of the bioeconomy through research, innovation and new product development.

FOSTER

FROM FOREST TO FUTURE

FROM FOREST TO FUTURE

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Consolidated Income Statement

For the periods ended 31 December 2024 and 31 December 2023

Amounts in Euro	Note	2024	2023
Revenue	2.1	2,088,276,553	1,953,242,900
Other operating income	2.2	100,793,477	80,315,713
Fair value adjustments of biological assets	3.8	(1,016,252)	(6,907,896)
Costs of goods sold and materials consumed	4.1	(880,548,487)	(848,515,663)
Variation in production	4.1	(3,499,808)	(23,719,799)
External services and supplies	2.3	(500,867,221)	(422,373,519)
Payroll costs	7.1	(203,780,154)	(172,252,203)
Other operating expenses	2.3	(52,595,670)	(58,241,591)
Net provisions	10.1	(32,178)	1,006,041
Depreciation, amortisation and impairment losses in non-financial assets	3.7	(167,860,464)	(136,198,800)
Operating income		**378,869,796**	**366,355,183**
Financial income and gains	5.10	17,376,371	14,033,284
Financial expenses and losses	5.10	(43,215,938)	(33,353,202)
Financial profit/(loss)		**(25,839,567)**	**(19,319,918)**
Gains/(losses) of associates and joint ventures		-	-
Profit/(loss) before income tax		353,030,229	**347,035,265**
Income tax	6.1	(66,046,016)	(72,086,123)
Net profit/(loss) for the period		**286,984,213**	**274,949,142**
Attributable to Navigator's equity holders		286,948,195	274,923,820
Attributable to non-controlling interests	5.6	36,018	25,322
Earnings per share			
Basic earnings per share, Euro	5.3	0.403	0.387
Diluted earnings per share, Euro	5.3	0.403	0.387

Consolidated statement of comprehensive income

For the periods ended 31 December 2024 and 31 December 2023

Amounts in Euro	Note	2024	2023
Net profit/(loss) for the period			
before non-controlling interests		**286,984,213**	**274,949,142**
Items that may be reclassified to the income statement			
Derivative financial instruments - hedging			
Changes in fair value	8.2	(1,526,544)	(29,102,154)
Tax on items above		639,231	8,003,092
Changes in the currency translation reserve		8,287,642	(34,683)
Tax on items above			
Tax on conventional capital remuneration		-	(77,000)
Items that cannot be reclassified to profit/(loss)			
Remeasurement of post-employment benefits			
Remeasurement	7.2.5	563,776	3,738,766
Tax on items above	7.2.5	17,693	(115,461)
Comprehensive income of associates and joint ventures		-	(1,511,704)
Total other comprehensive income net of taxes		**7,981,798**	**(19,099,144)**
Total comprehensive income		**294,966,011**	**255,849,998**
Attributable to:			
Navigator's equity holders		294,932,682	255,820,957
Non-controlling interests		33,329	29,041
		294,966,011	**255,849,998**

Consolidated statement of financial position

As at 31 December 2024 and 2023

Amounts in Euro	Note	2024	2023
ASSETS			
Non-current assets			
Goodwill	3.1	422,627,337	381,496,008
Intangible assets	3.2	119,600,687	46,198,240
Property, plant and equipment	3.3	1,415,945,085	1,233,223,791
Right-of-use assets	3.6	98,651,166	65,044,454
Biological assets	3.8	115,250,198	115,591,979
Investment properties	3.4	360,170	463,404
Other financial assets	7.2	1,347,318	-
Non-current receivables	4.2	13,142,937	44,399,506
Deferred tax assets	6.2	59,110,851	23,653,501
		2,246,035,749	**1,910,070,883**
Current assets			
Inventories	4.1	303,198,367	286,490,362
Current receivables	4.2	496,698,621	424,740,973
Income tax	6.1	20,621,461	18,385,534
Cash and cash equivalents	5.9	286,628,866	169,464,967
		1,107,147,315	**899,081,836**
Total assets		**3,353,183,064**	**2,809,152,719**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	5.2	500,000,000	500,000,000
Currency translation reserve	5.5	13,829,407	5,309,023
Fair value reserves	5.5	12,011,454	12,898,767
Legal reserve	5.5	100,000,000	100,000,000
Other reserves	5.5	(5,960,836)	3,481,014
Retained earnings	5.5	548,900,068	418,633,191
Net profit/(loss) for the period		286,948,195	274,923,820
Prepaid dividends	5.4	(99,999,451)	-
Equity attributable to Navigator's equity holders		**1,355,728,837**	**1,315,245,815**
Non-controlling interests	5.6	360,347	327,018
Total Equity		**1,356,089,184**	**1,315,572,833**
Non-current liabilities			
Interest-bearing liabilities	5.7	726,229,071	560,085,341
Lease liabilities	5.8	98,627,669	62,848,761
Deferred tax liabilities	6.2	135,938,603	95,856,013
Provisions	10.1	28,371,069	27,837,286
Non-current payables	4.3	117,161,513	114,670,790
		1,106,327,925	**861,298,191**
Current liabilities			
Interest-bearing liabilities	5.7	177,748,681	99,259,122
Lease liabilities	5.8	13,109,231	7,148,060
Current payables	4.3	658,569,674	503,046,782
Income tax	6.1	41,338,369	22,827,731
		890,765,955	**632,281,695**
Total liabilities		**1,997,093,880**	**1,493,579,886**
Total Equity and Liabilities		**3,353,183,064**	**2,809,152,719**

Statement of Changes in Equity

For the periods ended 31 December 2024 and 31 December 2023

Amounts in Euro	Note	Share capital	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit/ (loss) for the period	Prepaid dividends	Total	Non-controlling interests	Total
Equity as at 1 January 2024		**500,000,000**	**5,309,023**	**12,898,767**	**100,000,000**	**3,481,014**	**418,633,191**	**274,923,820**	**-**	**1,315,245,815**	**327,018**	**1,315,572,833**
Net profit/(loss) for the period		-	-	-	-	-	-	286,948,195	-	286,948,195	36,018	286,984,213
Other comprehensive income (net of taxes)		-	8,287,642	(887,313)	-	-	584,158	-	-	7,984,487	(2,689)	7,981,798
Total comprehensive income for the period		**-**	**8,287,642**	**(887,313)**	**-**	**-**	**584,158**	**286,948,195**	**-**	**294,932,682**	**33,329**	**294,966,011**
Appropriation of 2023 net profit/(loss) for the period:												
- Dividends paid	5.4	-	-	-	-	-	(149,995,621)	-	-	(149,995,621)	-	(149,995,621)
- Application of prior period's net profit/(loss)		-	-	-	-	-	288,923,820	(274,923,820)	-	14,000,000	-	14,000,000
- Bonus to employees		-	-	-	-	-	(14,000,000)	-	-	(14,000,000)	-	(14,000,000)
Prepaid dividends	5.4	-	-	-	-	-	-	-	(99,999,451)	(99,999,451)	-	(99,999,451)
Acquisition/disposal of non-controlling interests	5.5	-	-	-	-	(9,441,850)	4,987,262	-	-	(4,454,588)	-	(4,454,588)
Other movements		-	232,742	-	-	-	(232,742)	-	-	-	-	-
Total transactions with shareholders		**-**	**232,742**	**-**	**-**	**(9,441,850)**	**129,682,719**	**(274,923,820)**	**(99,999,451)**	**(254,449,660)**	**-**	**(254,449,660)**
Equity as at 31 December 2024		**500,000,000**	**13,829,407**	**12,011,454**	**100,000,000**	**(5,960,836)**	**548,900,068**	**286,948,195**	**(99,999,451)**	**1,355,728,837**	**360,347**	**1,356,089,184**

Amounts in Euro	Note	Share capital	Currency translation reserve	Fair value reserves	Legal reserves	Other reserves	Retained earnings	Net profit/ (loss) for the period	Prepaid dividends	Total	Non-controlling interests	Total
Equity as at 1 January 2023		**500,000,000**	**5,343,706**	**33,997,828**	**100,000,000**	**3,481,014**	**224,049,919**	**392,537,070**	**-**	**1,259,409,537**	**297,977**	**1,259,707,514**
Net profit/(loss) for the period		-	-	-	-	-	-	274,923,820	-	274,923,820	25,322	274,949,142
Other comprehensive income (net of taxes)		-	(34,683)	(21,099,061)	-	-	2,030,881	-	-	(19,102,863)	3,719	(19,099,144)
Total comprehensive income for the period		**-**	**(34,683)**	**(21,099,061)**	**-**	**-**	**2,030,881**	**274,923,820**	**-**	**255,820,957**	**29,041**	**255,849,998**
Appropriation of 2022 net profit/(loss) for the period:												
- Dividends paid	5.4	-	-	-	-	-	(199,984,679)	-		(199,984,679)	-	(199,984,679)
- Application of prior period's net profit/(loss)		-	-	-	-	-	426,537,070	(392,537,070)	-	34,000,000	-	34,000,000
- Bonus to employees		-	-	-	-	-	(34,000,000)		-	(34,000,000)	-	(34,000,000)
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**192,552,391**	**(392,537,070)**	**-**	**(199,984,679)**	**-**	**(199,984,679)**
Equity as at 31 December 2023		**500,000,000**	**5,309,023**	**12,898,767**	**100,000,000**	**3,481,014**	**418,633,191**	**274,923,820**	**-**	**1,315,245,815**	**327,018**	**1,315,572,833**

Consolidated Statement of Cash Flows

For the periods ended 31 December 2024 and 31 December 2023

Amounts in Euro	Notes	2024	2023
OPERATING ACTIVITIES			
Receipts from customers		2,155,210,508	2,132,485,021
Payments to suppliers		(1,549,556,848)	(1,539,344,186)
Payments to employees		(162,689,686)	(145,375,584)
Cash flow from operations		**442,963,974**	**447,765,251**
Income tax received/ (paid)	6.1.2	(61,094,930)	(162,921,486)
Other receipts / (payments) relating to operating activities		29,625,402	84,296,005
Cash flows from operating activities (1)		**411,494,446**	**369,139,770**
INVESTING ACTIVITIES			
Inflows:			
Property, plant and equipment		371,904	658,527
		371,904	**658,527**
Outflows:			
Property, plant and equipment		(223,709,648)	(201,067,497)
Intangible assets		(391,306)	(522,645)
Investments in subsidiaries	1.2	(150,779,060)	(55,210,602)
		(374,880,014)	**(256,800,744)**
Cash flows from investing activities (2)		**(374,508,110)**	**(256,142,217)**
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities	5.7	352,162,243	15,000,000
Government grants	3.5	43,952,298	27,529,156
		396,114,541	**42,529,156**
Outflows:			
Interest-bearing liabilities	5.7	(124,542,159)	(107,276,122)
Amortisation of lease agreements	3.6	(15,661,601)	(10,694,178)
Interest and similar expense		(18,934,665)	(4,861,601)
Distribution of dividends	5.4	(149,995,621)	(199,984,679)
Repayable grants	5.7	(7,219,439)	(7,219,438)
		(316,353,485)	**(330,036,018)**
Cash flows from financing activities (3)		**79,761,056**	**(287,506,862)**
CHANGES IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		**116,747,392**	**(174,509,309)**
Effect of exchange rate differences		416,507	890,488
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.9	**169,464,967**	**343,083,788**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.9	**286,628,866**	**169,464,967**

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FROM FOREST TO FUTURE

Eucalyptus Globulus Forest in Monchique

1. Introduction

The following symbols are used in the presentation of the Notes to the financial statements:

Accounting policies

This symbol indicates the disclosure of accounting policies specifically applicable to the items in the respective Note.

Significant Estimates and Judgements

This symbol indicates the disclosure of the estimates and/or judgements made regarding the items in the respective Note. Significant estimates and judgements are indicated in Note 1.6.

References

This symbol indicates a reference to another Note or another section of the Financial Statements where more information about the items disclosed is presented.

1.1. The Group

The Navigator Group (Group) is comprised by The Navigator Company, S.A., whose name remained unchanged during the period, (until 2015 designated as Portucel, S.A.) and its subsidiaries.

The Navigator Group was created in 1953, when a group of technicians from "Companhia Portuguesa de Celulose de Cacia" made this company the first in the world to produce bleached eucalyptus sulphate pulp.

In 1976 Portucel EP was created as a result of the nationalisation of all of Portugal's cellulose industry. As such, Portucel – Empresa de Celulose e Papel de Portugal, E.P. resulted from the merger with CPC – Companhia de Celulose, S.A.R.L. (Cacia), Socel – Sociedade Industrial de Celulose, S.A.R.L. (Setúbal), Celtejo – Celulose do Tejo, S.A.R.L. (Vila Velha de Ródão), Celnorte – Celulose do Norte, S.A.R.L. (Viana do Castelo) and Celuloses do Guadiana, S.A.R.L. (Mourão) incorporated Portucel - Empresa de Celulose e Papel de Portugal, E.P., converted into a Public Limited Company of mainly public capital by Decree-Law 405/90, of 21 December.

Years after, as a result of the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, S.A., which was renamed Portucel, SGPS, S.A., towards to its privatisation, Portucel S.A. was created, on 31 May 1993, through Decree-law 39/93, of 13 February, with the former assets of the two main companies, based in Aveiro and Setúbal.

In 1995, the Company was privatised, and became a publicly traded company.

Aiming to restructure the paper industry in Portugal, Portucel acquired Papéis Inapa, S.A. (Setúbal), in 2000, and Soporcel – Sociedade Portuguesa de Papel, S.A. (Figueira da Foz), in 2001. Those key strategic decisions resulted in the Portucel Soporcel Group (currently Navigator Group), which is currently the largest European and one of the world's largest producers of bleached eucalyptus pulp and the largest European producer of uncoated wood-free paper (UWF), with a capacity of 1.6 and 1.6 millions of tons, respectively, and it sells approximately 389 thousand tons of pulp (462 thousand tons in 2023), annually, integrating the remainder in the production of UWF paper and Tissue paper.

In June 2004, the Portuguese State sold 30% of Portucel's equity, which was acquired by Semapa Group. In September of the same year, Semapa launched a public acquisition offer tending to assure the Group's control, which was accomplished by guaranteeing a 67.1% stake of Portucel's equity.

In November 2006, the Portuguese State concluded the third and final stage of the sale of Portucel, S.A., and Párpublica, SGPS, S.A. (formerly Portucel, SGPS, S.A.) sold the remaining 25.72% it still held, thus increasing the free-float.

From 2009 to June 2015, more than 75% of the company's share capital was held directly and indirectly by Semapa – Sociedade de Investimento e Gestão SGPS, S.A.. (excluding treasury shares) having the percentage of voting rights been reduced to around 70% following the conclusion of the offer for the acquisition, in the form of an exchange offer, of the ordinary shares of Semapa in July 2015. The voting rights currently amount to 70.03%.

In February 2015, the Group started its activity in the Tissue segment with the acquisition of AMS-BR Star Paper, S.A. (currently denominated Navigator Tissue Ródão, S.A.), a Company that holds and explores a tissue paper mill, located in Vila Velha de Ródão. A new industrial facility was built in Aveiro, in August 2018, being operated by Navigator Tissue Aveiro, S.A., which is currently the largest Portuguese producer and the third in the Iberian Peninsula, with a production and transformation capacity of 130 thousand tons and 120 thousand tons, respectively.

On 31 March 2023 the acquisition of the Gomà-Camps Group's consumer Tissue business in Spain was concluded, with a view to strengthen the Group's presence in this business segment. The integration of this new mill has elevated Navigator to the position of second largest Iberian tissue producer, with a production capacity of 165 thousand tons and converting capacity of 180 thousand tons.

In May 2024, The Navigator Company acquired all the shares representing the share capital of Accrol Group Holdings plc ("Accrol"), a leader in the tissue paper converting segment in the United Kingdom, producing private label toilet rolls, kitchen rolls and facial tissues for most of the main UK retailers, bringing total converting capacity to 311,000 tons.

The Group's main business is the production and sale of writing and printing thin paper (UWF) and domestic consumption paper (Tissue), and it is present in the entire value-added chain, from research and development of forestry and agricultural production to the purchase and sale of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP – and electric and thermal energy, as well as its commercialisation.

The Navigator Company, S.A. The Navigator Company, S.A. (hereafter referred to as The Navigator Company or Company) is a publicly traded company, listed in Euronext Lisbon, with its share capital represented by nominal shares.

Company: The Navigator Company, S.A.

Head Office: Mitrena – Apartado 55 | 2901-861 Setúbal | Portugal

Legal Form: Public Limited Company

Share Capital: €500,000,000

TIN: 503 025 798

Shares Issued: 711,183,069

A more detailed description of the activity in each business line of the Group is disclosed in Note 2.1 - Revenue and segment reporting.

Navigator is included in the consolidation perimeter of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., the Parent Company, and Sodim - SGPS, S.A., the final controlling entity.

In turn, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira hold joint control of Sodim - SGPS, S.A. (Sodim) through the combination of a shareholders' agreement. (Sodim) with their respective direct and indirect shareholdings in the share capital of this company, joint control of Sodim, Semapa and Navigator is attributable to each of them and to Sodim, under the terms of Article 20 of the Portuguese Securities Code, 83.221% of the non-suspended voting rights relating to shares representing the share capital of Semapa and also to each of them, Sodim and Semapa, 70.03% of the non-suspended voting rights relating to shares representing the share capital of Navigator.

1.2. Acquisition of Accrol Group's United Kingdom consumer tissue business

On 24 May 2024, the Navigator Group concluded a public takeover bid, in the form of a "Recommended Firm Cash Offer", for the entire share capital of Accrol Group Holdings Plc, a company based in Blackburn, England, which holds 9 subsidiaries, 5 of which operational.

As part of its diversification and growth strategy, the acquisition of the Accrol Group, a leading player in the UK tissue market (4th in the ranking), provided additional capacity to the tissue business segment, with a production and converting capacity of 131 thousand tons based on 5 sites: Blackburn (rolls and facials); Leicester (rolls); Leyland (rolls); Flint (wet wipes) and Bridgewater (wet wipes).

Following the entry into the British market through the acquisition of the main independent Group in the tissue paper processing sector, whose competitive advantages and values are aligned with those of the Navigator Group, sales volume and EBITDA benefited from the integration of Accrol on 1 May 2024.

With this acquisition, the Navigator Group expects a number of synergies in the Tissue segment, as well as an increase in its market share by accessing the Accrol Group's customer portfolio, namely in markets where it intends to strengthen its presence, as well as a reduction in costs through economies of scale.

In the eight months to December 31, 2024, the Accrol Group contributed Euro 142,690,517 to sales, Euro 7,991,873 to EBITDA and Euro 3,000,680 to the Group's net profit/(loss). If the acquisition had occurred on 1 January 2024, management estimates that consolidated sales would have amounted to Euro 2,161,240,841, EBITDA Euro 551,602,627, and a net profit/(loss) for the period of Euro 280,703,147. When determining these amounts, the Board assumed that any provisionally determined fair value adjustments arising on the acquisition date would be the same if the acquisition date was 1 January 2024.

Transferred consideration

As part of the acquisition of Accrol Group Holdings Ltd, the consideration transferred amounted to Euro 153,765,152 (GBP 130,823,390) and was paid entirely in cash and cash equivalents, with no contingent consideration associated with this acquisition. At the purchase date, the Group's cash and cash equivalents amounted to Euro 2,986,092, meaning that the net effort amounted to Euro 150,779,060.

Identification of assets and liabilities acquired and goodwill

As at this date, the Group concluded the necessary procedures to recognise and measure the identifiable assets acquired, the liabilities assumed and consequently the calculation of the goodwill, in accordance with IFRS 3. This valuation was carried out by specialized and independent external valuers and resulted in the recognition of the fair value of the customer portfolio, the acquired brands and an increase in property, plant and equipment, as well as the respective deferred tax liabilities. The goodwill arising from this transaction is not expected to be tax deductible.

The valuation techniques used to determine the fair value of the assets acquired were as follows:

Customer portfolio	The multi-period excess earnings method (MPEEM) was used to determine the fair value of the customer portfolio, considering the present value of the expected net cash flows of the portfolio and the excess earnings that the customer portfolio will contribute to the Group in the coming years. The useful life assigned to the customer portfolio was 18 years.
Brands	Four brands with the highest intrinsic value were identified and valued within the scope of this purchase: Elegance, Magum, Softy and Litle Heroes according to the relief from royalty (RfR) method. According to this method, the fair value of the brands is determined on the basis of the discounted value of the royalties that the Group would have to pay if it did not own them.
Property, plant and equipment	The fair value of the land was determined using the Market Approach, by analysing real transactions or offers for assets which are economically comparable and were available on the valuation date. The fair value of the industrial property, plant and equipment acquired was determined in accordance with the replacement cost method, which consists of identifying the replacement value of the assets acquired adjusted for depreciation, in accordance with the useful life of the assets on the date of purchase. According to the study, the basic assumption was a useful life of 25 years.

The net assets acquired, the fair value attributed and the goodwill calculated at the date of acquisition are summarised as follows:

Amounts in Euro	Navigator Holding Tissue UK, Ltd	Value allocation to net assets acquired	Navigator Holding Group Tissue Adjusted
Non-current assets			-
Other intangible assets	4,216,879	74,045,509	78,262,388
Property, plant and equipment	69,391,552	25,734,059	95,125,611
Right-of-use assets	31,878,471	-	31,878,471
Deferred tax assets	14,271,453	-	14,271,453
Other non-current assets	2,758,801	-	2,758,801
Current assets			
Inventories	24,383,078	-	24,383,078
Current receivables	31,379,589	-	31,379,589
Cash and cash equivalents	2,986,092	-	2,986,092
Non-current liabilities			
Interest-bearing liabilities	(2,093,024)		(2,093,024)
Lease liabilities	(34,297,272)	-	(34,297,272)
Provisions	(293,841)	-	(293,841)
Deferred tax liabilities	(8,865,765)	(24,944,891)	(33,810,656)
Current liabilities			
Interest-bearing liabilities	(22,421,695)	-	(22,421,695)
Lease liabilities	(5,789,939)	-	(5,789,939)
Current payables	(68,590,054)	-	(68,590,054)
Income tax	(69,975)	-	(69,975)
Total identifiable assets and liabilities	**38,844,350**	**74,834,677**	**113,679,027**
Initial Goodwill	114,920,802	(74,834,677)	40,086,125
Total purchase price	**153,765,152**	**-**	**153,765,152**
Cash and cash equivalents	(2,986,092)	-	(2,986,092)
Net effect on cash and cash equivalents	**150,779,060**	**-**	**150,779,060**

Acquisition-related costs

The Group incurred costs related to this acquisition amounting to Euro 3,499,552, related to legal fees incurred in the Public Takeover Bid process and other due diligence costs. These costs are recognised as external services and supplies in the Consolidated income statement and Consolidated statement of comprehensive income.

Accounting policies

Business combinations

Under IFRS 3 (Business Combinations), in a business combination, the acquirer must recognise and measure the assets acquir and liabilities assumed at fair value on the acquisition date in the consolidated financial statements. The difference between the acquisition price and the fair value of the assets and liabilities acquired gives rise to the recognition of goodwill or a gain resulti from a bargain purchase.

The fair value of the assets acquired and liabilities assumed is determined internally or through independent external valuers, using the discounted cash flow method, replacement cost or other techniques for determining fair value, which are based on th use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, energy sales and purchase prices, the cost of raw materials, production estimates and business forecasts. Consequently, the determination of fair values and goodwill or gains resulting from low-price purchases is subject to various assumptions and judgements, so changes could result in different impacts on profit/(loss).

1.3. Subsequent events

There were no events that resulted in additional adjustments or disclosures in the Group's consolidated financial statements in period ended 31 December 2024.

1.4. Basis for preparation

1.4.1. Authorisation to issue financial statements

These consolidated financial statements were approved by the Board of Directors on 27 March 2025. However, they are still subject to approval by the General Shareholders Meeting, in accordance with the Portuguese commercial legislation.

The Group’s senior management, which are the members of the Board of Directors who sign this report, declare that, to the be of their knowledge, the information contained herein was prepared in conformity with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the companies included in the Group’s consolidation scope.

1.4.2. Accounting principles

The consolidated financial statements for the period ended 31 December 2024 were prepared in accordance with the Internatio Financial Reporting Standards (IFRS), effective 1 January 2024 and as adopted by the European Union.

1.4.3. Scope of consolidation

1.4.3.1. Subsidiaries

Subsidiaries are all entities over which the Group has control, which occurs when the Group is exposed or entitled to the variable returns resulting from its involvement with the entities and has the capacity to affect that return through the exercise of power over the entities, regardless of the percentage they hold over equity.

The existence and the effect of potential voting rights which are currently exercisable, or convertible are considered when the Group assesses whether it has control over another entity.

Subsidiaries are consolidated using the full consolidation method with effect from the date on which control is transferred to the Group while they are excluded as from the date control ceases.

These companies' equity and net profit/(loss) corresponding to the third-party investment in such companies are presented under non-controlling interests in the consolidated statement of financial position (in a separate component of equity) and in the Consolidated income statement. The companies included in the consolidated financial statements are detailed in Note 11.

The purchase method is used in recording the acquisition of subsidiaries. The cost of an acquisition is measured by the fair value of the assets transferred, the equity instruments issued, and liabilities incurred or assumed on acquisition date, and the best estimate of any agreed contingent payment.

The identifiable assets and liabilities acquired, and contingent liabilities assumed in a business combination are initially measured at fair value on the date of acquisition, irrespective of the existence of non-controlling interests. The excess of the acquisition cost over the fair value of the Group's share of the identifiable assets and liabilities acquired is recorded as goodwill, as described in Note 3.1.

If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary (negative goodwill), the difference is recognised directly in the Income Statement in the period it takes place.

Transaction costs directly attributable to the acquisition are immediately expensed.

Intercompany transactions, balances, unrealised gains on transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

When, at the date of the acquisition of control, The Navigator Company already holds a previously acquired interest in the subsidiary, its fair value is considered in determining the goodwill or negative goodwill.

On a step acquisition process resulting in the acquisition of control, the revaluation of any participation previously held is recognised against the income statement when Goodwill is calculated.

When subsequent transactions of disposal or acquisition of shares with non-controlling interests with no impact in control take place, no gain, loss or goodwill is determined, and the differences between the transaction cost and the book value of the share acquired are recognised in equity.

Losses generated in each period by subsidiaries with non-controlling interests are allocated, in the percentage held, to non-controlling interests, regardless of whether they become negative.

In the case of disposals of interests, resulting in a loss of control over a subsidiary, any remaining interest is revalued to the market value at the date of sale, and the gain or loss resulting from such revaluation, is recorded against profit/(loss), as well as the gain or loss resulting from such disposal.

The subsidiaries' accounting policies are adjusted, whenever necessary, so as to ensure that they are applied consistently by all the Group's companies.

1.4.3.2 Associates

Associates are all the entities in which the Group exercises significant influence but does not have control, which is generally the case with investments representing between 20% and 50% of the voting rights. Investments in associates are accounted under the equity method.

In accordance with the equity method, financial investments are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's share of changes in the associates' Shareholders' equity (including net income/loss) with a corresponding gain or loss recognised for the period on earnings or on changes in capital, and by dividends received.

Differences between the acquisition cost and the fair value of the assets and liabilities attributable to the associate on the acquisition date are, if positive, recognised as Goodwill and recorded as investments in associated. If negative, goodwill is recorded as profit/(loss) for the period under the caption "Group share of (loss)/gains of associates and joint ventures".

Transaction costs directly attributable to the acquisition are immediately expensed.

In the event that impairment loss indicators arise on investments in associates, an evaluation of the potential impairment is made, and if deemed necessary, a loss is recognised in the consolidated income statement.

When the Group's share of losses in associate companies equals or exceeds its investment in that associate, the Group ceases the recognition of additional losses, unless it has incurred in liabilities or has made payments on behalf of that associate.

Unrealised gains on transactions with associates are eliminated to the extent of the Navigator Group's investment in the associates. Unrealised losses are also eliminated, except where the transaction displays evidence of impairment of a transferred asset.

The associates' accounting policies used in the preparation of the individual financial statements are adjusted, whenever necessary, so as to ensure consistency with the policies adopted by the Group.

1.4.4. Presentation currency and foreign currency transactions

i. Functional and reporting currency

The items included in the Financial Statements of each one of the Group's entities are measured using the currency of the economic environment in which the entity operates (functional currency).

These consolidated financial statements are presented in Euro, which is the Group's functional and reporting currency.

ii. Balances and Transactions expressed in foreign currencies

All the Group's assets and liabilities denominated in currencies other than the reporting currency have been translated to Euro using the exchange rates prevailing at the consolidated statement of financial position date (Note 8.1.1).

Currency adjustments, favourable and unfavourable, arising from differences between the exchange rates prevailing at the date of the transaction and those at the date of collection, payment, or statement of financial position, are recorded as income and/or expenses in the Consolidated income statement for the period.

iii. Group companies

The profit/(loss) and the financial position of the Group's entities which have a different functional currency from the Group's reporting currency are translated into the reporting currency as follows:

i. The assets and liabilities of each Statement of financial position are translated at the exchange rates prevailing at the date of the consolidated statement of financial position;

ii. Equity balances are translated at the historical exchange rate;

iii. The income and expenses disclosed in the Income Statement are converted at the exchange rate prevailing at the dates of the transactions. When this is not possible or when benefits do not arise from the use of this procedure, income and expenses are translated at the average exchange rate of the period.

The exchange differences resulting from the topics i) and iii) are recognised in the Consolidated comprehensive income under the equity caption "Currency translation reserves", being transferred to Financial profit/(loss) when the disposal of the investments occur.

Long-term loans granted to subsidiaries in currencies other than the Group's functional currency, which are neither planned nor likely to be settled in the foreseeable future, are treated as a net extension of the investment in the foreign subsidiary. On this basis, exchange rate differences arising on these loans, which have not been eliminated on consolidation, are recognised in Comprehensive income under Currency translation reserves, being transferred to profit/(loss) for the period when the loans are settled, to the extent that such settlement represents an absolute reduction in the subsidiary's interest and exposure.

iv. Exchange rates used

	31-12-2024	31-12-2023	Appreciation / (Depreciation)
GBP (Sterling pound)			
Average exchange rate for the period	0.8466	0.8698	2.67%)
Closing exchange rate for the period	0.8292	0.8691	4.59%)
USD (American dollar)			
Average exchange rate for the period	1.0824	1.0813	-0.10%)
Closing exchange rate for the period	1.0389	1.1050	5.98%)
PLN (Polish zloti)			
Average exchange rate for the period	4.3058	4.5420	5.20%)
Closing exchange rate for the period	4.2750	4.3395	1.49%)
SEK (Swedish krona)			
Average exchange rate for the period	11.4325	11.4788	0.40%)
Closing exchange rate for the period	11.4590	11.0960	-3.27%)
CZK (Czech koruna)			
Average exchange rate for the period	25.1198	24.0043	-4.65%)
Closing exchange rate for the period	25.1850	24.7240	-1.86%)
CHF (Swiss franc)			
Average exchange rate for the period	0.9526	0.9718	1.97%)
Closing exchange rate for the period	0.9412	0.9260	-1.64%)
DKK (Danish krone)			
Average exchange rate for the period	7.4589	7.4509	-0.11%)
Closing exchange rate for the period	7.4578	7.4529	-0.07%)
HUF (Hungarian forint)			
Average exchange rate for the period	395.3039	381.8527	-3.52%)
Closing exchange rate for the period	411.3500	382.8000	-7.46%)
AUD (Australian dollar)			
Average exchange rate for the period	1.6397	1.6288	-0.67%)
Closing exchange rate for the period	1.6772	1.6263	-3.13%)
MZM (Mozambican metical)			
Average exchange rate for the period	69.1732	69.1060	-0.10%)
Closing exchange rate for the period	66.7900	70.6500	5.46%)
MAD (Moroccan dirham)			
Average exchange rate for the period	10.7549	10.9552	1.83%)
Closing exchange rate for the period	10.5190	10.9445	3.89%)
NOK (Norway kroner)			
Average exchange rate for the period	11.6290	11.4248	-1.79%)
Closing exchange rate for the period	11.7950	11.2405	-4.93%)
MXN (Mexican peso)			
Average exchange rate for the period	19.8314	19.1830	-3.38%)
Closing exchange rate for the period	21.5504	18.7231	-15.10%)
AED (Dirham)			
Average exchange rate for the period	3.9751	3.9710	-0.10%)
Closing exchange rate for the period	3.8154	4.0581	5.98%)
CAD (Canadian dollar)			
Average exchange rate for the period	1.4821	1.4595	-1.55%)
Closing exchange rate for the period	1.4948	1.4642	-2.09%)
ZAR (South African rand)			
Average exchange rate for the period	19.8297	19.9551	0.63%)
Closing exchange rate for the period	19.6188	20.3477	3.58%)
BRL (Brazilian real)			
Average exchange rate for the period	5.8283	5.4010	-7.91%)
Closing exchange rate for the period	6.4253	5.3618	-19.83%)
EGP (Egyptian pound)			
Average exchange rate for the period	49.1213	33.1117	-48.35%)
Closing exchange rate for the period	53.0349	34.2710	-54.75%)
TRY (Turkish lira)			
Average exchange rate for the period	35.5734	25.7597	-38.10%)
Closing exchange rate for the period	36.7372	32.6531	-12.51%)

1.4.5.Basis for measurement

The accompanying consolidated financial statements have been prepared on the going concern basis from the accounting books and records of the companies included in the consolidation (Note 11.1), and under the historical cost convention, except for biological assets (Note 3.8), and for financial instruments measured at fair value through profit/(loss) or at fair value through other comprehensive income (Note 8.3), in which derivative financial instruments are included (Note 8.2). The liability related to responsibilities for defined benefits is recognised at its present value deducted from the respective asset.

1.4.6. Comparability

These financial statements are comparable in all material respects with those of the previous year.

1.5. New IFRS standards adopted and to be adopted

1.5.1. Other standards, amendments and interpretations adopted or to be adopted

Standards, amendments and interpretations adopted in 2024

Amendment		Date of application
Standards and amendments endorsed by the European Union		
Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements)	The IASB issued on 23 January 2020 an amendment to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current and non-current. The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period. The amendments aim to: a) specify that an entity's right to defer settlement must exist at the end of the reporting period and must be substantive; b) clarify that the ratios that the company must fulfil after the balance sheet date (i.e. future ratios) do not affect the classification of a liability on the balance sheet date. However, when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk that these liabilities may be repaid within 12 months of the balance sheet date; and c) clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments. (ex: convertible debt). The amendment had no significant impact on the Navigator Group.	01 January 2024
Lease liabilities in sale and leaseback transactions (amendments to IFRS 16 - Leases)	The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction. The amendments confirm that: a) On initial recognition, the seller-lessee includes variable lease payments in measuring a lease liability arising from a sale and leaseback transaction. b) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting for the lease liability so that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee may use different approaches to comply with the new requirements for subsequent measurement. In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee shall apply the amendments retrospectively to sale and leaseback transactions entered into on or after the date of initial application of IFRS 16. This means that it will have to identify and reassess sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019, and potentially restate those that include variable lease payments. The amendment had no significant impact on the Navigator Group.	01 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments Disclosures. The amendments refer to the disclosure requirements relating to supplier finance arrangements - also known as supply chain financing, accounts payable financing or reverse-factoring arrangements. The new requirements supplement those already included in the IFRS standards and include disclosures on: a) terms and conditions of supplier finance agreements; b) the amounts of the liabilities which are the subject of such arrangements, for which part of them the suppliers have already received payments from the providers of funds and under which caption these liabilities are presented in the balance sheet; c) maturity date intervals; and d) information on liquidity risk. The amendment had no significant impact on the Navigator Group.	01 January 2024

Standards, amendments and interpretations to be adopted in subsequent periods

Amendment		Date of application
Standards and amendments endorsed by the European Union which the Group has chosen not to apply early		
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	On 15 August 2023, the International Accounting Standards Board (IASB) issued Lack of Exchangeability (Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates) (the amendments). The amendments clarify how an entity should assess whether a currency is exchangeable or not and how it should determine a spot exchange rate in situations of lack of exchangeability. A currency is exchangeable for another currency when an entity is able to exchange that currency for another currency on the measurement date and for a specific purpose. When a currency is not exchangeable, the entity must estimate a spot exchange rate. According to the amendments, entities will have to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. These disclosures could include: a) the nature and financial impacts of the currency not being exchangeable; b) the spot exchange rate used; c) the estimation process; and d) the risks to the company because the currency is not exchangeable. This amendment is effective for periods starting after 1 January 2025. Earlier application is permitted.	01 January 2025

	Amendment	Date of application
Standards and amendments not endorsed by the European Union		
IFRS 18 Presentation and Disclosure in Financial Statements	On 9 April 2024, the International Accounting Standards Board (IASB or Board) issued the new standard, IFRS 18 Presentation and Disclosure in Financial Statements. The main amendments introduced by this Standard are: a) promotion of a more structured income statement. In particular, it introduces a new subtotal 'operating profit' (as well as its definition) and the requirement that all income and expenses be classified into three new separate categories based on a company's main business activities: Operating, Investing and Financing. b) requirement for companies to analyse their operating expenses directly on the face of the income statement - either by nature, by function or in a mixed way. c) requirement for some of the 'non-GAAP' measures that the Group uses to be reported in the financial statements. The standard defines non-GAAP performance measures (MPMs) as a subtotal of income and expenses that: - are used in public communications outside the financial statements; and - communicate management's view of financial performance. For each MPM presented, companies will need to explain in a single note in the financial statements why the measure provides useful information, how it is calculated, and reconcile it with a value determined in accordance with IFRS. d) introduction of improved guidance on how companies group information in financial statements. It includes guidance on whether material information is included in the primary financial statements or is more detailed in the notes. The amendments are effective for periods beginning on or after 1 January 2027 and apply retrospectively. Earlier application is permitted.	01 January 2027
IFRS 19 Subsidiaries without Public Accountability	On 9 May 2024, the International Accounting Standards Board (IASB) issued the new Standard, IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to use IFRS with reduced disclosures. The application of IFRS 19 will reduce the costs of preparing the financial statements of subsidiaries, while maintaining the usefulness of the information for the users of their financial statements. A subsidiary may opt to apply the new Standard in its consolidated, individual or separate financial statements, provided that, at the reporting date: a) it has no public accountability; b) its parent company prepares consolidated financial statements in accordance with IFRS. A subsidiary that applies IFRS 19 is required to state clearly in its explicit and unconditional statement of compliance with IFRS that IFRS 19 has been adopted. The amendments are effective for periods beginning on or after 1 January 2027 and apply retrospectively. Earlier application is permitted.	01 January 2027
IFRS 9 - Amendments Regarding the Classification and Measurement of Financial Instruments	On 30 May 2024, the International Accounting Standards Board (IASB or Board) issued amendments regarding the classification and measurement requirements of IFRS 9 - Financial Instruments. The amendments aim to resolve the diversity in the application of the standard, making the requirements more understandable and consistent. The purpose of these amendments is to: a) clarify the classification of financial assets with environmental, social and corporate governance (ESG) characteristics and similar, since these characteristics in loans can affect whether loans are measured at amortised cost or fair value. To resolve any potential diversity in practical application, the amendments clarify how the contractual cash flows of loans should be valued. b) clarify the date on which a financial asset or financial liability is derecognised when it is settled through electronic payment systems. There is an accounting policy option that allows a financial liability to be derecognised before the cash is delivered on the settlement date, if certain criteria are met. c) improve the description of the term 'non-recourse', according to the amendments, a financial asset has non-recourse characteristics if the ultimate right to receive cash flows from an entity is contractually limited to the cash flows generated by specific assets. The presence of non-recourse features does not necessarily exclude the financial asset from complying with the SPPI, but its characteristics need to be carefully analysed. d) clarify that a contractually linked instrument must have a cascading payment structure that creates a concentration of credit risk by allocating losses disproportionately between different instalments. The underlying pool can include financial instruments that are not within the scope of the classification and measurement of IFRS 9 (e.g. finance leases) but must have cash flows equivalent to the SPPI criterion. The IASB has also introduced additional disclosure requirements relating to equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features linked to ESG targets. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	01 January 2026

	Amendment	Date of application
Standards and amendments not endorsed by the European Union		
Annual improvements (IFRS1, IFRS7, IFRS9, IFRS10 and IAS7)	On 18 July 2024, the International Accounting Standards Board (IASB) issued limited amendments to the IFRS and respective guidelines, resulting from the regular maintenance carried out on the Standards. The amendments include clarifications, simplifications, corrections and modifications made with the aim of improving the consistency of various IFRS. The IASB amended: a) IFRS 1 First-time Adoption of International Financial Reporting Standards, to clarify certain aspects related to the application of hedge accounting by an entity that is preparing financial statements in accordance with IFRS for the first time; b) IFRS 7Financial Instruments: Disclosures and the respective Implementation Guidance, in order to clarify: - the application guidance, regarding Gain and loss on derecognition; and - the implementation guidance, namely its Introduction, Fair value paragraph (disclosures regarding the difference between fair value and transaction price) and Credit risk disclosure. c) IFRS 9 Financial Instruments to: - require companies to initially measure a receivable without a significant financing component at the amount determined by applying IFRS 15, and - clarify that when a lease liability is derecognised, the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The amendment establishes that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit/(loss). d) IFRS 10 Consolidated Financial Statements, clarification on the determination of a "de facto agent"; and e) IAS 7 Cash Flow Statements, amendment of detail in the paragraph relating to Investments in subsidiaries, associates and joint ventures. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	01 January 2026
Amendments to IFRS 9 and IFRS 7 - Nature-dependent electricity contracts	On 18 December 2024, the International Accounting Standards Board (IASB) issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include: a) clarifying the application of the 'own-use' requirements; b) permitting hedge accounting if these contracts are used as hedging instruments; and c) adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	01 January 2026

With respect to the above standards, which are not yet mandatory, the Group has not yet completed the calculation of all impacts arising from their application and has therefore elected to apply them early, although these impacts are not expected to be material.

1.6. Significant accounting estimates and judgements

The preparation of consolidated financial statements requires that the Group's Board of Directors make judgements and estimates that affect the amount of revenue, costs, assets, liabilities and disclosures at the date of the consolidated statement of financial position. To that effect, the Group's Board of Directors are based on:

i) the best information and knowledge of current events and in certain cases on the reports of independent experts; and

ii) the actions that the Group considers it may have to take in the future.

On the date on which the operations take place, the outcome could differ from those estimates.

More significant estimates and judgements are presented below:

Estimates and judgements	Notes
Business combinations	1.2 – Acquisition of Accrol Group's UK consumer tissue business
Recoverability of Goodwill	3.1 – Goodwill
Recoverability of brands, useful life and depreciation of other intangible assets	3.2 – Intangible assets
Recoverability, useful life and depreciation of property, plant and equipment	3.3 – Property, plant and equipment
Fair value of biological assets	3.8 – Biological assets
Uncertainty over Income Tax Treatments	6.1 - Income tax for the period
	6.2 - Deferred taxes
Actuarial assumptions	7.2 – Employee benefits
Recognition of provisions	10.1 - Provisions

2. Operational performance

2.1. Revenue and segment reporting

Accounting policies

Navigator Group business areas

The Navigator Group's main business is the production and sale of writing and printing thin paper (UWF) and domestic consumption paper (Tissue), and it is present in the whole value-added chain, from research and development of forestry and agricultural production to the purchase and sale of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP and electric and thermal energy, as well as its commercialisation. In the last quarter of 2024, the group also started producing moulded fibre packaging at the Aveiro industrial complex. This new production unit is aimed at a market with high growth potential, fully aligned with the challenges of reducing the use of single-use plastics.

The Navigator Group currently has ten industrial sites - four in Portugal, one in Spain and five in the United Kingdom. Of the industrial complexes in Portugal, two are dedicated to the production of BEKP pulp, electricity and UWF paper (Figueira da Foz and Setúbal), one is dedicated to the production of BEKP pulp, energy, moulded cellulose packaging and tissue paper (Aveiro) and a fourth, in Vila Velha de Ródão, produces tissue. In Spain, the Group owns an industrial complex in Zaragoza where it produces tissue paper. In May 2024, with the acquisition of the Navigator Tissue Uk Group (formerly the Accrol Group), the Navigator Group now has five production sites in the UK related to the tissue business: Blackburn (rolls and facials); Leicester (rolls); Leyland (rolls); Flint (wet wipes) and Bridgewater (wet wipes).

Wood is produced from woodlands owned or leased by the Group in Portugal and Spain, and also form granted lands in Mozambique. The production of cork and pine wood are sold to third parties while the eucalyptus wood is mainly consumed in the production of BEKP.

A significant portion of the Group's own BEKP production is consumed in the production of UWF and tissue paper. Sales of BEKP pulp, UWF paper and tissue paper – to 118 (2023: 134) countries and territories around the world.

Regarding energy production, the Group has three cogeneration plants, integrated in the production of pulp. Heat production is used for internal consumption while electricity is sold to the national energy grid. The Group also owns two cogeneration plants fuelled by natural gas and two independent plants fuelled by biomass, integrated into paper production in Figueira da Foz and Setúbal, the majority of whose output is sold to the national energy grid.

In addition, the Group currently has eight photovoltaic plants in operation for self-consumption: three in Setúbal - two at the factory complex and one at Herdade de Espirra, two at the Figueira da Foz industrial complex (one of which came into operation in 2024), one at the Zaragoza industrial complex, one at Raiz (in Aveiro) and also two plants that came into operation during 2024, at the Aveiro and Vila Velha de Ródão industrial complexes.

With the conclusion of the construction of new photovoltaic plants in 2024, on a self-consumption basis, at the industrial sites of Figueira da Foz, Aveiro and Vila Velha de Ródão, Navigator, with around 38 MW of installed photovoltaic solar energy capacity, will become the largest self-consumption producer in Portugal, in an industrial context.

Segment reporting

In accordance with IFRS 8, the Group considers an operating segment as a component of the group that develops business activities from which it can obtain revenue and incur expenses, whose operating profit/(loss) are regularly reviewed by the Executive Committee, which is primarily responsible for the Group's operational decision-making for allocation of resources to the segment and the assessment of its performance and for which separate financial information is available.

Each reportable segment corresponds to the value chain of the integrated production process associated with the product of each business segment, (Market Pulp, UWF paper, Tissue Paper and Energy) considering the sales activity of the respective products on the market, in a manner consistent with the information used by the Executive Committee for operational monitoring of its businesses.

Accordingly, intra-segmental sales are those that occur within the same manufacturing plant and whose production inputs are used in the production process of that segment. Thus, the values reported for each operating segment result from the aggregation of the business units and subsidiaries defined in the perimeter of each segment, as well as the cancellation of intra-segment transactions.

Intra-segmental sales correspond to sales between business segments or when there are transactions between manufacturing plants, which are eliminated for consolidation purposes, being this effect reported in the "Cancellations". When aggregating the Group's operating segments, Management defined as reportable segments those that correspond to each of the business areas developed by the Group, as follows:

i. Market pulp – bleached eucalyptus BEKP for sale in the market;

ii. UWF paper – production and sale of UWF uncoated writing and printing thin paper;

iii. Tissue Paper – production and sale of domestic consumption paper;

iv. Biomass renewable energy – which includes the cogeneration units and the two independent thermoelectric power plants;

v. Support - segment that includes the corporate centre (mixed holding).

Regarding the allocation of assets and liabilities to business segments, it should be noted that:

- All equipment allocated to the UWF pulp and paper production are included in Property, plant and equipment of the respective segments.
- The Group's real estate assets are allocated to the respective business segment.
- The assets related to forests are allocated to the pulp and UWF paper segments, according to the production capacity of each segment.
- The majority of the assets allocated to each of the individual segments, with the exception of receivables, is located in Portugal.
- In accordance with the Navigator Company Group's financing policy, all loans are contracted by the Group's holding company, The Navigator Company, S.A., which is responsible for bearing all debt and related charges. Accordingly, interest-bearing liabilities (Note 5.7) are allocated to the "Support" segment, which includes the Group's corporate centre (Holding), with the exception of the repayable grant related to the construction of the new tissue mill, allocated to the "Tissue Paper" segment and a portion of the "Inpactus" grant allocated to the "UWF Paper" segment.

Revenue

Revenue is presented by operating segment and by geographic area, based on the country of destination of the goods and services sold by the Group.

Commercial contracts with Customers refer essentially to the sale of goods such as paper, pulp, tissue and energy, and to an extent, to the transportation inherent to those goods, when applicable.

Revenue recognition in each operating segment is described as follows:

Market pulp	Pulp revenue results from sales to international paper and decor producers. Revenue is recognised point in time, by the amount of the performance obligation satisfied, the price of the transaction corresponding to a fixed amount invoiced on the basis of quantities sold, less cash discounts and quantity discounts, which are reliably determinable. On the export side, the transfer of control of the products occurs in general when there is a transfer of control to the Customer, according to the Incoterms negotiated.
UWF	Paper revenue refers to sales made through Commercial Distributors (B2B) which include large distributors, wholesalers or commercial operators. Revenue is recognised point in time, on the date of delivery of the product to the customer when the transfer of control occurs, by the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to the quantities sold, less cash discounts and quantity discounts, which are reliably determinable.
Tissue	Tissue revenue results from sales of tissue paper produced for the private label of modern national and international retail chains. Revenue is recognised point in time, by the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to quantities sold, less cash discounts and quantity discounts, which are reliably determined. Revenue is recognised against the delivery of the product, at which time the transfer of control over the product is deemed to take place.
Energy	Energy revenue results from the valuation of the sale of electricity to the national grid. Renewable biomass cogeneration and thermoelectric plants sell all their production and benefit from a regulated sales tariff defined in accordance with the current legal framework. In turn, the natural gas cogeneration plant in Setúbal has been operating on a self-consumption basis since January 2024, selling its surplus production at market prices.
Support	The revenue from the sale of other products such as waste, or services (brokerage, for example) is recognised on the date of delivery of the product to the Customer by the amount of the performance obligation satisfied. The income related to this segment is reclassified to other operating income or to less costs.

The Navigator Group considers the facts and circumstances when analysing the terms of each Customer contract and its usual business practices in determining the transaction price. In this sense, in terms of sales tax, from the assessment performed by Navigator, there are no situations that could be included in the transaction price. Regarding specifically to the anti-dumping tax, this is a tax for the entry of goods into the country (in the case of the USA) and is not a tax determined a priori but depends on the analysis of the Department of Commerce *a posteriori*. Therefore, it represents a decrease to the gross margin obtained in the United States and not an adjustment to the price of the individual transaction.

Financial information by operating segment in 2024 and 2023

Amounts in Euro	Market Pulp	UWF Paper	Tissue Paper	Energy	Support	* Cancellations	Total
							2024
REVENUE							
Sales and services - external	237,730,013	1,271,500,425	456,257,281	122,788,834	-	-	2,088,276,553
Sales and services – intersegment	2,831,203	-	-	46,217,863	-	(49,049,066)	-
Total revenue	**240,561,216**	**1,271,500,425**	**456,257,281**	**169,006,697**	**-**	**(49,049,066)**	**2,088,276,553**
PROFIT/(LOSS)							
Operating income [1]	**31,891,469**	**303,861,737**	**76,451,601**	**22,129,153**	**(55,464,164)**	**-**	**378,869,796**
Financial profit/(loss)	-	-	-	-	(25,839,567)	-	(25,839,567)
Income tax	-	-	-	-	(66,046,016)	-	(66,046,016)
Net profit/(loss) for the period							**286,984,213**
Non-controlling interests	-	-	-	-	(36,018)	-	(36,018)
Profit/ (loss) attributable to equity holders	**-**	**-**	**-**	**-**	**-**	**-**	**286,948,195**
OTHER INFORMATION							
Capital expenditure	32,565,167	177,743,951	22,413,518	2,764,530	5,141,354	-	240,628,520
Depreciation (including impairments)	(17,791,078)	(92,148,909)	(31,386,430)	(19,074,713)	(7,459,334)	-	(167,860,464)
Provisions (increases) / (reversals)	-	276,870	12,500	-	(321,548)	-	(32,178)
OTHER INFORMATION							
SEGMENT ASSETS							
Goodwill	-	376,756,383	45,870,954	-	-	-	422,627,337
Property, plant and equipment	151,004,952	808,310,338	320,668,615	129,491,427	6,469,753	-	1,415,945,085
Right-of-use assets	14,003,867	52,461,957	30,557,574	-	1,627,768	-	98,651,166
Biological assets	28,812,550	86,437,648	-	-	-	-	115,250,198
Non-current receivables	-	4,696,897	8,136,600	-	309,440	-	13,142,937
Inventories	19,393,981	217,527,247	63,786,298	927,446	1,563,395	-	303,198,367
Trade receivables	39,090,634	155,681,370	102,019,064	744,650	7,506,779	-	305,042,497
Other current receivables	18,865,900	66,902,642	18,614,765	1,159,038	86,113,779	-	191,656,124
Other assets	8,892,098	70,163,195	97,428,633	6,015	311,179,412	-	487,669,353
Total Assets	**280,063,982**	**1,838,937,677**	**687,082,503**	**132,328,576**	**414,770,326**	**-**	**3,353,183,064**
SEGMENT LIABILITIES							
Interest-bearing liabilities	-	415,573	48,532,818	-	855,029,361	-	903,977,752
Lease liabilities	15,411,571	57,006,275	37,587,262	-	1,731,792	-	111,736,900
Other current payables	42,756,779	264,028,115	59,464,303	4,137,851	288,182,626	-	658,569,674
Other liabilities	30,381,754	141,657,502	72,132,454	7,026,567	71,611,277	-	322,809,554
Total Liabilities	**88,550,104**	**463,107,465**	**217,716,837**	**11,164,418**	**1,216,555,056**	**-**	**1,997,093,880**

* Cancellation of Intersegment Operations. Consolidation adjustments related to inter-segmental transactions are considered not significant.

[1] Includes the effects of hedging derivatives of Euro 1,018,419 in the Pulp segment and of Euro 4,695,937 in the UWF Paper segment.

In 2024, The Navigator Company recorded turnover in the amount of Euro 2,088,276,553, the second best result in the Group's history, with paper sales, including packaging accounting for approximately 61% of turnover (vs.64%), pulp sales 11% (vs.13%), tissue sales 22% (vs.15%) and energy sales 6% (vs.9%).

The year 2024 began in an adverse macroeconomic and geopolitical context, with high volatility expected in the international markets (financial, energy, logistics and raw materials). However, the international economy turned out to be remarkably resilient, exceeding expectations.

In the Pulp and Paper sector, after a first half marked by a rapid rise in the pulp price benchmarks, the second half of the year witnessed a significant price correction in China and a consequent adjustment in Europe. This volatility in the price of pulp contrasted with the resilience in the benchmark prices of printing and writing paper. The year ended with a positive trend in orders for printing and writing paper, packaging paper, especially in the first half and at the end of the year, and tissue paper.

The Navigator Group's competitiveness is based on efficient management of the business mix, commercial strategy, cost control and a focus on innovation and business sustainability. This year it acquired a new tissue operation in the UK, Navigator Tissue UK, and started integrated production of moulded fibre to replace single-use plastic and aluminium packaging in the food service and food packaging markets. This commitment to reinforce the tissue segment and the packaging business line strengthens the Navigator Group's business diversification strategy, with these two segments accounting for 26% of total sales.

The Group maintains its commitments to investment and innovation in all segments, exploring growth opportunities in tissue, packaging, and energy. The positioning of the brands, the sustainability of the business, the scale of operations and financial strength support a resilient business model, allowing consistent results even in uncertain economic contexts.

The amount corresponding to total energy sales was Euro 122,788,834 compared to Euro 168,623,237 in 2023, a decrease of approximately 27%. This reduction is essentially due to the transfer of the Setúbal natural gas combined cycle power station to self-consumption from January onwards, whereas last year it had operated under the total sale of its production regime.

On the other hand, the lower sales of electricity resulting from the self-consumption operation of the Setúbal plant, as detailed below by plant, corresponds to a lower volume of electricity purchases from the group's main paper machine.

Energy sales are broken down by type of plant as follows:

	2024		2023	
	Mwh	**Amount**	**Mwh**	**Amount**
Biomass Thermoelectric Plants	179,525	24,714,238	178,216	24,046,637
Renewable Cogeneration Plants Pulp	852,396	92,797,452	905,045	86,311,170
Non-Renewable Cogeneration Plant Paper	106,327	4,669,926	338,766	29,668,929
Derivatives, Guarantees of Origin and others	-	607,218	-	28,596,501
	1,138,248	**122,788,834**	**1,422,027**	**168,623,237**

The year 2024 was also marked by the participation of the Group's industrial units in the Frequency Restoration Reserve Band Market with manual activation (mFRR Band), a system service provided to the electricity transmission network operator by agents authorised for the purpose, which aims to help safeguard the security of supply of the National Electricity System.

The fixed capital expenditure in 2024 stood at Euro 240,628,520, compared with Euro 183,504,098 in the previous year. This amount mainly includes investments aimed at maintaining production capacity, modernising equipment and factory facilities, environmental and efficiency improvements, and structural and safety projects, of which around 50% are sustainable investments.

Among the investments are the following projects: the new high-efficiency recovery boiler in Setúbal for the collection and incineration of odorous gases (NCGs); moulded pulp in Aveiro; the new biomass lime kiln in Figueira da Foz; the conversion of the lime kilns in Setúbal and Aveiro to burn biomass; the new photovoltaic plants in Figueira da Foz and Vila Velha de Ródão; oxygen delignification in Setúbal; the new tower and washing presses in Aveiro and the biomass boiler in Vila Velha de Ródão. A total of 1,358 projects, of which 31 individually cost more than Euro 1 million.

The Group is making progress with all the projects it committed to under the Recovery and Resilience Plan (RRP), the implementation of which is going according to plan. For eligible investments under the RRP, an incentive rate of about 40% is expected, which corresponds to close to Euro 100 million, with the company receiving approximately Euro 25 million in 2024 and Euro 21 million in 2023.

	2023						
Amounts in Euro	Market Pulp	UWF Paper	Tissue Paper	Energy	Support	* Cancellations	Total
REVENUE							
Sales and services - external	249,482,366	1,241,037,335	294,099,962	168,623,237	-	-	1,953,242,900
Sales and services – intersegment	2,635,447	-	-	35,402,245	-	(38,037,692)	-
Total revenue	**252,117,813**	**1,241,037,335**	**294,099,962**	**204,025,482**	**-**	**(38,037,692)**	**1,953,242,900**
PROFIT/(LOSS)							
Operating income [1]	**11,343,636**	**291,631,405**	**62,743,854**	**55,592,967**	**(54,956,679)**	**-**	**366,355,183**
Financial profit/(loss)	-	-	-	-	(19,319,918)	-	(19,319,918)
Income tax	-	-	-	-	(72,086,123)	-	(72,086,123)
Net profit/(loss) for the period							274,949,142
Non-controlling interests	-	-	-	-	(25,322)	-	(25,322)
Profit/ (loss) attributable to equity holders	**-**	**-**	**-**	**-**	**-**	**-**	**274,923,820**
OTHER INFORMATION							
Capital expenditure	35,311,974	131,075,558	10,493,749	3,354,938	3,267,879	-	183,504,098
Depreciation (including impairments)	(18,840,621)	(81,276,204)	(12,086,871)	(17,405,496)	(6,589,608)	-	(136,198,800)
Provisions (increases) / (reversals)	(279,769)	93,550	(19,496)	-	1,211,756	-	1,006,041
OTHER INFORMATION							
SEGMENT ASSETS							
Goodwill	-	376,756,383	4,739,625	-	-	-	381,496,008
Property, plant and equipment	147,861,864	721,149,816	223,228,954	136,456,809	4,526,348	-	1,233,223,791
Right-of-use assets	13,507,060	49,592,030	-	-	1,945,364	-	65,044,454
Biological assets	28,897,995	86,693,984	-	-	-	-	115,591,979
Non-current receivables	7,428,808	26,728,233	4,854,435	-	5,388,030	-	44,399,506
Inventories	39,517,952	215,446,716	30,030,696	472,257	1,022,741	-	286,490,362
Trade receivables	34,908,856	145,075,440	66,242,331	2,752,026	10,082,188	-	259,060,841
Other current receivables	23,498,980	60,606,258	9,133,886	898,563	71,542,445	-	165,680,132
Other assets	2,630,947	52,496,500	9,706,306	-	193,331,893	-	258,165,646
Total Assets	**298,252,462**	**1,734,545,360**	**347,936,233**	**140,579,655**	**287,839,009**	**-**	**2,809,152,719**
SEGMENT LIABILITIES							
Interest-bearing liabilities	-	415,573	30,031,736	-	628,897,154	-	659,344,463
Lease liabilities	14,641,258	53,286,690	-	-	2,068,873	-	69,996,821
Other current payables	46,633,651	253,045,785	39,478,866	2,674,579	161,213,901	-	503,046,782
Other liabilities	26,787,188	131,454,901	35,696,564	7,684,383	59,568,784	-	261,191,820
Total Liabilities	**88,062,097**	**438,202,949**	**105,207,166**	**10,358,962**	**851,748,712**	**-**	**1,493,579,886**

* Cancellation of Intersegment Operations. Consolidation adjustments related to inter-segmental transactions are considered not significant.

[1] Includes the effects of hedging derivatives of Euro 1,973,497 in the UWF Paper segment and Euro 26,550,098 in the Energy segment. The Energy segment also includes revenues associated with guarantees of origin of Euro 3,252,121

Revenue by business segment, by geographic area and by recognition pattern

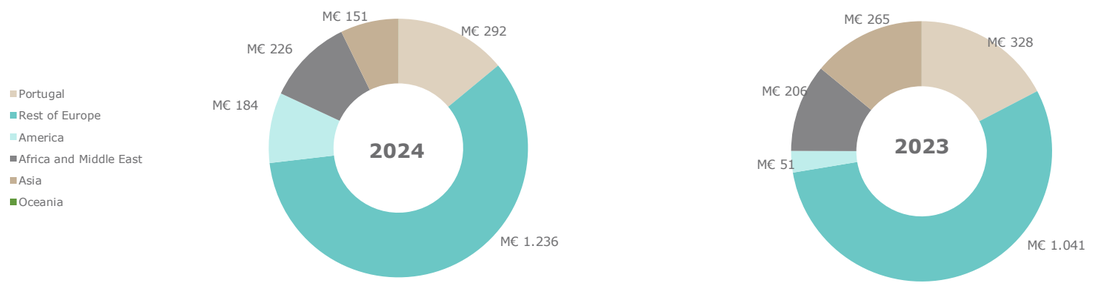
	2024					
Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	11,344,979	66,027,268	91,859,908	122,784,554	292,016,709	13.98%)
Rest of Europe	139,131,658	735,280,377	361,125,414	4,280	1,235,541,729	59.17%)
America*	6,295,801	175,856,336	1,467,789	-	183,619,926	8.80%)
Africa and Middle East	40,021,254	183,976,854	1,804,170	-	225,802,278	10.81%)
Asia	40,936,321	110,106,670	-	-	151,042,991	7.23%)
Oceania	-	252,920	-	-	252,920	0.01%)
	237,730,013	**1,271,500,425**	**456,257,281**	**122,788,834**	**2,088,276,553**	**100.00%)**
Recognition pattern						
Point in time	237,730,013	1,271,500,425	456,257,281	122,788,834	2,088,276,553	100.00%)
Over time	-	-	-	-	-	0.00%

* Includes North America and Latin America

	2023					
Amounts in Euro	Pulp	UWF Paper	Tissue Paper	Energy	Total Amount	Total %
Portugal	3,312,700	68,015,492	88,070,809	168,623,237	328,022,238	16.79%)
Rest of Europe	84,919,648	755,558,561	200,164,742	-	1,040,642,951	53.28%)
America*	1,566,715	109,186,480	2,122,037	-	112,865,232	5.78%)
Africa and Middle East	29,064,688	173,712,207	3,666,154	-	206,443,049	10.57%)
Asia	130,618,615	134,431,052	86,220	-	265,135,887	13.57%)
Oceania	-	133,543	-	-	133,543	0.01%)
	249,482,366	**1,241,037,335**	**294,099,962**	**168,623,237**	**1,953,242,900**	**100.00%)**
Recognition pattern						
Point in time	249,482,366	1,241,037,335	294,099,962	168,623,237	**1,953,242,900**	100.00%)
Over time	-	-	-	-	-	0.00%

* Includes North America and Latin America

Group's revenue distribution by geographic area



In 2024 and 2023, no single Customer accounted for 10% or more of the Group's total revenues.

2.2. Other operating income

For the periods ended 31 December 2024 and 31 December 2023, Other operating income is detailed as follows:

Amounts in Euro	2024	2023
Gains on disposal of non-current assets	178,066	618,244
Grants - CO_2 emission allowances	35,508,908	39,687,379
Supplementary gains	1,298,108	1,046,911
Operating grants	14,005,693	15,885,357
Impairment reversal on receivables	4,105,821	4,634,383
Impairment reversal on inventories (Note 4.1.4)	5,068,999	317,928
Gains on inventories	755,198	733,097
Own work capitalised	7,533,597	1,053,861
Compensations	638,497	1,465,910
Waste sales	15,208,232	7,659,998
Other operating income	16,492,358	7,212,645
	100,793,477	**80,315,713**

Gains on CO_2 emission allowances correspond to the recognition of free allocation of allowances for 480,955 tons of CO_2, at the average price of Euro 73.83 (473,314 tons of CO_2, at the average price of Euro 83.85 in 2023) (Note 3.2).

Operating grants include Euro 9,736,412 (Euro 10,258,265 in 2023) related to the receipt of the indirect cost aid measure for facilities covered by the European Emissions Trading Scheme (EU ETS), under Decree-Law 12/2020 of 6 April, as well as the incentive related to the Recovery and Resilience Plan (RRP) of Euro 3,017,300 (Euro 2,225,213 in 2023). In 2023, this caption also included the amount of Euro 1,704,435 from the Incentive relating to the Programa Apoiar Gás (Support Gas Programme).

The caption Impairment reversal on receivables includes the amount of Euro 1,017,249 (Euro 2,006,715 in 2023) relating to the impairment reversal on trade receivables from Egypt and the caption Impairment reversal on inventories includes Euro 3,121,270 and Euro 861,503 relating to the impairment reversal on UWF waste paper and spare parts, respectively.

Other operating income includes Euro 8,000,000 of the deposit paid by Start - Sines Transatlantic Renewable & Technology Campus, S.A. as a result of the revocation of the promissory purchase and sale agreement signed in 2021 for the acquisition of land in Sines.

Accounting policies

Government grants

Operating grants

Government grants are only recognised when there is a reasonable assurance that the grant will be received, and the Group will comply with all required conditions. Operating grants, received with the purpose of compensating the Group for costs incurred, are systematically recorded in the income statement during the periods in which the costs that those grants are intended to compensate are recorded.

Grants related to biological assets

Grants related to biological assets (Note 3.8) carried at fair value, in accordance with IAS 41, are recognised in the income statement when the terms and conditions of the grant are met.

Grants – CO_2 Emission allowances

Grants related to CO_2 emission allowances (Note 3.2) are recognised as deferred income and are systematically recorded in the income statement during the periods in which the expenses that those grants are intended to compensate are recorded.

2.3. Other operating expenses

Operating expenses are detailed as follows for the periods ended 31 December 2024 and 31 December 2023:

Amounts in Euro	2024	2023
Cost of goods sold and materials consumed (Note 4.1.2)	**880,548,487**	**848,515,663**
External services and supplies		
Energy and fluids	138,428,891	96,858,336
Transportation of goods	152,884,413	134,873,147
Specialised work	100,751,347	93,678,739
Maintenance and repair	40,758,036	36,368,632
Rentals	8,688,495	9,216,917
Advertising and marketing	11,835,995	10,332,278
Insurance	13,322,369	10,556,973
Travel and accommodation	5,134,588	5,105,412
Fees	6,539,574	5,027,626
Subcontracts	2,723,064	2,719,386
Materials	4,161,889	3,503,308
Communications	1,409,739	1,301,725
Other	14,228,821	12,831,040
	500,867,221	422,373,519
Variation in production (Note 4.1.3)	**3,499,808**	**23,719,799**
Payroll costs (Note 7.1)	**203,780,154**	**172,252,203**
Other operating expenses		
Costs with CO_2 emission allowances	33,434,013	37,815,953
Impairment on receivables (Note 8.1.4)	340,564	596,813
Impairment losses on inventories (Note 4.1.4)	3,165,457	4,152,419
Other inventory losses	4,491,888	5,102,146
Indirect taxes	4,594,801	3,984,895
Water resource fee	2,076,795	1,701,536
Other operating expenses	4,492,152	4,887,829
	52,595,670	**58,241,591**
Net provisions (Note 10.1)	**32,178**	**(1,006,041)**
Total operating expenses	**1,641,291,340**	**1,525,102,775**

The last quarter of 2024 was negatively impacted by the extension of the annual maintenance stoppage at one of the plants and by a series of extraordinary events at the energy assets: i) problems identified following a scheduled stoppage at an electricity generating turbine; ii) a breakdown at an electricity supply transformer; and unforeseen stoppages at biomass boilers. This sequence of events, which have now been regularised, resulted in a reduction in energy sales and an increase in purchases of natural gas and electricity, during a period of high prices for these commodities, which had a significant impact on the Energy and fluids caption.

On the other hand, the increase in the Transportation of goods caption is essentially due to the integration of the Navigator Tissue UK Group. It should be noted that, despite the fact that 2024 was marked by the Red Sea crisis, which led to changes in maritime transport routes and generated an overall upward trend in freight rates, the Navigator Group maintained its path of reducing logistics costs, cutting them by 6% compared to 2023.

Moreover, the increase in the Specialised work caption is mainly due to the costs of the acquisition of the Navigator Tissue Uk Group (Note 1.2) as well as its integration into the Navigator Group's accounts.

In 2024 and 2023, external services and supplies costs incurred for investigation and research activities amounted to Euro 5,349,558 and Euro 5,234,381, respectively. The Group plans to apply for SIFIDE approximately Euro 11 million (Euro 14 million in 2023) relating to research and development expenditure (which also includes eligible payroll costs). These expenses will allow the Group to benefit from incentives of approximately Euro 3.9 million (2023: Euro 5.3 million) if the eligibility criteria required by the application are met.

The expenses with CO_2 correspond to the emission of 466,992 tons of CO_2[1] (31 December 2023: 471,757 tonnes), achieving a 34.9% reduction in CO_2 emissions compared to 2020, the base year used for the validation of the targets by the Science Based Targets Initiative (466,992 tonnes vs. 717,121 tonnes of CO_2 in 2020). The reduction in costs for the period is mainly due to the 12% reduction in the price of licences allocated (Euro 73.83€/ton in 2024 vs Euro 83.85/ton in 2023) corresponding to the basis for valuing the cost of emissions and the reduction in consumption compared to the previous year.

In 2024 impairment losses in inventories essentially include the recognition of Euro 1,724,970 in impairment losses for UWF and tissue paper waste and Euro 1,248,818 for slow movers. In 2023, this caption mainly includes the recognition of an impairment of Euro 2,071,836 for the inventory of damaged paper identified on the platform of Navigator North America Inc.

Audit fees

	2024		2023	
Amounts in Euro	KPMG & Associados SROC	Other entities belonging to the same network	KPMG & Associados SROC	Other entities belonging to the same network
The Navigator Company, S.A.				
Audit fees	252,500	-	169,000	-
Other assurance services	116,500	-	34,010	-
Other services	3,500	328,278	475	-
	372,500	**328,278**	**203,485**	**-**
To entities belonging to Navigator Group				
Audit fees	215,353	33,117	173,856	17,678
Other assurance services	51,850	-	58,000	-
Other services	-	-	2,000	-
	267,203	**33,117**	**233,856**	**17,678**
	639,703	**361,395**	**437,341**	**17,678**

In 2024, the services other than auditing services invoiced to the company or to entities in a parent-subsidiary relationship with it by the External Auditor and Statutory Auditor, including entities in a holding relationship with it or that are part of the same network, represented 50.0% (2023: 21.4%) of the total services rendered.

	2024		2023	
Amounts in Euro	Expenses in the period	Fees invoiced	Expenses in the period	Fees invoiced
KPMG (SROC) and other entities belonging to the same network				
Audit fees	643,224	500,970	404,940	357,534
Other assurance services	113,900	168,350	56,760	95,010
Other services	331,778	331,778	2,000	2,475
	1,088,902	**1,001,098**	**463,700**	**455,019**

The services indicated as "Other assurance services" relate to the reporting of financial information and verification services for Sustainability Information. With regard to services other than auditing, these refer to the provision of financial information auditing services to a number of companies in a Group within the scope of the acquisition by the Navigator Group, as well as agreed procedures on financial information.

The Board of Directors believes there are adequate procedures safeguarding the independence of auditors, through the Supervisory Board process analysis of the work proposed and careful definition of the work to be performed by the auditors.

3. Investments

3.1. Goodwill

Goodwill – net amount

Goodwill is attributed to the Group's cash generating units (CGU's), as follows:

Amounts in Euro	2024	2023
CGU of UWF paper production on Figueira da Foz site (goodwill resulting from the acquisition of Navigator Brands, S.A.)	376,756,383	376,756,383
CGU of Tissue paper production on Vila Velha de Ródão site (goodwill resulting from the acquisition of Navigator Tissue Ródão, S.A.)	583,083	583,083
CGU for the production and commercialisation of Tissue paper in Ejea and France (goodwill resulting from the acquisition of Navigator Tissue Ejea, SL. and Navigator Tissue France, EURL)	4,156,542	4,156,542
CGU for the production and commercialisation of Tissue paper in the United Kingdom (initial goodwill resulting from the acquisition of the Accrol Holdings Plc Group)	41,131,329	-
	422,627,337	**381,496,008**

[1] CO_2 emissions from assets in mills, Scope 1 - EU ETS basis.

Navigator Brands, S.A. / Navigator Paper Figueira, S.A.

Following the acquisition of 100% of the former Soporcel - Sociedade Portuguesa de Papel, S.A. (currently Navigator Brands, S.A.), for Euro 1,154,842,000, Goodwill amounting to Euro 428,132,254 was determined.

The goodwill generated on the acquisition of Navigator Paper Figueira was deemed to be allocable to the integrated paper production in Figueira da Foz Industrial Complex cash generating unit.

The book value of Goodwill amounts to Euro 376,756,383 for having been subject to annual amortisations until 31 December 2003 (date of transition to IFRS: 1 January 2004), and amortisation, as from that date, the accumulated amount of which was Euro 51,375,871, has ceased. From that date on, depreciation ceased and was replaced by annual impairment tests. If this amortisation had not been interrupted, the net book value of the Goodwill as at 31 December 2024 would amount to Euro 17,125,290 (31 December 2023: €34,250,580).

Navigator Tissue Ródão, S.A.

On 6 February 2015 the procedures and agreements for the acquisition of AMS-BR Star Paper, S.A. (later merged into Navigator Tissue Ródão, S.A.) were concluded, with the authorisation to conclude this transaction being formalised on 17 April 2015.

To the initial acquisition difference, of Euro 21,337,916, was deducted the AICEP's investment grant and the fair value of the acquired property, plant and equipment, with a goodwill amounting to Euro 583,083.

Navigator Tissue Ejea, S.L.U.

On 31 March 2023, the Navigator Group acquired all the shares representing the share capital of Gomà-Camps Consumer, S.L.U., based in Zaragoza, Spain, which in turn holds the entire share capital of Gomà-Camps France SAS, based in Castres, France. These companies have been renamed Navigator Tissue Ejea, S.L.U. and Navigator Tissue France SAS, respectively.

The Enterprise Value of this acquisition amounted to Euro 60,951,811 and was realised entirely in cash and cash equivalents, with no contingent consideration associated with this acquisition.

The initial acquisition difference of Euro 34,037,142 was deducted from the fair value attributed to property, plant and equipment and intangible assets acquired in the amount of Euro 38,240,800 and Euro 1,600,000, respectively, as well as the associated deferred tax liabilities, resulting in final goodwill of Euro 4,156,542 (Note 1.2).

Navigator Tissue UK

On 24 May 2024, the Navigator Group concluded a public takeover bid, in the form of a "Recommended Firm Cash Offer", for the entire share capital of Accrol Group Holdings Plc (Accrol), currently Navigator Tissue UK Group, a company based in Blackburn, England, which holds 9 subsidiaries, 5 of which operational. Accrol Group is a leader in the tissue paper converting segment in the United Kingdom, producing private label toilet rolls, kitchen rolls and facial tissues for most of the main retailers in the UK.

As part of this acquisition, the consideration transferred amounted to Euro 153,765,152 (GBP 130,823,390) and an initial goodwill of Euro 114,920,802 (GBP 97,774,618) was calculated, from which was deducted the fair value attributed to property, plant and equipment and intangible assets of Euro 25,734,059 and Euro 74,045,509, respectively, as well as the associated deferred tax liabilities (Note 1.2). The final goodwill amounted to Euro 40,086,125 (GBP 34,105,275), which on 31 December corresponded to an amount of Euro 41,131,329 as a result of the exchange rate update at the rate of 0.82918.

Goodwill recoverability analysis

Every year, the Navigator Group calculates the recoverable amount of each business, based on value-in-use calculations, in accordance with the Discounted Cash Flow method. The calculations are based on past performance and business expectations with the actual production structure, using the budget for the following year and projected cash flows for the following 4 years. As a result of the calculations, up to this date no impairment losses relating to Goodwill have been identified.

The main assumptions for the above-mentioned calculation were as follows:

Assumptions on the basis of the business plan

Assumptions	2024 (CAGR 2024-2028)	2023 (CAGR 2024-2028)
Amount of sales (kt)		
Reference	UWF Paper	UWF Paper
CAGR amount of sales (kt)	0.8%	0.0%
Reference	Tissue Paper	Tissue Paper
CAGR amount of sales (kt)	0.6%	0.6%
Average price of sale ML/t		
Reference	UWF Paper	UWF Paper
CAGR average price of sale ML/t	0.0%	0.3%
Reference	Tissue Paper	Tissue Paper
CAGR average price of sale ML/t	(0.5%)	0.3%
Perpetuity growth rate – UWF Paper	(1.0%)	(1.0%)
Perpetuity growth rate – Tissue Paper	2.0%	2.0%

Macroeconomic assumptions

The main assumptions considered at the macroeconomic level are forecasts of GDP growth rate and inflation in Portugal. The sources of forecasts are the IMF and Banco de Portugal.

	2024 Financial Year			
Macroeconomic assumptions	**2025**	**2026**	**2027**	**2028**
Real GDP growth rate	2.10%	2.20%	1.90%	1.90%
Inflation EUR	2.10%	2.00%	2.00%	2.00%

	2023 Financial Year			
Macroeconomic assumptions	**2024**	**2025**	**2026**	**2027**
Real GDP growth rate	1.50%	2.10%	2.00%	1.90%
Inflation EUR	3.30%	2.10%	2.20%	2.00%

The perpetuity growth rate reflects the Boards of Directors' vision of the medium and long term for the different Cash Generating Units (CGUs), bearing in mind the macroeconomic assumptions.

Financial assumptions

Financial assumptions	2024 Risk-free interest rate*	2024 WACC rate EUR	2024 Perpetuity growth rate EUR	2024 Tax rate	2023 Risk-free interest rate*	2023 WACC rate EUR	2023 Perpetuity growth rate EUR	2023 Tax rate
UWF Paper								
Explicit Planning Period	2.73%	6.00%	0.00%	27.50%	3.52%	6.85%	0.00%	27.50%
Perpetuity	2.73%	6.00%	(1.0%)	27.50%	3.52%	6.85%	(1.0%)	27.50%

** Includes Country Risk Premium*

Estimates and judgements

Recoverability of Goodwill

The Group tests Goodwill impairment annually, recorded in its Statement of Financial Position. For impairment tests of CGUs, the recoverable amount was determined based on the value in use, according to the discounted cash flow method. The recoverable amount of CGUs derives from assumptions related to the activity, namely, sales volumes, average sales prices and variable costs that in the projection periods result from a combination of economic forecasts for the regions and markets where the Group operates, industry forecasts, including changes in markets derived from changes in installed capacity for each operating activity, internal management projections and historical performance. These calculations require the use of estimates. The impact of climate change has also been considered in the estimates of future cash flows, although the impact is not material. The risks and opportunities related to climate change identified in accordance with the TCFD recommendations are disclosed in the notes to the Management Report.

Sensitivity analysis

As at 31 December 2024, a possible increase of 0.5% in the discount rate used in the impairment test of Goodwill allocated to the cash-generating unit in Figueira da Foz integrated Paper, would imply a decrease in the assessment in the amount of Euro 273,710,850 (31 December 2023: Euro 214,028,739), which is still approximately 4 times higher than the book value of this cash-generating unit.

Moreover, the 0.5% increase in the discount rate used in the impairment test for Navigator Tissue Ejea would imply a decrease in the valuation as at 31 December 2024 of Euro 15,985,812, which is still around 2 times higher than the book value of this cash-generating unit.

With regard to the Goodwill allocated to Navigator Tissue Ródão, given the immateriality of its value, any impacts would not be materially relevant.

Accounting policies

Goodwill

Goodwill represents the difference between the fair value of the cost of acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries included in the consolidation on the acquisition date and is allocated to each CGU or to the lower group of CGUs to which it belongs.

Amortisation and impairment

Goodwill is not amortised. The Group carries out annual impairment tests on goodwill, or where there are signs of impairment. The recoverable amounts of cash-generating units are determined as the higher of value in use and fair value less cost of sale. Impairment losses on goodwill cannot be reversed.

Disposal and loss of control

Gains or losses arising from the sale or loss of control over an entity or business to which Goodwill is allocated include the amount of the corresponding goodwill.

Tax deductibility

Derived from the current tax legislation in Portugal, it is not expected that Goodwill generated or to be recognised will be tax deductible.

3.2. Intangible assets

Movements in intangible assets

Amounts in Euro	Industrial property and other rights	CO_2 emission allowances	Other intangible assets	Intangible assets in progress	Total
Gross amount					
Balance as at 01 January 2023	**70,983**	**44,781,151**	**-**	**-**	**44,852,134**
Change in the perimeter (Note 1.2)	-	-	3,346,282	-	3,346,282
Allocations	-	39,687,379	-	-	39,687,379
Acquisitions	2,400,000	-	-	522,645	2,922,645
Adjustments, transfers and write-offs	248,236	(42,966,321)	-	(522,645)	(43,240,730)
Balance as at 31 December 2023	**2,719,219**	**41,502,209**	**3,346,282**	**-**	**47,567,710**
Change in the perimeter (Note 1.2)	28,471,792	-	53,596,615	509,174	82,577,581
Allocations	-	35,508,908	-	-	35,508,908
Acquisitions		-	-	391,306	391,306
Adjustments, transfers and write-offs	(39,267)	(38,532,530)	-	-	(38,571,797)
Exchange rate adjustment	741,770	-	1,397,476	18,234	2,157,480
Balance as at 31 December 2024	**31,893,514**	**38,478,587**	**58,340,373**	**918,714**	**129,631,188**
Accumulated amortisation and impairment losses					
Balance as at 01 January 2023	**(39,043)**	**-**	**-**	**-**	**(39,043)**
Change in the perimeter (Note 1.2)	-	-	(1,341,517)	-	(1,341,517)
Depreciation and amortisation for the period (Note 3.7)	(263,319)	-	-	-	(263,319)
Adjustments, transfers and write-offs	274,409	-	-	-	274,409
Balance as at 31 December 2023	**(27,953)**	**-**	**(1,341,517)**	**-**	**(1,369,470)**
Change in the perimeter (Note 1.2)	(4,315,193)	-	-	-	(4,315,193)
Depreciation and amortisation for the period (Note 3.7)	(1,543,687)	-	(2,500,420)	-	(4,044,107)
Impairment losses for the period (Note 3.6)		(145,674)		-	(145,674)
Adjustments, transfers and write-offs	13,089	-	-	-	13,089
Exchange rate adjustment	(138,373)	-	(30,773)	-	(169,146)
Balance as at 31 December 2024	**(6,012,117)**	**(145,674)**	**(3,872,710)**	**-**	**(10,030,501)**
Net book value as at 1 January 2023	**31,940**	**44,781,151**	**-**	**-**	**44,813,091**
Net book value as at 31 December 2023	**2,691,266**	**41,502,209**	**2,004,765**	**-**	**46,198,240**
Net book value as at 31 December 2024	**25,881,397**	**38,332,913**	**54,467,663**	**918,714**	**119,600,687**

The increase in intellectual property and other rights and other intangible assets corresponds to the fair value attributed to the brands and customer portfolio as part of the process of acquiring the Navigator Tissue UK Group (Note 1.2).

CO_2 allowances

	31-12-2024	31-12-2023
CO_2 emission allowances (units)	516,373	494,850
Average unit value (Euro)	74.52	83.87
Market quotation (Euro)	71.57	78.06

CO_2 allowances – movements of the period

	2024		2023	
Amounts in Euro	Tons	Amount	Tons	Amount
Opening balance	**494,850**	**41,502,209**	**574,122**	**44,781,151**
CO_2 allowances awarded free of charge (Note 2.2)	480,955	35,508,908	473,314	39,687,379
CO_2 allowances returned to the Licensing Coordinating Entity	(459,432)	(38,532,530)	(552,586)	(42,966,321)
Closing balance	**516,373**	**38,478,587**	**494,850**	**41,502,209**

Accounting policies

Intangible assets are recorded at acquisition cost less depreciation and impairment losses.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

CO_2 Emission Rights

CO_2 emission Allowances attributed to the Group within the European Union Emissions Trading Scheme (EU ETS) for the assignment of CO_2 emission allowances at no cost, gives rise to an intangible asset for the allowances, a Government grant and a liability for the obligation to deliver allowances equal to the emissions that have been made during the compliance period.

Emission allowances are only recorded as intangible assets when the Group is able to exercise control and are measured at fair value (level 1) at the date of initial recognition. When the market value of the emission allowances falls significantly below its book value and such decrease is considered permanent, an impairment charge is booked for allowances which the group will not use internally.

The liability to deliver allowances is recognised based on actual emissions. This liability will be settled using allowances on hand, measured at the book value of those allowances. Any additional emissions are valued at market value as at the reporting date. FIFO is used in the costing of intangible asset decreases by the refund to the Licensing Coordinating Entity.

In the Consolidated Income Statement, the Group expenses, under Other costs and losses, actual emissions at fair value at the grant date, except for acquired allowances, where the expense is measured at their purchase price.

Such costs will offset other operating income resulting from the recognition of the original Government grant (also recognised at fair value at grant date) as well as any disposal of excess allowances.

The effect on the income statement will, therefore, be neutral regarding the consumption of granted allowances. Any net effect on the Income Statement will result from the purchase of additional allowances to cover excess emissions, from the sale of effective consumption or from impairment losses booked to allowances that are not used at operational level.

Brands

Whenever brands are identified in a business combination, the Group records them separately in the consolidated financial statements as an asset at cost, which represents their fair value on the acquisition date.

As at 31 December 2024 and 31 December 2023, the fair value of the brands acquired by the Group was as follows:

Amounts in Euro	2024	2023
My Tissue	1,257,549	1,257,549
My Tissue Ecologic +	1,142,451	1,142,451
Elegance	6,753,660	-
Magnum	8,562,676	-
Softy	4,703,442	-
Little Heroes	964,809	-
	23,384,587	**2,400,000**

On subsequent valuation exercises, brands are recognised in the Group's consolidated financial statements at cost. They are not subject to annual amortisation, but instead tested for impairment at each reporting date.

Own brands are not recognised in the Group's financial statements, as they represent internally generated intangible assets.

Customer Portfolio

Within the scope of a business combination, whenever identifiable, the Group recognises separately in the consolidated financial statements as an asset measured at cost the value of the customer portfolio acquired, which corresponds to its fair value on the acquisition date.

As at 31 December 2024 and 31 December 2023, the customer portfolios acquired were as follows:

Amounts in Euro	2024	2023	Useful life 2024	Useful life 2023
Customer portfolio - Consumer tissue business in Spain	1,400,000	1,600,000	7	8
Customer portfolio - Consumer tissue business in the United Kingdom	52,957,272	-	18	-
	54,357,272	**1,600,000**		

In the subsequent measurement, the customer portfolio is deducted from the respective amortisations and impairment losses, if applicable.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Intangible assets developed internally

Development expenses are only recognised as intangible assets to the extent that the technical capacity to complete the development of the asset is demonstrated and that it is available for own use or commercialisation. Expenses that do not meet these requirements, namely research expenses, are recorded as costs when incurred.

3.3. Property, plant and equipment

Movements in property, plant and equipment

Amounts in Euro	Land	Buildings and other constructions	Equipment and other tangible assets	Assets under construction	Total
Gross amount					
Balance as at 1 January 2023	**115,774,318**	**544,499,868**	**3,727,191,728**	**92,156,485**	**4,479,622,399**
Change in the perimeter	3,894,076	31,344,927	86,159,207	74,053	121,472,263
Acquisitions	-	377,216	9,988,083	172,616,154	182,981,453
Disposals	(41,843)	(136,266)	(357,628)	-	(535,737)
Adjustments, transfers and write-offs	1,967,153	1,142,848	99,693,497	(104,092,298)	(1,288,800)
Balance as at 31 December 2023	**121,593,704**	**577,228,593**	**3,922,674,887**	**160,754,394**	**4,782,251,578**
Change in the perimeter (Note 1.2)	-	2,875,637	96,215,441	3,122,596	102,213,674
Acquisitions	-	-	20,444,600	219,792,614	240,237,214
Disposals	(24,289)	-	(152,538)	(15,309)	(192,136)
Adjustments, transfers and write-offs	4,466,734	5,715,034	164,219,952	(179,727,640)	(5,325,920)
Exchange rate adjustment	-	74,979	2,517,537	92,269	2,684,785
Balance as at 31 December 2024	**126,036,149**	**585,894,243**	**4,205,220,052**	**204,718,751**	**5,121,869,195**
Accumulated depreciation and impairment losses					
Balance as at 1 January 2023	**-**	**(381,686,338)**	**(2,998,246,654)**	**-**	**(3,379,932,992)**
Change in the perimeter	-	(8,940,894)	(31,324,474)	-	(40,265,368)
Depreciation for the period (Note 3.7)	-	(13,799,813)	(116,382,228)		(130,182,041)
Disposals	-	120,107	316,423	-	436,530
Adjustments, transfers and write-offs	-	5,228,860	(4,312,776)	-	916,084
Balance as at 31 December 2023	**-**	**(399,078,078)**	**(3,149,949,709)**	**-**	**(3,549,027,787)**
Change in the perimeter (Note 1.2)	-	-	(7,088,063)	-	(7,088,063)
Depreciation for the period (Note 3.7)	-	(14,130,046)	(133,405,316)	-	(147,535,362)
Impairments (Note 3.7)		-	(7,364,638)	(308,965)	(7,673,603)
Disposals	-	-	27,662	-	27,662
Adjustments, transfers and write-offs	-	1,380,299	4,253,777	-	5,634,076
Exchange rate adjustment	-	(937)	(260,096)		(261,033)
Balance as at 31 December 2024	**-**	**(411,828,762)**	**(3,293,786,383)**	**(308,965)**	**(3,705,924,110)**
Net book value as at 1 January 2023	**115,774,318**	**162,813,530**	**728,945,074**	**92,156,485**	**1,099,689,407**
Net book value as at 31 December 2023	**121,593,704**	**178,150,515**	**772,725,178**	**160,754,394**	**1,233,223,791**
Net book value as at 31 December 2024	**126,036,149**	**174,065,481**	**911,433,669**	**204,409,786**	**1,415,945,085**

As at 31 December 2024, Assets under construction include investments related to ongoing development projects, in particular the new recovery boiler in Setúbal (Euro 99,388,025), the collection and incineration of NCGs (Non-Condensable Gases) (Euro 9,951,457), oxygen delignification (Euro 3,237,829), the new bleaching tower in Aveiro (Euro 2,500,000), the new cogeneration plant in Aveiro (Euro 2,500,000), the new Aveiro cogeneration plant (Euro 6,100,607) the new biomass boiler in Vila Velha de Ródão (Euro 2,951,519), the new Figueira da Foz cogeneration plant (Euro 5,722,951), adapting the firing process for hydrogen (Euro 3,151,337) and the new biomass lime kiln (Euro 10,981,633) in Figueira da Foz. The remainder is related to several projects for improving and optimising the production process.

Of the total investment of Euro 240,237,214, approximately 50% relates to investments classified as ESG and Euro 62,926,641 relates to investments under the Recovery and Resilience Plan (RRP).

Lands includes Euro 116,798,934 (31 December 2023: Euro 115.903.357) classified in the individual financial statements as investment properties, from which Euro 79,989,817 (31 December 2023: Euro 76,765,242) relate to forestry land and Euro 36,945,028 (31 December 2023: Euro 39,138,115) to land allocated to industrial sites.

In 2024, the Group decided to proceed with the pre-engineering project for the rebuild of the PM3 machine in Setúbal, with the aim of converting the current production of high-grammage products into the production of more high-quality and efficient low-grammage products (LBW - Low Basis Weight), the market segment with the greatest potential for growth in replacing plastic. Accordingly, an impairment loss of Euro 7,116,061 was recognised on the entire net book value of PM3 as at 31 December 2024.

The commitments assumed by the Group for the acquisition of property, plant and equipment are detailed in Note 10.2 - Commitments.

Estimates and judgements

Recoverability of Property, plant and equipment

The recoverability of property, plant and equipment requires the Board of Directors to use estimates and assumptions, namely, whenever applicable, regarding the determination of the value in use for impairment tests to the Group's cash-generating units.

Useful life and depreciation

Property, plant and equipment present the most significant component of the Group's total assets. These assets are subject to systematic depreciation for the period that is determined to be their economic useful life. The determination of assets useful lives and the depreciation method to be applied is essential to determine the amount of depreciation to be recognised in the consolidated income statement of each period.

These two parameters are defined according to the best judgement of the Board of Directors for the assets and businesses in question, also considering the practices adopted by companies of the sector at the international level and the evolution of the economic conditions in which the Group operates.

Under IFRS, the estimate of the useful lives of assets should be reviewed if expectations regarding the expected economic benefits as well as the technical use planned for the assets differ from previous estimates. Changes resulting in depreciation charges for the period are accounted for prospectively.

Given the importance of this estimate, the Group uses, with some regularity, external and independent experts to assess the adequacy of the estimates used having the last report been completed during the second half of 2024, with reference to 1 January 2024, with no significant impact on the Group's useful lives.

Accounting policies

Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Depreciation and impairment

We use the straight-line method from the moment the asset is available for use and using the rates that best reflect their estimated useful life.

	Average useful life 2024	Average useful life 2023
Land (cost of preparing for afforestation)	50	50
Buildings and other constructions	10 – 30	10 – 30
Basic equipment	4 – 20	4 – 20
Transportation equipment	4 – 9	4 – 9
Tools	2 – 8	2 – 8
Administrative equipment	4 – 8	4 – 8
Other property, plant and equipment	4 – 10	4 – 10

The residual values of the assets and respective useful lives are reviewed and adjusted, on the date of the consolidated statement of financial position. If there are changes to useful lives, they are treated as a change in accounting estimate and are applied prospectively.

When the book value of the asset exceeds its realisable value, the asset is written down to the estimated recoverable amount, and an impairment charge is booked (Note 3.7).

Subsequent costs

Scheduled maintenance expenses are considered a component of the acquisition cost of property, plant and equipment and are fully depreciated by the next forecasted maintenance date.

All other repairs and maintenance costs are charged to the income statement in the financial period in which they are incurred.

Spare and maintenance parts

Spare parts are considered strategic as they are directly related to production equipment and their use is expected to last for more than two economic years. Maintenance parts considered as "critical spare parts" are recorded under non-current assets, as Property, plant and equipment. In accordance with this classification, spare parts are depreciated from the moment they become available for use and are assigned a useful life that follows the nature of the equipment, where they are expected to be integrated, not exceeding the remaining useful life of these.

Spare parts are accounted for as property, plant and equipment if they are material and used for more than one period, or if they are used only in relation to an item of property, plant and equipment. In other situations, spare parts are accounted for as part of inventories and recognized in the period when consumed.

Borrowing costs

Borrowing costs directly related to the acquisition or construction (if the construction or development period exceeds one year) of property, plant and equipment are capitalised and form part of the asset's cost.

During the periods presented, no financial charges for loans directly related to the acquisition or construction of property, plant and equipment were capitalised.

Write-offs and disposals

Gains or losses arising from write-offs or disposals are determined by the difference between the proceeds from the disposals when applicable less transaction costs and the carrying amount of the asset and are recognised in the income statement as Other operating income (Note 2.2) or Other operating expenses (Note 2.3).

3.4. Investment properties

Movement in investment properties

Amounts in Euro	Land	Buildings and other constructions	Total
Gross amount			
Balance as at 1 January 2023	**424,744**	**82,307**	**507,051**
Acquisitions	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
Adjustments, transfers and write-offs	**142,288**	**530,684**	**672,972**
Balance as at 31 December 2023	**567,032**	**612,991**	**1,180,023**
Acquisitions	-	-	-
Disposals	**(25,371)**	**(82,308)**	**(107,679)**
Adjustments, transfers and write-offs	-	-	-
Balance as at 31 December 2024	**541,661**	**530,683**	**1,072,344**
Accumulated depreciation and impairment losses			
Balance as at 1 January 2023	**(399,372)**	**(16,735)**	**(416,107)**
Depreciation for the period (Note 3.7)	-	-	-
Disposals	-	-	-
Impairment losses (Note 3.7)	-	(1,646)	(1,646)
Adjustments, transfers and write-offs	-	(298,866)	(298,866)
Balance as at 31 December 2023	**(399,372)**	**(317,247)**	**(716,619)**
Depreciation for the period (Note 3.7)	-	-	-
Disposals	-	19,480	19,480
Impairment losses (Note 3.7)	-	(15,035)	(15,035)
Adjustments, transfers and write-offs	-	-	-
Balance as at 31 December 2024	**(399,372)**	**(312,802)**	**(712,174)**
Net book value as at 1 January 2023	**25,372**	**65,572**	**90,943**
Net book value as at 31 December 2023	**167,660**	**295,744**	**463,404**
Net book value as at 31 December 2024	**142,289**	**217,881**	**360,170**

The amount for adjustments, transfers and write-offs as at 31 December 2023 pertains to the building at Rua São José 35, 2º - A Lisboa 1150-321. The building is owned by the subsidiary Empremédia – Corretores de Seguros, S.A. It is no longer used for the Group's operational activity since the transfer of this subsidiary's employees to the Navigator building on Avenida Fontes Pereira de Melo.

These assets are not allocated to the Group's operating activity, nor do they have any future use determined.

3.5. Government grants

Government grants - movements

Amounts in Euro	2024 Financial	2024 Tax	2024 Total	2023 Financial	2023 Tax	2023 Total
Opening balance	**99,667,539**	**16,234,048**	**115,901,587**	**15,916,110**	**17,900,449**	**33,816,559**
Allocation	8,765,668	-	8,765,668	85,800,391	-	85,800,391
Charge-off (Note 3.7)	(3,056,921)	(1,666,401)	(4,723,322)	(2,048,962)	(1,666,401)	(3,715,363)
Closing balance (Note 4.3)	**105,376,286**	**14,567,647**	**119,943,933**	**99,667,539**	**16,234,048**	**115,901,587**

The allocations for the period relate to the sums allocated under the mobilizing agendas of the Recovery and Resilience Plan (RRP).

Only Euro 43,952,298 of the amount allocated was received in the period, (Euro 27,529,156 as at 31 December 2023) as reflected in the Statement of Cash Flows.

As at 31 December 2024 and 2023, government grants, by company, were detailed as follows:

Amounts in Euro	2024 Financial	2024 Tax	2024 Total	2023 Financial	2023 Tax	2023 Total
AICEP investment contracts						
Enerpulp, S.A.	105,727	-	105,727	179,890	-	179,890
Navigator Pulp Aveiro, S.A.	1,806,126	721,286	2,527,412	2,781,642	1,138,676	3,920,318
Navigator Pulp Setúbal, S.A.	-	-	-	19,692	-	19,692
Navigator Pulp Figueira, S.A.	144,135	6,755,137	6,899,272	5,293	7,465,212	7,470,505
Navigator Parques Industriais, S.A.	1,691,570	-	1,691,570	1,750,927	-	1,750,927
Navigator Tissue Aveiro, S.A.	2,429,628	7,091,224	9,520,852	2,612,638	7,630,160	10,242,798
	6,177,186	**14,567,647**	**20,744,833**	**7,350,082**	**16,234,048**	**23,584,130**
Under the Recovery and Resilience Plan						
Navigator Forest Portugal, S.A.	36,510	-	36,510	36,510	-	36,510
Viveiros Aliança, SA	18,161	-	18,161	20,800	-	20,800
Navigator Tissue Aveiro, S.A.	11,968,393	-	11,968,393	12,016,780	-	12,016,780
Navigator Paper Setúbal, S.A.	10,966,135	-	10,966,135	10,980,533	-	10,980,533
Navigator Pulp Aveiro, S.A.	17,752,757	-	17,752,757	18,692,916	-	18,692,916
Navigator Pulp Setúbal, S.A.	21,480,000	-	21,480,000	21,480,000	-	21,480,000
Navigator Tissue Ródão S.A.	8,462,427	-	8,462,427	-	-	-
Navigator Pulp Figueira, S.A.	16,408,219	-	16,408,219	16,408,219	-	16,408,219
Navigator Paper Figueira, S.A.	4,621,122	-	4,621,122	4,621,122	-	4,621,122
Raiz	2,048,251	-	2,048,251	2,157,854	-	2,157,854
	93,761,975	**-**	**93,761,975**	**86,414,734**	**-**	**86,414,734**
Other						
Navigator Pulp Setúbal, S.A.	4,488,046	-	4,488,046	4,488,046	-	4,488,046
Raiz	949,079	-	949,079	1,154,590	-	1,154,590
Viveiros Aliança, SA	-	-	-	11,610	-	11,610
Navigator Tissue Ejea, S.L.	-	-	-	248,477	-	248,477
	5,437,125	**-**	**5,437,125**	**5,902,723**	**-**	**5,902,723**
	105,376,286	**14,567,647**	**119,943,933**	**99,667,539**	**16,234,048**	**115,901,587**

The Group expects to recognise grants in profit/(loss) as follows:

Amounts in Euro	2024 Financial	2024 Tax	2024 Total	2023 Financial	2023 Tax	2023 Total
2024	-	-	-	1,685,836	1,666,401	3,352,237
2025	2,543,940	1,398,687	3,942,627	1,335,087	1,398,687	2,733,774
2026	2,424,840	1,390,347	3,815,187	1,215,985	1,390,347	2,606,332
2027	1,787,665	1,390,304	3,177,969	585,137	1,390,304	1,975,441
2028	1,756,644	1,390,304	3,146,948	572,417	1,390,304	1,962,721
2029	1,517,326	1,209,424	2,726,750	-	-	-
After 2029	95,345,871	7,788,581	103,134,452	94,273,077	8,998,005	103,271,082
	105,376,286	**14,567,647**	**119,943,933**	**99,667,539**	**16,234,048**	**115,901,587**

Non-repayable Government grants

Incentive to increase pulp production capacity in Figueira da Foz

On 27 December 2018, Navigator Pulp Figueira, S.A signed a tax investment agreement with AICEP, related to the investment associated with the increase of pulp production capacity in Figueira da Foz, which includes a tax incentive up to the maximum amount of Euro 17,278,657, corresponding to 19.5% of the investment made, through the fulfilment, until 31 December 2025 of the contractually defined objectives. This grant, drawn on by the subsidiary to the amount of Euro 14,437,235, is being recognised over 20 years, until 2038, in proportion to the depreciation of the assets, although it has been fully utilised since 2018, by means of a tax rebate.

Incentives for the expansion project of the Cacia pulp mill

On 18 June 2014, the Group's subsidiary, Navigator Pulp Aveiro, S.A., signed two financial and tax incentive agreements with the AICEP – Agência para o Investimento e Comércio Externo de Portugal (Agency for Investment and Foreign Trade of Portugal), effective until 2023 and 2024, respectively, to support the investment to be promoted by that company in the capacity increase project of Aveiro pulp mill, with a total amount of Euro 49.3 million.

The approved grants amount to Euro 9.753 million (repayable) and Euro 5.644 million (tax incentive). This amount has been fully utilised since 2016 and will be recognised in profit/(loss) in 20 years, until 2034. The contract includes an achievement bonus already recognised in the balance sheet and received in April 2024, which corresponds to the conversion of 75% of the repayable grant in a non-repayable grant, in the amount of Euro 7,314,397, subject to compliance with the objectives established in the contract.

In March 2014, the subsidiary Navigator Tissue Ródão, S.A. signed investment contracts with AICEP - Agência para o Investimento e Comércio Externo de Portugal (Agency for Investment and Foreign Trade of Portugal), effective between 2014 and 2022, for the construction of a second tissue paper machine at its Vila Velha de Ródão unit, with the aim of contributing part of the investment through EU funds by means of refundable financial incentives amounting to Euro 9,647,700, convertible into non-refundable incentives, up to a limit of 50%, i.e. Euro 4,823,850.

The incentive should have been paid in two instalments, on 31 December 2016 and 31 December 2018, however on 31 December 2024 the amount of Euro 2,407,395 remains to be received (Note 4.2).

Grant to the Setúbal Lime Kiln Conversion project

As part of the Carbon Neutrality Roadmap, the Group has signed a financial investment contract with the European Union to support investment by Navigator Pulp Setúbal in the conversion of the lime kiln at the Setúbal pulp mill, with a planned total

investment of Euro 7,500,000. The maximum approved grant amounts to Euro 4,488,046 and will be paid through a single non-repayable instalment, up to the end of the third year of operation of the equipment, which is expected to begin in the third quarter of 2025.

Recovery and Resilience Plan

The Navigator Group is involved in four Agendas for Business Innovation of the Recovery and Resilience Plan (RRP), through investment of Euro 91.8 million. The Group, through Navigator Paper Setúbal, S.A., is leading the "From Fossil to Forest" (FF2F) Agenda, whose main goal is to develop a range of packaging solutions—focused on the gKRAFT brand to be launched in 2021—and the production of micro fibrillated cellulose for developing mechanical properties and functional barriers (to fats and liquids, amongst others) in these papers. In total, the Group will benefit from support of around Euro 25.9 million from this component of the RRP (C5 - Corporate Capitalization and Innovation).

During 2022, the Group companies Navigator Paper Setubal, S.A., Navigator Pulp Setúbal, S.A., Navigator Paper Figueira, S.A., Navigator Pulp Figueira, S.A., Navigator Pulp Aveiro, S.A. and Navigator Tissue Aveiro, S.A. applied for "Apoio à Descarbonização da Indústria" (Support for Decarbonisation of Industry) under the RRP. This support is part of a set of measures under Component 11 (C11) of the RRP, which aims to contribute to the goal of carbon neutrality by promoting energy transition through energy efficiency, support for renewable energy, focusing on the adoption of low-carbon processes and technologies in industry, the adoption of energy efficiency measures in industry and the incorporation of energy from renewable sources and energy storage. Recently, this was extended to a second phase of application, in which Navigator Tissue Ródão S.A., like the other companies, presented a series of initiatives related to its carbon neutrality. In the future, the Group expects to invest Euro 173.1 million in these initiatives, of which it hopes to receive Euro 75.8 million in funding.

Also in 2022, Group companies applied for RRP incentives for the "Rede Nacional de Test Bed" (National Test Bed Network), which aims to create a national network providing services to companies for the development and testing of new products and services. The application, involving an investment of Euro 2.2 million, was approved at the end of the year and IAPMEI decided to award Navigator Pulp Figueira. S.A. Euro 1.4 million.

However, the Group's participation in the RRP is not complete without RAIZ's participation in Component 12 of the RRP, related to the Bioeconomy, where it plans to invest Euro 1.7 million and receive an incentive of Euro 1.4 million to accelerate, in partnership with CITEVE and other 52 promoters, the creation of high value-added products from biological resources as an alternative to fossil-based materials, while maintaining and even improving quality standards, with great potential in different market segments.

Repayable government grants

On 13 December 2017, the subsidiary Navigator Tissue Aveiro, S.A. entered into an investment agreement with AICEP, effective until 2026, for the construction of the new tissue mill in Aveiro. This agreement comprises a financial incentive in the form of a repayable grant, which includes a grace period of two years, without payment of interest, up to a maximum amount of Euro 42,166,636, corresponding to 35% on the amount of expenses considered eligible, which were estimated at Euro 120,476 million. As at 31 December 2024, the repayable grant has been fully received.

On 20 April 2018, the same entity was also awarded with a tax incentive granted through the compliance of contractually defined requirements until 31 December 2028, whose maximum amount will be Euro 11,515,870, corresponding to 10% of the expenses associated with the project investment. See Note 5.7. This amount has been fully utilised since 2019 and will be recognised in profit/(loss), on average, in 24 years, until 2043.

There are no unfulfilled conditions and other contingencies linked to Government grants that have been recognised and Navigator is complying with the conditions according to plan.

Accounting policies

Government grants

Government grants received to compensate the Group for investments made in Property, plant and equipment, including those attributed as tax credits, are classified as Deferred income (Note 4.3 - Payables) and are recognised in income over the estimated useful life of the respective subsidised assets, and are associated with the depreciation of the period (Note 3.7), for presentation purposes.

Repayable government grants

Government grants, in the form of repayable loans at a subsidised rate, are discounted on the date of initial recognition based on the market interest rate at the date of grant, the value of the discount constituting the value of the grant to be amortised over the period of the loan or asset whose acquisition it is intended to finance, depending on the activities financed. These liabilities are included in the caption Interest-bearing liabilities (Note 5.7). Grants received are classified as a financing activity in the statement of cash flows.

3.6. Right-of-use assets

Movements in right-of-use assets

Amounts in Euro	Forestry lands	Buildings	Vehicles	Software licenses	Other lease assets	Total
Gross amount						
Balance as at 1 January 2023	**58,830,098**	**4,655,055**	**11,577,961**	**1,556,613**	**9,420,387**	**86,040,114**
Acquisitions	11,116,077	53,744	3,069,783	-	1,764,073	16,003,677
Adjustments, transfers and write-offs	-	(356,397)	(2,711,330)	(342,519)	-	(3,410,246)
Balance as at 31 December 2023	**69,946,175**	**4,352,402**	**11,936,414**	**1,214,094**	**11,184,460**	**98,633,545**
Change in the perimeter (Note 1.2)	-	930,133	276,256	175,801	42,512,894	43,895,084
Acquisitions	5,630,367	117,679	4,275,979	35,253	5,340,453	15,399,731
Adjustments, transfers and write-offs	(1,344,968)	(7,922)	(1,365,244)	(49,559)	(3,902,749)	(6,670,442)
Exchange rate adjustment		24,252	7,613	3,823	1,092,764	1,128,452
Balance as at 31 December 2024	**74,231,574**	**5,416,544**	**15,131,018**	**1,379,412**	**56,227,822**	**152,386,370**
Accumulated depreciation and impairment losses						
Balance as at 1 January 2023	**(12,821,764)**	**(2,400,948)**	**(7,281,667)**	**(1,113,577)**	**(4,487,317)**	**(28,105,273)**
Depreciation (Note 3.7)	(3,961,429)	(520,165)	(2,532,286)	(350,435)	(2,102,841)	(9,467,156)
Adjustments, transfers and write-offs		356,397	3,240,702	342,519	43,721	3,983,339
Exchange rate adjustment	-	-	-	-	-	-
Balance as at 31 December 2023	**(16,783,193)**	**(2,564,716)**	**(6,573,251)**	**(1,121,493)**	**(6,546,437)**	**(33,589,090)**
Change in the perimeter (Note 1.2)		(681,574)	(72,706)	(142,632)	(11,119,701)	(12,016,613)
Depreciation (Note 3.7)	(4,219,898)	(695,288)	(2,517,949)	(154,255)	(5,582,615)	(13,170,005)
Adjustments, transfers and write-offs	1,344,968	7,922	1,252,660	49,559	2,715,166	5,370,275
Exchange rate adjustment		(20,060)	(2,765)	(3,364)	(303,582)	(329,771)
Balance as at 31 December 2024	**(19,658,123)**	**(3,953,716)**	**(7,914,011)**	**(1,372,185)**	**(20,837,169)**	**(53,735,204)**
Net book value as at 1 January 2023	**46,008,334**	**2,254,107**	**4,296,294**	**443,036**	**4,933,070**	**57,934,840**
Net book value as at 31 December 2023	**53,162,982**	**1,787,686**	**5,363,163**	**92,601**	**4,638,023**	**65,044,454**
Net book value as at 31 December 2024	**54,573,451**	**1,462,828**	**7,217,007**	**7,227**	**35,390,653**	**98,651,166**

The caption Forestry Lands relates essentially to the land use rights of existing forest exploration, whose agreements usually have a duration of 24 years, and may be cancelled in advance if the 2nd harvest takes place before the 24th year of the agreement term.

The caption Buildings refers to the lease agreement entered into between The Navigator Company, S.A. e a *MaxiRent - Fundo de Investimento Imobiliário Fechado* for the building located at Avenida Fontes Pereira de Melo, in Lisbon, for use as an office until May 2027.

Other lease assets include the Navigator Tissue UK Group's rental contracts for forklifts, warehouses and converting equipment.

Cash flows associated with lease payments correspond to the financial amortisation of Euro 11,764,677 and interest of Euro 3,896,924 (Note 5.10), amounting to Euro 15,661,601, as shown in the Statement of Cash Flows.

Accounting policies

At the date the lease enters into force, the Group recognises a right-of-use asset at its cost, which corresponds to the initial amount of the lease liability adjusted for: i) any prepayments; ii) lease incentives received; and iii) initial direct costs incurred.

To the right-of-use asset, the estimate of removing and/or restoring the underlying asset and/or the location where it is located may be added, when required by the lease agreement.

The right-of-use asset is subsequently depreciated using the straight-line method, from the start date until the lower between the end of the asset's useful life and the lease term. Additionally, the right-of-use asset reduced of impairment losses, if any, and adjusted for any remeasurement of the lease liability. The useful life considered for each class of right-of-use asset is equal to the useful life of Property, plant and equipment (Note 3.3) in the same class when there is a call option, and the Group expects to exercise it.

Short-term leases and low-value asset leases

The Group recognises payments for leases of 12 months or less and for leases of assets whose individual acquisition value is less than Euro 5,000 directly as operating expenses of the period (*Note 2.3*), on a straight-line basis.

3.7. Depreciation, amortisation and impairment losses

Amounts in Euro	2024	2023
Depreciation of property, plant and equipment for the period (Note 3.3)	147,535,362	130,182,041
Charge-off of investments grants (Note 3.5)	(4,723,322)	(3,715,363)
Depreciation of property, plant and equipment, net of grants charged-off	**142,812,040**	**126,466,678**
Impairment of property, plant and equipment - losses (Note 3.3)	7,673,603	-
Impairment of property, plant and equipment for the period	**7,673,603**	**-**
Amortisation of intangible assets for the period (Note 3.2)	**4,044,107**	**263,319**
Impairment on intangible assets – losses	145,673	-
Impairment of intangible assets for the period (Note 3.2)	**145,673**	**-**
Depreciation of right-of-use assets for the period (Note 3.6)	**13,170,005**	**9,467,156**
Impairment of investment properties (Note 3.4)	15,035	1,646
	167,860,464	**136,198,800**

The Group regularly uses external and independent experts to assess its industrial assets, as well as to assess the adequacy of the estimates used in terms of the useful lives of these assets.

In 2024, the Group requested an external valuation of its assets by an independent and specialised entity, which estimated the useful life of the assets, considering current conditions and functional obsolescence. The study took into account technical information on the assets allocated to the production centres, including the technical, physical and technological durability of the equipment, but no significant differences were identified between the estimated useful lives and those practised by the Group, other than those referred to in Note 3.3.

3.8. Biological assets

Movements in biological assets

Amounts in Euro	2024	2023
Opening balance	**115,591,979**	**122,499,875**
Logging	(22,275,720)	(23,005,571)
Growth	25,895,749	27,648,002
New planted areas and replanting	3,091,316	3,871,701
Other changes in fair value		
- change in the price of wood	21,818,100	15,908,400
- change in the cost-of-capital rate	6,890,813	(238,400)
- impact of forest fires	(3,030,511)	(1,386,701)
- changes in other species	554,567	(2,235,892)
- transport logistics costs	(24,407,600)	(8,928,000)
- fixed structure costs	(3,253,000)	(10,505,800)
- other changes in expectations	(6,299,966)	(8,035,635)
Total changes	**(1,016,252)**	**(6,907,896)**
Exchange rate adjustment	674,471	-
Closing balance	**115,250,198**	**115,591,979**

The Navigator Group considers, in accordance with IAS 41, mature assets to be those that have reached the necessary specifications to obtain the maximum yield based on their profitability, supply needs and opportunity cost. Typically, the forest in Portugal reaches its maturity between 8 and 12 years, and this reference depends on the species, soil conditions, as well as edaphoclimatic conditions. Data on the forest, its condition and its future potential are measured at least twice throughout its growth cycle. As at 31 December 2024, mature assets accounted for approximately 52% (53% in 31 December 2023) of Navigator's forest in Portugal, being recognised at fair value.

As at 31 December 2024 and 31 December 2023, biological assets, by species, is detailed as follows:

Amounts in Euro	2024	2023
Eucalyptus (Portugal)	85,569,146	88,244,919
Eucalyptus (Spain)	3,081,361	1,628,022
Pine (Portugal)	5,798,144	5,898,445
Cork oak (Portugal)	1,490,017	835,149
Other species (Portugal)	73,107	73,107
Eucalyptus (Mozambique)	19,238,423	18,912,337
	115,250,198	**115,591,979**

The decrease in the fair value of Eucalyptus and Pine is mainly due to the effects of increased costs for cutting, replanting and transportation.

These amounts correspond to Board of Directors' expectation of the volumes to be extracted from its woodlands in the future, as follows:

Amounts in Euro	2024	2023
Eucalyptus (Portugal) – Potential future of wood extractions k m^3ssc	9,909	10,447
Eucalyptus (Spain) - Potential future of wood extractions k m^3ssc	244	252
Pine (Portugal) – Potential future of wood extractions k ton	282	290
Cork oak (Portugal) – Potential future of cork extractions k @	458	488
Eucalyptus (Mozambique) – Potential future of wood extractions k m^3ssc	5,165	3,570

Concerning Eucalyptus, the most relevant biological asset in the financial statements, the Group extracted, in 2024, 611,862 m^3ssc of wood from its owned and explored forests (31 December 2023: 594,709 m^3ssc).

As at 31 December 2024 and 2023, (i) there are no amounts of biological assets whose property is restricted and/or pledged as guarantee for liabilities, nor there are non-reversible commitments related to the acquisition of biological assets, and (ii) there are no government grants related to biological assets recognised in the Group's consolidated financial statements.

Estimates and judgements

Assumptions

Assumptions corresponding to the nature of the assets being valued were considered:

- Productivity of forests;
- Wood sales price (when there is an active market) less the cost of harvesting, rents for own, rented and leased land, replanting and transport, planting and maintenance costs, the cost inherent in leasing forest land; the trend value for 2024 worsened by 6% compared to 2023.
- Discount rate, 2024: 4.27% (2023: 5.19 %) for Portugal and Spain and 21.6% (2023:13.55%) in determining the fair value of Mozambique. In 2024, the Group started to determine the fair value of biological assets in meticals, which implied an increase in the discount rate compared to the previous year due to the incorporation of the risk associated with that currency. Note that the group incorporates the fire risk into the model's cash flows. If this risk were incorporated into the discount rate, it would be of 6.51% and 22.22%, in Portugal and Mozambique, respectively.

Sensitivity analysis

The Group takes into account the discount rate used in Portugal and Mozambique and the forward price of wood as the most significant variables.

Changes in the assumptions may imply the appreciation/depreciation of these assets:

Amounts in Euro	2024	2023
1) Increase of 0.5% in the discount rate in Portugal	5,868,859	5,990,023
Depreciation of Portugal's forest assets		
2) Decrease of 3% in forward price	11,978,891	10,733,022
Depreciation of Portugal's forest assets		
3) Increase of 0.5% in the discount rate in Mozambique	206,777	244,194
Depreciation of Mozambique's forest assets		
4) Decrease of 3% in forward price	769,860	776,149
Depreciation of Mozambique's forest assets		

Accounting policies

The Group's biological assets comprise the forests held for the production of timber, suitable for incorporating in the production of BEKP or for sale on the market, mostly eucalyptus, but also include other species such as pine and cork oak.

Forest land owned by the Group is included in Property, plant and equipment in the consolidated balance sheet and is valued in accordance with the accounting policy described in Note 3.3. Forest land that is not owned by the Navigator Group and that is leased is valued in accordance with the accounting policy described in Note 3.6 and is presented in the consolidated balance sheet under "Right-of-use assets".

Fair Value (level 3 of the IFRS 13 fair value hierarchy)

When calculating the fair value of forests, the Group uses the discounted cash flows method, based on a model developed in house, regularly tested by independent external assessments.

In the model developed, assumptions are considered corresponding to the nature of the assets being assessed, namely, the development cycle of the different species, the productivity of the forests, climate and other environmental considerations, the wood sales price (when there is an active market) less the cost of harvesting, the rents of own, leased land, replanting and transport, the costs of planting and maintenance, the cost inherent in leasing the forest land, and the discount rate.

The main unobservable inputs of the fair value model are detailed as follows, and the amount of the fair value of biological assets will increase / (decrease) respectively if:

- Wood sales prices increase / (decrease);
- Estimated cutting, replanting and transport costs decrease / (increase);
- Estimated planting and maintenance costs decrease / (increase); and
- The discount rate decrease / (increase).

The discount rate corresponds to a market rate without inflation, in a manner consistent with the structure of forecasts, determined on the basis of the Navigator Group's expected rate of return on its forests, which are intended to be sold intragroup.

Concession areas

The costs incurred with the site preparation before the first forestation are recorded as property, plant and equipment and depreciated in line with its expected useful lives corresponding to the concession period.

Change of estimates

Changes in estimates of growth, growth period, price, cost and other assumptions are recognised in the income statement as fair value adjustments of biological assets.

Harvesting

At the time of harvesting, wood is recognised at fair value less estimated costs since that point until the point of sale, which is the initial cost of the inventory.

4. Working capital

4.1. Inventories

4.1.1. Inventories - detail by nature

Amounts net of accumulated impairment losses

Amounts in Euro	2024			2023		
	Gross amount	Impairment	net realisable value	Gross amount	Impairment	net realisable value
Raw materials	166,750,856	(8,473,131)	158,277,725	157,488,326	(9,121,113)	148,367,213
Goods	117,304	(25,591)	91,713	863,897	(20,222)	843,675
Subtotal (Note 4.1.4)	**166,868,160**	**(8,498,722)**	**158,369,438**	**158,352,223**	**(9,141,335)**	**149,210,888**
Finished and intermediate products	147,341,926	(5,882,791)	141,459,135	139,515,678	(4,540,071)	134,975,607
Goods and work in progress	3,410,862	(296,503)	3,114,359	2,254,789	(252,405)	2,002,384
By-products and waste	5,507,278	(5,251,843)	255,435	6,949,626	(6,648,143)	301,483
Subtotal (Note 4.1.3)	**156,260,066**	**(11,431,137)**	**144,828,929**	**148,720,093**	**(11,440,619)**	**137,279,474**
Total	**323,128,226**	**(19,929,859)**	**303,198,367**	**307,072,316**	**(20,581,954)**	**286,490,362**

Inventories of finished and intermediate products - distribution by geographical area

Amounts in Euro	2024	%	2023	%
Portugal				
BEKP pulp	11,414,966	8.07%	28,177,344	20.88%
UWF Paper	49,648,137	35.10%	42,911,373	31.79%
Tissue Paper	18,818,456	13.30%	13,888,808	10.29%
Other	-	0.00%	2,780	0.00%
	79,881,559	**56.47%**	**84,980,305**	**62.96%**
Rest of Europe				
BEKP pulp	4,204,139	2.97%	3,033,932	2.25%
UWF Paper	5,624,482	3.98%	4,357,667	3.23%
Tissue Paper	19,397,059	13.71%	7,357,575	5.45%
	29,225,680	**20.66%**	**14,749,174**	**10.93%**
USA				
UWF Paper	29,715,421	21.01%	35,246,128	26.11%
	29,715,421	**21.01%**	**35,246,128**	**26.11%**
South Africa				
UWF Paper	2,636,475	1.86%	-	0.00%
	2,636,475	**1.86%**	**-**	**0.00%**
	141,459,135	**100.00%**	**134,975,607**	**100.00%**

Finished and intermediate products inventories include Euro 10,358,907 (31 December 2023: Euro 14,968,097) relating to inventories for which invoices have already been issued but whose control has not been transferred to Trade receivables.

As at 31 December 2024 and 2023, there are no inventories in which ownership is restricted and/or pledged as collateral for liabilities.

4.1.2. Cost of goods sold and materials consumed in the period

Amounts in Euro	2024	2023
Opening balance	149,210,888	141,167,998
Initial impairment	9,141,335	-
Purchases	904,798,029	863,642,634
Changes in the perimeter	(14,152,590)	(3,547,108)
Inventory losses	(1,168,179)	(2,706,600)
Impairment losses	-	(830,373)
Exchange rate effect	(412,836)	-
Closing balance	(166,868,160)	(149,210,888)
Cost of goods sold and materials consumed (Note 2.3)	**880,548,487**	**848,515,663**

Cost of goods sold and materials consumed - detail by product

Amounts in Euro	2024	2023
Wood / Biomass	378,528,137	388,844,251
Natural gas	36,750,618	56,364,087
Other fuels	18,570,993	41,318,258
Chemicals	171,452,982	195,611,087
BEKP pulp	20,285,603	21,844,319
Pine pulp	40,749,985	25,497,073
Paper (heavyweight)	4,712,779	4,855,216
Tissue paper (Reels)	92,789,681	155,699
Consumables / Warehouse material	35,667,390	33,637,240
Packaging material	79,725,432	78,922,743
Other materials	1,314,887	1,465,690
	880,548,487	**848,515,663**

The cost of wood / biomass only relates to wood purchases to entities outside the Group, either domestic or foreign.

In 2024, the increase in the cost of tissue paper is essentially due to the incorporation of the Navigator Tissue UK Group.

4.1.3. Variation in production in the period

Amounts in Euro	2024	2023
Opening balance	(137,279,474)	(157,561,219)
Initial impairment	(11,440,619)	-
Adjustments	(1,886,593)	(450,088)
Changes in the perimeter	(11,422,914)	(7,654,533)
Inventory losses	2,568,511	1,662,449
Impairment losses	-	3,004,118
Exchange rate effect	(298,785)	-
Closing balance	156,260,066	137,279,474
Variation in production (Note 2.3)	**(3,499,808)**	**(23,719,799)**

4.1.4. Movements in impairment losses in inventories

Amounts in Euro	2024	2023
Opening balance	**(20,581,954)**	**(16,374,423)**
Increases (Note 2.3)	(3,165,457)	(4,152,419)
Reversals (Note 2.2)	5,068,999	317,928
Impact in profit/(loss) for the period	**1,903,542**	**(3,834,491)**
Perimeter inputs	(1,192,426)	-
Exchange rate effect	(35,719)	-
Charge-off	(23,302)	(373,040)
Closing balance	**(19,929,859)**	**(20,581,954)**

As mentioned in note 2.3, the increase in impairment losses in inventories essentially include the recognition of Euro 1,724,970 in impairment losses for UWF and tissue paper waste and Euro 1,248,818 for slow movers. In 2023, this caption mainly includes the recognition of an impairment of Euro 2,071,836 for the inventory of damaged paper identified on the platform of Navigator North America Inc..

Accounting policies

Inventories are valued in accordance with the following criteria:

i. Goods and raw materials

Goods and raw, subsidiary and consumable materials are valued at the lower of their purchase cost or their net realisable value. The purchase cost includes ancillary costs and it is determined using the weighted average cost as the valuation method.

ii. Finished and intermediate products and work in progress

Finished and intermediate products and work in progress are valued at the lower of their production cost (which includes incorporated raw materials, labour and general manufacturing costs, based on a normal production capacity level) or their net realisable value.

The net realisable value corresponds to the estimated selling price, after deducting estimated completion and selling costs. The difference between production cost and net realisable value, if lower, are recorded as an operational cost.

4.2. Receivables

Amounts in Euro	2024			2023		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Trade receivables	-	305,042,497	305,042,497	-	259,060,841	259,060,841
State	-	57,969,739	57,969,739	-	57,026,840	57,026,840
Grants receivable	10,684,900	56,582,606	67,267,506	39,821,344	52,821,895	92,643,239
Department of Commerce (EUA)	718,183	-	718,183	2,872,289	-	2,872,289
Accrued income	-	17,223,776	17,223,776	-	12,304,428	12,304,428
Deferred expenses	-	19,981,490	19,981,490	-	14,955,574	14,955,574
Derivative financial instruments (Note 8.2)	-	21,022,301	21,022,301	-	19,458,938	19,458,938
Other	1,739,854	18,876,212	20,616,066	1,705,873	9,112,457	10,818,330
	13,142,937	**496,698,621**	**509,841,558**	**44,399,506**	**424,740,973**	**469,140,480**

State

State is detailed as follows:

Amounts in Euro	2024	2023
Value added tax - recoverable	10,943,833	4,299,693
Value Added Tax - repayment requests	47,025,906	52,727,147
	57,969,739	**57,026,840**

As at 31 December 2024, the amount of repayment requests comprised the following, by company and by month:

Amounts in Euro	Nov/2024	Dec/2024	Total
The Navigator Company, S.A.	25,926,796	14,349,110	40,275,906
Navigator Tissue Ródão, S.A.	-	1,940,000	1,940,000
Navigator Abastecimento de Madeira, A.C.E.	440,000	-	440,000
Navigator Paper Setúbal, S.A.	-	1,700,000	1,700,000
Navigator Pulp Setúbal, S.A.	-	1,970,000	1,970,000
Navigator Pulp Figueira, S.A.	-	700,000	700,000
	26,366,796	**20,659,110**	**47,025,906**

Up to the date of issuing this report, the outstanding amounts as at 31 December 2024, had already been received.

As at 31 December 2023, the amount of repayment requests comprised the following, by company and by month:

Amounts in Euro	Nov/2023	Dec/2023	Total
The Navigator Company, S.A.	14,904,962	24,056,600	38,961,562
Navigator Tissue Ródão, S.A.	1,500,000	-	1,500,000
Navigator Paper Figueira S.A.	9,000,000	-	9,000,000
Bosques do Atlântico, S.L.	-	3,265,585	3,265,585
	25,404,962	**27,322,185**	**52,727,147**

All these amounts were received during the first half of 2024.

Grants receivable

Grants receivable are detailed as follows:

	2024			2023		
Amounts in Euro	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
AICEP Contracts	-	2,407,395	2,407,395	-	9,721,792	9,721,792
Recovery and Resilience Plan	6,738,024	53,054,466	59,792,490	37,890,496	37,890,496	75,780,992
Other	3,946,876	1,120,745	5,067,621	1,930,848	5,209,607	7,140,455
	10,684,900	**56,582,606**	**67,267,506**	**39,821,344**	**52,821,895**	**92,643,239**

The amount of Euro 2,407,395 (Note 3.5) receivable from AICEP corresponds to the second instalment of the non-repayable grant awarded under the investment incentive for the construction of the second tissue paper machine at its Vila Velha de Ródão unit.

Department of Commerce (EUA)

As at 31 December 2024, the balance corresponds to the amount receivable from the Department of Commerce (DoC) following the investigation initiated in 2015 of alleged dumping practices in exports of UWF paper to the United States by the subsidiary Navigator.

During 2023, the Department of Commerce confirmed the final rate to be applied for the 6th review period from March 2021 to February 2022 at 7.11%, therefore the Group received in 2024 the amount of Euro 1,674,082 for the difference between the deposits made and the final rate payable.

In 2024, the rate for the 7th review period, from March 2022 to February 2023, was also confirmed at 1.07%,and the amount of Euro 2,095,637 was also received. The subsequent review periods (8 and 9) remain open and Navigator estimates that it has to pay the DoC approximately Euro 1,160,207 (Note 4.3) for the 8th review period and a receivable of Euro 718,183 for the 9th review period.

Amounts paid by the Group in respect of review periods 1 to 7 amount to Euro 26,809,402 as follows:

Amounts in Euro	**Amount paid by the Group**
Period of Review (POR)	
POR 1: Aug 15 - Feb 17	3,718,475
POR 2: Mar 17 - Feb 18	2,011,029
POR 3: Mar 18 - Feb 19	7,089,677
POR 4: Mar-19 - Feb 20	2,767,437
POR 5: Mar-20 - Feb 21	3,006,925
POR 6: Mar-21 - Feb 22	7,011,948
POR 7: Mar-22 - Feb 23	1,203,911
	26,809,402

Accrued Income and Deferred Expenses

Accrued income and deferred expenses are detailed as follows:

Amounts in Euro	2024	2023
Accrued income		
Interest receivable	-	570,646
Energy sales	11,535,948	10,280,593
Other	5,687,828	1,453,189
	17,223,776	**12,304,428**
Deferred expenses		
Insurance	2,735	91,023
Rentals	14,295,170	12,587,120
Other	5,683,585	2,277,431
	19,981,490	**14,955,574**
	37,205,266	**27,260,002**

Other receivables

Other current and non-current receivables consist of the following:

Other non-current receivables

Amounts in Euro	2024	2023
Labour Compensation Fund	-	769,982
Collateral	49,513	45,707
Pensions and other post-employment benefits	-	777,147
Other shareholdings (Almascience, Forestwise, Cecolab, Colab BIOREF)	69,800	69,800
Receivables - leasing	1,572,232	-
Other debtors	48,309	43,237
	1,739,854	**1,705,873**

Other current receivables

Amounts in Euro	2024	2023
Advances to personnel	86,822	114,765
Advances to suppliers	14,653,095	7,432,928
Other debtors	4,136,295	1,564,764
	18,876,212	**9,112,457**

The increase in advances to suppliers is due to advances paid at the end of the year for timber imports.

Accounting policies

Trade receivables and other debtors

Classification

Trade receivables result from the Group's main activities and the business model followed is the collection of contractual cash flows.

Balances from other debtors generally assume the business model of collecting contractual cash flows.

Initial measurement

At fair value.

Subsequent measurement

At amortised cost, net of impairment losses.

Impairment from Trade receivables

Impairment losses are recorded based on the simplified model provided for in IFRS 9, recording expected losses until maturity. The expected losses are determined on the basis of the experience of historical actual losses over a statistically significant period and representative of the specific characteristics of the underlying credit risk (Note 8.1.4).

Impairment from other debtors

Impairment losses are recorded on the basis of the general estimated credit loss model of IFRS 9.

4.3. Payables

Amounts in Euro	2024	2023
Trade payables – current account	215,175,131	209,023,299
Suppliers invoices pending - Logistics	17,471,405	12,915,733
Suppliers invoices pending - Other	86,751,313	60,955,309
Trade payables – Property, plant and equipment – current account	52,669,840	14,588,147
State	25,877,177	47,238,622
Related parties (Note 11.3)	1,496,697	1,542,197
Other creditors - CO_2 emission allowances	34,607,846	39,325,970
Shareholders	99,999,451	-
Other payables	21,613,139	21,675,082
Derivative financial instruments (Note 8.2)	6,311,500	5,691,818
Payroll costs accruals	40,827,184	39,402,872
Accrued expenses - interest payable	4,733,532	4,192,903
Wood supplier bonus	2,575,541	3,266,604
Water resource fee	1,858,098	1,570,025
Rent liabilities	20,040,608	18,723,772
Other accrued expenses	15,995,099	9,874,933
Non-repayment grants	10,566,113	13,059,496
Payables – current	**658,569,674**	**503,046,782**
Non-repayment grants	116,001,306	112,549,349
Department of Commerce (USA) (Note 4.2)	1,160,207	2,121,441
Payables – non-current	**117,161,513**	**114,670,790**
	775,731,187	**617,717,572**

The increase in the balance of Trade payables – fixed assets – current account is due to the greater volume of investments made in 2024, as mentioned in Note 2.1.

As at 31 December 2024, CO_2 emission allowances relate to the effect of recognising allowances granted free of charge for 2024.

The outstanding balance under Shareholders as at 31 December 2024 corresponds to the advance on profits for 2024, which was paid on 9 January 2025 (Note 5.4).

State - Details

Amounts in Euro	2024	2023
Personal income tax withhold (IRS)	3,630,991	2,388,230
Value added tax	18,939,864	41,208,469
Social Security contributions	3,051,986	2,721,253
Other	254,336	920,670
	25,877,177	**47,238,622**

As at 31 December 2024 and 31 December 2023, there were no arrears with the State.

Non-repayable grants - details

Amounts in Euro	2024	2023
Government grants (Note 3.5)	3,942,627	3,352,238
Other grants	6,623,486	9,707,258
Non-repayable grants - current	**10,566,113**	**13,059,496**
Government grants (Note 3.5)	116,001,306	112,549,349
Non-repayable grants – non-current	**116,001,306**	**112,549,349**
	126,567,419	**125,608,845**

Accounting policies

Trade payables and other current liabilities are initially recorded at fair value and subsequently at their amortised cost.

5. Capital structure

5.1. Capital management

Capital management policy

For capital management purposes, the Group defines capital as including equity and net debt.

The Group's objectives in relation to capital management are:

I. To safeguard its ability to continue as a going concern and thus provide returns for Shareholders and benefits for its remaining Stakeholders;

II. To keep a solid capital structure to support the growth of its business; and

III. To maintain an optimal capital structure that enables it to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group can adjust the amount of dividends payable to its Shareholders, return capital to its Shareholders, issue new shares or sell assets to lower its borrowings.

In line with the sector, the Group monitors its capital based on the gearing ratio, defined as the proportion between net debt and total capital.

Net interest-bearing debt is calculated by adding the total amount of loans (including the current and non-current portions as disclosed in the statement of financial position) and deducting all cash and cash equivalents. Total equity is calculated by adding Shareholders' equity (as shown in the statement of financial position), to interest-bearing net debt, and excluding treasury shares and non-controlling interests.

The Group calculates the gearing ratio as follows:

Amounts in Euro	2024	2023
Interest-bearing liabilities (Note 5.7)	903,977,752	659,344,463
Cash and cash equivalents (Note 5.9)	(286,628,866)	(169,464,967)
Net debt	**617,348,886**	**489,879,496**
Equity	1,356,089,184	1,315,572,833
Non-controlling interest (Note 5.6)	(360,347)	(327,018)
Equity, except for treasury shares and non-controlling interests	**1,355,728,837**	**1,315,245,815**
Total equity	**1,973,077,723**	**1,805,125,311**
Gearing	**31.29%**	**27.14%**

5.2. Share Capital and treasury shares

Navigator's Shareholders

The Navigator Company is a public company with its shares quoted on the Euronext Lisbon.

As at 31 December 2024, The Navigator Company, S.A.'s share capital of Euro 500,000,000 is fully subscribed and paid up and is represented by 711,183,069 shares without nominal value (31 December 2023: 711,183,069 shares).

As at 31 December 2024 and 2023, the Shareholders with qualified shareholdings in the Company's capital were as follows:

	2024		2023	
Entity	**No. of shares**	**%**	**No. of shares**	**%**
Semapa, SGPS, S.A.	498,042,299	70.03%	497,617,299	69.97%
Floating shares	213,140,770	29.97%	213,565,770	30.03%
	711,183,069	**100.0%**	**711,183,069**	**100.0%**

In June 2024, Semapa, SGPS, S.A. acquired 425,000 shares representing 0.060% of Navigator's share capital.

As at 31 December 2024 and 31 December 2023, Navigator did not hold any treasury shares.

Accounting policies

Ordinary shares are classified in Shareholders' equity.

Costs directly attributable to the issue of new shares or other equity instruments are reported as a deduction, net of taxes, from the proceeds of the issue.

Costs directly attributable to the issue of new shares or options for the acquisition of a new business are deducted from the amount issued.

When any Group company acquires shares of the parent company (treasury shares), the payment, which includes directly attributable incremental costs, is deducted from the Shareholders' equity attributable to the Company's equity holders until such time the shares are cancelled, reissued or sold.

When such shares are subsequently disposed or reissued, any proceeds, net of the directly attributable transaction costs and taxes, is directly reflected in the Shareholders' equity and not in profit/(loss) for the period.

5.3. Earnings per share

	2024	2023
Profit attributable to Navigator's equity holders (Euro)	**286,948,195**	**274,923,820**
Total number of shares issued	711,183,069	711,183,069
Weighted average number of shares	**711,183,069**	**711,183,069**
Basic earnings per share (Euro)	**0.403**	0.387
Diluted earnings per share (Euro)	**0.403**	0.387

Accounting policies

Basic earnings per share are determined based on the division of profits or losses attributable to the ordinary Shareholders of the Company by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Company adjusts the profits or losses attributable to ordinary equity holders, as well as the weighted average number of outstanding shares for the purposes of all potential dilutive common shares.

5.4. Dividends and reserves allocated

Dividends and reserves allocated in the period

Amounts in Euro	Amount approved	Dividends per share (Euro)
Allocations in 2024		
Distribution of retained earnings	149,995,621	0.211
Early dividend resolution	99,999,451	0.141
Allocations in 2023		
Distribution of retained earnings	199,984,679	0.281

At the Annual Shareholders' Meeting of 24 May 2024, The Navigator Company, S.A. decided to distribute dividends in the amount of Euro 149,995,621.

On 19 December 2024, the Board of Directors of The Navigator Company, S.A. decided to make an advance on 2024 profits to Shareholders, in the amount of Euro 99,999,451, equivalent to the gross value of Euro 0.141 per share, which was paid on 9 January 2025.

At the General Shareholders Meeting of 17 May 2023, The Navigator Company, S.A. resolved to distribute dividends in the amount of Euro 199,984,679.

Accounting policies

The distribution of dividends to equity holders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Shareholders at the General Shareholders Meeting and up until the time of their payment or, in the case of anticipated distributions, when approved by the Board of Directors.

5.5. Reserves and retained earnings

Amounts in Euro	2024	2023
Currency translation reserve	13,829,407	5,309,023
Fair value reserves	12,011,454	12,898,767
Legal reserve	100,000,000	100,000,000
Other reserves	(5,960,836)	3,481,014
Retained earnings	548,900,068	418,633,191
Reserves and retained earnings	**668,780,093**	**540,321,995**

Currency translation reserve - detail

Amounts in Euro	2024	2023
Navigator North América (USD)	13,491,391	(6,699,934)
Navigator Paper Mexico (MXN)	(192,140)	(186,032)
Navigator Middle East Trading DMCC (AED)	(4,275)	(8,036)
Navigator Egypt (EGP)	12,005	16,092
Navigator Paper Company UK (GBP)	(3,118,216)	69,824
Navigator Eurasia (TYR)	799	799
Navigator Afrique du Nord (MAD)	395	395
Navigator Paper Poland (PLN)	(2,897)	(2,897)
Portucel Moçambique (MZM)	718,714	12,118,812
Navigator Paper Southern Africa (ZAR)	5,602	-
Navigator Holding Tissue UK, Ltd (GBP)	2,918,029	-
	13,829,407	**5,309,023**

Fair value reserves - details

	2024			2023		
Amounts in Euro	**Gross amount**	**Tax**	**Net amount**	**Gross amount**	**Tax**	**Net amount**
Interest rate risk hedging	5,068,875	(1,343,252)	3,725,623	16,015,134	(4,404,162)	11,610,972
Hedging exchange rate risk and others	11,273,239	(2,987,408)	8,285,831	1,776,268	(488,473)	1,287,795
	16,342,114	**(4,330,660)**	**12,011,454**	**17,791,402**	**(4,892,635)**	**12,898,767**

Fair value reserves - movements

Amounts in Euro	2024	2023
Opening balance	**12,898,767**	**33,997,828**
Change in the fair value of derivative financial instruments (Note 8.2)	(1,526,544)	(29,102,154)
Deferred taxes	639,231	8,003,093
Closing balance	**12,011,454**	**12,898,767**

The transfer from fair value reserves to profit/(loss) resulting from the settlement or maturity of hedging instruments is net of the following effects:

a) The transfer from fair value reserves to profit/(loss) resulting from the settlement or maturity of hedging instruments.

- Sales price hedging instruments, recognised under paper and pulp sales, which generated negative results of Euro 5,714,356 (in 2023, the net positive impact of pulp and energy sales of Euro 28,523,595) (Note 2.1);
- Hedging instruments for energy and gas purchase prices, recognised under External Supplies and Services, generated positive results of Euro 6,775,518 and Euro 11,997,819, respectively;
- interest rate hedging instruments, which generated a positive impact of Euro 11,328,732 (in 2023 Euro 9,722,523) in financial results (Note 5.10);

b) Negative changes in the fair value of hedging derivatives amounting to Euro 22,861,169 (in 2023 Euro 9,143,964).

Other reserves – details

Amounts in Euro	2024	2023
Transfer of legal reserve surplus to free reserves	9,790,475	9,790,475
Free reserves arising from the share capital reduction not distributed	5,994	5,994
Adjustments to the application of 2014 profits (balance sheet bonus)	1,476	1,476
Incorporation of capital reserves	(6,316,931)	(6,316,931)
Acquisition/disposal of non-controlling interests	(9,441,850)	-
	(5,960,836)	**3,481,014**

In 2014, the Group signed agreements with IFC – Internacional Finance Corporation, a Subscription Agreement and a Put and Call option for the entry of this institution into the share capital of the subsidiary Portucel Moçambique, S.A., thus ensuring the construction phase of the Group's forestry project in Mozambique. In 2015, this Company performed a capital increase from MZM 1,000 million to MZM 1,680.798 million subscribing MZM 332,798 million corresponding to 19.98% of the capital at that date.

On 23 May 2018, the General Shareholders' Meeting decided to transfer the excess of the legal reserve in the amount of Euro 9,790,475 to free reserves as a result of the share capital reduction operation carried out on 4 October 2017.

In February 2019, there was a reduction in the subscribed, underwritten and paid-up capital of the shareholder The Navigator Company, S.A. to MZM 456,596,000, corresponding to 90.02% of the Company's share capital, and the IFC's holding was revised to MZM 50,620,000, corresponding to 9.98% of the Portucel Moçambique's share capital.

On 19 December 2023, an addendum was made to the agreements initially signed with the IFC - International Finance Corporation, extending the date of entry of this institution into the capital of the subsidiary Portucel Moçambique, S.A. from 31 December 2023 to 31 December 2028.

In the current period, the Group considered that the put option on the shares of the subsidiary Portucel Moçambique, S.A. to The Navigator Company, S.A. by IFC – International Finance Corporation was expected to be exercised and recorded the amount of Euro 9,441,850 relating to that transaction under Other reserves.

Accounting policies

Fair value reserves

It corresponds to the accumulated change in fair value of derivative financial instruments classified as hedging instruments (Note 8.2), net of deferred taxes.

Changes related to derivatives are reclassified to profit/(loss) for the period (Note 5.10) as the hedged instruments affect profit/(loss) for the period. The fair value adjustments of financial investments recorded under this caption is not recycled to profit/(loss).

Currency translation reserve

The currency translation reserve corresponds to the accumulated amount related to the settlement by the Group of the exchange rate differences resulting from the translation of the financial statements of the subsidiaries operating outside the Euro zone.

Legal reserve

The Portuguese commercial legislation prescribes that at least 5% of annual net profit must be transferred to the legal reserve, until this is equal to at least 20% of the share capital. This reserve cannot be distributed unless the company is liquidated. It may, however, be drawn on to absorb losses, after other reserves are exhausted, or incorporated in the share capital.

The legal reserve is constituted by its maximum amount in the periods presented.

Other reserves and Retained earnings

This caption corresponds to reserves available for distribution to Shareholders that were constituted through the appropriation of prior period's earnings, the reduction of share capital and other movements. The portion of the balance corresponding to the acquisition value of treasury shares held is not distributable (Note 5.2).

5.6. Non-controlling interests

Detail of non-controlling interests, by subsidiary

Amounts in Euro	% held	Equity 2024	Equity 2023	Net profit 2024	Net profit 2023
Raiz - Instituto de Investigação da Floresta e Papel	3.0%	360,347	327,018	36,018	25,322
Portucel Moçambique	0%	-	-	-	-
		360,347	**327,018**	**36,018**	**25,322**

Non-controlling interests are related to RAÍZ – Instituto de Investigação da Florestal e Papel, where the Group owns 97% of the capital and voting rights. The remaining 3% are owned by external associates.

In 2024, the Group recorded the exercise of the put option on Portucel Moçambique shares, representing 9.98% of the share capital, by IFC – International Finance Corporation, as stated in Note 5.5.

As at the reporting date, there are no rights of protection of non-controlling interests that significantly restrict the entity's ability to access or use assets and settle liabilities of the Group.

Movements of non-controlling interests

Amounts in Euro	2024	2023
Opening balance	**327,018**	**297,977**
Net profit/(loss) for the period	36,018	25,322
Other comprehensive income	(2,689)	3,719
Closing balance	**360,347**	**327,018**

5.7. Interest-bearing liabilities

Amounts in Euro	2024 Non-current	2024 Current	2024 Total	2023 Non-current	2023 Current	2023 Total
Bond loans	547,500,000	100,000,000	647,500,000	397,500,000	22,500,000	420,000,000
Commercial paper	85,000,000	35,000,000	120,000,000	70,000,000	35,000,000	105,000,000
Bank loans	81,266,782	35,529,242	116,796,024	71,972,222	34,539,683	106,511,905
Charges with bond issuances	(3,442,860)	-	(3,442,860)	(2,614,750)	-	(2,614,750)
Refundable grants	15,905,149	7,219,439	23,124,588	23,227,869	7,219,439	30,447,308
Debt securities and bank debt	**726,229,071**	**177,748,681**	**903,977,752**	**560,085,341**	**99,259,122**	**659,344,463**
Average interest rate, considering charges for annual fees and hedging operations			2.4%			2.0%

The evolution of financing in 2024 was marked by the contracting of a significant volume of new long-term lines (maturities between 5 and 7 years), amounting to Euro 355 million, all indexed to ESG indicators.

Of this total, Euro 250 million were issued in the form of bonds, maturing in 2029 (Euro 50 million) and 2031 (Euro 200 million). A commercial paper issue was also made (Euro 50 million), with a firm underwriting until 2030. All the bonds and commercial paper were issued under the Sustainability-Linked Bonds Framework.

This operation contributed to extending the average life of the Group's debt, as well as maintaining a low cost of financing for the Company, in addition to having conditions adjusted to the fulfilment of sustainability commitments. The conditions of the bond loans are indexed to three ESG indicators already included in the Group's Sustainability Agenda and, in turn, aligned with the Sustainable Development Goals of the United Nations.

The repayable incentives include incentives from AICEP - Agência para o Investimento e Comércio Externo de Portugal, as part of a number of research and development projects, which includes the incentive under the investment agreement entered into with Grupo Navigator Tissue Aveiro, S.A. subsidiary for the construction of the new tissue mill in Aveiro. This agreement comprises a financial incentive in the form of a repayable grant, up to a maximum amount of Euro 42,166,636, without interest payment, with a grace period of two years, with the last refund taking place in 2027.

In December 2023, the Navigator Group signed a new long-term loan agreement with the European Investment Bank (EIB) for Euro 115 million, maturing in 12 years. The loan will be disbursed in up to 3 instalments within 18 months of signing the contract. The loan will support the project to build and operate the high-efficiency recovery boiler at the Setúbal Industrial Complex, a key step in the decarbonisation roadmap. This green loan is part of the REPowerEU Plan, which aims to increase financing for green energy and support the autonomy and competitiveness of the European Union.

The maturity analysis of interest-bearing liabilities is presented in the Note 8.1.3 - Liquidity risk.

Interest-bearing liabilities - details

2024

Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
Bond loans						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	50,000,000	100,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	10,000,000	10,000,000	March 2025	Variable rate indexed to Euribor, with swap to fixed rate	10,000,000	-
Navigator 2021-2026	12,500,000	12,500,000	April 2026	Variable rate indexed to Euribor	2,500,000	10,000,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	37,500,000	37,500,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Navigator 2024-2029	50,000,000	50,000,000	June 2029	Variable rate indexed to Euribor, with swap to fixed rate	-	50,000,000
Navigator 2024-2031	50,000,000	50,000,000	June 2031	Variable rate indexed to Euribor, with swap to fixed rate	-	50,000,000
Navigator 2024-2031	50,000,000	50,000,000	October 2031	Variable rate indexed to Euribor	-	50,000,000
Navigator 2024-2031 SLB	100,000,000	100,000,000	May 2031	Variable rate indexed to Euribor	-	100,000,000
Fees	-	(3,442,861)			-	(3,442,861)
European Investment Bank (EIB)						
EIB Loan - Energy	-	-	December 2024	Variable rate indexed to Euribor	-	-
EIB Loan – Cacia	9,722,222	9,722,222	May 2028	Fixed rate	2,777,778	6,944,444
EIB Loan – Figueira	25,714,286	25,714,286	February 2029	Fixed rate	5,714,286	20,000,000
EIB Loan – Biomass Boiler	25,535,714	25,535,714	March 2031	Fixed rate	3,928,571	21,607,143
EIB Loan	115,000,000	-	up to 12 years after repayment	Indexed to the cost of EIB funds, on disbursement	-	-
Commercial Paper Program						
Commercial Paper Programme 175M	70,000,000	70,000,000	February 2026	Fixed rate	35,000,000	35,000,000
Commercial Paper Programme 65M ESG	19,500,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 75M	75,000,000	-	January 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M ESG	50,000,000	50,000,000	June 2030	Variable rate indexed to Euribor	-	50,000,000
Interest-bearing liabilities						
Long-term investment	55,000,000	30,000,000	March 2031	Variable rate indexed to Euribor	-	30,000,000
Finance leases	9,645,897	4,432,695	December 2027	Variable rate indexed to Libor	1,717,499	2,715,195
Refundable grants						
AICEP	23,124,589	23,124,588			7,219,439	15,905,150
Bank credit facilities						
Short-term facility 20M	20,450,714	-			-	-
Short-term facility 20M GBP	21,391,108	21,391,108		Variable rate indexed to Libor	21,391,108	-
	1,217,584,530	**903,977,752**			**177,748,681**	**726,229,071**

2023

Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
Bond loans						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	30,000,000	30,000,000	March 2025	Variable rate indexed to Euribor, with swap to fixed rate	20,000,000	10,000,000
Navigator 2021-2026	15,000,000	15,000,000	April 2026	Variable rate indexed to Euribor	2,500,000	12,500,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	75,000,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Fees	-	(2,614,750)			-	(2,614,750)
European Investment Bank (EIB)						
EIB Loan - Energy	10,625,000	7,083,333	December 2024	Variable rate indexed to Euribor	7,083,333	-
EIB Loan – Cacia	13,888,889	12,500,000	May 2028	Fixed rate	2,777,778	9,722,222
EIB Loan – Figueira	31,428,571	31,428,571	February 2029	Fixed rate	5,714,286	25,714,286
EIB Loan – Biomass Boiler	27,500,000	27,500,000	March 2031	Fixed rate	1,964,286	25,535,714
EIB Loan	115,000,000	-	up to 12 years after disbursement	Rate indexed to the cost of EIB funds on disbursement	-	-
Commercial Paper Program						
Commercial Paper Programme 175M	105,000,000	105,000,000	February 2026	Fixed rate	35,000,000	70,000,000
Commercial Paper Programme 65M ESG	42,250,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 75M	75,000,000	-	January 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
Interest-bearing liabilities						
Long-term investment	13,000,000	13,000,000	March 2026	Variable rate indexed to Euribor	2,000,000	11,000,000
Refundable grants						
AICEP	30,447,309	30,447,309	November 2027	Fixed rate	7,219,439	23,227,869
Bank credit facilities						
Short-term facility 20M	20,450,714	15,000,000			15,000,000	-
	954,590,483	**659,344,463**			**99,259,122**	**560,085,341**

As at 31 December 2024, the average cost of issued debt, considering interest rate, the annual fees and hedging operations, was 2.4% (31 December 2023: 2%). At this date, 89% of the debt is remunerated at a fixed rate, either by direct contracting on this basis or by hedging the interest rate with derivative financial instruments (95% as at 31 December 2023).

At 31 December 2024, 65% of the Group's financing is linked to compliance with sustainability commitments (31 December 2023: 46%).

The repayment terms for the interest-bearing liabilities recorded as non-current are detailed as follows:

Amounts in Euro	2024	2023
Non-current		
1 to 2 years	252,140,074	156,640,074
2 to 3 years	19,640,074	261,140,074
3 to 4 years	113,746,941	19,640,074
4 to 5 years	56,785,714	112,601,298
More than 5 years	287,359,128	12,678,571
	729,671,931	**562,700,091**
Fees	(3,442,860)	(2,614,750)
	726,229,071	**560,085,341**

As at 31 December 2024, the Group had contracted Commercial Paper Programmes, contracted and undisbursed long-term financing, as well as available and undrawn credit facilities of Euro 310,163,917(31 December 2023: €287,714,714).

As at 31 December 2024 and 31 December 2023, the Group's interest-bearing net debt was as follows:

Amounts in Euro	2024	2023
Interest-bearing liabilities	903,977,752	659,344,463
Cash and cash equivalents (Note 5.9)	(286,628,866)	(169,464,967)
Interest-bearing net debt	**617,348,886**	**489,879,496**
Lease liabilities (Note 5.8)	111,736,900	69,996,821
Interest-bearing net debt with lease liabilities	**729,085,786**	**559,876,317**

Financial Covenants in force

Ratio	Definition	Loans	Limit
Interest coverage	EBITDA 12M / Annual net interest	Bank	>= 4.5 - 5.5
Indebtedness	Interest-bearing debt / EBITDA 12M	Bank	<= 4.5
Net Debt / EBITDA	(Interest-bearing debt - Cash) / EBTDA 12M	Bank Commercial Paper Bonds	<= 4.0 <= 4.0 - 5.0 <= 4.0

Based on the financial statements presented in this report, these ratios were as follows as at 31 December 2024 and 2023:

Ratio	2024	2023
Interest coverage	41.93	36.01
Indebtedness	1.65	1.31
Net Debt / EBITDA	1.13	0.98

The amounts presented in the table above exclude lease liabilities.

Considering the contracted limits, in 2024 and 2022, the Group is in compliance with the covenants negotiated. As at 31 December 2024 and 2023, the company presents a minimum safety margin above 80% on the fulfilment of its covenants.

Movements in liabilities of the Group's financing activities

Amounts in Euro	2024	2023
Balance as at 1 January	**659,344,463**	**725,301,722**
Payment of interest-bearing liabilities	(124,542,159)	(107,276,122)
Receipts of interest-bearing liabilities	352,162,243	15,000,000
Payment Repayable grants	(7,219,439)	(7,219,438)
Change in financing cash flows	**220,400,645**	**(99,495,560)**
Exchange rate effect	**649,317**	**-**
Interest expenses	(103,281)	-
Changes in borrowing costs	(828,111)	865,333
Change in the perimeter (Note 1.2)	24,514,719	32,672,968
Other changes	**23,583,327**	**33,538,301**
Changes in interest-bearing debt	**244,633,289**	**(65,957,259)**
Gross interest-bearing debt	**903,977,752**	**659,344,463**

The receipt of Euro 330,000,000 corresponds to the issue of four ESG bond loans in the amount of Euro 250,000,000 and the payment of a bank loan with ESG features in the amount of Euro 30,000,000, and the issue of a new commercial paper programme in the amount of Euro 50,000,000.

Estimates and judgements

Commercial paper

The Group has several commercial paper programmes negotiated, of agreements with which it is frequent to carry out emissions with contractual maturity of less than one year but with revolving nature. Where the Group expects to roll over these loans, it presents them as non-current liabilities.

Accounting policies

Interest-bearing liabilities includes Bonds, Commercial Paper, bank loans and other financing.

Initial measurement

At fair value, net of transaction costs incurred.

Subsequent measurement

At amortised cost, using the effective interest rate method.

The difference between the repayment amount and the initial measurement amount is recognised in the income statement over the debt period under "Interest expenses on other loans" in Note 5.10 – Net financial results.

Fair value

The book value of short-term interest-bearing liabilities or loans contracted at variable interest rates are close to their fair value.

The fair value of interest-bearing liabilities that are remunerated at a fixed rate is disclosed in Note 8.3 – Financial assets and liabilities.

Disclosure

The Group must classify a liability as current when:

a) it expects to settle the liability in the normal course of its operating cycle;

b) it holds the liability primarily for trading purposes;

c) the liability is expected to be settled within twelve months of the reporting period; or

d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

5.8. Lease liabilities

Lease liabilities – Nature

	2024			2023		
Amounts in Euro	Non-current	Current	Total	Non-current	Current	Total
Forestry lands	57,264,280	3,571,330	60,835,610	55,314,521	3,183,910	58,498,431
Buildings	874,505	595,254	1,469,759	1,374,377	540,140	1,914,517
Vehicles	4,878,286	2,422,257	7,300,543	3,815,266	1,580,224	5,395,490
Software licenses	-	7,537	7,537	-	94,312	94,312
Other lease liabilities	35,610,598	6,512,853	42,123,451	2,344,597	1,749,474	4,094,071
	98,627,669	**13,109,231**	**111,736,900**	**62,848,761**	**7,148,060**	**69,996,821**

Lease liabilities – Movements

Amounts in Euro	2024	2023
Balance as at 1 January	**69,996,821**	**61,641,049**
Change in the perimeter	40,087,211	-
Contract amortisation	(15,661,601)	(10,694,178)
New contracts	15,399,731	16,003,677
Interest expense	3,896,924	2,517,826
Exchange rate effect	991,670	-
Other changes	(2,973,856)	528,447
Total changes in related liabilities	**41,740,079**	**8,355,772**
Balance as at 31 December	**111,736,900**	**69,996,821**

Lease liabilities – Future liabilities

	2024			2023		
Amounts in Euro	Maturing rents	Interest on liabilities	Present value of liabilities	Maturing rents	Interest on liabilities	Present value of liabilities
Less than 1 year	8,979,261	4,129,971	13,109,232	4,716,806	2,431,254	7,148,060
1 to 2 years	8,889,165	3,663,989	12,553,154	3,897,834	2,229,000	6,126,834
2 to 3 years	6,181,341	3,241,953	9,423,294	3,567,730	2,044,103	5,611,833
3 to 4 years	5,558,231	2,901,466	8,459,697	2,949,250	1,867,883	4,817,133
4 to 5 years	4,835,706	2,580,681	7,416,387	2,431,219	1,711,124	4,142,343
More than 5 years	47,803,576	12,971,560	60,775,136	30,952,202	11,198,416	42,150,618
Present value of liabilities	**82,247,280**	**29,489,620**	**111,736,900**	**48,515,041**	**21,481,780**	**69,996,821**

For the periods ended 31 December 2024 and 31 December 2023, there were no changes in the liability arising from financing activities, including changes arising from cash flows and/or other changes in lease liabilities.

Accounting policies

At the start date of the lease, the Group recognises lease liabilities measured at the present value of future lease payments, which include fixed payments less lease incentives, variable lease payments, and amounts expected to be paid as residual value. Lease payments also include the price of exercise of renewal options reasonably certain to be exercised by the Group or lease termination penalty payments if the lease term reflects the Group's option to terminate the agreement.

In calculating the present value of future lease payments, the Group uses an incremental financing rate if the implied interest rate on the lease transaction is not easily determinable.

Subsequently, the value of the lease liabilities is increased by the interest amount (Note 5.10 Net Financial Results) and decreased by the lease payments (rents).

5.9. Cash and cash equivalents

Amounts in Euro	2024	2023
Cash	36,915	42,100
Short-term bank deposits	34,591,951	34,422,867
Other short-term investments	252,000,000	135,000,000
	286,628,866	**169,464,967**

In 2024, Other short-terms investments records amounts invested by Navigator in a portfolio of short-term, highly liquid deposits and issuers with adequate ratings.

As at 31 December 2024 and 31 December 2023, there are no significant balances of cash and cash equivalents that are subject to restrictions on use by the Group.

Accounting policies

Cash and cash equivalents include cash, bank accounts and other short-term investments with an initial maturity of up to 3 months, which can be mobilised immediately without any significant risk in value fluctuations.

For cash flow statement purposes, this caption also includes bank overdrafts, which are presented in the statement of financial position as a current liability, under the caption Interest-bearing liabilities (Note 5.7).

5.10.Net financial results

Amounts in Euro	2024	2023
Interest paid on debt securities and bank debt	(27,941,200)	(23,497,743)
Commissions on loans and expenses with the opening of credit facilities	(2,023,031)	(2,747,479)
Interest paid using the effective interest method	**(29,964,231)**	**(26,245,222)**
Interest paid on lease liabilities	(3,896,924)	(2,517,826)
Financial expenses related to the Group's capital structure	**(33,861,155)**	**(28,763,048)**
Favourable / (Unfavourable) exchange rate differences	(4,678,314)	(2,021,459)
Gains / (Losses) on financial instruments - hedging (Note 8.2)	(2,530,279)	(1,151,931)
Losses on compensatory interest	-	(561,180)
Other expenses and financial losses	(2,146,190)	(855,584)
Financial expenses and losses	**(43,215,938)**	**(33,353,202)**
Interest earned on financial assets at amortised cost	5,556,787	4,119,466
Gains on financial instruments - hedging (Note 8.2)	11,328,732	9,722,523
Gains / (Losses) on financial instruments - hedging (Note 8.2)	-	191,295
Gains on compensatory interest	490,852	-
Financial income and gains	**17,376,371**	**14,033,284**
Financial profit/(loss)	**(25,839,567)**	**(19,319,918)**

Financial losses amounted to Euro 25,839,567(31 December 2023: Euro 19,319,918, negative). This evolution compared to 2023 was essentially the result of changes in foreign exchange results. These exchange rate effects include the accounting effect (non-cash), of approximately Euro 3 million, of the recognition in the income statement of part of the currency translation reserve of the subsidiary Navigator North America, recycled through the income statement to the extent that it paid dividends to its parent company during the period.

The evolution of financial profit/(loss), although penalised by the rise in the average cost of debt as a result of new financing issues at higher interest rates, remained at low levels in relation to the current market interest rate curve, taking into account the debt breakdown structure between fixed and variable interest rates and the respective levels of hedging carried out.

Amounts in Euro	2024	2023
Interest paid on fixed rate financing	(2,803,140)	(2,987,974)
Interest paid on variable rate financing	(2,309,463)	(1,773,693)
Interest paid on variable rate financing and covered by IRS	(20,298,296)	(16,282,077)
Interest rate hedges - IRS (Note 8.2)	11,328,732	9,722,523
Commissions on loans and expenses with the opening of credit facilities	(2,023,031)	(2,747,479)
	(16,105,198)	**(14,068,700)**
Interest paid on lease liabilities	(3,896,924)	(2,517,826)
Interest paid on other interest-bearing liabilities	(2,530,301)	(2,453,999)
Interest earned on financial assets at amortised cost	5,556,787	4,119,466
Net cost of capital structure	**(16,975,636)**	**(14,921,059)**

Accounting policies

The Group classifies as "Financial income" the income and gains resulting from treasury management activities such as: i) interest obtained from the application of cash surplus; and ii) changes in the fair value in derivative financial instruments negotiated to hedge interest rate and exchange rate risk on loans, regardless of the formal designation of hedge.

6. Income tax

6.1. Income tax for the period

6.1.1. Income tax recognised in the consolidated income statement

Amounts in Euro	2024	2023
Current tax	92,286,353	83,576,447
Change in uncertain tax positions in the period	(11,603,585)	(10,524,611)
Deferred tax (Note 6.2)	(14,636,752)	(965,713)
	66,046,016	**72,086,123**

As at 31 December 2024, current tax includes Euro 81,337,182 (31 December 2023: Euro 77,442,414) regarding the liability created under the aggregated income tax regime of The Navigator Company, S.A. in Portugal, and is as follows by country:

Amounts in Euro	2024	%	2023	%
Portugal	81,638,728	88.46%	77,442,414	92.66%
Spain	6,916,300	7.49%	3,576,798	4.28%
United States of America	2,754,763	2.99%	1,652,446	1.98%
Ireland	744,469	0.81%	297,933	0.36%
France	85,073	0.09%	400,417	0.48%
United Kingdom	78,999	0.09%	100,157	0.12%
Other	68,021	0.07%	106,282	0.13%
	92,286,353	100.00%	**83,576,447**	**100.00%**

As at 31 December 2024 and 31 December 2023, the caption Change in uncertain tax positions in the period reflects the excess/insufficiency of tax estimates, the favourable outcome of some cases related to matters with high uncertainty, as well as requests for binding information, claims to the Tax Authorities and jurisprudence of the courts.

There have not been, nor are any expected changes arising from variations in the rate used to determine the expected tax amount.

Nominal tax rate

In the periods presented, the Group considers a nominal tax rate in Portugal of 27.5%, resulting from the tax legislation as follows:

	2024	2023
Portugal		
Nominal income tax rate	21.0%	21.0%
Municipal surcharge	1.5%	1.5%
	22.5%	**22.5%**
State surcharge - on the share of taxable profits between Euro 1,500,000 and Euro 7,500,000	3.0%	3.0%
State surcharge - on the share of taxable profits between Euro 7,500,000 and Euro 35,000,000	5.0%	5.0%
State surcharge - on the share of taxable profits above Euro 35,000,000	9.0%	9.0%

Reconciliation of the effective income tax rate for the period

Amounts in Euro	2024	2023
Profit before income tax	**353,030,229**	**347,035,265**
Expected tax at nominal rate (21%)	74,136,348	72,877,406
Municipal surcharge (2024: 1.48%; 2023: 1.24%)	5,220,845	4,312,541
State surcharge (2024; 4.83%; 2023: 3.84%)	17,058,507	13,341,979
Income tax resulting from the applicable tax rate	**96,415,700**	**90,531,926**
Nominal tax rate for the period	**27.3%**	**26.1%**
Differences (a)	(5,995,539)	(7,114,724)
Changes in estimates relating to previous periods	(13,177,106)	(10,964,626)
Tax benefits	(11,288,005)	(1,701,356)
Autonomous taxation	752,676	1,334,903
Change in tax rate	(661,710)	-
	66,046,016	**72,086,123**
Effective tax rate	**18.7%**	**20.8%**

(a) This amount concerns mainly:

	2024	2023
Capital gains/ (losses) for tax purposes	1,964,267	9,207
Capital gains/ (losses) for accounting purposes	(2,281,507)	(244,774)
Taxable provisions and impairment	4,139,158	1,603,069
Tax benefits	(9,179,825)	(20,442,661)
Post-employment benefits	(2,065,106)	(2,402,501)
Incentive to capitalise companies	(17,347,915)	-
Deferred taxes on right-of-use assets and liabilities	(6,034,371)	-
International economic double taxation	13,970,336	-
Other	(4,966,998)	(4,394,062)
	(21,801,961)	**(25,871,722)**
Tax effect (27.5%)	**(5,995,539)**	**(7,114,724)**

6.1.2. Tax recognised in the consolidated statement of financial position

Amounts in Euro	2024	2023
Assets		
Amounts pending repayment	20,621,461	18,385,534
	20,621,461	**18,385,534**
Liabilities		
Corporate Income Tax - IRC	27,868,324	4,727,342
Additional tax liabilities (IRC)	13,470,045	18,100,389
	41,338,369	**22,827,731**

Detail of Corporate Income Tax - IRC (net)

Amounts in Euro	2024	2023
Income tax for the period	92,286,353	83,576,447
Payments on account, special and additional payments on account	(68,520,255)	(75,943,340)
Withholding tax recoverable	(1,893,645)	(1,798,031)
Corporate Income Tax payable / (repayable) from previous periods	7,209,171	-
Other payables / (receivables)	(1,213,300)	(1,107,734)
	27,868,324	**4,727,342**

The amounts of corporate income tax paid in the period are detailed as follows:

Amounts in Euro	2024	2023
Payment / (Repayment) of corporate income tax for the previous period	(8,824,662)	85,292,216
Payments on account, special and additional payments on account	68,520,255	75,943,340
Withholding tax	1,893,645	1,798,031
Repayments of tax proceedings decided in favour of the group	(2,961,843)	(335,564)
Payments of additional tax liabilities	2,467,535	222,634
Other income tax payments / (repayments)	-	829
Income tax paid / (received)	**61,094,930**	**162,921,486**

Amounts pending repayment

Amounts in Euro	2024	2023
2005 Corporate Income Tax (RETGS) – Proceeding 1259/ 09.3BESNT	13,886,728	13,886,728
2015 Proceeding – Proceeding 21/22.2BALSB	5,364,441	-
2018 Corporate Income Tax (RETGS) - Proceeding CAAD 103/2023	-	1,749,389
RFAI 2010 to 2012 - compensatory interest	494,856	494,856
2016 Corporate Income Tax – Navigator Tissue Ródão – CAAD Proceeding 575/2020	861,866	861,866
2017 Corporate Income Tax - Proceeding CAAD 756/2022	-	1,379,125
Other	13,570	13,570
	20,621,461	**18,385,534**

The movements in the period are detailed as follows:

Amounts in Euro	2024	2023
Balance at the beginning of the period	**18,385,534**	**16,216,543**
Increases	5,364,441	3,142,084
Payments / (receipts)	(2,961,843)	(335,564)
Reversals	(166,671)	(637,529)
	20,621,461	**18,385,534**

Uncertain tax positions- Liabilities

Amounts in Euro	2024	2023
Balance at the beginning of the period	**18,100,389**	**14,762,361**
Increases	3,864,026	6,276,135
Payments / (receipts)	-	222,634
Transfers	(6,451,126)	-
Reversals	(2,043,244)	(3,160,741)
Changes in the period	**(4,630,344)**	**3,338,028**
	13,470,045	**18,100,389**

Taxes paid in litigation

As at 31 December 2024 and 31 December 2023, the additional tax assessments that are already paid and contested, not recognised in assets, refer to the Navigator Group and are summarised as follows:

Amounts in Euro	2024	2023
2005 Aggregate Corporate Income Tax (Note 10) 2005) – Proceeding no. 88/13.4BEALM	-	10,394,386
2006 Aggregate Corporate Income Tax (Note 10.3) – Proceeding no. 909/11.6 BEALM	8,150,146	8,150,146
Aggregate Corporate Income Tax 2018 - Proceeding 648/23.5BEALM	8,014,795	11,138,180
Aggregate Corporate Income Tax 2018 - Proceeding 525/13.4BEALM	1,457,205	-
2015 Corporate Income Tax – Navigator Tissue Ródão, S.A. - Proceeding no. 235/23.8BECTB	7,586,361	7,586,361
State Surcharge 2015 II – Proceeding no. 453/23.9BEALM	6,970,541	6,970,541
State Surcharge 2016 – Proceeding no. 457/21.6BEALM	3,761,397	3,761,397
State Surcharge 2017 – Proceeding no. 456/21.8BEALM	8,462,724	8,462,724
State Surcharge 2018 – Proceeding no. 707/21.9 BEALM	-	12,223,705
State Surcharge 2019 – Proceeding no. 557/23.8BEALM	2,466,974	2,466,974
State Surcharge 2020 – Proceeding no. 26/24.9BEALM	5,183,000	5,183,000
State Surcharge 2021 – Proceeding no. 702/24.6BEALM	6,154,906	-
	58,208,049	**76,337,414**

Estimates and judgements

The Group recognises liabilities for additional tax assessments that may result from reviews by the tax authorities of the different countries where the Group operates. When the final result of these situations is different from the amounts initially recorded, the differences will have an impact on income tax in the period in which they occur.

In Portugal, annual income statements are subject to review and possible adjustment by the tax authorities for a period of 4 years. However, if tax losses are presented, they may be subject to review by the tax authorities for a period of 6 years. In other countries in which the Group operates, these periods are different, usually higher.

The Board of Directors considers that any corrections to those statements as a result of reviews/inspections by the tax authorities will not have a significant impact in the consolidated financial statements as at 31 December 2024, although the periodsup to and including 2020 have already been reviewed.

As at 31 December 2024, if the effective tax rate corresponded to the nominal rate of 27.3% (26.1% as at 31 December 2023), there would be an increase in expenses with income taxes in the amount of Euro 30,369,6884 (31 December 2023: Euro 18,445,803, calculated at a nominal rate of 27.5%).

Uncertain tax positions

The amount of assets and liabilities recorded for tax proceedings arises from an assessment made by the Group, as at the date of the consolidated statement of financial position, regarding potential differences of understanding with the Tax Authorities, considering the developments in tax matters.

The Group, in relation to the measurement of uncertain tax positions, considers the provisions of IFRIC 23 - "Uncertainty over Income Tax Treatments", namely the measurement of risks and uncertainties in the definition of the best estimate of the expense required to settle the obligation, by weighing all the possible results that are controlled by them and their associated probabilities.

Pillar Two Model Rules - OECD

The Navigator Group is subject to the OECD Pillar Two model rules from 1 January 2024. It has applied the exception to the recognition and disclosure of information on deferred tax assets and liabilities related to Pillar Two income taxes, as provided for in the amendments to IAS 12.

As at the date of this report, the Group is currently assessing the impact of the introduction of the Pillar Two regime. However, given the analysis carried out so far, no significant impacts are expected, considering the current understanding of the interpretation of the new rules.

Accounting policies

Current income tax is calculated based on net profit/(loss), adjusted in conformity with tax legislation in force at the statement of consolidated financial position date.

Taxation group

In Portugal, the Navigator Group is subject to the special tax regime for groups of companies (RETGS), comprising companies in which the shareholding is equal to or more than 75% and which meet the conditions laid down in articles 69 and following of the Corporate Income Tax Code (IRC Code).

These companies included in the RETGS calculate income taxes as if they were taxed independently. Liabilities are recognised as due to the controlling company of the tax business Group, currently The Navigator Company, S.A. which is responsible for the Group's overall assessment and payment of the corporate income tax. Where there are gains on the use of this regime, these are recorded as income in the controlling company's financial statements.

In 2018, a tax group was also established in Spain, which includes the three subsidiaries of the group based in that country and owned by Bosques do Atlântico, S.L., the controlling company in the tax group.

6.2. Deferred taxes

Movements in deferred taxes

Amounts in Euro	As at 1 January 2024	Change in the perimeter	Income Statement		Equity	Exchange rate adjustment	Adjustments	As at 31 December 2024
			Increases	Decreases	Increases/ Decreases			
Temporary differences originating deferred tax assets								
Tax losses carried forward	52,846	56,496,586	10,330,494	(8,763,724)	-	1,497,935	-	59,614,137
Provisions and impairment losses taxed	16,674,924	-	3,399,158	(6,222,935)	-	-	-	13,851,147
Adjustment of property, plant and equipment	32,384,050	-	3,369,216	(16,546,254)	-	-	-	19,207,012
Deferred accounting gains on intra-group transactions	11,750,244	-	19,587,315	(2,771,964)	-	-	-	28,565,595
Valuation of biological assets	24,904,297	-	3,212,169	-	-	-	-	28,116,466
Conventional capital remuneration	280,000	-	-	(280,000)	-	-	-	-
Lease liabilities relating to right-of-use assets	-	589,227	74,127,963	-	-	-	-	74,717,190
Other temporary differences	-	-	2,688,330	-	-	15,363	-	2,703,693
	86,046,361	**57,085,813**	**116,714,645**	**(34,584,877)**	**-**	**1,513,298**	**-**	**226,775,240**
Temporary differences originating deferred tax liabilities								
Pensions and other post-employment benefits	(795,430)	-	(27,809)	(31)	125,312	-	-	(697,958)
Financial instruments	(18,072,331)	-	-	-	1,526,544	-	203,673	(16,342,114)
Valuation of biological assets	(3,519,844)	-	(4,329,921)	-	-	-	-	(7,849,765)
Adjustment of property, plant and equipment	(286,279,805)	(35,345,525)	(2,286,008)	30,589,642	-	(880,249)	-	(294,201,945)
Fair value calculated in business combinations	(39,840,800)	(99,779,568)	-	10,301,191	-	(2,538,614)	-	(131,857,791)
Government grants	(3,714,470)	-	-	424,209	-	-	387,483	(2,902,778)
Right-of-use assets	-	-	(68,093,592)	-	-	-	-	(68,093,592)
Other temporary differences	-	(117,536)	-	-	-	(3,065)	-	(120,601)
	(352,222,680)	**(135,242,629)**	**(74,737,330)**	**41,315,011**	**1,651,856**	**(3,421,928)**	**591,156**	**(522,066,544)**
Deferred tax assets	23,653,501	14,271,453	31,624,928	(9,287,124)	-	378,325		60,641,083
Effect of the change in tax rate	-		-	(1,530,232)	-			(1,530,232)
Deferred tax assets	**23,653,501**	**14,271,453**	**31,624,928**	**(10,817,356)**	**-**	**378,325**	**-**	**59,110,851**
Deferred tax liabilities	(95,856,013)	(33,810,656)	(20,539,643)	11,036,624	510,271	(855,484)	97,445	(139,417,456)
Effect of the change in tax rate				3,332,199	146,654			3,478,853
Deferred tax liabilities	**(95,856,013)**	**(33,810,656)**	**(20,539,643)**	**14,368,823**	**656,925**	**(855,484)**	**97,445**	**(135,938,603)**

Amounts in Euro	As at 1 January 2023	Change in the perimeter	Income Statement		Equity	As at 31 December 2023
			Increases	Decreases	Increases/ Decreases	
Temporary differences originating deferred tax assets						
Taxed provisions	13,913,990	-	3,358,291	(597,357)	-	16,674,924
Adjustment of property, plant and equipment	43,767,507	317,077	8,579,320	(20,279,854)	-	32,384,050
Deferred accounting gains on intra-group transactions	26,228,453		1,561,458	(16,039,667)	-	11,750,244
Valuation of biological assets	14,456,082		10,448,215	-	-	24,904,297
Conventional capital remuneration	560,000	-	-	(280,000)	-	280,000
Other temporary differences	-	52,846	-	-	-	52,846
	98,926,032	**369,923**	**23,947,284**	**(37,196,878)**	**-**	**86,046,361**
Temporary differences originating deferred tax liabilities						
Pensions and other post-employment benefits	(358,483)	-	(34,476)	17,172	(419,643)	(795,430)
Financial instruments	(47,174,485)	-	-	-	29,102,154	(18,072,331)
Valuation of biological assets	(5,403,744)	-	-	1,883,900	-	(3,519,844)
Adjustment of property, plant and equipment	(300,707,813)	(3,606)	(4,124,908)	18,556,522	-	(286,279,805)
Government grants	-	(39,840,800)	-	-	-	(39,840,800)
Other temporary differences	(3,862,494)	(646,777)	-	462,851	331,950	(3,714,470)
	(357,507,019)	**(40,491,183)**	**(4,159,384)**	**20,920,445**	**29,014,461**	**(352,222,680)**
Deferred tax assets	**27,204,659**	**92,481**	**6,585,503**	**(10,229,142)**	**-**	**23,653,501**
Deferred tax liabilities	**(98,314,430)**	**(10,122,796)**	**(1,143,770)**	**5,753,122**	**7,971,861**	**(95,856,013)**

When measuring deferred taxes as at 31 December 2024, the rate of 26.50% (27.5% as at 31 December 2023) was used for companies in Portugal as a result of the 1 p.p. reduction in the corporate income tax rate approved in the State budget for 2025. Moreover, deferred taxes for companies in the United Kingdom and Spain were calculated at a rate of 25%.

Accounting policies

Deferred tax is calculated based on the liability of the consolidated financial position on the temporary differences between the book values of the assets and liabilities and their respective tax base. To determine the deferred tax, the tax rate expected to be in force in the period in which the temporary differences will be reversed is used.

Deferred tax assets are recognised whenever there is a reasonable likelihood that future taxable profits will be generated against which they can be offset. Deferred tax assets are revised periodically and decreased, whenever it is likely that tax losses will not be used.

Deferred taxes are recorded as an income or expense for the year, except where they result from amounts recorded directly under equity, situation in which deferred tax is also recorded under the same caption. Tax benefits attributed to the Group regarding its investment projects are recognised through the income statement as there is sufficient taxable income to allow its use.

7. Payroll

7.1. Payroll costs

Amounts in Euro	2024	2023
Remuneration of Corporate Bodies - fixed (Note 7.3)	3,350,825	3,571,826
Remuneration of Corporate Bodies - variable	2,691,151	2,825,009
Other remunerations	151,235,286	129,023,410
Social Security contributions	28,914,957	26,401,281
Post-employment benefits (Note 7.2.4)	1,643,708	1,344,766
Other payroll costs	15,944,227	9,085,911
Payroll costs	**203,780,154**	**172,252,203**

Navigator's good performance in 2024 made it possible to reinforce the increase in remuneration, the bonuses awarded to employees as profit-sharing and the compensations for rejuvenating the team. It should be noted that, by resolution of the Shareholders' Meeting of 17 May 2023, the remuneration of the Corporate Bodies will now be paid 12 times a year instead of 14.

Overall, the increase in payroll costs is due to the acquisition of the Navigator Tissue UK Group in May 2024, with an impact as at 31 December of Euro 14,213,413.

As at 31 December 2023, Other expenses includes the positive impact of the revision of the estimate of liabilities associated with the rejuvenation programme in view of the longer delay between expressing interest in joining the programme and actually leaving, which justifies the increase in this caption in December 2024.

Number of employees by segment at the end of the period

	2024	2023	Variation 24/23
Market pulp	295	272	23
UWF	1,782	1,808	(26)
Tissue	1,036	586	450
Corporate	838	801	37
	3,951	**3,467**	**484**

The headcount includes 432 employees assigned to the Consumer tissue business in the UK as a result of the acquisition of Navigator Tissue UK Group.

Accounting policies

Short-term employee benefits

Acquired rights - holidays and holiday allowance

In accordance with the collective labour agreement applicable to The Navigator Company, S.A. as well as under the agreement celebrated with the Labour Unions, the Group companies are entitled to a 25 working days leave, as well as to a month's holiday allowance. Moreover, employees who work continuous shifts for more than 25 or 30 years get one or two additional days' holiday, respectively.

Productivity bonus

In 2022, the Group introduced a Productivity bonus in addition to the normal bonus paid to employees. The aim of this bonus is to focus on increasing productivity and profitability, which are critical and fundamental prerequisites for continued investment in business growth and sustainable improvements in salaries and benefits. Thus, the Productivity Bonus sets the achievement of production levels at challenging thresholds corresponding to different levels of remuneration, based on a basic monthly salary.

Bonuses

According to the current Performance Management System (*Sistema de Gestão de Desempenho*), employees have the right to a bonus, based on annually defined objectives. The entitlement of this bonus is usually acquired in the year preceding its payment.

These liabilities are recorded in the year in which the Employees acquire the respective right, irrespective of the date of payment, whilst the balance payable at the date of the consolidated statement of financial position is shown under the caption Current payables.

Benefits arising from termination of employment

The benefits arising from termination of employment are recognised when the Group can no longer withdraw the offer of such benefits or in which the Group recognises the cost of restructuring under the provisions recording. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

7.2. Employee benefits

7.2.1. Introduction

Some Group companies grant their Employees post-retirement benefits, either in the form of defined benefit plans or in the form of defined contribution plans.

The plans are funded through a closed Pension Fund, managed by an external entity, which subcontracts the management of its assets to external asset management entities.

A. Pension Plan – Defined benefit

The Group has responsibilities with post-employment benefit plans for a reduced group of Employees who have chosen to maintain the Defined Benefit Plan (The Navigator Company) or who have chosen to maintain a Safeguard Clause, the latter following the conversion of their plan into a Defined Contribution Plan (The Navigator Company). In effect, the safeguard clause gives the Employee the option, at the time of retirement, to pay a pension in accordance with the provisions laid down on the

Defined Benefit Plan. For those who choose to activate the Safeguard Clause, the accumulated balance in the Defined Contribution Plan (*Conta* 1) will be used to finance the liability of the Defined Benefit Plan.

B. Pension Plan – Defined contribution

As at 31 December 2024, three Defined Contribution plans were in force covering 3,278 employees (2023: 3,200 Employees) (Note 7.2.3).

7.2.2. Defined benefit plan

Policy for managing the risk associated with defined benefit plans

The Group's exposure to risk is limited to the number of existing beneficiaries and will tend to decrease, since there are no defined benefit plans open to new employees in the Group.

The most significant risks to which the Group is exposed through defined benefit plans include:

i. Risk of change in the longevity of participants.

ii. Market rate variation risk – rate variation impacts the rate used to discount liabilities (technical interest rate) which is based on yield curves of highly rated bonds with maturities similar to the liabilities' expiry dates and the fixed rate of return of the assets. The Group uses yield curves in order to monitor the evolution of rates and performs sensitivity analyses of interest rate variations with the aim of foreseeing and preventing the consequent impact on the fund's funding level.

iii. Risk of change in the wage and pension growth rate.

iv. Return on the fund's financial assets – the Group closely monitors the evolution of the fund's assets, as well as the evolution of the main financial market indicators, revisiting the investment policy approved for the management of the assets whenever justifiable, and at least every three years. The investment policy is aligned with a conservative view of asset management and defined on the basis of the responsibilities to be financed by the fund.

The Group's goal is to maintain a liability coverage level of 90%, thereby safeguarding against the above risks.

Net liabilities

Net liabilities reflected in the consolidated statement of financial position and the number of beneficiaries of the defined benefit plans in force in the Group are detailed as follows:

	2024		2023	
Amounts in Euro	**No. of Beneficiaries**	**Amount**	**No. of Beneficiaries**	**Amount**
Past service liabilities				
Active employees, including individual accounts	301	43,344,735	352	50,509,668
Alumni	114	17,567,947	112	17,469,425
Retired employees	662	98,711,371	622	90,277,782
Market value of pension funds		(160,971,371)		(159,034,022)
Total net liabilities	**1,077**	**(1,347,318)**	**1,086**	**(777,147)**

Historical information - last five years

Amounts in Euro	2020	2021	2022	2023	2024
Present value of liabilities	191,253,527	191,002,589	157,269,646	158,256,875	159,624,053
Fair value of assets and reserves	178,691,062	185,327,671	154,433,916	159,034,022	160,971,371
Surplus / (deficit)	**(12,562,465)**	**(5,674,918)**	**(2,835,730)**	**777,147**	**1,347,318**

Evolution of defined benefit plan liabilities

2024	Opening balance	Current services cost	Interest expense	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro						
Pensions with autonomous fund	158,256,875	20,101	5,414,858	3,243,001	(7,310,782)	159,624,053
	158,256,875	**20,101**	**5,414,858**	**3,243,001**	**(7,310,782)**	**159,624,053**

2023	Opening balance	Current services cost	Interest expense	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro						
Pensions with autonomous fund	157,269,646	18,878	5,398,760	2,467,179	(6,897,588)	158,256,875
	157,269,646	**18,878**	**5,398,760**	**2,467,179**	**(6,897,588)**	**158,256,875**

The average expected duration of the defined benefit liabilities is 12.5 years (2023: 13 years).

Funds

Funds allocated to the defined benefit pension plans - evolution

Amounts in Euro	2024	2023
Opening balance	**159,034,022**	**154,433,916**
Allocations for the period	-	-
Expected income for the period	5,441,354	5,291,759
Remeasurement	3,806,777	6,205,945
Pensions paid	(7,310,782)	(6,897,598)
Closing balance	**160,971,371**	**159,034,022**

The pension fund assets allocated to the defined benefit plan are managed by the following entities:

Amounts in Euro	2024	2023
Defined benefits and *Conta* 1:		
AGEAS - Pensions	(51,992)	(17,192)
Schroders	55,790,911	64,806,718
Santander AM	56,467,629	65,605,927
Account 1 - Julius Baer	48,764,823	28,638,569
Total defined benefits and *Conta* 1	**160,971,371**	**159,034,022**

Funds allocated to defined benefit plans - composition of assets

Amounts in Euro	2024	%	2023	%
Securities listed in the market				
Bonds	98,435,081	61.15%	96,701,081	60.81%
Shares	41,216,140	25.60%	38,457,610	24.18%
Public debt	15,406,040	9.57%	17,419,598	10.95%
Liquidity	1,260,572	0.78%	2,206,803	1.39%
Other short-term investments	4,653,538	2.89%	4,248,930	2.67%
	160,971,371	**100.00%**	**159,034,022**	**100.00%**

The assets of the pension fund do not include any assets of the Group.

7.2.3. Defined contributions plan

As at 31 December 2024 and 31 December 2023, three defined contribution plans were in force on behalf of Employees.

The assets of the pension fund that finance the defined contribution plans are under the management of the AGEAS, as detailed below:

Amounts in Euro	No. of Beneficiaries	Profitability %	2024	No. of Beneficiaries	Profitability %	2023
Defined Contribution (Ageas Pensions):						
Defensive sub-fund	112	3.34%	5,608,582	122	7.17%	6,262,270
Conventional sub-fund	408	5.20%	15,773,907	392	8.50%	15,291,344
Dynamic sub-fund	771	8.54%	15,999,063	737	10.90%	15,713,487
Aggressive sub-fund	1,987	11.42%	7,209,476	1,949	13.30%	6,398,935
Total defined contribution	3,278		**44,591,028**	3,200		**43,666,036**

7.2.4. Expenses incurred with post-employment benefit plans

The effect in the income statement for the periods ended 31 December 2024 and 31 December 2023 was as follows:

	2024				2023			
Amounts in Euro	Current services cost	Net interest	Defined contribution – Contributions for the period	Impact on net result (Note 7.1)	Current services cost	Net interest	Defined contribution – Contributions for the period	Impact on net result (Note 7.1)
Pensions with autonomous fund	20,101	(26,496)	-	(6,395)	18,878	107,001	-	125,879
Defined contributions plans	-	-	1,650,103	1,650,103	-	-	1,218,887	1,218,887
	20,101	**(26,496)**	**1,650,103**	**1,643,708**	**18,878**	**107,001**	**1,218,887**	**1,344,766**

7.2.5. Remeasurement recognised directly in other comprehensive income

			2024		
Amounts in Euro	Remeasurement Experience assumptions	Expected return on plan assets	Gross amount	Deferred taxes	Impact on Equity
Pensions with autonomous fund	(2,467,179)	3,030,955	563,776	17,693	581,469
	(2,467,179)	**3,030,955**	**563,776**	**17,693**	**581,469**

			2023		
Amounts in Euro	Remeasurement Experience assumptions	Expected return on plan assets	Gross amount	Deferred taxes	Impact on Equity
Pensions with autonomous fund	(2,467,179)	6,205,945	3,738,766	(115,461)	3,623,305
	(2,467,179)	**6,205,945**	**3,738,766**	**(115,461)**	**3,623,305**

The re-measurements referred to above result from experience gains and losses, both in financial and demographic terms.

Estimates and judgements

Actuarial assumptions

	2024	2023
Social Security Benefits Formula	Decree Law 187/2007 of 10 May	
Disability table	EKV 80	EKV 80
Mortality table	TV 88-90	TV 88-90
Discount rate	3.50%	3.50%
Wage growth rate	2.00%	2.00%
Return rate on plan assets	3.50%	3.50%
Pensions growth rate	1.5% or 2.00%	1.5% or 2.00%

Sensitivity analysis

Amounts in Euro	2024	2023
0.5% decrease in the discount rate		
Increase in liabilities assumed	10,036,078	10,348,867
0.5% increase in the discount rate		
Decrease in liabilities assumed	(9,123,660)	(9,316,819)
0.5% decrease in the wage growth rate		
Decrease in liabilities assumed	(1,636,291)	(1,886,275)
0.5% increase in the wage growth rate		
Increase in liabilities assumed	1,723,903	1,976,098
0.5% decrease in the pensions growth rate		
Decrease in liabilities assumed	(7,547,496)	(7,646,125)
0.5% increase in the pensions growth rate		
Increase in liabilities assumed	8,111,198	8,056,199

Accounting policies

Post-employment benefits - defined benefit plan

Some of the Group subsidiaries have assumed the commitment to make payments to their employees in the form of complementary retirement pensions, disability, early retirement and survivors' pensions, having constituted defined-benefit plans.

The Group set up autonomous pension funds as a means of funding most of the liabilities. Based on the projected credit unit method, the Group recognises the costs with the attribution of these benefits as the services are provided by the employees. The total liability is estimated separately for each plan at least once every six months, on the date of closing of the interim and annual accounts, by a specialised and independent entity.

The liability thus determined is presented in the consolidated statement of financial position, less the fair value of the funds set up, under Pension liabilities.

Actuarial deviations resulting from changes in the value of estimated liabilities, as a consequence of changes in the financial and demographic assumptions used and experience gains, added to the differential between the actual return on fund assets and the estimated share of net interest, are designated as re-measurements and recorded directly in the statement of comprehensive income, under retained earnings.

Net interest corresponds to the application of the discount rate to the value of net liabilities (value of liabilities less the fair value of fund assets) and is recognised in the income statement for the period under Payroll costs.

The gains and losses generated by a curtailment or settlement of a defined-benefit plan are recognised in the income statement for the period when the curtailment or settlement occurs. A curtailment occurs when there is a material reduction in the number of employees.

Costs for past liabilities resulting from the implementation of a new plan or increases in benefits attributed are recognised immediately in profit/(loss) for the period.

Post-employment benefits - defined contribution plan

Most of the Group subsidiaries assumed commitments regarding payments to a defined contribution plan in a percentage of the employees' salary, in order to provide retirement, disability, early retirement and survivors' pensions.

To this end, Pension Funds have been set up to capitalise on those contributions, for which employees may still make voluntary contributions, but for which the Group does not assume any additional contribution responsibilities or a pre-fixed return. Thus, the contributions made are recorded as expenses of the period in which they are recognised, regardless of the time of their settlement.

7.3. Remuneration of corporate bodies

Amounts in Euro	2024	2023
Navigator Corporate Bodies		
Board of Directors	2,892,317	3,094,271
Supervisory Board	75,500	83,521
Environment Board	73,000	79,750
Board of the General Shareholders Meeting	6,000	8,000
	3,046,817	**3,265,542**
Corporate Bodies of other Group companies	**304,008**	**306,283**
Total (Note 7.1)	**3,350,825**	**3,571,826**

Remuneration of the members of the Board of Directors

Full details of the remuneration policy for the members of Navigator's Board of Directors are described in the company's Corporate Governance Report.

Three of the current directors are members of pension plans of Navigator Brands, S.A., a subsidiary of the Company, as Employees of that company, before joining management positions.

As at 31 December 2024 and 2023, regarding the members of the Board of Directors of Navigator, there were no: i) any additional liabilities allocated to other long-term benefits, ii) employment termination benefits, iii) share-based payments and iv) any outstanding balances.

8. Financial instruments

8.1. Financial risk management

For the Navigator Group as a whole, the Company has a risk-management programme, which focuses its analysis on the financial markets with a view to mitigate the potential adverse effects on its financial performance. Risk management is undertaken by the Group's Financial Management in accordance with the policies approved by the Board of Directors and monitored by the Risks and Control Commission.

The Company adopts a proactive approach to risk management, as a way to mitigate the potential adverse effects associated with those risks, namely the exchange rate risk and interest rate risk.

8.1.1. Currency risk

Currency risk management policy

A significant part of the Navigator Group's sales is priced in currencies other than the Euro, therefore its evolution can have a significant impact on the cash flows obtained from the Group's future sales, with the currency with the greatest impact being the USD. Also, sales in GBP, PLN and CHF have some weight, having sales in other currencies less expression.

Purchases of some raw materials are also made in USD, namely part of wood and long-fibre pulp imports of wood and acquisitions of long-fibre pulp. Therefore, changes in USD may have an impact on acquisition values.

Moreover, once a sale or purchase is made in a currency other than the Euro, the Group becomes exposed to exchange rate risk until the receipt or payment of such sale or purchase, if no hedging instruments are in place. As a result, there is a significant number of receivables and payables, the latter with lesser expression, exposed to exchange rate risk.

Use of derivative financial instruments

The Group manages foreign exchange risks by using derivative financial instruments, in accordance with a policy that is subject to periodic review and whose purpose is to limit the exchange risk associated with future sales and purchases and accounts receivable and payable and other assets which are denominated in currencies other than the Euro.

In the periods presented, the Group holds derivatives that are hedging the exchange rate risk of future operations in currencies other than the presentation currency (see Note 8.2 - Derivative financial instruments).

Exposure of financial assets and liabilities to exchange rate risk and sensitivity analysis

Amounts in Euro	US dollar	Sterling pound	Polish zloti	Turkish lira	Swiss Franc	Mozambican metical	Moroccan dirham	South African rand	Total (Euro)
Amounts in foreign currency									
Cash and cash equivalents	1,855,837	1,026,550	114,545	2,182,313	1,828	47,272,452	450,239	8,949,781	4,319,282
Receivables	140,341,158	46,228,701	9,733,718	124,322	1,846,939	7,720,540	-	10,414,727	195,727,661
Total financial assets	**142,196,995**	**47,255,251**	**9,848,263**	**2,306,635**	**1,848,767**	**54,992,992**	**450,239**	**19,364,508**	**200,046,943**
Interest-bearing liabilities	-	17,490,990	-	-	-	-	-	-	21,094,322
Payables	3,046,921	17,102,563	12,888	104,309	78,966	13,405,576	135,216	3,451,095	24,037,936
Total financial liabilities	**3,046,921**	**34,593,553**	**12,888**	**104,309**	**78,966**	**13,405,576**	**135,216**	**3,451,095**	**45,132,258**
Financial net position in foreign currency	**145,243,916**	**81,848,804**	**9,861,151**	**2,410,944**	**1,927,733**	**68,398,568**	**585,455**	**22,815,603**	**245,179,201**
Financial net position in Euro	**139,805,483**	**98,710,538**	**2,306,702**	**65,627**	**2,048,165**	**1,024,084**	**55,657**	**1,162,946**	**245,179,201**
Impact of + 10% change in all exchange rates on profit/(loss) for the period									**21,633,212**
Impact of - 10% change in all exchange rates on profit/(loss) for the period									**(26,440,592)**
Impact of + 10% change in all exchange rates on profit/(loss) for the period									**655,806**
Impact of + 10% change in all exchange rates on profit/(loss) for the period									**(801,541)**

2023

Amounts in Euro	US dollar	Sterling pound	Polish zloti	Turkish lira	Swiss Franc	Mozambican metical	Moroccan dirham	South African rand	Total (Euro)
Amounts in foreign currency									
Cash and cash equivalents	3,754,684	863,437	259,824	525,311	2,731	24,591,876	418,145	40,922	4,858,597
Receivables	145,638,716	21,697,447	14,349,866	124,322	1,572,289	16,154,123	-	-	162,002,359
Total financial assets	**149,393,400**	**22,560,884**	**14,609,690**	**649,633**	**1,575,020**	**40,745,999**	**418,145**	**40,922**	**166,860,956**
Interest-bearing liabilities	-	-	-	-	-	-	-	-	-
Payables	(12,831,555)	(64,414)	(25,273)	(5,124,236)	(84,250)	-	(134,963)	-	(11,952,451)
Total financial liabilities	**(12,831,555)**	**(64,414)**	**(25,273)**	**(5,124,236)**	**(84,250)**	**-**	**(134,963)**	**-**	**(11,952,451)**
Financial net position in foreign currency	**136,561,845**	**22,496,470**	**14,584,417**	**(4,474,603)**	**1,490,770**	**40,745,999**	**283,181**	**40,922**	**154,908,505**
Financial net position in Euro	**123,585,380**	**25,884,789**	**3,360,852**	**(137,035)**	**1,609,903**	**576,730**	**25,874**	**2,011**	**154,908,505**
Impact of + 10% change in all exchange rates on profit/(loss) for the period									**14,082,591**
Impact of - 10% change in all exchange rates on profit/(loss) for the period									**(17,212,056)**

In this Note, the Group discloses the exposure of financial assets and liabilities to foreign exchange rate risk, as well as the respective sensitivity analysis. There are currencies in which the Group has carried out transactions but in which, at the balance sheet date, it does not have relevant foreign exchange exposures, which is why the exchange rates disclosed in note 1.4.4 are more numerous than the currencies presented in this note.

8.1.2. Interest rate risk

Interest rate risk management policy

A significant share of the Group's financial liabilities cost are indexed to short-term reference interest rates, which are reviewed more than once a year (generally every six months for medium and long-term debt). Hence, changes in interest rates can have an impact on the Group's income statement.

The Group periodically reviews its interest rate risk management strategy. In view of the current level of interest rates, we have favoured the contracting of fixed rate debt.

Use of derivative financial instruments

When deemed appropriate by the Board, the Group uses derivative financial instruments (Note 8.2), namely swaps, with the purpose of fixing the interest rate on loans obtained, within certain parameters, deemed appropriate by the Group's risk management policies.

Exposure to interest rate risk

As at 31 December 2024, approximately 11% (31 December 2023: 5%) of the Navigator Group's financial liabilities are indexed to short-term reference interest rates, revised in periods below one year (usually 6-month rates for long-term debt), plus duly negotiated risk spreads. Hence, changes in interest rates can impact the Group's earnings.

The Group has favoured the contracting of fixed rate debt and has derivative financial instruments to cover its interest rate risk, namely interest-rate swaps, with the purpose of fixing the interest rate on the Navigator Group's borrowings within certain limits.

As at 31 December 2024 and 31 December 2023, the detail of the financial assets and liabilities with interest rate exposure, considering the maturity or the next interest-fixing date is as follows:

						2024
Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Current						
Cash and cash equivalents	286,628,866	-	-	-	-	286,628,866
Total financial assets	**286,628,866**	**-**	**-**	**-**	**-**	**286,628,866**
Liabilities						
Non-current						
Interest-bearing liabilities	-	-	-	10,000,000	80,000,000	90,000,000
Finance leases				2,715,195		2,715,195
Current						
Interest-bearing liabilities	-		23,891,108	-	-	23,891,108
Finance leases			1,717,499			1,717,499
Total financial liabilities	**-**	**-**	**25,608,607**	**12,715,195**	**80,000,000**	**118,323,802**
Cumulative differential	**286,628,866**	**286,628,866**	**261,020,259**	**248,305,064**	**168,305,064**	

From 2024 onwards, the tables above show assets and liabilities with exposure to interest rate risk, not including assets and liabilities whose interest rate risk is fully covered by derivative financial instruments with a maturity and/or repricing identical to the underlying. In order to make the information presented comparable, the appropriate changes were made to the table for the homologous period, ensuring the consistency of the criteria adopted in preparing this disclosure. In liquidity risk note 8.1.3, the contractual maturity of all financial liabilities is shown, regardless of whether the interest rate risk is hedged by derivative financial instruments.

						2023
Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Current						
Cash and cash equivalents	169,464,967	-	-	-	-	169,464,967
Total financial assets	**169,464,967**	**-**	**-**	**-**	**-**	**169,464,967**
Liabilities						
Non-current						
Interest-bearing liabilities	-	-	-	23,500,000	-	23,500,000
Current						
Interest-bearing liabilities	-	2,000,000	9,583,333	-	-	11,583,333
Total financial liabilities	**-**	**2,000,000**	**9,583,333**	**23,500,000**	**-**	**35,083,333**
Cumulative differential	**169,464,967**	**167,464,967**	**157,881,634**	**134,381,634**	**134,381,634**	

Estimates and judgements

Sensitivity analysis

The Group uses the sensibility analysis technique to measure impacts on the income statement and equity of increase or decrease on interest rates maintaining the other variables constant. This is an illustrative analysis only, since changes in market rates rarely occur separately.

The sensitivity analysis is based on the following assumptions:

i) Changes in market interest rates affect interest income and expenses arising from variable financial instruments;

ii) Changes in market interest rates affect the fair value of derivative financial instruments as well as other financial assets or liabilities;

iii) Changes in fair value of derivative financial instruments and other financial assets and liabilities are measured using the discounted cash flows method, with market interest rates at year end.

A 0.50% increase in interest rates on which interest on loans are calculated would have an impact on its profit before income tax, for the period ended 31 December 2024 by approximately Euro 569,456 (31 December 2023: €175,417).

8.1.3. Liquidity risk

Liquidity risk management policy

The Group manages the liquidity risk in two ways:

i. ensuring that its financial debt has a high medium- and long-term component with maturities appropriate to the characteristics of the industries where it operates, and

ii. by contracting with financial institutions credit facilities available at all times for an amount that guarantees adequate liquidity.

Available but not used credits

The Group's policy is to maintain credit facilities at adequate levels to, together with the amount of Cash and Cash Equivalents in order to guarantee, with some comfort margin, the cash cycle expected for the next 12 months.

Contractual maturity of financial liabilities (undiscounted flows, including interest)

						2024
Amounts in Euro	-1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities						
Interest-bearing liabilities (Note 5.7)						
Bond loans	420,000	10,521,500	99,941,464	392,316,564	210,017,643	713,217,171
Commercial paper	-	35,497,000	248,500	35,248,500	50,000,000	120,994,000
Bank loans	-	4,969,536	10,158,078	70,362,247	37,668,335	123,158,196
Other loans	-	-	7,219,439	15,905,149	-	23,124,588
Derivative financial instruments (Note 8.2)	-	1,259,512	2,879,804	2,659,143	(783,753)	6,014,706
Total liabilities	**420,000**	**52,247,548**	**120,447,285**	**516,491,603**	**296,902,225**	**986,508,661**
Of which interest (at the rates prevailing at that date)						**77,506,038**

Amounts in Euro	-1 month	1-3 months	3-12 months	1-5 years	More than 5 years	2023 Total
Liabilities						
Interest-bearing liabilities (Note 5.7)						
Bond loans	420,000	10,721,500	30,895,000	432,923,500	-	474,960,000
Commercial paper	-	745,500	35,745,500	71,491,000	-	107,982,000
Bank loans	15,000,000	5,189,218	16,188,037	62,679,270	12,840,786	111,897,311
Other loans	-	-	7,219,439	23,227,870	-	30,447,309
Derivative financial instruments (Note 8.2)	-	-	(10,087,985)	(14,934,263)	-	(25,022,248)
Total liabilities	**15,420,000**	**16,656,218**	**79,959,992**	**575,387,376**	**12,840,786**	**700,264,372**
Of which interest (at the rates prevailing at that date)						**63,327,406**

The table considers the debt issued and the long-term debt contracted and not disbursed that will refinance the debt maturing in 2025 (Available and undrawn credit facilities).

The contractual maturity of the interest-bearing liabilities presupposes the fulfilment of financial covenants, as detailed in Note 5.7 - Interest-bearing liabilities.

Available and undrawn credit facilities

Amounts in Euro	2024	2023
Undrawn credit facilities		
Commercial paper (with long term underwriting)	75,000,000	167,250,000
Long-term financing contracted and not disbursed	140,000,000	115,000,000
Other credit facilities	95,163,917	5,450,714
	310,163,917	**287,700,714**
Commercial paper used (Note 5.7)	120,000,000	105,000,000
Other credit facilities used	787,420,613	561,889,769
Contracted credit facilities (nominal value)	**1,217,584,530**	**954,590,483**

8.1.4. Credit risk

Credit risk management policy

The Group is exposed to credit risk on balances receivable from Trade receivables and other debtors and has adopted a policy of managing risk coverage within certain levels through credit insurance with a specialised independent company.

The Group has adopted a policy of credit insurance for the majority of Trade receivables, with a 5% deductible. As such, its exposure to credit risk is considered to have been mitigated up to acceptable levels, when compared with its sales. Most sales that are not covered by credit insurance are covered by bank guarantees, letters of credit, documentary credits or retention of title agreements, and any unhedged exposure is within limits previously approved by the Executive Committee.

However, the worsening of global economic conditions or adversities affecting only economies on a local scale may lead to deterioration in the ability of the Navigator Group's Customers to meet their obligations, leading entities providing credit insurance to significantly decrease the amount of credit facilities that are available to those Customers. This scenario may result in limitations on the amounts that can be sold to some Group Customers without directly incurring credit risk levels that are not compatible with the risk policy in this area.

Cash equivalents

The Navigator Group adopts strict policies in approving its financial counterparties, limiting its exposure in accordance with an individual risk analysis and within previously approved limits.

Maximum exposure to credit risk

The Group's maximum exposure to the credit risk of financial assets corresponds to their net amount, as follows:

Amounts in Euro	2024	2023
Non-current		
Other financial investments (Note 8.3)	-	-
Receivables (Note 4.2)	13,142,937	44,399,506
Current		
Receivables (Note 4.2)	496,698,621	424,740,973
Cash and cash equivalents (Note 5.9)	286,628,866	169,464,967
	796,470,424	**638,605,446**

Ageing structure of trade receivables balances

As at 31 December 2024 and 2023, Trade receivables balances presented the following ageing structure, considering as reference the maturity date of the outstanding amounts before impairments:

Amounts in Euro	2024	2023
Amounts not due	273,547,400	238,684,032
from 1 to 90 days	30,245,008	20,206,869
from 91 to 180 days	1,022,452	127,789
from 181 to 360 days	215,098	42,151
from 361 to 540 days	6,341	-
from 541 to 720 days	6,198	-
more than 721 days	-	-
	305,042,497	**259,060,841**
Balances considered impaired	3,635,137	3,293,670
Impairment	(3,635,137)	(3,293,670)
Net balance of trade receivables (Note 4.2)	**305,042,497**	**259,060,841**
Trade receivables covered by credit insurance	264,061,504	226,072,918
Trade receivables covered by bank guarantees	2,000,000	1,300,000
Trade receivables covered by title retention agreements	1,873,390	7,046,082
Trade receivables covered by letters of credit / documentary remittances	33,593,182	22,910,875
Covered receivables	**301,528,076**	**257,329,875**
Available and undrawn credit facilities	463,762,720	503,473,207
Credit hedging facilities contracted	**765,290,796**	**760,803,082**

The amounts shown above correspond to the amounts outstanding according to the contracted due dates. The amounts not covered of Euro 3,514,421 relate to amounts previously approved by the Executive Committee of the Navigator Group (2023: €1,730,966).

Despite some delays in the settlement of those amounts, that does not result, in accordance with the available information, in the identification of impairment losses other than the ones considered through the respective losses. These are calculated based on the information periodically collected on the financial behaviour of the Group's Customers, which allow, in conjunction with the experience obtained in the client portfolio analysis and with the history of credit defaults, in the part not attributable to the insurance company, to define the amount of losses to be recognised in the period. The guarantees in place for a significant part of outstanding and long-term balances, justify the fact that no impairment loss has been recorded for those balances. The rules defined by the credit risk insurance policy applied by the Group, ensure a significant hedge of all outstanding balances.

The analysis of the open balances, by business area, is as follows:

2024

Amounts in Euro	Market Pulp	UWF Paper	Tissue Paper	Energy	Support	Total
Amounts not due	28,197,445	140,978,332	98,205,591	600,064	5,565,968	273,547,400
from 1 to 90 days	10,833,565	14,703,039	2,951,668	144,586	1,612,150	30,245,008
from 91 to 180 days	59,624	-	654,571	-	308,255	1,022,450
from 181 to 360 days	-	-	194,692	-	20,407	215,099
from 361 to 540 days	-	-	6,341	-		6,341
from 541 to 720 days	-	-	6,199	-		6,199
more than 721 days	-	-	-	-		-
	39,090,634	**155,681,371**	**102,019,062**	**744,650**	**7,506,780**	**305,042,497**

2023

Amounts in Euro	Market Pulp	UWF Paper	Tissue Paper	Energy	Support	Total
Amounts not due	25,375,941	137,661,510	63,994,452	2,752,026	8,900,103	238,684,032
from 1 to 90 days	9,532,915	7,413,930	2,077,939	-	1,182,085	20,206,869
from 91 to 180 days	-	-	127,789	-	-	127,789
from 181 to 360 days	-	-	42,151	-	-	42,151
from 361 to 540 days	-	-	-	-	-	-
from 541 to 720 days	-	-	-	-	-	-
more than 721 days	-	-	-	-	-	-
	34,908,856	**145,075,440**	**66,242,331**	**2,752,026**	**10,082,188**	**259,060,841**

The table below represents the quality of the Navigator Group's credit risk, as at 31 December 2024 and 31 December 2023, for financial assets (cash and cash equivalents), (Highest credit rating by one of the two rating agencies: Standard and Poor's, or Fitch):

Financial Institutions		
Amounts in Euro	2024	2023
Rating		
AA	-	-
AA-	-	-
A+	179,063,225	56,769,567
A	98,950,633	61,675,370
A-	2,305,027	42,824,483
BBB+	1,315,948	2,643,288
BBB	4,028,844	1,546,150
BBB-	69,018	2,358,707
BB+		-
BB		-
BB-		-
B+		-
B		-
B-		-
Other	896,171	1,647,402
	286,628,866	**169,464,967**

"Other" amounts include bank deposits with banks or entities with no rating, namely local banks in Mozambique and other foreign branches.

The Navigator Group adopts strict policies in approving its financial counterparties, limiting its exposure in accordance with an individual risk analysis and within previously approved limits.

Impairment from trade receivables and other debtors

		Impairment	
Amounts in Euro	**Trade receivables**	**Other debtors**	**Total**
Balance as at 1 January 2023	**(6,621,084)**	**(283,742)**	**(6,904,826)**
Increase – IFRS 9 impact on profit/(loss) for the period	1,279,362	-	1,279,362
Increases (Note 2.3)	(535,067)	(61,746)	(596,813)
Reversals	4,634,383	-	4,634,383
Charge-off	(2,051,264)	-	(2,051,264)
Balance as at 31 December 2023	**(3,293,670)**	**(345,488)**	**(3,639,158)**
Change in the perimeter	(40,111)	-	(40,111)
Increase – IFRS 9 impact on profit/(loss) for the period	(1,477,280)	-	(1,477,280)
Increases (Note 2.3)	(242,088)	(98,476)	(340,564)
Reversals	3,924,074	181,747	4,105,821
Charge-off	86,270	-	86,270
Transfers	(2,591,399)	-	(2,591,399)
Exchange rate adjustment	(933)	-	(933)
Balance as at 31 December 2024	**(3,635,137)**	**(262,217)**	**(3,897,354)**

Accounting policies

Impairment of debt instruments

The Group assesses, on a prospective basis, the expected credit losses associated with its financial assets measured at amortised cost and at fair value through other comprehensive income, in accordance with IFRS 9.

On this basis, the Group recognises expected credit losses throughout the lifetime of financial instruments that have been subject to significant increases in credit risk since its initial recognition, assessed either individually or collectively, considering all reasonable and sustainable information, including available prospective information.

If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since its initial recognition, the Group measures the impairment of that financial instrument by an amount equivalent to the expected credit losses.

IFRS 9 provides that for the calculation of these impairments, one of two models is used: the 3-step method or the use of a matrix, the distinguishing component being the existence or not of a significant financing component. For Navigator's financial assets, since it is not a financial institution and there are no assets that have a significant financing component, the use of a matrix was chosen.

The model adopted for the impairment assessment in accordance with IFRS 9 is as follows:

i. Calculate the total credit sales made by the Group over the last 12 months, as well as the total amount of bad debts relating to them;

ii. Determine the Customers' payment profile, by setting buckets of receipt frequency;

iii. Based on I. and II. above, estimate the probability of default (i.e., the amount of bad debts calculated at I. compared to the balance of outstanding sales in each bucket calculated at II.);

iv. Adjust the percentages of future forecasts obtained in III.;

v. Apply the default percentages as calculated in IV. to the balances of Customers still outstanding at the reporting date.

Although IFRS 9 assumes 90 days as "default", the Navigator Group considered a period of 180 days, since the experience of real losses before this period is low. This period is aligned with the current risk management policies of the company, namely in what regards the credit insurance hired, and to the fact that there is no sales with significant components of funding in light of IFRS 15. Additionally, the company evaluated the impact of considering 180 days of "default" instead of the 90 days and the Expected Credit Loss would not change significantly.

In addition to this period, in the event of an accident in the credit insurance company, the model considers the limit of 5% paid by the Navigator Group (10% for national Customers).

In addition, the Group recognises impairment on a case-by-case basis, based on specific balances and specific past events, considering the historical information of the counterparties, their risk profile and other observable data in order to assess whether there are objective indicators of impairment for these financial assets. The Group uses the write-off procedure only when the credit is considered to be definitely uncollectible by a court decision.

8.2. Derivative financial instruments

Movements in derivative financial instruments

	2024			2023		
Amounts in Euro	**Trading derivatives**	**Hedging derivatives**	**Net total**	**Trading derivatives**	**Hedging derivatives**	**Net total**
Balance at the beginning of the period	**(4,068,868)**	**17,835,988**	**13,767,120**	**(3,106,233)**	**46,938,143**	**43,831,910**
New contracts / settlements	4,967,834	(11,296,062)	(6,328,228)	(1,999)	(9,722,524)	(9,724,523)
Change in fair value through profit/(loss) (Note 5.10)	(2,530,279)	11,328,732	8,798,453	(960,636)	9,722,523	8,761,887
Change in fair value through other comprehensive income (Note 5.5)	-	(1,526,544)	(1,526,544)	-	(29,102,154)	(29,102,154)
Balance at the end of the period	**(1,631,313)**	**16,342,114**	**14,710,801**	**(4,068,868)**	**17,835,988**	**13,767,120**

8.2.1. Detail and maturity of derivative financial instruments by nature

Amounts in Euro	Notional	Currency	Maturity	2024 Positive (Note 4.2)	2024 Negative (Note 4.3)	2024 Net amount
Hedging						
Hedging (future sales)	272,000,000	USD	2025	-	(1,103,142)	(1,103,142)
Hedging (future sales)	130,000,000	GBP	2025	-	(262,405)	(262,405)
Interest rate swaps - Bonds	535,000,000	EUR	2031	8,383,516	(3,314,640)	5,068,876
Energy	24,653,150	EUR	2025	12,638,785	-	12,638,785
				21,022,301	**(4,680,187)**	**16,342,114**
Trading						
Foreign exchange forwards (future sales)	60,500,000	USD	2025	-	(1,597,134)	(1,597,134)
Foreign exchange forwards (future sales)	40,900,000	GBP	2025	-	(34,179)	(34,179)
				-	**(1,631,313)**	**(1,631,313)**
				21,022,301	**(6,311,500)**	**14,710,801**

Amounts in Euro	Notional	Currency	Maturity	2023 Positive (Note 4.2)	2023 Negative (Note 4.3)	2023 Net amount
Hedging						
Hedging (future sales)	287,500,000	USD	2024	1,348,010	(608,037)	739,973
Interest rate swaps - Bonds	355,000,000	EUR	2028	17,064,360	-	17,064,360
BHKP pulp	7,092,000	USD	2024	31,655	-	31,655
				18,444,025	**(608,037)**	**17,835,988**
Trading						
Foreign exchange forwards (future sales)	(46,000,000)	USD	2024	1,014,913	(4,987,262)	(3,972,349)
Foreign exchange forwards (future sales)	(6,099,807)	GBP	2024	-	(96,519)	(96,519)
				1,014,913	**(5,083,781)**	**(4,068,868)**
				19,458,938	**(5,691,818)**	**13,767,120**

Cash flow hedge | Exchange rate risk EUR/USD and EUR/GBP

During the last 6 months of 2024, the Group contracted derivative financial instruments by acquiring USD 272,000,000 and GBP 130,000,000 in Zero Cost Collar, thus guaranteeing total coverage of the estimated value of exposure for 2025.

Interest rate hedge

During the second quarter of 2024, the Group contracted two swaps in the amount of Euro 50,000,000 each to fix the interest rate associated with the Navigator 2024-2029 bond loan and the Navigator 2024-2031 bond loan, in the amount of Euro 50,000,000, each, both starting in June 2024.

During the first quarter of 2024, the Group contracted two swaps in the amount of Euro 50,000,000 each, to fix the interest rate associated with the Navigator 2024-2031 bond loan in the amount of Euro 100,000,000, both starting in November 2024.

As a result, it was possible to hedge the interest rate risk on credit lines amounting to Euro 535,000,000.

Energy Hedging

In the first quarter of 2024, the Navigator Group entered into Swaps to fix the purchase price of electricity and natural gas for a volume of approximately 199,740 MWh of electricity and 581,064 MWh of natural gas, starting in 2025, covering approximately 25% of its needs.

Commodities Hedging – BHKP

The Navigator Group uses derivative financial instruments in order to minimise the exposure risk associated with the variation of the pulp price, indexed to PIX, in USD. During the second quarter of 2023, the Group entered into a Swap valued at USD 7,092,000 to fix the price of short fibre pulp (BHKP) for 2024. Moreover, in the first quarter of 2024 the Group contracted a new Swap in the amount of USD 23,400,000 to fix the sale price of short fibre pulp (BHKP), however, as at 31 December 2024 both instruments had expired.

Estimates and judgements

Fair value of derivative financial instruments

Whenever possible, the fair value of derivatives is estimated on the basis of quoted instruments. In the absence of market prices, the fair value of derivatives is estimated through the discounted cash-flow method and option valuation models, in accordance with prevailing market assumptions.

Accounting policies

The fair value of derivative financial instruments is included under Payables (Note 4.3), when negative, and under Receivables (Note 4.2), when positive.

In accordance with IFRS 9 - Financial Instruments, the Group has opted to continue applying the hedge accounting requirements of IAS 39 - Financial Instruments, until there is greater visibility on the Dynamic Risk Management (macro hedging) project currently in progress.

Whenever expectations of changes in interest or exchange rates so justify, the Group hedges these risks through derivative financial instruments, such as interest rate swaps (IRS), interest rate and foreign exchange collars, forwards, etc.

Trading derivative financial instruments

Although the derivatives contracted by the Group represent effective economic hedges of risks, not all of them qualify as hedging instruments in accounting terms to satisfy the applicable rules and requirements. Instruments that do not qualify as hedging instruments are recorded in the Consolidated statement of financial position at their fair value and changes are recognised in Net financial results (Note 5.10), when related to financing operations, or in External services and supplies (Note 2.3) or Revenue (Note 2.1), when referring to hedging of sales receivable flows in a currency other than the presentation currency.

Derivative financial instruments - hedging

Derivative financial instruments used for hedging purposes may be recognised as hedging instruments provided that they comply, cumulatively, with the conditions set out in IAS 39.

Cash flow hedging (interest rate, exchange rate and commodity risk - BHKP)

In order to manage its exposure to interest rate risk and exchange rate risk, the Group enters into cash flow hedges.

Those transactions are recorded in the Interim consolidated statement of financial position at their fair value, if considered effective hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow

hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Accumulated amounts in equity are reclassified to profit/(loss) in the periods when the hedged item affects the Income statement (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement under Net financial results (Note 5.10). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity is recycled to the income statement, unless the hedged item is a forecast transaction, in which case any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

Derivative financial instruments used by Navigator Group

Foreign exchange trading derivatives

The Navigator Group has a currency exposure on sales invoiced in foreign currencies, namely US dollars (USD) and pounds sterling (GBP). As the Group's financial statements are presented in Euro, it is exposed to an economic risk on the conversion of these currency flows to the Euro. The Group is also required, albeit to a lesser degree, to make certain payments in those same currencies which, for currency exposure purposes, act as a natural hedge. Thus, the hedge is aimed at safeguarding the net value of items in the statement of financial position denominated in a currency other than the presentation currency against the respective currency fluctuations.

The hedging instruments used in this operation are foreign exchange forward contracts covering the net exposure to currencies other than the presentation currency, for amounts and due dates close to that exposure. The nature of the risk hedged is the change in the book value on sales and purchases expressed in currencies other than the presentation currency. At the end of each month, the balances of Trade receivables and Trade payables expressed in foreign currency are updated, with the gain or loss offset against the fair value change of the forwards negotiated.

Cash flow hedge | Exchange rate risk EUR/USD and EUR/GBP

The Group makes use of derivative financial instruments in order to limit the net exchange risk associated with sales and future purchases estimated at USD and GBP.

Cash flow hedge | Interest rate

The Navigator Group hedges future interest payments associated with commercial paper issues by hiring an interest rate swap, which pays a fixed rate and receives a floating rate. This instrument is designated as hedge of cash flows from the commercial paper programme and the bond loan.

Cash flow hedge | Commodities - BHKP

The Navigator Group uses derivative financial instruments in order to minimise the exposure risk associated with the variation of the pulp price, indexed to PIX, in USD

8.3. Financial assets and liabilities

8.3.1. Categories of Group Financial Instruments

The financial instruments included in each caption of the consolidated statement of financial position are classified as follows:

Amounts in Euro	Note	Financial assets at amortised cost	Derivative financial instruments - hedging	Trading derivative financial instruments	Non-financial assets	Total
31 December 2024						
Non-current receivables	4.2	13,142,937	-	-	-	13,142,937
Current receivables	4.2	361,625,103	21,022,301	-	114,051,217	496,698,621
Cash and cash equivalents	5.9	286,628,866	-	-	-	286,628,866
Total assets		**661,396,907**	**21,022,301**	**-**	**114,051,217**	**796,470,425**
31 December 2023						
Non-current receivables	4.2	44,399,506	-	-	-	44,399,506
Current receivables	4.2	311,882,736	18,444,025	1,014,913	93,399,299	424,740,973
Cash and cash equivalents	5.9	169,464,967	-	-	-	169,464,967
Total assets		**525,747,210**	**18,444,025**	**1,014,913**	**93,399,299**	**638,605,447**

Amounts in Euro	Note	Financial liabilities at amortised cost	Derivative financial instruments - hedging	Trading derivative financial instruments	Financial liabilities outside the scope of IFRS 9	Total
31 December 2024						
Interest-bearing liabilities	5.7	903,977,752	-	-	-	903,977,752
Lease liabilities	5.8	-	-	-	111,736,900	111,736,900
Payables	4.3	769,419,687	4,680,187	1,631,313	-	775,731,187
Total liabilities		**1,673,397,439**	**4,680,187**	**1,631,313**	**111,736,900**	**1,791,445,839**
31 December 2023						
Interest-bearing liabilities	5.7	659,344,463	-	-	-	659,344,463
Lease liabilities	5.8	-	-	-	69,996,821	69,996,821
Payables	4.3	612,025,754	608,037	5,083,781	-	617,717,572
Total liabilities		**1,271,370,217**	**608,037**	**5,083,781**	**69,996,821**	**1,347,058,856**

8.3.2. Fair value of financial assets and liabilities

Financial assets and liabilities measured at fair value

	2024			2023		
Amounts in Euro	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss						
Hedging derivatives (Note 8.2)	-	-	-	-	1,014,913	-
Hedging financial instruments (Note 8.2)	-	21,022,302	-	-	18,444,025	-
Assets measured at fair value						
Biological assets (Note 3.8)	-	-	115,250,198	-	-	115,591,979
Total assets	**-**	**21,022,302**	**115,250,198**	**-**	**19,458,938**	**115,591,979**
Financial liabilities at fair value through profit/(loss)						
Hedging derivatives (Note 8.2)	-	(1,631,313)	-	-	(5,083,781)	-
Hedging financial instruments (Note 8.2)	-	(4,680,187)	-	-	(608,037)	-
Total liabilities	**-**	**(6,311,501)**	**-**	**-**	**(5,691,818)**	**-**

Estimates and judgements

Fair value of fixed-interest interest-bearing liabilities

The fair value of these liabilities is calculated using the discounted cash flow method at the reporting date, using a discount rate in accordance with the characteristics of each financing, belonging to level 2 of the fair value hierarchy of IFRS 13.

Accounting policies

The fair value of financial instruments is classified according to the fair value hierarchy of IFRS 13 - Fair Value Measurement:

Level 1 Based on quotes from active net markets at the reporting date.

Level 2 Determined using evaluation models, whose main inputs are observable in the market.

Level 3 Determined using evaluation models, the main inputs of which are not observable in the market.

9. Operational risk management

The Group operates in the forestry sectors, in the production of eucalyptus for use in the production of BEKP pulp, which it incorporates essentially in the production of UWF and tissue paper but is also sold in the market, and in energy production, essentially through the forest biomass that is generated in the BEKP production process.

All the activities in which the Group is involved are subject to risks which could have a significant impact on its operations, its operating profit/(loss), the cash flow generated and in its financial position.

The risk factors analysed in this chapter can be structured as follows:

i. Specific risks inherent to the sectors of activity in which the Navigator Group operates:

- Risks associated with the forestry sector (Note 9.1.1)
- Risks associated with the production and sale of BEKP pulp, UWF paper and tissue paper (Note 9.1.2)
- Risks associated with the production of energy (Note 9.1.3)
- Environmental risks (Note 9.1.4)
- Human resources and talent management (Note 9.1.5)
- Information systems and cybersecurity (Note 9.1.6)
- Other risks associated the Group's activity (Note 9.1.7)
- General context risks (Note 9.1.8)

ii. Group risks and the way it performs its activities.

The Group has a risk-management programme in place which is focused on the analysis of the financial markets in order to mitigate the potential adverse effects on its financial performance. Risk management is conducted by the Finance Department in accordance with policies approved by the Board of Directors. The Finance Department evaluates and undertakes the hedging of financial risks in strict coordination with the Group's operating units.

The Board of Directors provides the principles of risk management as a whole and policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk, the use of derivatives and other non-derivative financial instruments and the investment of liquidity surplus. The Risk Management Department monitors the implementation of risk management policies defined by the Board of Directors.

9.1. Specific risks inherent to the sectors of activity in which the Navigator Group operates

9.1.1. Risks associated with the forestry sector

As at 31 December 2024, the Navigator Group managed around 109,9 thousand hectares (2023: 109.0 thousand hectares) distributed across Portugal and Spain, in 1,410 Management Units in 169 municipalities in Portugal, and 54 Management Units distributed across 2 provinces in Galicia and 1 province in Asturias, Spain, in accordance with the principles set forth in its Forestry Policy. Eucalyptus and areas under ongoing afforestation with this sort of species occupy 73% of this area, namely the Eucalyptus globulus species, deemed to have the perfect fibre for high-quality papers. In the remaining area, in addition to conservation areas that account for about 11.5% of the total area under management in Portugal, pine and cork oak forests are among the largest privately owned national producers.

As a pioneer in Portugal in promoting certified forest management, most of its forestry assets located in Portugal are certified by FSC® (Forest Stewardship Council®) (FSC®-C010852) and by PEFC (Programme for the Endorsement of Forest Certification schemes) (PEFC/13-23-001), recognition that management of these areas is carried out in an environmentally, economically and socially responsible way, following a strict and internationally recognised criteria.

Navigator operates in sophisticated markets around the world where the demand for certified products is an unavoidable reality. Since only a small part of the national forest is certified, in 2016, the Company started a programme to encourage producers to join sustainable forest management models that, once certified, allow the continuous improvement of management practices, the production valuation and the answer to the demand for certified products that is felt worldwide. This effort has been increasing the area of certified forest in Portugal between 2016 and 2024 both via FSC® (from 370,000 ha to around 649,000 ha) and PEFC (from 260,000 ha to around 331,000 ha).

Even so, it is clear that the effort should continue in the future, given the weight that still represents the forest area not covered by any sustainable forest management system in Portugal. As an example, at the end of 2024 the forestry area managed by the Navigator Group, although it represents about 3% of Portugal's total forested area, it represents, however, 33% of all certified Portuguese forests by PEFC standards and 17% of all certified Portuguese forests by FSC® standards (2023: 34% and 19%, respectively.

We are, however, optimistic about the path taken, which demonstrates the adherence of Forestry Production to sustainable forest management models. In 2024, 73% of wood from national sources, excluding wood from areas managed by the group, already came from properties that had their forest management certified (2023: 68%). It should also be noted that, within this initiative, the Group has seen a significant increase in the number of wood Supplier chain of custody / liability certification, representing a step further on the development of a Supplier's portfolio which will make it possible to ensure the purposes defined in terms of wood from sources with certified forest management.

As a way of promoting the certification of forest management in the national eucalyptus forest, since 2007, the Group has continuously differentiated the value of the wood received at its factories, positively discriminating in the price of wood from management units that have certified their management. sustainable forestry. This support to the system was innovative worldwide and allowed the stabilization of forest management certified as a practice recognized in the market and which, being remunerated in the products it incorporates, must remunerate the respective production chain.

In addition, to demonstrate its ongoing commitment to its sustainable development objectives, in June 2022 the Group issued a Euro 150 million bond under the Sustainability Linked Bonds framework, with an interest rate linked to three ESG indicators: CO_2 emissions (EU ETS basis); % of certified wood purchased in the Portuguese market; energy consumption from renewable sources. Since then, this commitment has been extended, which was most evident in 2024, with the issue of several loans (bonds or commercial paper) amounting to Euro 300 million, with the same features.

At the end of the year, the lines contracted with costs associated with ESG indicators, or drawn from financial market lines relating to environmental investments, represented 66% of the total contracted.

The Group was awarded Land Use and Use Rights (DUAT) in Mozambique, located in the provinces of Manica and Zambezia, comprising about 50 non-contiguous plots, and a planting permit for up to 240,000 hectares, made available under the Investment Agreement signed with the Mozambican Government, of which around 14,000 thousand hectares have been planted. The project foresees the installation of an industrial unit for the production of BEKP pulp and electric power in that country.

The Mozambican Government and Portucel Moçambique signed a Memorandum of Understanding (MoU) through which they agreed on a set of preceding conditions required to proceed with the investment, namely and particularly of a logistical nature, which will be implemented in two phases. Once the above conditions have been met, in the first phase, the forest base will be increased to approximately 40,000 hectares, which will guarantee the supply of a unit (to be built) for the production of eucalyptus wood chips for export with a capacity of around 1 million tons per year, in an estimated additional investment of USD 160 million.

Due to the repeated delays in guaranteeing the conditions precedent to the start of construction of this infrastructure, Portucel continues to evaluate the possibility of alternative logistical solutions, either through the port of Nacala or by implementing a temporary solution in Macuse.

Navigator and the Government of Mozambique have been working under the terms of the MoU signed, namely on the theme of land and development, having advanced the first Forest Development programme in Mozambique, a Government initiative with funding from the World Bank. The goal is to promote small and medium-scale sustainable commercial forest plantations and the restoration of degraded areas, with about 3,000 ha of eucalyptus plantations already in full production. The plan is to plant additional 1,000 hectares in the 2024-2025 campaign. Since the beginning of the programme, Portucel Moçambique plays an active role in developing and implementing the programme, providing a range of support, defining the forestry model, supplying cloned plants at subsidised prices and access to raw materials and sharing know-how.

In 2024, the harvesting of wood from Portucel Moçambique's plantations in Manica and Zambézia continued, for export from the port of Beira and for supply to the local veneer production industry recently established in the two provinces, which will allow, among other objectives, the work to position Mozambique on the world map of this forest-based industry to continue. In 2024, approximately 50,000 m^3 of wood were harvested, with one shipment to Portugal amounting to around 34,000 m^3, and a total export volume of 285,000 m^3 through 9 ships.

In terms of forestry production, the main factor threatening the competitiveness of the eucalyptus forestry sector lies in the low productivity of the Portuguese forest, which has a low intensity of management, which contributes to decreasing profitability and increasing risks of forest fire and plant health. The combination of all these factors, in recent years, without any strategic measures of the State in the industry, has forced the import of raw material, a process conditioning the profitability of all players. Since the entire forest-based industrial production sector depends on the availability of raw materials in the quality and quantity necessary to maintain the industrial units in our country, it is shocking to conclude that the lack of investment in the rehabilitation of national forest areas is currently jeopardising the sustainability of such an important sector for Portugal, both economically, environmentally and socially (given the impact it has on local populations and economies).

The Group considers the challenge of productivity and active forest management as a strategic axis of development. As a company with responsibilities in the sector, Navigator has been promoting several initiatives aimed at helping to reverse this trend. These initiatives cover several areas, from the supply of improved plants from a genetic improvement program with decades of development, technical support to forestry producers (with programs such as Premium, e-globulus and technical support through dozens of actions of training that, complementing those organized with the Suppliers we use, extend the transfer of knowledge to other companies in the sector).

One of the initiatives and projects developed in 2023 was the launch of "Clube Produtores Florestais Navigator", a pioneering initiative aimed at all those who make a living from forestry in Portugal, with the aim of supporting the company's partners in

a collaborative way in the implementation of active and responsible forest management. The “Clube Produtores Florestais”, launched by Navigator in November 2023, had over a hundred members by the end of the year. This figure highlights the need in the country for a movement to enhance the capacity and competitiveness of forestry industry players.

Navigator believes that investing in the training and development of all players, through innovation in mechanical means and in attracting, valuing and retaining human resources, as well as increasing the national area in which best forestry practices are applied and all certification requirements are met, creates benefits that go far beyond strengthening the eucalyptus sector. It helps reducing the risk of fires, lowering CO_2 emissions, increasing biodiversity through conservation areas, and boosting the economy in the country's inland.

Moreover, through Biond (an association of forest-based bio-industries, representing the main industrial groups in the sector), Navigator has also collaborated in the “Melhor Eucalipto” Programme, in which “Limpa & Aduba” is developed. Under this initiative, Biond carries out at its own expense the fertilisation of the plots of land owned by private individuals who apply to the programme,and who control the spontaneous vegetation on their eucalyptus forest properties. This measure, empowering productivity, also enables a reduction in the risk of wildfire by reducing the fuel load on plots, impacting more than 90,900 ha by 2024 (after 6 annual campaigns) and 9,790 beneficiaries supported, most of them smallholdings, with visible effects on productivity and reducing the incidence of fires. Biond is also implementing 2 additional programmes - “Replantar” - which aims to provide landowners with direct financial support for the replanting of their eucalyptus forest plots, as well as an initiative of the same nature - Recuperação de Áreas Ardidas - aimed at the recovery of burned areas hit by fires, seeking the rehabilitation of these areas for forest management, having intervened in 1,293 ha in 3 projects in 2024 (2023: 331 hectares) and developing the Projeto Melhor Floresta (Better Forest Project), which aims to benefit 1,640 ha of diverse forest owned by private landowners by 2025.

In addition to the risks related to the impacts of rural fires and plant health, there is a regulatory environment that strongly affects professional forestry activity, leading to a continued decrease in the levels of forestry intervention at scale, whose leading indicator is the evolution (continuous reduction) of forested or reforested areas in our country. The sustainability of an entire sector, based on a large number of small suppliers of services and products, is dependent on the activity levels (regardless of the species) that our country has not been able to ensure. This compromises the sustainability of this business network, which is essential to ensure the interventions in rural areas that reduce risk and promote productivity and income in regions of the country where the forest is a significant component of the income of many families.

The Navigator Group’s activity is exposed to risks related to fires in rural areas, including:

i. Destruction of current and future wood inventory, belonging to the Navigator Group as well as to third parties; and

ii. Increasing costs of forestry and subsequent land preparation for plantation.

In this respect, the manner in which the Navigator Group manages its woodlands is the front line for mitigating this risk. In addition, the Innovation and Development effort is aimed at adapting forestry techniques to the reality of the national forest, with a view to mitigating impacts, reducing costs and improving management practices, by the Company and by market operators.

Among the different management measures undertaken by the Group, the respect for biodiversity conservation, a proper planning of the forest facilities to be implemented and the construction and maintenance of roads and access roads to each of the areas under development are particularly relevant in mitigating the fire risk.

In addition, The Navigator Company, together with the companies in the ALTRI group, owns a Forest Protection company - AFOCELCA - in the form of a Complementary Grouping of Companies. Its mission is to establish and maintain a nationwide forest protection system to respond to the threat of rural fires to the assets of the grouped companies (approximately 200,000 hectares) and the surrounding forest, always in close collaboration and sharing efforts with the other players in the Integrated Rural Fire Management System. It has an annual budget of more than Euro 4.5 million, supported exclusively by the companies in the grouping, without any sources of funding/support from public or EU funds.

The Group also has a research institute, RAIZ, established in 1996 in partnership with three universities, a pioneering initiative in Portugal that reflects Navigator's commitment to innovation and sustainability.

Its activities are focused on research, innovation and specialised services in the eucalyptus forestry-industrial sector, promoting more productive and resilient forests, more efficient industrial processes and developing innovative and sustainable forest-based bioproducts.

It has 95 employees, 30% of whom are PhDs, and is one of the 10 organisations with the most international patents in Portugal.

Their activity is aligned with the Company's purpose: “It is people, their quality of life and the future of the planet that inspire and move us.” This positioning reflects our ongoing commitment to creating responsible value through sustainable, recyclable and biodegradable solutions, sourced from planted eucalyptus forests.

With solid investment in R&D and innovation geared towards sustainability and the circular economy, Navigator, through RAIZ, intends to continue to help Portugal consolidate and expand its position on the European innovation scene in the forest-based bioeconomy.

9.1.2. Risks associated with the production and sale of BEKP pulp, UWF paper and Tissue paper

Supply of raw materials

Navigator's own supply of wood (from its own assets and leases) for the production of BEKP pulp represented only around 13% of the Group's needs in 2024 (2023: 12%). As a result, the Company regularly has to purchase wood on the domestic market, on the Spanish market and on non-European markets, in 2024 Brazil and Uruguay.

As new forest plantations in Portugal are subject to approval by the relevant authorities and a policy of restricting land expansion limits the country's production potential, Navigator has developed a number of initiatives to support forest producers, including technical support for the replanting/maintenance of eucalyptus plantations, certification of forest management to meet commercial demand for certified products (paper and pulp) and incentives to maximise the productivity of existing areas, thereby contributing to better national forest management and consequently greater availability of raw materials.

As there is not enough wood produced in Portugal to meet our needs, the Group usually has to import wood from Spain and outside Europe (Brazil and Uruguay) to supply the plants with eucalyptus species that are generally purchased with similar specific consumption to the species in Portugal, although due to the distance to be travelled between origins (Brazil and Uruguay) and destinations (Portugal) and the use of transport, the overall cost, for these reasons alone, is higher than the cost of wood purchased in Portugal, which has risen substantially in the last 10 years.

On 31 December 2024, a 10% decrease in the cost per m3 of eucalyptus wood consumed in BEKP pulp production would have had a negative impact in the Navigator Group’s operating results of approximately Euro 37,800,000 (31 December 2023: Euro 37,800,000).

For other raw materials, including chemicals, the main risk identified is the scarcity of products under the growing demand for these products in emerging markets, particularly in Asia and markets supplying them, which can create occasional imbalances of supply and demand.

In this regard, the Navigator Group, together with the Altri Group, established in 2018 a Complementary Grouping of Companies - Pulp Chem, ACE – intended for the joint acquisition of chemical products, benefiting from economies of scale and thus mitigating this risk.

The Navigator Group seeks to mitigate these risks through proactive sourcing, by identifying sources of supply geographically dispersed, whilst seeking to secure long-term supply contracts that ensure volume, price and quality levels consistent with its requirements.

As at 31 December 2024, a 10% worsening in the price of chemical products would have represented a negative impact on the Group's operating results of around Euro 17,300,000 (31 December 2023: Euro 19,400,000).

Water

Considering that water is an important resource to the pulp and paper production process, the Group has taken on a special concern for its preservation, and over the last few years, investments have been made to reduce its use. As part of the Group's Water Use Reduction Programme (PRUA - "Programa de Redução do Uso de Água"), it has been possible to reduce the specific use of water in Navigator's industrial complexes in Portugal by 8.5% between 2019 (base year) and 2024, and it is expected that the use of this resource will be reduced by at least 33% by 2030. This is part of a comprehensive strategy that is being pursued rigorously, bringing the Group closer to achieving the goals of its "Agenda 2030".

In addition to reducing the use of water in industrial processes, achieved through major investments, particularly in reuse processes and the closing of circuits, Navigator maintains effective control over the quality of industrial effluents. In this way, Navigator ensures that the quality of its industrial effluents complies with the strict discharge requirements established in the Water Use Permits (TURH).

Market Price for UWF paper, BEKP pulp and Tissue paper

Imbalances in the supply/demand ratio in the BEKP, UWF paper and tissue paper markets may have a significant impact on prices and, as a consequence, on the Group's performance. The market prices of BEKP pulp and UWF and Tissue paper are defined in the world global market in perfect competition and have a significant impact on the Navigator Group's revenues and on its profitability. Cyclical fluctuations in the prices of BEKP pulp and UWF and Tissue paper mainly arise from both changes in the world supply and demand and the financial situation of each of the international market players (Producers, Traders, Distributors, Customers, etc.), creating successive changes in equilibrium prices and raising the global market's volatility.

The BEKP pulp and UWF paper markets are highly competitive. Significant variations in existing production capacities could have a strong influence on world market prices. These factors have encouraged the Group to follow a defined marketing and branding strategy and to invest in relevant capital expenditure to improve productivity and generate high-quality and differentiated products.

As at 31 December 2024, a 10% drop in the price per ton of BEKP pulp and of 5% in the price per ton of UWF paper and Tissue paper sold by the Navigator Group in the period, would have represented an impact on its operating results of approximately Euro 23,900,000 and Euro 86,700,000, respectively (31 December 2023: Euro 24,900,000 and Euro 76,400,000, respectively).

Demand for the Navigator Group's products

Notwithstanding the references below to the concentration of the portfolio of the Navigator Group's Customers, any decrease in demand for BEKP, UWF and tissue paper in the European and the United States markets could have a significant impact on the Navigator Group's turnover. The demand for BEKP produced by the Group also depends on the evolution of the capacity for paper production in the world, since various Navigator Group's major Customers are themselves paper producers.

The demand for uncoated printing and writing paper has been historically related with macroeconomic factors (e.g., GDP growth, employment, particularly in white collar jobs, confidence indices), technological (e.g., penetration of information technology and hardware / software, and demographic (e.g., population, average level of education, age structure of society). The evolution of these factors drives the demand for paper positively or negatively, and in the recent past, the trend of paper consumption is negative in the more developed countries and positive or stable in the emerging / developing countries. Naturally, the performance of the Navigator Group also depends on the evolution of demand in the various markets in which it operates.

Regarding the demand for eucalyptus market pulp, this is largely dependent on the production progress in the non-integrated producers of printing and writing paper, tissue and speciality papers. Chinese demand for this type of pulp represents more than 1/3 of the world's demand, making China one of the most breakthrough drivers of demand.

Regarding Tissue segment, the key variables affecting the demand are:

- Expected future economic growth;
- Population growth and other social and demographic changes;
- Level of development of the service sector, namely tourism;
- Hygiene standards and product penetration levels;
- Developments in the quality of Tissue paper and product specifications; and
- Substitution effects.

Tissue paper consumption is not very sensitive to cyclical economical changes, although it tends to grow faster with higher economic growth. On the other hand, an increase in production costs and, consequently, sales prices can create a downgrading effect on consumption.

The importance of economic growth for the consumption of Tissue is more obvious in developing countries. When the level of the income per capita is very low, the consumption of Tissue tends to be low. There is a threshold after which consumption accelerates. Economic growth allows greater penetration of the product, which is one of the main drivers of demand for such paper in the population with lower incomes. In economies with strong dependence on tourism, a gradual recovery in consumption by the professional sector is expected, as restrictions on mobility are lifted and tourist flows are normalized. The Tissue paper is a product that does not face major threats of substitution by other materials, and there are no expected changes at this level. In contrast, changes in hygiene and cleaning standards that may be associated with the current health crisis will tend to boost Tissue consumption.

Consumer preferences may have an impact on global paper demand or in certain particular types of paper, such as the demand for recycled products or products with certified virgin fibre.

Regarding this matter, and in the particular case of UWF and Tissue paper, the Navigator Group believes that the marketing strategy and branding that has been followed, combined with the significant investments made to improve productivity and produce high quality and innovative products, allow it to deliver its products in market segments that are less sensitive to variations in demand, resulting in a lower exposure to this risk.

Energy

The pulp and paper production process are dependent on the constant supply of electric and steam energy. The Group has several cogeneration combined heat and power production units, which supply steam to the process, and redundancies have been planned between the various units in order to mitigate the risk of any unplanned shutdowns.

Moreover, the Group owns two biomass power plants that are independent of the pulp and paper production process and are dedicated to the production of renewable electricity for sale to the grid.

Under the current regulatory framework, all electricity generated from renewable cogeneration is sold to the grid under the general remuneration scheme established by Decree-Law 23/2010 of 25 March, republished by Decree-Law 68 A/2015 of 30 April, in its current wording.

The sale of electricity produced by the group's renewable cogeneration plants is covered by the special remuneration regime for cogeneration, established by Decree-Law 23/2010 of 25 March, in its current wording. In turn, the Setúbal Natural Gas Combined Cycle Power Station is covered by the general modality under the same law.

In 2024, The Navigator Company provided the Frequency Restoration Reserve Band service with manual activation for consumer agents under the terms of Procedure 15 of the Manual of Procedures for Global System Management (MPGGS). This service, rendered by electricity consumers authorised for this purpose, contributes to the security of the national electricity system.

As at 31 December 2024, a 10% worsening in the price of electricity would have represented a negative impact on the Group's operating results of around Euro 9,300,000 (31 December 2023: Euro 5,500,000).

Country risk - Portugal

The Navigator Group has a strong presence in Portugal. Its activity is based on assets mainly located in Portugal. Similarly, around 20% of its raw material comes from Portuguese forests.

The Group is the third largest exporter in Portugal and the largest generator of National Added Value, representing approximately 1% of the national GDP, about 2.5% of national exports of goods, close to 6% of total containerised cargo exported by national ports.

Although open to the world, the strong dependence of its country of origin in terms of production factors exposes the Group to Portugal's risk index.

Country risk– Mozambique

Due to the investment in the Mozambican project, the Navigator Group is exposed to the specific risk in this country. However, consideration has been given to investments in terms of timing, choice of suppliers/partners and geographical location, taking this risk into account, and the Group ensures that these steps are taken with reasonable certainty that there will be no effects arising from the risk. As a result of the electoral cycle that took place in Q4 2024 and the political and social instability that followed it, the company is monitoring and evaluating the possible need for any adjustments to be made.

At this moment, the Mozambique project is essentially a forestry project, with an option to develop an industrial project. The planned investment will be implemented in two phases, the first being a ship production (woodchip) project and a second phase the construction of a large-scale pulp mill. The Group is, however, prepared to move forward with the forestry plan foreseen, once the necessary conditions—most of which are under discussion with the Mozambican authorities—are met.

Until 31 December 2024, the expenses incurred in this project amount to Euro 142.2 million (31 December 2023: Euro 137.4 million), mainly related to plantation, land preparation and forest maintenance, to the programme for land management, environmental and social licensing, training, and the construction of what is now one of Africa's largest forest nurseries.

Considering that Navigator is still working on the conditions above for Phase 1 of the MoU, as previously mentioned, the estimated probable liabilities are duly provisioned.

Country risk - US

The US market has a significant weight in the total turnover of UWF paper, increasing the exposure to the country’s specific risk.

This exposure requires a careful evaluation of the impacts resulting, for example, from changes in regulations and taxes, or even from their application and interpretation by Governmental entities and tax authorities.

Similarly to producers of other nationalities (Australians, Brazilians, Chinese and Indonesians), with regard to UWF paper imports to the USA, the Group has, since 2015, been the target of anti-dumping measures by the Department of Commerce of this country, and its products are subject to anti-dumping duties defined by the United States Department of Commerce - see Note 4.2. Until 2024 these duties affected the Group's earnings by Euro 32,636,4187 - review periods 1 to 9 (2023: €30,295,018).

Country risk – United Kingdom

With the purchase of the Navigator Tissue UK Group, the Navigator Group is more exposed to this country's risk as well as exposure to the GBP.

The UK tissue market faces risks related to fluctuating raw material costs, rising energy prices and pressure for greater environmental sustainability with stricter regulations. In addition, there are challenges arising from changes in consumer habits, global competition, disruptions in supply chains and new government policies. The adoption of advanced technologies also represents a financial risk, requiring companies to constantly adapt in order to remain competitive and meet market expectations.

Faced with these challenges, the Navigator Group's presence in the UK tissue market requires strategic management to mitigate financial, currency, regulatory and operational risks, but this market continues to offer opportunities, especially for companies that manage to balance production efficiency, differentiation, and an agile response to changes in the sector.

Competition

Increased competition in the paper and pulp markets may have a significant impact in price and consequently, in the Group’s profitability.

The pulp and paper markets are highly competitive and thus the entry into the market of new production units with increased available production capacity could have a relevant impact on prices worldwide.

BEKP producers from the southern hemisphere (namely from Brazil, Chile, Uruguay and Indonesia), with significantly lower production costs, have been gaining weight in the market, undermining the competitive position of European pulp producers. This year and next, capacity increases are planned in South America, strengthening the position of these producers in the global market.

These factors have forced the Navigator Group to make significant investments in order to keep production costs competitive and produce high-quality products as it is likely that this competitive pressure will remain strong in the future.

There has been some disinvestment in the paper sector in the US and Europe, with closures/conversions of installed capacity by some UWF producers, in a clear attempt to adjust supply according to the negative evolution of demand. On the contrary, investments in new UWF capacity in China in the short- and medium-term have occurred and are expected.

The Navigator Group has been adjusting its commercial strategy to the evolution of regional consumption patterns and, although Europe remains its main market, it now has a significant presence in the United States and North Africa.

The turnover intended to the European markets represented 62% (2023: 63%), achieving particularly strong market shares in Western European countries and relevant market shares in the other main European markets.

Concentration of Customers' portfolio

As at 31 December 2024, the Group's 10 main BEKP Customer groups accounted for 12% of the period's production of BEKP pulp (2023: 9%) and 45% of external sales of BEKP pulp (2023: 28%). This asymmetry is a result of the strategy pursued by the Group, consisting of a growing integration of the BEKP pulp produced into the UWF and Tissue paper produced and sold. Nevertheless, the Group believes there is little exposure to risks of Customer concentration in the marketing of BEKP pulp.

In 2024, the Navigator Group maintained its dependence on its 10 largest UWF customer groups compared to 2023, which accounted for 35% of the Group's sales volume.

The Navigator Group recorded 146 (2023: 134) new paper Customers with sales in 2024. Also, regarding UWF paper, the Group follows a strategy for mitigating the risk of concentration in its customer portfolio. The Navigator Group sells UWF paper to 133 countries and to around 1,000 individual Customers, thereby allowing a dispersion of the risk of sales concentration in a reduced number of markets and/or Customers.

In 2021, the Navigator Group launched its omnichannel platform, NVG Hub, to improve the level of service, transparency and information provided to its customers. The omnichannel platform, NVG Hub, strengthened the relationship and services available to all customers, representing 20% of items submitted online and high subscription rates in the various business areas available (UWF, Tissue, Packaging, Moulded Pulp). 2024 was also marked by the launch of a new 'pure e-commerce' business model, aimed at selling by the pallet to smaller customers, with direct deliveries between 24-72 hours, in strategic markets for UWF.

In the Packaging segment, the expansion of the offer continues with the development of new product ranges that will open doors to other high value-added segments in the short term, an evolution supported by the execution of market tests (177 in 2024) on more than 84 customers (of which 22 are already regular customers, and 62 new/potential customers). Of these tests, 29 are still ongoing.

The Packaging business, which is still developing a consolidated base in the international market, has seen the most favourable conditions for 'some' return to normality, recovering from the adverse conditions of 2023, a year marked by overstocking throughout the distribution chain, which was reflected in the slowdown and irregular behaviour of demand.

The development of the packaging business continues to show very promising signs, reflected in the growing customer base, the recognition of the quality of our Globulus eucalyptus fibre-based products and, consequently, of the gKRAFT™ brand, which serves brands with high exposure in sectors as diverse as fashion, food retail, e-commerce, industry, and agriculture.

This recognition is reflected in the evolution of the customer base, which today stands at more than 352 active customers (with sales) in 46 countries, since entering the business in 2021.Recognition that goes beyond commercial success: Navigator's work in the field of sustainable packaging solutions was honoured in 2023 with the National Innovation Award. In turn, the "From Fossil to Forest – Produtos de Embalagem Sustentáveis para Substituição do Plástico Fóssil" mobilizing agenda led by Navigator was recognised by Deloitte Portugal in the "Transformation Award – Projetos de transformação e de inovação com impacto no mercado" category.

Navigator bases its packaging paper offer on three macro gKRAFT™ segments: BAG, FLEX and BOX, which are subdivided into 12 segments for different applications, respectively addressing the Bags (retail, consumer and industrial bags) and Flexible Packaging (serving a wide range of flexible packaging for the food and non-food sectors, base substrates for adhesives, release liners', multilaminates for incorporation into the faces of thermal, sound and electrical insulation products, etc.), and boxes (corrugated boxes for value-added products and food packaging, including cardboard for producing paper cups, and food trays). These are products in which the innovative introduction of eucalyptus fibre qualities has been crucial to the enormous market acceptance already recognised.

Navigator has continued to develop new product ranges and grammages (especially low grammages) aimed at the food industry and a wide range of consumer products, whose testing and launch phase, which is still underway, represents a large-scale operation to reach new customers, supported by 177 market tests carried out in 2024. Developments included the creation of new product ranges, in particular innovative 100% eucalyptus products, and the extension to weights of up to 35 g/m2.

As part of the diversification of the packaging business, the project for the integrated production of eucalyptus-based moulded cellulose parts to replace single-use plastic packaging in the food service and food packaging market continues to progress as planned, having entered production expected in the second half of 2024 under the gKRAFT™ Bioshield brand. The plant will have a production capacity of around 100 million units per year, making it one of the largest in Europe and the first integrated plant in Southern Europe, entering a market with high potential and growth. Production started with 7 products for single-use applications in the food sector that are fully recyclable and/or compostable: 22cm plate, 17cm plate (dessert), 500ml bowl, 1 litre take-away container, tray (laminated for raw protein - beef, pork and poultry), fruit basket and espresso cup.

These 7 products have the production flexibility and scalability to take advantage of the many opportunities opening up to replace single-use plastics and aluminium. Concurrently, new products have been developed in partnership with national and international customers, and research and development work continues into new sustainable barrier property solutions, as well as testing commercial solutions.

It should be noted that this year our moulded fibre products, branded gKRAFT™ Bioshield, received certification of compliance for food contact with European Regulation (EC) 1935/2004 (food contact) and the German recommendation BfR XXXVI. Our gKRAFT™ Bioshield products thus become the first moulded fibre products in the world to comply with the BfR XXXVIA recommendation. This certificate was issued by the prestigious German laboratory ISEGA. The certification enables the commercialisation of products intended for the food segment, for contact with greasy, wet and dry foods, and applies to our entire tableware and take-away range.

The Packaging business volume stood at over 80 ktons in 2024 (reaffirming the growth rate of the first two years, which shows the strong acceptance of gKRAFT products by the market and the improvement in conditions during the year), representing a sales result of Euro 75 M.

Navigator's tissue business was in the spotlight this year, marked by the acquisition of what is now known as the Navigator Tissue UK Group, effective during the second quarter. The integration of this new unit is part of the Navigator Group's ambitious growth and diversification plan and reinforces its strategic position in the tissue market.

The volume of tissue sales (finished product and reels) reached 220,000 tonnes in 2024, which translates into an increase in volume of 55% compared to 2023 and equal sales growth in value of 55%. This evolution benefited from the entry of the capacity of the operation acquired in Spain in the second quarter of 2023, and the capacity of the Navigator Tissue UK Group in May 2024, which in addition to boosting sales growth, broadened the customer base and generated significant income from integration synergies.

International sales in the tissue business continue to grow, already accounting for 79% of the total volume in this segment, with the English and Spanish markets already accounting for almost two thirds of total sales, 31% each, and the French market accounting for 15% of sales. On the other hand, finished products accounted for 97% and reels for 3% of total sales, a mix improvement of 8 pp compared to 2023.

As far as customer segments are concerned, the At Home or Consumer (retail) segment has been growing in weight, currently accounting for 83% of sales (Away-from-Home and wholesalers account for the remaining 17%).

9.1.3. Risks associated with the production of energy

In 2024, the macroeconomic environment remained unstable, influenced by the war in Ukraine and the resurgence of conflict in the Middle East. In this context, energy prices, particularly for natural gas, remained high, albeit below the historical peaks resulting from the 2022 energy crisis.

The production of electricity is an important activity for the Group, enabling the valuation of an endogenous renewable resource, the biomass generated in the production of BEKP pulp. The energy generation assets also allow the Group's wood suppliers to generate additional income from the sale of residual forest biomass from their farms, and in this way contribute to reducing the risk of fire in the country.

The Group has played a pioneering role and has been promoting and developing a market for the sale of biomass for supplying its renewable cogeneration units and biomass power plants. The fostering of this market in a phase prior to the start-up of the new power-generating units has enabled it to secure a sustained raw-material supply network.

Existing incentives in Portugal only cover the use of residual forest biomass (RFB) for electricity generation, excluding the use of wood for this purpose.

In terms of legal framework, we highlight the following diplomas:

i. Decree-Law 68-A/2015 of 30 April, which establishes provisions on energy efficiency and cogeneration and amends Decree-Law 23/2010, of 25 March, and Order 140/2012, of 14 May, revised by Order 325-A/2012, of 16 October, applicable to the regime of PRE- Special Regime Production in cogeneration;

ii. For the For the Biomass Power Plants (CTB - "Centrais Termoelétricas a Biomassa") in operation, dedicated to the production of electricity the legal framework is supported by Decree-Law 33-A/2005, of 16 February, revised by Decree-Law 225/2007, of 31 May, which changes the guaranteed remuneration period for Special Regime Production (PRE - "Produção em Regime Especial") from 15 to 25 years. For these assets, the legal framework thus supports a tariff framework that is expected to be stable over the coming years.

   Moreover, Decree-Law 84/2022, which transposes the Renewable Energy Directive published in 2018 (Directive EU 2018/2001) into national law, sets the target of 49% for the share of energy consumption from renewable sources in gross final energy consumption by 2030. Among other relevant provisions, the Decree-Law establishes the sustainability criteria and the reduction of greenhouse gas emissions for the use of biomass fuels in electricity production.

iii. Decree-Law 15/2022 of 14 January establishing the organisation and operation of the National Electric System (NES), transposing Directive (EU) 2019/944 and Directive (EU) 2018/2021.

As the period for selling electricity from cogeneration plants under a special regime comes to an end, they will gradually switch to self-consumption, i.e. direct supply to industrial consumers, with any surpluses being sold on the market.

The Group is seeking to mitigate the risk associated with the activity by constantly seeking to optimise production costs and the efficiency of generation units, analysing new renewable energy generation projects, long-term energy contracting and active risk management, as well as promoting several photovoltaic solar energy projects in the self-consumption regime.

9.1.4. Environmental risks

Regulatory environment

In recent years, environmental legislation in the EU has become increasingly restrictive regarding the control of effluents. The companies within the Group comply with the current legislation in all aspects of their environmental licensing, specifically in adhering to the various environmental parameters for which Emission Limit Values (ELVs) are established.

In 2024, within the scope of the Single Environmental Licensing Regime in accordance with Decree-Law 75/2015 of 11 May, the Portuguese Environment Agency issued new environmental licences – Single Environmental Permits (TUA), where all licensing decisions in the environmental domain are recorded, consolidating all information regarding the environmental requirements applicable to the industrial establishment. These new licensing decisions consolidate the water use permits (TURH), the greenhouse gas emission permits (TEGEE), etc., and represent new compliance challenges in the domains of air, water, waste, and environmental noise.

In response to these new challenges, the Group is implementing its Carbon Neutrality Roadmap ("Roteiro para a Neutralidade Carbónica") that aims to implement, by 2035, changes in its production processes in order to minimise the use of fossil fuels and consequently reduce their CO_2 emissions.

To this end, the roadmap defined in 2019 includes projects based on the use of renewable energy sources, namely biomass and solar, with the aim of minimizing CO_2 emissions resulting from its activity and promoting the improvement of its energy performance.

On the other hand, under the terms set in Decree-Law 147/2008, dated 29 June that transposed directive 2004/35/CE to the national law, the Navigator Group secured the environmental insurances demanded by that law, thus guaranteeing compliance and reducing exposure to environmental risks.

Regarding the evolution of the EU Emissions Trading Scheme (EU ETS), the EU Directive 2018/410, of 14 March, was approved, amending Directive 2003/87/EC to reinforce the cost-effectiveness of emission reductions and investment in low carbon technologies. EU 2018/410 Directive sets out, among other things, the new EU ETS period to be in force between 2021-2030, which will show a reduction in the amount of CO_2 emission allowances allocated free of charge.

This development will bring increased costs for the transformation industry in general and in particular for the paper and pulp industry, without any compensation for the CO_2 that, annually, is absorbed by the forests of this industry.

In order to mitigate the impact of this change, the Group has long undertaken a series of investments of an environmental nature that, among other advantages, have allowed the continued reduction of CO_2 emissions.

In 2024 Navigator submitted a request to the national authority for the free allocation of emission allowances for the allocation period from 2026 to 2030 in accordance with article 13 of Decree-Law 12/2020 of 6 April, which transposes EU Directive 2018/410 - NIMs 2024 Process (National Implementation Measures).

Within the scope of the General Waste Management Scheme established in Decree-Law 102-D/2020, of 10 December, amended by Declaration of Rectification no. 3/2021 and by Law 52/2021, of 10 August, Navigator continues to make efforts to establish partnerships that enable the recovery of waste produced at its industrial establishments, in a circular economy logic.

Navigator monitors the European Commission's policy and legislative initiatives in areas such as the EU forestry and biodiversity strategies, the Renewable Energy Directive, the EU Emissions Trading System (EU ETS) as well as the EU taxonomy, the Non-Financial Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

The publication in the Official Journal of the European Union of the Corporate Sustainability Reporting Directive (CSRD) - Directive (EU) 2022/2464 established the sustainability reporting requirements for a broader range of companies, through the European Sustainability Reporting Standards (ESRS). In this context, and based on the established criteria, Navigator is already included in the first group of companies to implement the new directive and to report information related to the FY24 in accordance with the ESRS standards.

To this end, Navigator has reviewed its double materiality analysis as well as the methodologies applied to this period and aligns its non-financial reporting on materially relevant impacts, risks, and opportunities in accordance with the CSRD, in the Non-Financial Statements section of this Report.

Aiming to create a positive impact on People and the Planet, Navigator has maintained its commitment to fulfilling the commitments of its 2030 Agenda for responsible business management and achieving the corresponding objectives, integrated into the 2030 Roadmap and aligned with the Sustainable Development Goals (SDGs).

Among the goals of the 2030 Roadmap, those that contribute to combating Climate Change stand out, supporting SDG 13 (Climate Action) To achieve this, the Group is investing in a decarbonisation plan that includes, among other measures, the use of residual forest biomass to produce electricity from renewable sources, as well as the phased replacement of fossil energy consumption with less carbon-intensive energy sources and investment in photovoltaic solar energy.

The company is pursuing its climate science-based greenhouse gas (GHG) emission reduction targets, approved by the Science Based Targets initiative (SBTi), in 2022, a 'key element' for a net-zero decarbonisation path, as advocated in the Intergovernmental Panel on Climate Change (IPCC) report.

Since 2023, Navigator Group has reported information on the alignment of its economic activities with the EU taxonomy and implement the recommendations of the Task Force on Climate-related financial Disclosures (TCFD).

As a bioindustry on the right side of the future, based on the eucalyptus and pulp and paper industries, we promote a forest-based bioeconomy with potential positive impacts based on the sustainable management of our forests.

Good management of environmental, social and governance (ESG) risks and opportunities has led the Company to once again be distinguished as 'ESG Industry Top Rated' based on the assessment of the Sustainalytics rating agency and is classified as a 'Low ESG Risk Company' for Investors. Also in the CDP - Disclosure Insight Action assessment, Navigator maintained its position as a world leader in combating climate risks and deforestation, with an 'A' rating in CDP Climate, which earned it inclusion on the exclusive 'A-List' of companies.

For more detailed information on these and other initiatives under the Navigator Group's 2030 Agenda, we recommend consulting the Non-Financial Statements section in this Report.

9.1.5. Human resources and talent management

In 2024, work continued consolidating the Talent Management policies and processes that have been designed, digitised and implemented in recent years. Having implemented the policies governing the Performance & Careers area, 2024 was marked by significant progress in the area of the company's Career Paths.

The following stand out as relevant steps to meet the needs of employees and the challenges of the market:

- Continuation of programmes to attract young talents in order to meet the future needs of The Navigator Group and at the same time increase the employability of young people:
    - 50 internships for graduates and postgraduates;
    - 100 for future operators, the latter with a prior training programme carried out in partnership with the IEFP with a practical component in our mills;
    - 50 summer internships, including a corporate social responsibility component for employees' children; and
    - 20 curriculum development internships in corporate areas, industrial production techniques and laboratories.
- Reinforcement of our Employer branding strategy, through greater engagement of our internal ambassadors and revamping the external image of the programmes.
- A new mobility and career path model has been developed for the company's staff in accordance with the Job Family Model, with the aim of clarifying career paths and internal development opportunities, defining and bringing transparency to the associated criteria.
- Developed the Potential Assessment and Succession Planning process for critical functions at Navigator, with the aim of defining effective development and evolution plans, ensuring growth in the Company and the Group.
- As part of the remuneration policies and their alignment with the Job Family model, 2024 was marked by the continuation of communication sessions with the employees concerned with the aim of sharing the existing policies, their scope and rules of application with everyone.
- Work was also carried out on the implementation of the C&B policies to the reality of the units acquired by NVG, with face-to-face sessions already held at EJEA.
- In terms of training, there was a 23% increase in training hours, with a significant contribution from the Valences programme and the Industrial Challenge, both covering industrial teams.
- Implementation of various internal programmes to mobilise teams, generate ideas and bring them closer to the company's strategy and the Board of Directors, namely *Dia do Trainee*, *Future Leaders Fórum*, *Straight to the Top - revamp*, *Lembranças de Antiguidade*, *Fórum de Supervisores*;
- Implementation of programmes focused on the families of our employees, such as: Holiday camps (for employees' children) and Navigator Tours for family members, including children under 12, with specific, age-appropriate activities.
- The CRESCER project continued with the aim of having "committed and fulfilled" people, always in line with the company's purpose. More than 100 employees were involved in the project, so that the initiatives to be implemented were fully adapted to the reality of the organisation and created an increasingly robust dynamic of proximity and interaction. A number of initiatives have been implemented, including:
    - The Navigator Referral Programme, which allows Navigator employees to refer people from outside the organisation;
    - Navigator Excellence, a recognition programme that aims to create a culture of recognition across the organisation, recognising and thanking excellence and promoting pride and motivation in everyone;
    - Navigator Digital Forum, a face-to-face event with around 200 participants where the latest news in the company's technological development was shared, among others.
    - Lead Programme, a programme to develop leadership skills and transform teams, applied to all directors and EC, and to be extended to more leaders in 2025.
- A Pulse Questionnaire was conducted, complementary to the Climate Survey that we carry out every two years, with a view to analysing indicators that need to be improved, with an optional participation rate of 78%, covering all employees.

- 2024 was a year in which we strengthened our communication strategy aimed at industrial teams, by organising training for all the leaders and operational technicians in our industrial departments on topics related to the career plan and the annual and productivity bonuses.
- We have continued with the plan to develop and implement functionalities in the APPs available to all employees, with the aim of simplifying and reducing all administrative processes related to the employee lifecycle.
- We reinforced the availability of HR indicators on our dashboards, namely by making the leader's dashboard available, and we began integrating data from our companies outside Portugal (EJEA and Tissue UK).
- We have begun the process of reviewing the current Career Plan for our industrial technicians, involving internal teams and the organisations representing our workers.

9.1.6. Information Systems and Cybersecurity

The Navigator Group's information systems play a fundamental role in supporting the operation of its businesses.

Given the growing reliance placed on information technologies in the several geographies and business areas in which the Group operates, it is important to highlight the risk inherent to systems failures resulting from intentional actions such as computer attacks or accidental actions. The Navigator Group has cybersecurity policies and procedures in place, which are in line with industry standards and mitigate many of the risks.

In addition to its internal team, the Group uses outsourcing service providers for information systems to manage the digital workplace, infrastructure management and operation, as well as outsourcing contracts for the management and maintenance of applications. Moreover, in line with its business strategy, the Navigator Group is implementing a portfolio of digital transformation projects aimed at broadening and deepening the integration of digital technologies in all sectors of the organisation, boosting its operational efficiency and competitiveness in the market.

9.1.7. Other risks associated with the Group’s activity

The Group’s manufacturing facilities are subject to risks inherent to any industrial activity, such as accidents, breakdowns or natural disasters that may cause losses in the assets or temporary interruptions in the production process.

Likewise, these risks may also affect the Navigator Group’s main Customers and Suppliers, which would have a significant impact on the levels of the profitability, should it not be possible to find new Customers to ensure sales levels and new Suppliers that would enable the Group to maintain its current cost structure.

The Navigator Group primarily exports its production of UWF paper and Tissue paper. Consequently, transportation and logistics costs are materially relevant. A continuous rise in transport costs may have a significant impact in its earnings.

9.1.8. Context risks

The structural inefficiency of the Portuguese economy, which continues to be followed by management, adversely affects the Group's competitiveness, mainly in the following areas:

i. Ports and railroads;

ii. Roads, particularly those providing access to the Navigator Group’s mills;

iii. Territorial planning and forest fires;

iv. Low productivity of the country’s forests;

v. Lack of certification of most of the Portuguese forest; and

vi. Volatility of the fiscal policy and no reduction of the IRC rate, as well as non-elimination of the surcharges.

10. Provisions, commitments and contingencies

10.1. Provisions

Movements in provisions

Amounts in Euro	Legal proceedings	Other provisions	Total
01 January 2023	**5,106,975**	**23,325,900**	**28,432,877**
Increases	601,811	217,808	819,619
Reversals	(25,660)	(1,800,000)	(1,825,660)
Impact in profit/(loss) for the period	**576,151**	**(1,582,192)**	**(1,006,041)**
Change in the perimeter	-	105,854	105,854
Other transfers and adjustments	1,826,208	(1,521,612)	304,596
31 December 2023	**7,509,334**	**20,327,950**	**27,837,286**
Increases	462,589	169,728	632,317
Reversals	(600,139)	-	(600,139)
Impact in profit/(loss) for the period	**(137,550)**	**169,728**	**32,178**
Charge-off	-	15,339	15,339
Other transfers and adjustments	345,255	141,011	486,266
31 December 2024	**7,717,039**	**20,654,028**	**28,371,069**

No repayments of any nature are expected in respect of these provisions.

Legal proceedings

The outcome of provisions for legal proceedings depends on the labour or civil court decisions.

The balance as at 31 December 2024 is mainly composed of amounts relating to labour lawsuits and lawsuits with APA - Portuguese Environment Agency regarding the water resources rate.

Other provisions

The amount presented includes provisions to cover risks related to events of a different nature, the resolution of which may result in outflows of cash, in particular organisational restructuring processes, risks of contractual positions assumed in investments, among others.

In 2024 and 2023, Other provisions includes Euro 15.594.728 and Euro 15.500.000, respectively, related to the Mozambique project. Although the Memorandum of Understanding (MoU) signed with the Mozambican Government provided for a "best effort" commitment to create the necessary conditions to carry out the investment until last 31 December 2018, that was not possible until 31 December 2024, and both parties continued to work towards that goal.

The Group's uncertain income tax positions are disclosed in Note 6.1 - Income Tax.

Estimates and judgements

Legal and tax proceedings

These provisions were made in accordance with the risk assessments carried out internally by the Group with the support of its legal advisers, based on the probability of the decision being favourable or unfavourable to the Group.

Accounting policies

Provisions are recognised whenever the Group has a present legal or constructive obligation, as a result of past events, in which it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions for future operating losses are not recognised. Provisions are reviewed on the date of the statement of financial position and are adjusted to reflect the best estimate at that date.

The Group incurs expenditure and assumes liabilities of an environmental nature. Accordingly, expenditures on equipment and operating techniques that ensure compliance with applicable legislation and regulations (as well as on the reduction of environmental impacts to levels that do not exceed those representing a viable application of the best available technologies, on those related to minimising energy consumption, atmospheric emissions, the production of residues and noise), are capitalised when they are intended to serve the Group's business in a durable way, as well as those associated with future economic benefits and which serve to extend the useful lives, increase capacity or improve the safety or efficiency of other assets owned by the Group.

10.2. Commitments

Guarantees provided to third parties

Amounts in Euro	2024	2023
Guarantees provided		
Navigator guarantees for EIB loans	11,666,667	22,083,333
Ocean Network Express	2,751,947	2,751,947
AT - Tax and Customs Authority	9,288,070	-
Comissão Coordenação Desenvolvimento Regional	354,083	354,083
IAPMEI	-	1,280,701
Agência Portuguesa Ambiente	3,337,887	2,846,271
Simria	338,829	338,829
Other	1,193,505	838,256
	28,930,988	**30,493,420**

In the first half of 2024, a new bank guarantee was set up for the Tax and Customs Authority, in the amount of Euro 9,288,070, as a result of the notification received by The Navigator Company at the end of 2023, relating to the additional assessment of corporate income tax for 2019 resulting from adjustments made during a tax inspection. The Group decided to challenge this additional assessment and refrain from payment and from setting up this bank guarantee.

In the case of the Portuguese Environment Agency, bank guarantees were provided in the context of proceedings in litigation associated with the water resources rate for the years 2017 to 2022.

Purchase commitments

Amounts in Euro	2024	2023
Purchase commitments		
Property, plant and equipment – Industrial equipment	145,451,837	140,885,321
Energy	103,786,050	125,753,200
Wood		
Commitments with acquisitions in the subsequent period	251,400,000	265,000,000
Commitments to long-term acquisitions	56,900,000	102,600,000
	557,537,887	**634,238,521**

The Navigator Group's subsidiary Abastecimento de Madeira, ACE, signed a contract with Portline Ocean Bulk, Inc. for the chartering of ships to transport 940,000 m^3, initially planned for the period 2022, 2023 and 2024, which was extended to 2025 and 2026 without changing the overall volume to be transported.

Moreover, the Group has entered into energy purchase commitments amounting to Euro 125,753,200.

Purchase commitments of an operational nature, which are not reflected in the statement of financial position, include liabilities associated with long-term contracts for the supply of raw materials, products and services within the scope of The Navigator Company's activity. The value of the commitments has been estimated on the basis of the information available at the time, based on the contractual terms and the best information available at the time on the volumes and prices applicable for the remaining period of the contracts.

Other commitments

The Navigator Group has made a commitment to achieve carbon neutrality by 2035, with an estimated global investment of Euro 340 million, of which Euro 232.2 million have already been invested until 31 December 2024 (2023: Euro 137.6 million).

10.3. Contingent assets and liabilities

Public Debt Settlement Fund

According to Decree-Law 36/93 of 13 February, the tax debts of privatised companies relating to periods prior to the privatisation date (25 November 2006) are the responsibility of the Public Debt Settlement Fund (FRDP). The Navigator Company submitted an application to the FRDP on 16 April 2008, requesting the payment of the tax debts until then settled by the Tax Authorities. On 13 December 2010, The Navigator Company presented a new application requesting the payment of debts settled by the tax authorities regarding 2006 and 2003. This application was supplemented on 13 October 2011, with the amounts already paid and uncontested regarding these debts, as well as with expenses directly related to them, pursuant to court ruling dated 24 May 2011 (Case 0993A/02), which confirmed the Company's position regarding the enforceability of such expenses.

On 13 December 2017, The Navigator Company, S.A. has made an extra-judicial agreement with the Tax Authorities, in which it was acknowledged the FRDP´s responsibility for refunding the amount of Euro 5,725,771 corresponding to the amount of Corporate Income Tax (IRC) unduly paid, resulting from the alleged qualification/incorrect consideration, by the Tax Authorities, of the tax loss calculated as a result of the operations performed by Soporcel, S.A. in 2003, as well as to promote the reimbursement to Navigator of the mentioned amount.

In January 2023, the Court, while rejecting in their entirety the defendants' pleas in law, issued a judgement against the Navigator Group and acquitted the defendants of the claim relating to the 2006 aggregate corporate income tax. Following this decision, the Group appealed to the Supreme Administrative Court in February 2023.

Navigator was notified on 12 December 2024 of a ruling that upheld the formal objection raised by the Defendants and acquitted them of the claim relating to the aggregate corporate income tax for 2001 to 2005. Navigator was notified on 12 December 2024 of a ruling that upheld the formal objection raised by the Defendants and acquitted them of the claim relating to the aggregate corporate income tax for 2001 to 2005. Following this decision, the Group filed an appeal with the Central Administrative Court - South on 28 January 2025.

In this context, FRDP is liable for Euro 21,853,377, detailed as follows:

Amounts in Euro	Period	Amounts requested	Decrease due to RERD	Proceedings decided in favour of the Group	Outstanding amounts
Proceedings confirmed in court					
Corporate income tax	2002	18,923	-	-	18,923
Corporate income tax (FR)	2004	3,324	-	-	3,324
Corporate income tax	2004	766,395	-	(111,544)	654,851
Expenses		314,957	-	(314,957)	-
		1,103,599	**-**	**(426,501)**	**677,098**
Proceedings not confirmed in court					
Corporate income tax	2005	11,754,680	(1,360,294)	-	10,394,386
Corporate income tax	2006	11,890,071	(1,108,178)	-	10,781,893
		23,644,751	**(2,468,472)**	**-**	**21,176,279**
		24,748,350	**(2,468,472)**	**(426,501)**	**21,853,377**

Regarding the aggregate Corporate Income Tax proceedings of 2005 and 2006, if Courts come to a decision in favour of Navigator Group, the Group will withdraw the request made to FRDP.

Public Debt Settlement Fund - proceeding no. 774/11.3 BEALM

Additionally, a new petition was filed in the Administrative Court of Almada on 11 October 2011, which called for the repayment of various amounts, amounting to Euro 136,243,949. These amounts regard adjustments in the financial statements of the Group after its privatisation that had not been considered in formulating the price of its privatisation as they were not included in the documentation made available for consultation by the bidders.

On 24 May 2014, the Court denied the Navigator Group’s proposal to present testimony evidence, alternatively proposing written submissions. On 30 June 2014, the Group appealed against this decision, but continuously presented written evidence. The Court subsequently confirmed the Navigator Group’s views on this matter, both parts appointed experts and the partial expert report was issued on July 2017, being required either by The Navigator Company, S.A. either by the Ministério das Finanças, the attendance of both designated experts in court hearing, in order to provide oral explanations on the expert report.

Following claims filed by Navigator on 11 September 2017 and 15 January 2019, the experts submitted redrafted Expert Reports on 27 December 2018 and 19 March 2019, respectively.

The trial hearing took place between May and June 2019, with the parties filing closing arguments in September 2019, awaiting the passing of sentence since the case was concluded before the judge on 5 July 2021.

11. Group structure

11.1. Companies included in the consolidation perimeter

11.1.1. Navigator Group subsidiaries

Company	Head Office	Share equity owned 31-12-2024 Direct	Indirect	Total	31-12-2023 Total	Main activity
Parent company:						
The Navigator Company, S.A.	Portugal	-	-	-	-	Sale of paper and pulp
Subsidiaries:						
Navigator Brands, S.A.	Portugal	100.0	-	100.0	100.0	Acquisition, operation, lease or concession of the use and disposal of trademarks, patents and other industrial or intellectual property
Navigator Parques Industriais, S.A.	Portugal	100.0	-	100.0	100.0	Management of industrial real estate
Navigator Pulp Figueira, S.A	Portugal	100.0	-	100.0	100.0	Paper production
Empremédia - Corretores de Seguros, S.A.	Portugal	100.0	-	100.0	100.0	Insurance mediation and advisory services
Empremedia, DAC	Ireland	100.0	-	100.0	100.0	Management of shareholdings
Empremedia RE , DAC	Ireland	-	100.0	100.0	100.0	Insurance mediation and advisory services
Raiz - Instituto de Investigação da Floresta e Papel	Portugal	97.0	-	97.0	97.0	Applied research in the field of pulp and paper industry and forestry activity
Enerpulp – Cogeração Energética de Pasta, S.A.	Portugal	100.0	-	100.0	100.0	Energy production
Navigator Pulp Figueira, S.A.	Portugal	100.0	-	100.0	100.0	Production of cellulose pulp and provision of administration, management and internal advisory services
Ema Cacia - Engenharia e Manutenção Industrial, ACE	Portugal	-	73.8	73.8	73.8	
Ema Setúbal - Engenharia e Manutenção Industrial, ACE	Portugal	-	80.7	80.7	80.7	Provision of industrial maintenance services
Ema Figueira da Foz – Engenharia e Manutenção Industrial, ACE	Portugal	-	79.7	79.7	79.7	
Navigator Pulp Setúbal, S.A.	Portugal	100.0	-	100.0	100.0	Cellulose pulp production
Navigator Pulp Aveiro, S.A.	Portugal	100.0	-	100.0	100.0	Cellulose pulp production
Navigator Fiber Solutions, S.A.	Portugal	-	100.0	100.0	100.0	Wholesale and manufacture of packaging and other articles of cellulose pulp, paper and cardboard and related products .
Navigator Tissue Aveiro, S.A.	Portugal	100.0	-	100.0	100.0	Tissue paper production
Navigator Tissue Ródão, S.A.	Portugal	-	100.0	100.0	100.0	
Navigator Tissue Iberica , S.A.	Spain	-	100.0	100.0	100.0	Sale of tissue paper
Navigator Tissue Ejea, SL	Spain	100.0	-	100.0	100.0	Tissue paper production
Navigator Tissue France, EURL	France	-	100.0	100.0	100.0	Sale of tissue paper
Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, Lda	Mozambique	90.0	-	90.0	90.0	Forestry production
Navigator Forest Portugal, S.A.	Portugal	100.0	-	100.0	100.0	Forestry production
EucaliptusLand, S.A.	Portugal	-	100.0	100.0	100.0	Forestry production
Gavião - Sociedade de Caça e Turismo, S.A.	Portugal	-	100.0	100.0	100.0	Management of hunting resources
Afocelca - Agrupamento complementar de empresas para protecção contra incêndios, ACE	Portugal	-	64.8	64.8	64.8	Provision of forest fire prevention and fighting services
Viveiros Aliança - Empresa Produtora de Plantas, S.A.	Portugal	-	100.0	100.0	100.0	Plant production in nurseries
Bosques do Atlantico, SL	Spain	-	100.0	100.0	100.0	Trade in wood and biomass and logging
Navigator Africa, SRL	Italy	-	100.0	100.0	100.0	Trade in wood and biomass and logging
Navigator Paper Setúbal , S.A.	Portugal	100.0	-	100.0	100.0	Paper and energy production
Navigator North America Inc.	USA	-	100.0	100.0	100.0	Sale of paper
Navigator Afrique du Nord	Morocco	-	100.0	100.0	100.0	
Navigator España, S.A.	Spain	-	100.0	100.0	100.0	
Navigator Netherlands, BV	The Netherlands	-	100.0	100.0	100.0	Provision of sales intermediation services
Navigator France, EURL	France	-	100.0	100.0	100.0	
Navigator Paper Company UK, Ltd	United Kingdom	-	100.0	100.0	100.0	
Navigator Holding Tissue UK, Ltd (formerly Accrol Group Holdings plc)	United Kingdom	-	100.0	100.0		Holding company
Navigator Corporate UK, ltd (formerly Accrol UK, ltd)	United Kingdom	-	100.0	100.0		Holding company
Accrol Holdings, ltd	United Kingdom	-	100.0	100.0		Holding company
Navigator Tissue UK, ltd (formerly Accrol Papers, ltd)	United Kingdom	-	100.0	100.0		Tissue paper conversion
LTC Parent Ltd	United Kingdom	-	100.0	100.0		Holding company
Leicester Tissue Company ltd	United Kingdom	-	100.0	100.0		Tissue paper conversion
Art Tissue ltd	United Kingdom	-	100.0	100.0		Sale of tissue paper
John Dale (Holdings) ltd	United Kingdom	-	100.0	100.0		Holding company
John Dale, ltd	United Kingdom	-	100.0	100.0		Tissue paper production
Severn Delta, ltd	United Kingdom	-	100.0	100.0		Tissue paper production
Navigator Italia, SRL	Italy	-	100.0	100.0	100.0	
Navigator Deutschland, GmbH	Germany	-	100.0	100.0	100.0	
Navigator Paper Austria, GmbH	Austria	-	100.0	100.0	100.0	
Navigator Paper Poland SP Z o o	Poland	-	100.0	100.0	100.0	
Navigator Eurasia	Turkey	-	100.0	100.0	100.0	Provision of sales intermediation services
Navigator Paper Mexico	Mexico	25.0	75.0	100.0	100.0	
Navigator Middle East Trading DMCC	Dubai	-	100.0	100.0	100.0	
Navigator Egypt, ELLC	Egypt	1.0	99.0	100.0	100.0	
Navigator Paper Southern Africa	South Africa	1.0	99.0	100.0	100.0	
Portucel Nigeria Limited	Nigeria	1.0	99.0	100.0	100.0	
Navigator Green Fuels Setúbal, S.A.	Portugal	100.0	-	100.0	100.0	Production of sustainable fuels.
Navigator Green Fuels Figueira da Foz, S.A.	Portugal	100.0	-	100.0	100.0	Production of sustainable fuels.
Navigator Abastecimento de Madeira, ACE	Portugal	97.0	3.0	100.0	100.0	Sale of timber

11.1.2. Incorporated joint operations

Company	Head Office	Share equity owned 31-12-2024 Direct	Indirect	Total	31-12-2023 Total	Main activity
Pulpchem Logistics, A.C.E.	Portugal	50	-	50	50	Purchases of materials, subsidiary materials and services used in the pulp and paper production processes

11.2. Changes in the consolidation perimeter

During the period ended 30 June 2024, the consolidation perimeter was changed from the previous period by the acquisition of the Navigator Tissue UK Group, as follows:

2024
- Acquisition of Navigator Holding Tissue UK, Ltd (formerly Accrol Group Holdings plc)
- Acquisition of Navigator Corporate UK, ltd (formerly Accrol UK, ltd)
- Acquisition of Accrol Holdings, ltd
- Acquisition of Navigator Tissue UK, ltd (formerly Accrol Papers, ltd)
- Acquisition of LTC Parent Ltd
- Acquisition of Leicester Tissue Company ltd
- Acquisition of Art Tissue ltd
- Acquisition of John Dale (Holdings)ltd
- Acquisition of John Dale, ltd
- Acquisition of Severn Delta, ltd

11.3. Transactions with related parties

Balances with related parties

Amounts in Euro	2024 Receivables (Note 4.2)	2024 Payables (Note 4.3)	2023 Receivables (Note 4.2)	2023 Payables (Note 4.3)
Shareholders (Note 5.2)				
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	-	1,155,456	-	952,804
Other subsidiaries of Semapa Group				
Secil - Companhia Geral Cal e Cimento, S.A.	-	18,970	-	40,974
Secil Britas, S.A.	-	84,277	-	111,647
Unibetão, S.A.	-	237,150	-	435,100
Other related parties				
Hotel Ritz, S.A.	-	844	-	1,672
	-	**1,496,687**	**-**	**1,542,197**

Transactions with related parties in the period

Amounts in Euro	2024 Purchase of goods and services	2024 Sales and services rendered	2024 Financial (expenses)/ income	2023 Purchase of goods and services	2023 Sales and services rendered	2023 Financial (expenses)/ income
Shareholders (Note 5.2)						
Semapa - Soc. de Investimento e Gestão, SGPS, S.A.	11,523,914	42	-	9,730,534	44	-
	11,523,914	**42**	**-**	**9,730,534**	**44**	**-**
Other subsidiaries of Semapa Group						
Secil - Companhia Geral Cal e Cimento, S.A.	116,490		-	157,892	2,435	-
Secil Britas, S.A.	206,858	-	-	212,333	-	-
Secil Prebetão, S.A.	72	-	-	-	-	-
Unibetão, S.A.	1,232,938	-	-	598,752	-	-
	1,556,358	**-**	**-**	**968,977**	**2,435**	**-**
Other related parties						
Hotel Ritz, S.A.	14,916	-	1,106	7,131	-	1,106
	14,916	**-**	**1,106**	**7,131**	**-**	**1,106**
	13,095,188	**42**	**1,106**	**10,706,642**	**2,479**	**1,106**

On 1 February 2013, a contract to render administrative and management services was signed between Semapa - Sociedade de Investimentos e Gestão, SGPS, S.A. (currently owner of 70.03% of the Group´s share capital) and Navigator Group, establishing a remuneration system based in equal criteria for both parties in the continuous cooperation and assistance relationships, that meets the rules applicable to commercial relationships between Group companies.

The operations performed with the Secil Group arise from normal market operations.

In the identification of the Navigator Company Group's related parties for the purpose of financial reporting, the members of the Navigator Company Group's Board of Directors and other corporate bodies were considered as related parties.

The remuneration of the Group's key management personnel is detailed in Note 7.3 - Remuneration of corporate bodies.

12. Explanation added for translation

These financial statements are a translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version shall prevail.

BOARD OF DIRECTORS

Ricardo Miguel dos Santos Pacheco Pires
Chairman of the Board of Directors

António José Pereira Redondo
Chairman of the Executive Committee

José Fernando Morais Carreira de Araújo
Executive Committee Member

Nuno Miguel Moreira de Araújo Santos
Executive Committee Member

João Paulo Cabete Gonçalves Lé
Executive Committee Member

Dorival Martins de Almeida
Executive Committee Member

António Quirino Vaz Duarte Soares
Executive Committee Member

Ana Teresa Cunha de Pinto Tavares Lehmann
Committee Member

Hugo Alexandre Lopes Pinto
Board Member

Maria Isabel da Silva Marques Abranches Viegas
Committee Member

Maria Teresa Aliu Presas
Member

Mariana Rita Antunes Marques dos Santos
Member

Sandra Maria Soares Santos
Member

Vítor Paulo Paranhos Ferreira
Member

2024 ANNUAL REPORT

Statutory Auditors' Report and Auditors' Report

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
Edifício FPM41 - Avenida Fontes Pereira de Melo, 41 - 15.º
1069-006 Lisboa - Portugal
+351 210 110 000 | www.kpmg.pt

STATUTORY AUDITORS' REPORT and AUDITORS' REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **The Navigator Company, S.A.** (the Group), which comprise the consolidated statement of financial position as at 31 December 2024 (showing a total of 3,353,183,064 euros and total equity of 1,356,089.184 euros, including a profit for the year attributable to shareholders of 286,948,195 euros), and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **The Navigator Company, S.A.** as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by *Ordem dos Revisores Oficiais de Contas* (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the *Ordem dos Revisores Oficiais de Contas*' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., sociedade anónima portuguesa e membro da rede global KPMG, composta por firmas membro independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.
Capital Social: 3.916.000 Euros - Pessoa Coletiva N.º PT 502 161 078 - Inscrito na O.R.O.C. N.º 189 - Inscrito na C.M.V.M. N.º 20161489
Matriculada na Conservatória do registo Comercial de Lisboa sob o N.º PT 502 161 078

Recoverability of Goodwill (422,627,337 euros) and Property, Plant and Equipment (1,415,945,085 euros)

See Note 1.6 Significant accounting estimates and judgements and Notes 3.1 and 3.3 of the notes to the Financial Statements

The Risk	Our response to the identified risk
The recoverability of goodwill and property, plant and equipment is critical due to the materiality of the amounts involved and the complexity and subjectivity associated with impairment tests, namely due to the uncertainty inherent in financial forecasts, which are based on the Board of Directors' expectations, materialised in business and investment plans, which are based on various assumptions, associated with discount rates, expected margins, short and long-term growth rates and demand behaviour, decarbonization initiatives in response to changes in laws and regulations and assumptions not observable in the market.	Our audit procedures included, amongst others, those that we describe below: • We assessed the design and implementation of the main controls implemented by the Entity and analysed the budgeting procedures on which the projections are based, by comparing the current performance with estimates made in previous periods, and the integrity of the discounted cash flow model; • We assessed the internal and external assumptions used and their reasonableness, such as current business trends, market performance, inflation, forecasted economic growth and discount rates; • We conducted sensitivity analyses of the significant assumptions used by the Group; • We involved our specialists in assessing the discount rate; and, • We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Fair value of biological assets (115,250,198 euros)

See Note 1.6 Significant accounting estimates and judgements and Note 3.8 of the notes to the Financial Statements.

The Risk

The fair value of biological assets is determined using a model developed internally, based on economic and market forecasts, the assumptions of which, namely the productivity of the forests, the selling price of the wood less the cost of logging, the rental value of the land owned and leased, the collection and transport costs, the planting and maintenance costs and the discount rate, require a high degree of estimation and judgement on the part of the Board of Directors.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the design and implementation of the main controls implemented by the Group in this area;
- We validated the mathematical correctness and underlying integrity of the model;
- We analysed the budgeting procedures on which the forecasts are based;
- We compared the actual performance of variables inherent to the model with the estimates performed in prior periods, namely: forest productivity, the value of own and leased land rents, fixed costs, logging and transportation costs, plantation and maintenance costs;
- We compared the internal and external assumptions used in the model, such as the spot and trend price and the discount rate with market data and considered their sensitivity analysis; and,
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Uncertainty over income tax treatments

See Note 1.6 Significant accounting estimates and judgements and Notes 6.1 and 6.2 of the notes to the Financial Statements

The Risk

The application of tax legislation to the various transactions and circumstances with uncertain tax treatment is inherently complex and requires judgement in determining and measuring the risks and uncertainties in defining the best estimate, by weighing up all the possible outcomes it controls and their associated probabilities.

Estimating the possible amounts to be spent requires a high degree of judgement on the part of the Board of Directors, which assesses the probability of the outcome, supported by the opinion of legal and tax advisors.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the processes for monitoring uncertain tax positions in relation to the treatment of income tax, including testing the design and implementation of the main controls in place and making enquiries of the Board of Directors and tax managers on the basis of their estimates and judgements;
- We analysed ongoing tax proceedings and potential uncertain tax positions, considering the effect of uncertainty for each uncertain tax treatment, supported by tax experts, and reviewed the existing documentation;
- We analysed the responses to the confirmation requests received from external lawyers;
- We assessed the consistency of the criteria used in relation to previous years; and,
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Concentration of business activities - acquisition of the Accrol Group

See Note 1.6 Significant accounting estimates and judgements and Note 1.2 of the notes to the Financial Statements

The Risk

During the year ended 31 December 2024, the Navigator Group concluded, through a takeover bid in the form of a "Recommended Firm Cash Offer", the entirely share capital of Accrol Group Holdings Plc, a company based in Blackburn, England, dedicated to the Tissue segment.

The consideration transferred from the acquisition totalled 153,765,152 euros (GBP 130,823,390).

This acquisition was accounted for as a business combination and involved a number of significant judgements on the part of the Board of Directors, namely in the identification and measurement of the identifiable assets acquired, liabilities assumed and goodwill.

Therefore, and given the materiality of the impacts on the consolidated financial statements, we considered the acquisition to be a relevant audit matter.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the design and implementation of the main controls implemented by the Group in this area;
- We obtained and analysed the documentation supporting the transaction;
- We analysed the consideration transferred;
- We analysed the methodology adopted for valuing assets and liabilities and verified the reasonableness of the valuation models used to determine the fair value of the assets acquired and liabilities assumed, including validating their agreement with the models used for trading and their arithmetical accuracy;
- We involve our specialists to validate the fair value of the identifiable assets acquired, the liabilities assumed and the consequent calculation of goodwill; and,
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, financial performance and the consolidated cash flows, in accordance with the International Financial Reporting Standards as adopted by the European Union;
- the preparation of the consolidated management report, the consolidated corporate governance report, the consolidated non-financial information and the remunerations' report in accordance with applicable laws and regulations;
- the designing and maintenance of an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- adopting accounting policies and criteria appropriate in the circumstances; and
- the assessment of the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform our audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for directing, supervising and reviewing the performance of the work carried out for the purposes of the Group audit and are ultimately responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code regarding the corporate governance report, as well as the verification that the non-financial information and the remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the consolidated management report

According to Article 451, paragraph 3(e), of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment of the Group, we have not identified any material misstatements. As defined in Article 451, paragraph 7, of the Portuguese Companies' Code, this opinion is not applicable to the non-financial statement that is included in the management report.

On the Corporate Governance Report

Pursuant to Article 451(4) of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Entity to provide under Article 29-H of the Securities Code, and we have not identified any material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of paragraph 1 of that Article.

On the non-financial information

Pursuant to Article 451, paragraph 6, of the Portuguese Companies' Code, we inform that the Group has included in its management report the non-financial statement defined in Article 508-G of the Portuguese Companies' Code.

On the remuneration report

Pursuant to Article 26-G, paragraph 6, of Portuguese Companies' Code, we inform that the Entity has included in the corporate governance report in a separate chapter the information defined in paragraph 2 of that article.

On the European single electronic format (ESEF)

The consolidated financial statements of The Navigator Company, S.A. for the year ended 31 December 2024 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for drawing up and disclosing the annual report in accordance with the ESEF Regulation.

We are responsible for obtaining reasonable assurance as to whether the consolidated financial statements included in the annual report are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into consideration the OROC Technical Application Guide on ESEF reporting and included, among others:

- understanding the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- identifying and assessing the risks of material misstatement associated with marking up financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to mark up the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

On the additional matters provided in Article 10 of the Regulation (EU) 537/2014

Pursuant to Article 10 of the Regulation (EU) no. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were first appointed as auditors of The Navigator Company, S.A. (parent Entity of the Group) in the general shareholders meeting held on 22 September 2017 to complete the final year of the mandate between 2015 and 2018. We were reappointed as auditors in the general shareholders meeting held on 9 April 2019 for a second mandate from 2019 to 2022 and on 17 May 2023 for a third mandate from 2023 to 2025.

- Management as confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism, and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on [•] April 2025.
- We declare that we have not provided any prohibited services as described in under Article 5 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014, and we have remained independent of the Group in conducting the audit.

11 April 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Rui Filipe Dias Lopes
(ROC no. 1715 and registered at CMVM with no. 20161325)

2024 ANNUAL REPORT

Report and Opinion of the Audit Board

The Navigator Company, S.A.

Report and Opinion of the Audit Board
Consolidated Financial Statements

2024 Financial Year

Shareholders,

1. In accordance with the Law and the Articles of Association of the Company, and in the performance of the mandate conferred on us, we hereby submit the report on our supervisory activities carried out in 2024 and issue our opinion on the Consolidated Management Report and Consolidated Financial Statements presented by the Board of Directors of the Navigator Company, S.A., for the financial year ended 31 December 2024.

2. Over the course of the year we regularly monitored the activities of the Company and its most significant affiliates and associates, as often and as extensively as we deemed appropriate, in particular through periodic meetings with the Company's directors and managers. We monitored the verification of the accounting records and respective supporting documentation, as well as the effectiveness of the risk management, internal control and internal audit systems. We monitored compliance with the Law and the Articles of Association. In the course of our activities we encountered no constraints whatsoever.

3. We also monitored the Navigator Group's consolidated sustainability reporting process. It should be noted in this regard that the consolidated non-financial statement (Consolidated Sustainability Report), prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), contains relevant information that enables an understanding of the performance, position and impact of the Group's activities and businesses, with regard to environmental, social and governance issues.

4. We have met several times with the Statutory Auditor and External Auditor, KPMG & Associados, SROC, Lda., monitoring the audit work carried out and checking their independence, and we have analysed the Legal Certification of Accounts and Audit Report, which we agree with.

5. We have also taken note of the Independent Auditor's Limited Assurance Report on the Consolidated Sustainability Report, for the purpose of issuing a limited assurance conclusion, which does not include any modifications, with the exception of the fact that the comparative information relating to 31 December 2023 has not been subject to limited assurance work, a situation with which we agree.

6. The Audit Board analysed the proposals submitted to it for the provision of non-audit services by the Chartered Accountants Firm and approved those that concerned permitted services, did not affect the independence of the Chartered Accountants Firm and complied with the other legal requirements.

7. Within the scope of our duties, we have verified that:

   a) The Consolidated Income Statement, the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the accompanying Notes to the Consolidated Financial Statements, provide an adequate understanding of the Company's financial position and results, comprehensive income, changes in equity, and cash flows;

   b) The accounting policies and valuation criteria adopted comply with the International Financial Reporting Standards (IFRS) as adopted in the European Union and are suitable to ensure that such criteria lead to a correct valuation of the Company's assets and profits, taking due account of the analyses and recommendations of the External Auditor;

   c) The Consolidated Management Report is sufficiently clear in explaining the development of the business and the situation of the Company and all subsidiaries included in the consolidation, clearly highlighting the most significant aspects of the activity;

   d) The Corporate Governance Report includes the information required by Article 29.º-H of the Securities Code and takes into account the recommendations of the Code of the Portuguese Institute for Corporate Governance (IPCG).

8. Accordingly, taking into consideration the information received from the Board of Directors and the Company departments, and also the conclusions of the Statutory Auditor's Report and Auditor's Report, we recommend that:

   a) The Management Report be approved;

   b) The Consolidated Financial Statements be approved.

9. Finally, the members of the Audit Board wish to acknowledge and express their appreciation for the assistance received from the Board of Directors, the main managers and other staff of the Company, as well as to the firm of Statutory Auditors, KPMG & Associados, SROC, Lda.

Lisbon, April 11, 2025

The Chairman of the Audit Board

José Manuel Oliveira Vitorino

Member

Gonçalo Nuno Palha Gaio Picão Caldeira

Member

Maria da Luz Gonçalves de Andrade Campos

SEPARATE FINANCIAL STATEMENTS

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Separate Income Statement

For the periods ended 31 December 2024 and 2023

Amounts in Euro	Note	2024	2023
Revenue	2.1	2,834,653,080	2,659,705,827
Other operating income	2.2	4,038,014	5,115,697
Costs of goods sold and materials consumed	4.1	(2,476,330,691)	(2,339,940,354)
External services and supplies	2.3	(233,629,116)	(221,634,640)
Payroll costs	7.1	(5,593,834)	(7,186,383)
Other operating expenses	2.3	(2,659,370)	(2,400,470)
Net provisions	9.1	(23,630)	1,789,744
Income from subsidiaries	10.1	192,493,281	224,727,140
Depreciation, amortisation and impairment losses in non-financial assets	3.3	(626,617)	(580,489)
Operating profit/(loss)		**312,321,117**	**319,596,072**
Financial income and gains	5.10	44,956,205	36,416,925
Financial expenses and losses	5.10	(58,417,463)	(58,664,258)
Profit before income tax		**298,859,859**	**297,348,739**
Income tax	6.1	(11,911,664)	(22,424,919)
Net profit/(loss) for the period		**286,948,195**	**274,923,820**
Earnings per share			
Basic earnings per share, Eur	5.3	0.403	0.387
Diluted earnings per share, Eur	5.3	0.403	0.387

The accompanying notes form an integral part of these separate financial statements.

Separate statement of comprehensive income

For the periods ended 31 December 2024 and 2023

Amounts in Euro	Note	2024	2023
Net profit/(loss) for the period		**286,948,195**	**274,923,820**
Items that may be reclassified to the income statement			
Hedging derivative financial instruments			
Changes in fair value	8.2	(1,526,544)	(29,102,154)
Tax on items above	6.2	639,231	8,003,092
Other changes in equity of subsidiaries	10.1	9,086,118	1,013,513
Items that may not be reclassified to the income statement			
Remeasurement of post-employment benefits	7.2	(214,318)	248,140
Other comprehensive income		-	734,546
Total other comprehensive income net of taxes		**7,984,487**	**(19,102,863)**
Total comprehensive income		**294,932,682**	**255,820,957**

The accompanying notes form an integral part of these separate financial statements.

Separate statement of financial position

As at 31 December 2024 and 2023

Amounts in Euro	Note	2024	2023
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	1,153,588	909,232
Right-of-use assets	3.2	1,359,258	1,787,685
Investments in subsidiaries	10.1	1,778,826,227	1,751,528,123
Investments in associates		44,600	46,225
Non-current receivables	4.2	6,684	27,956
Deferred tax assets	6.2	8,614,912	3,937,992
		1,790,005,269	**1,758,237,213**
Current assets			
Inventories	4.1	27,283,541	32,116,019
Current receivables	4.2	1,034,094,913	816,521,582
Income tax	6.1	19,746,025	17,510,098
Cash and cash equivalents	5.8	406,735,567	310,150,771
		1,487,860,046	**1,176,298,470**
Total assets		**3,277,865,315**	**2,934,535,683**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	5.2	500,000,000	500,000,000
Reserves by applying the equity method	5.5	(395,128,709)	(404,214,827)
Fair value reserves	5.5	12,011,454	12,898,767
Legal reserve	5.5	100,000,000	100,000,000
Other reserves	5.5	(8,338,101)	1,103,749
Retained earnings	5.5	960,235,449	830,534,306
Net profit/(loss) for the period		286,948,195	274,923,820
Prepaid dividends	5.4	(99,999,451)	-
Total Equity		**1,355,728,837**	**1,315,245,815**
Non-current liabilities			
Interest-bearing liabilities	5.6	707,608,727	536,857,472
Lease liabilities	5.7	876,698	1,371,022
Pensions and other post-employment benefits	7.2	408,936	167,936
Deferred tax liabilities	6.2	4,728,162	5,013,621
Provisions	9.1	16,624,744	16,344,333
		730,247,267	**559,754,384**
Current liabilities			
Interest-bearing liabilities	5.6	365,423,477	360,172,883
Lease liabilities	5.7	587,065	540,140
Current payables	4.3	789,671,835	677,666,895
Income tax	6.1	36,206,834	21,155,566
		1,191,889,211	**1,059,535,484**
Total liabilities		**1,922,136,478**	**1,619,289,868**
Total Equity and Liabilities		**3,277,865,315**	**2,934,535,683**

The accompanying notes form an integral part of these separate financial statements.

Statement of Changes in Equity

For the periods ended 31 December 2024 and 2023

Amounts in Euro	Note	Share capital	Reserves by applying the equity method	Fair value reserves	Legal reserve	Other reserves	Retained earnings	Net profit/(loss) for the period	Prepaid dividends	Total
Equity as at 1 January 2024		**500,000,000**	**(404,214,827)**	**12,898,767**	**100,000,000**	**1,103,749**	**830,534,306**	**274,923,820**	**-**	**1,315,245,815**
Net profit/(loss) for the period		-	-	-	-	-	-	286,948,195	-	286,948,195
Other comprehensive income (net of taxes)		-	9,086,118	(887,313)	-	-	(214,318)	-	-	7,984,487
Total comprehensive income for the period		**-**	**9,086,118**	**(887,313)**	**-**	**-**	**(214,318)**	**286,948,195**	**-**	**294,932,682**
Appropriation of 2023 net profit/(loss) for the period:										
- Dividends paid	5.4	-	-	-	-	-	(149,995,621)	-	-	(149,995,621)
- Application of prior period's net profit/(loss)		-	-	-	-	-	288,923,820	(274,923,820)	-	14,000,000
- Bonus to employees		-	-	-	-	-	(14,000,000)	-	-	(14,000,000)
Acquisition/disposal of non-controlling interests		-	-	-	-	(9,441,850)	4,987,262	-	-	(4,454,588)
Early dividends	5.4	-	-	-	-	-	-	-	(99,999,451)	(99,999,451)
Total transactions with shareholders		**-**	**-**	**-**	**-**	**(9,441,850)**	**129,915,461**	**(274,923,820)**	**(99,999,451)**	**(254,449,660)**
Equity as at 31 December 2024		**500,000,000**	**(395,128,709)**	**12,011,454**	**100,000,000**	**(8,338,101)**	**960,235,449**	**286,948,195**	**(99,999,451)**	**1,355,728,837**

Amounts in Euro	Note	Share capital	Reserves by applying the equity method	Fair value reserves	Legal reserve	Other reserves	Retained earnings	Net profit/(loss) for the period	Prepaid dividends	Total
Equity as at 1 January 2023		**500,000,000**	**(405,228,340)**	**33,997,828**	**100,000,000**	**1,103,749**	**636,999,230**	**392,537,070**	**-**	**1,259,409,537**
Net profit/(loss) for the period		-	-	-	-	-	-	274,923,820	-	274,923,820
Other comprehensive income (net of taxes)		-	1,013,513	(21,099,061)	-	-	982,685	-	-	(19,102,863)
Total comprehensive income for the period		**-**	**1,013,513**	**(21,099,061)**	**-**	**-**	**982,685**	**274,923,820**	**-**	**255,820,957**
Appropriation of 2022 net profit/(loss) for the period:										
- Dividends paid	5.4	-	-	-	-	-	(199,984,679)	-	-	(199,984,679)
- Application of prior period's net profit/(loss)	5.4	-	-	-	-	-	426,537,070	(392,537,070)		34,000,000
- Bonus to employees		-	-	-	-	-	(34,000,000)	-	-	(34,000,000)
Total transactions with shareholders		**-**	**-**	**-**	**-**	**-**	**192,552,391**	**(392,537,070)**	**-**	**(199,984,679)**
Equity as at 31 December 2023		**500,000,000**	**(404,214,827)**	**12,898,767**	**100,000,000**	**1,103,749**	**830,534,306**	**274,923,820**	**-**	**1,315,245,815**

The accompanying notes form an integral part of these separate financial statements.

Separate Statement of Cash Flows

For the periods ended 31 December 2024 and 2023

Amounts in Euro	Note	2024	2023
OPERATING ACTIVITIES			
Receipts from customers		3,026,047,297	2,916,796,392
Payments to suppliers		(3,205,640,926)	(3,141,110,037)
Payments to employees		(4,519,061)	(8,581,366)
Cash flow from operations		**(184,112,690)**	**(232,895,011)**
Income tax received/ (paid)		(4,470,593)	(44,563,608)
Other receipts / (payments) relating to operating activities		248,443,069	292,731,522
Cash flows from operating activities (1)		**59,859,786**	**15,272,903**
INVESTING ACTIVITIES			
Inflows:			
Property, plant and equipment		-	184,016
Loans to subsidiaries		26,134,044	68,106,083
Interest and similar income		28,679,894	26,395,411
Investments in subsidiaries		50	372,038,000
Dividends from subsidiaries		246,013,925	243,131,096
		300,827,913	**709,854,606**
Outflows:			
Investments in subsidiaries		(29,101,294)	(62,651,861)
Loans to subsidiaries		(198,614,863)	(26,313,809)
Property, plant and equipment		-	(146,821)
		(227,716,157)	**(89,112,491)**
Cash flows from investing activities (2)		**73,111,756**	**620,742,115**
FINANCING ACTIVITIES			
Inflows:			
Interest-bearing liabilities	5.9	330,000,000	15,000,000
		330,000,000	**15,000,000**
Outflows:			
Interest-bearing liabilities	5.9	(103,039,683)	(75,075,396)
Amortisation of lease agreements	5.7	(614,255)	(589,098)
Interest and similar expense		(41,041,598)	(54,635,392)
Distribution of dividends	5.4	(149,995,621)	(199,984,679)
Loans to subsidiaries		(21,600,000)	(372,850,000)
		(316,291,157)	**(703,134,565)**
Cash flows from financing activities (3)		**13,708,843**	**(688,134,565)**
CHANGES IN CASH AND CASH EQUIVALENTS (1)+(2)+(3)		**146,680,385**	**(52,119,547)**
Effect of exchange rate differences		34,769	145,219
Merger by incorporation of Soc. Vinhos Herdade Espirra, S.A.		-	690,972
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5.8	**42,017,571**	**93,300,927**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5.8	**188,732,725**	**42,017,571**

The accompanying notes form an integral part of these separate financial statements.

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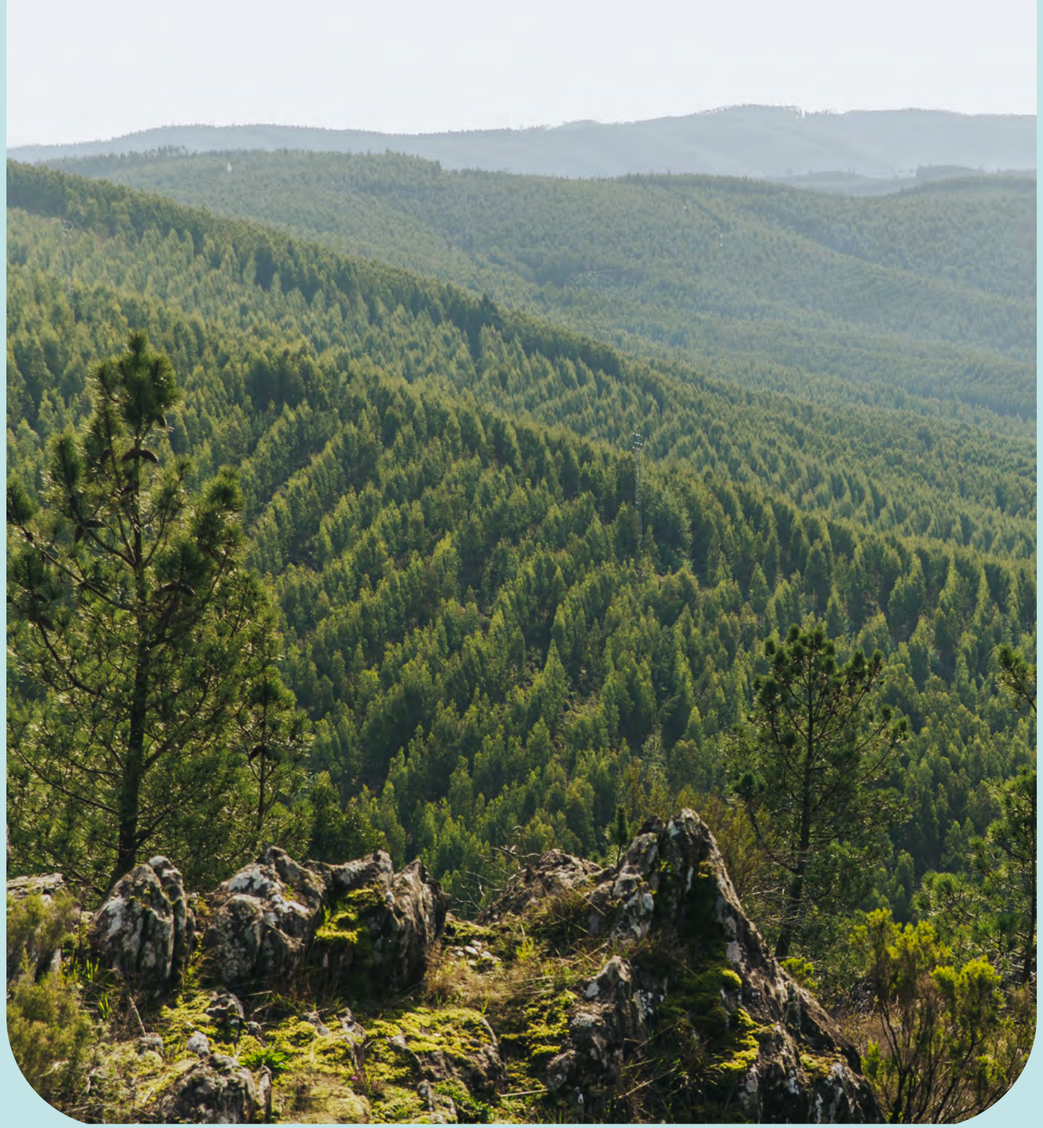

FROM FOREST TO FUTURE

Eucalyptus Globulus Forest in Mortágua

1. Introduction

The following symbols are used in the presentation of the Notes to the financial statements:

Accounting policies

This symbol indicates the disclosure of accounting policies specifically applicable to the items in the respective Note.

Significant estimates and judgements

This symbol indicates the disclosure of the estimates and/or judgements made regarding the items in the respective Note. Significant estimates and judgements are indicated in Note 1.5.

References

This symbol indicates a reference to another Note or another section of the Financial Statements were more information about the items disclosed is presented.

1.1. Disclosure

The Navigator Company, S.A. (Navigator or the Company) is a publicly traded company with its head office in Mitrena, 2901-861 Setúbal, and it is listed on NYSE Euronext Lisbon under the ISIN PTPTI0AM0006.

Company: The Navigator Company, S.A.

Head Office: Mitrena – Apartado 55 | 2901-861 Setúbal | Portugal

Legal Form: Public Limited Company

Share Capital: Euro 500,000,000

TIN: 503 025 798

Shares Issued: 711,183,069

Navigator is the parent company of the Navigator Group (Group), comprising Navigator and Subsidiaries, as presented in the consolidated financial statements.

The Navigator Company, S.A. (until 2015 designated Portucel, S.A.), hereinafter referred to as Company or Navigator, is a publicly traded company with its share capital represented by nominal shares and was incorporated on 31 May 1993, under Decree- Law 39/93 of 13 February, as a result of the restructuring process of Portucel - Empresa de Celulose e Papel de Portugal, E.P.

The Group it currently leads was created in 1953, when a group of technicians from "Companhia Portuguesa de Celulose de Cacia" made this company the first in the world to produce bleached eucalyptus sulphate pulp.

In 1976, Portucel EP was created as a result of the nationalisation of the cellulose industry which, through the merger of CPC – Companhia de Celulose, S.A.R.L. (Cacia), Socel – Sociedade Industrial de Celulose, S.A.R.L. (Setúbal), Celtejo – Celulose do Tejo, S.A.R.L. (Vila Velha de Ródão), Celnorte – Celulose do Norte, S.A.R.L. (Viana do Castelo) and Celuloses do Guadiana, S.A.R.L.

(Mourão) incorporated Portucel - Empresa de Celulose e Papel de Portugal, E.P., converted into a Public Limited Company of mainly public capital by Decree-Law 405/90, of 21 December.

Years after, as a result of the restructuring of Portucel – Empresa de Celulose e Papel de Portugal, S.A., which was renamed Portucel, SGPS, S.A., towards to its privatisation, Portucel S.A. was created, on 31 May 1993, through Decree-law 39/93, of 13 February, with the former assets of the two main companies, based in Aveiro and Setúbal.

In 1995, the Company was again privatised, and became a publicly traded company.

Aiming to restructure the paper industry in Portugal, Portucel, S.A. acquired Papeis Inapa, S.A. (Setúbal) in 2000 and Soporcel – Sociedade Portuguesa de Papel, S.A. (Figueira da Foz) in 2001.

(Figueira da Foz), in 2001. These strategic moves were decisive and gave rise to the Portucel Soporcel Group (now The Navigator Group), which is currently the largest European producer of bleached eucalyptus pulp and one of the largest European producers of uncoated wood-free paper (UWF).

In June 2004, the Portuguese Government sold 30% of Portucel's capital, which was acquired by the Semapa Group. In September of the same year, Semapa launched a public acquisition offer tending to assure the Group's control, which was accomplished by guaranteeing a 67.1% stake of Portucel's equity.

In November 2006, the Portuguese State concluded the third and final stage of the sale of Portucel, S.A., and Párpublica, SGPS, S.A. sold the remaining 25.72% it still held, thus increasing the free float.

In 2007 the Group invested in a new paper machine located at the Setúbal industrial site which started operating on a regular basis in October 2009.

From 2009 to July 2015, more than 75% of the Company's share capital was held directly and indirectly by Semapa – Sociedade de Investimento e Gestão SGPS, S.A. (excluding treasury shares) having the percentage of voting rights been reduced to less than 70% following the conclusion of the offer for the acquisition, in the form of an exchange offer, of the ordinary shares of Semapa, SGPS, S.A., in July 2015.

In February 2015, the Group started its activity in the Tissue segment with the acquisition of AMS-BR Star Paper, S.A. (currently denominated Navigator Tissue Ródão, S.A.), a Company that holds and explores a production unit, located in Vila Velha de Ródão. A new industrial facility was built in Aveiro, in August 2018, operated by Navigator Tissue Aveiro, S.A., and is currently the largest Portuguese producer.

Also in 2015, the company sold the industrial assets used in the production of BEKP at the Setúbal Industrial Complex to its indirect subsidiary Navigator Pulp Setúbal, S.A., thus ceasing to have any industrial activity, as it had already sold the industrial assets used in the production to the current Navigator Paper Setúbal, S.A. in 2009.

On 6 February 2016, the PortucelSoporcel Group changed its corporate brand to The Navigator Company. This new corporate identity represents the union of companies with a history of more than 60 years, aiming to give the Group a more appealing and modern image.

Following this event, and after approval in the General Shareholder's Meeting, held on 19 April 2016, Portucel S.A. changed its designation to The Navigator Company, S.A.

Also, in 2016, the Company carried out a capital increase in kind in Enerpulp - Cogeração Energética da Pasta, S.A., through the delivery of the two biomass power generation plants located at the Setúbal and Aveiro industrial sites, and also carried out a capital increase in kind in Navigator Parques Industriais, S.A. through the incorporation of the industrial land and buildings located in Aveiro and Setúbal.

On 1 January 2017, the Company started to concentrate its sales of paper, cellulose pulp and Tissue products, becoming the Group's product distributor. As a result, it quickly became one of the main national exporters, and certainly the one with the highest added value for the national economy.

In October 2017, it started to centralise supplies to the Group, with the Group's pulp producers starting to sell pulp exclusively to Navigator, which supplies the Group's paper producers, in addition to the sales to the market it had already been developing.

As from January 2018, it strengthened this new activity, centralising its foreign purchases and the supply of most of the raw materials used in the production process.

Also, in 2017, Navigator started to prepare its separate financial statements in accordance with IFRS - International Financial Reporting Standards.

Thus, from 2017 onwards, and with reinforcement in 2018, the Company focused its activities on selling paper and related products, supplying industrial products, as well as providing administration and management services to its direct and indirect subsidiaries, and on managing its shareholdings. In addition, the company transfers personnel to other Group companies.

On 31 March 2023 the acquisition of the Gomà-Camps Group's consumer Tissue business in Spain was concluded, with a view to strengthening the Navigator Group's presence in this business segment. The integration of this new mill has elevated the Group to the position of second largest Iberian tissue producer, with a production and converting capacity of 180 thousand tonnes.

In May 2024, the Navigator Group acquired all the shares representing the share capital of Accrol Group Holdings plc ("Accrol"), a leader in the tissue paper converting segment in the United Kingdom, producing private label toilet rolls, kitchen rolls and facial tissues for most of the main UK retailers, bringing total converting capacity to 311,000 tonnes.

The Navigator Group's main business is the production and sale of writing and printing uncoated woodfree paper (UWF) and domestic consumption paper (Tissue), as well as pulp, and it is present in the whole value-added chain, from research and development of forestry and agricultural production, to the purchase of wood and the production and sale of bleached eucalyptus kraft pulp – BEKP and electric and thermal energy, as well as its commercialisation.

A more detailed description of the activity in each business line of Navigator is disclosed in Note 2.1 - Revenue and segment reporting.

Navigator is included in the consolidation perimeter of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., the Parent Company, and Sodim - SGPS, S.A., the final controlling entity.

In turn, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira hold joint control of Sodim - SGPS, S.A. (Sodim) through the combination of a shareholders' agreement. (Sodim) with their respective direct and indirect shareholdings in the share capital of this company, joint control of Sodim, Semapa and Navigator is attributable to each of them and to Sodim, under the terms of Article 20 of the Portuguese Securities Code, 83.221% of the non-suspended voting rights relating to shares representing the share capital of Semapa and also

to each of them, Sodim and Semapa, 70.03% of the non-suspended voting rights relating to shares representing the share capital of Navigator.

1.2. Subsequent events

There were no events that resulted in additional adjustments or disclosures in the separate financial statements for the period ended 31 December 2024.

1.3. Basis for preparation

1.3.1. Authorisation to issue financial statements

These separate financial statements were approved by the Board of Directors on 27 March 2025. However, they are still subject to approval by the General Shareholders Meeting, in accordance with the Portuguese commercial legislation.

The Company's senior management, which are the members of the Board of Directors who sign this report, declare that, to the best of their knowledge, the information contained herein was prepared in compliance with the applicable accounting standards, providing a true and fair view of the assets and liabilities, the financial position and results of the Company.

1.3.2. Accounting Standards

The separate financial statements for the period ended 31 December 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS), effective 1 January 2024 and as adopted by the European Union.

1.3.3. Presentation currency and transactions in a currency other than the presentation currency

The items included in the Separate Financial Statements are measured using the currency of the economic environment in which the entity operates (functional currency).

These financial statements are presented in Euro, which is the functional and reporting currency.

Transactions in currencies other than Euro are translated into the functional currency using the exchange rates at the date of the transactions.

The currency differences arising from differences between the exchange rates ruling at the transaction date and those ruling on collection, payment or at the separate statement of financial position date, are recorded as income and expenses in the period (Note 5.10).

The amounts recorded in net profit/(loss) of subsidiaries were translated using the exchange rates prevailing at the dates of the transactions. Where this is not possible, or where the cost of such a procedure exceeds the benefits to be derived therefrom, they have been translated at the average exchange rate for the period.

The differences resulting from the application of these rates compared with the previous values were reflected as a separate component of Equity, under Other reserves (Note 5.5).

Exchange rates used

	31-12-2024	31-12-2023	Appreciation / (Depreciation)
GBP (Sterling pound)			
Average exchange rate for the period	0.8466	0.8698	2.67%
Closing exchange rate for the period	0.8292	0.8691	4.59%
USD (American dollar)			
Average exchange rate for the period	1.0824	1.0813	(0.10%)
Closing exchange rate for the period	1.0389	1.1050	5.98%
PLN (Polish zloti)			
Average exchange rate for the period	4.3058	4.5420	5.20%
Closing exchange rate for the period	4.2750	4.3395	1.49%
SEK (Swedish krona)			
Average exchange rate for the period	11.4325	11.4788	0.40%
Closing exchange rate for the period	11.4590	11.0960	(-3.27%)
CHF (Swiss franc)			
Average exchange rate for the period	0.9526	0.9718	1.97%
Closing exchange rate for the period	0.9412	0.9260	(1.64%)
MZN (Mozambican metical)			
Average exchange rate for the period	69.1732	69.1060	(0.10%)
Closing exchange rate for the period	66.7900	70.6500	5.46%
MAD (Moroccan dirham)			
Average exchange rate for the period	10.7549	10.9552	1.83%
Closing exchange rate for the period	10.5190	10.9445	3.89%
NOK (Norway kroner)			
Average exchange rate for the period	11.6290	11.4248	(1.79%)
Closing exchange rate for the period	11.7950	11.2405	(4.93%)
MXN (Mexican peso)			
Average exchange rate for the period	19.8314	19.1830	(3.38%)
Closing exchange rate for the period	21.5504	18.7231	(15.10%)
AED (Dirham)			
Average exchange rate for the period	3.9751	3.9710	(0.10%)
Closing exchange rate for the period	3.8154	4.0581	5.98%
ZAR (South African rand)			
Average exchange rate for the period	19.8297	19.9551	0.63%
Closing exchange rate for the period	19.6188	20.3477	3.58%
BRL (Brazilian real)			
Average exchange rate for the period	5.8283	5.4010	(7.91%)
Closing exchange rate for the period	6.4253	5.3618	(19.83%)
EGP (Egyptian pound)			
Average exchange rate for the period	49.1213	33.1117	(48.35%)
Closing exchange rate for the period	53.0349	34.2710	(54.75%)
TRY (Turkish lira)			
Average exchange rate for the period	35.5734	25.7597	(38.10%)
Closing exchange rate for the period	36.7372	32.6531	(12.51%)

1.3.4. Basis for measurement

The accompanying separate financial statements have been prepared on a going concern basis from Navigator's books and accounting records and based on historical cost, except for financial instruments measured at fair value through net profit/(loss) or at fair value through other comprehensive income (Note 8.3), in which derivative financial instruments are included (Note 8.2).

The liability related to responsibilities for defined benefits is recognised at its present value deducted from the respective asset.

1.3.5. Comparability

These financial statements are comparable in all material respects with those of the previous year.

1.4. New IFRS standards adopted and to be adopted

1.4.1. Other standards, amendments and interpretations adopted or to be adopted

Standards, amendments and interpretations adopted in 2024

Amendment		Date of application
Standards and amendments endorsed by the European Union		
Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements	IABS issued on 23 January 2020 narrow-scope amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current. The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period. The amendments aim to: a) Specify that an entity's right to defer settlement must exist at the end of the reporting period must be substantive; b) Clarify that the ratios that the company must fulfil after the balance sheet date (i.e. future ratios) do not affect the classification of a liability on the balance sheet date. However, when non-current liabilities are subject to future ratios, companies must disclose information that allows users to understand the risk	1 January 2024
Lease liabilities in sale and leaseback transactions (amendments to IFRS 16 - Leases)	The IASB issued amendments to IFRS 16 - Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction. The amendments confirm that: a) on initial recognition, the seller-lessee includes variable lease payments in measuring a lease liability arising from a sale and leaseback transaction; b) after initial recognition, the seller-lessee applies the general requirements for subsequent accounting for the lease liability so that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee may use different approaches to comply with the new requirements for subsequent measurement. In accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee shall apply the amendments retrospectively to sale and leaseback transactions entered into since the date of initial application of IFRS 16. This means that it will have to identify and reassess sale and leaseback transactions entered into since the implementation of IFRS 16 in 2019, and potentially restate those that include variable lease payments. The amendment had no significant impact on the Company.	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments Disclosures. The amendments refer to the disclosure requirements relating to supplier finance arrangements—also known as supply chain financing, accounts payable financing or reverse-factoring arrangements. The new requirements supplement those already included in the IFRS standards and include disclosures on: a) terms and conditions of supplier finance agreements; b) The amounts of the liabilities which are the subject of such arrangements, for which part of them the suppliers have already received payments from the providers of funds and under which caption these liabilities are presented in the balance sheet; c) maturity date intervals; and d) Information on liquidity risk. The amendment had no significant impact on the Company.	1 January 2024

Standards, amendments and interpretations to be adopted in subsequent periods

Amendment		Date of application
Standards and amendments endorsed by the European Union which the Group has chosen not to apply early		
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	On 15 August 2023, the International Accounting Standards Board (IASB) issued Lack of Exchangeability (Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates) (the amendments). The amendments clarify how an entity should assess whether a currency is exchangeable or not and how it should determine a spot exchange rate in situations of lack of exchangeability. A currency is exchangeable for another currency when an entity is able to exchange that currency for another currency on the measurement date and for a specific purpose. When a currency is not exchangeable, the entity has to estimate a spot exchange rate. According to the amendments, entities will have to provide new disclosures to help users assess the impact of using an estimated exchange rate on financial statements. These disclosures could include: a) the nature and financial impacts of the currency not being exchangeable; b) the spot exchange rate used; c) the estimation process; and d) the risks to the company because the currency is not exchangeable. This amendment is effective for periods starting after 1 January 2025. Earlier application is permitted.	1 January 2025

Amendment		Date of application
Standards and amendments not endorsed by the European Union		
IFRS 18 Presentation and Disclosure in Financial Statements	On 9 April 2024, the International Accounting Standards Board (IASB or Board) issued the new standard, IFRS 18 Presentation and Disclosure in Financial Statements. The main amendments introduced by this Standard are: a)promotion of a more structured income statement. In particular, it introduces a new subtotal 'operating profit' (as well as its definition) and the requirement that all income and expenses be classified into three new separate categories based on a company's main business activities: Operating, Investing and Financing. b)requirement for companies to analyse their operating expenses directly on the face of the income statement - either by nature, by function or in a mixed way. c)requirement for some of the 'non-GAAP' measures that the Group uses to be reported in the financial statements. The standard defines non-GAAP performance measures (MPMs) as a subtotal of income and expenses that: - are used in public communications outside the financial statements; and - communicate management's view of financial performance. For each MPM presented, companies will need to explain in a single note in the financial statements why the measure provides useful information, how it is calculated, and reconcile it with a value determined in accordance with IFRS. d) introduction of improved guidance on how companies group information in financial statements. It includes guidance on whether material information is included in the primary financial statements or is more detailed in the notes. The amendments are effective for periods beginning on or after 1 January 2027 and apply retrospectively. Earlier application is permitted.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability	On 9 May 2024, the International Accounting Standards Board (IASB) issued the new Standard, IFRS 19 Subsidiaries without Public Accountability: Disclosures, which allows eligible subsidiaries to use IFRS with reduced disclosures. The application of IFRS 19 will reduce the costs of preparing the financial statements of subsidiaries, while maintaining the usefulness of the information for the users of their financial statements. A subsidiary may opt to apply the new Standard in its consolidated, individual or separate financial statements, provided that, at the reporting date: a)it has no public accountability; b)its parent company prepares consolidated financial statements in accordance with IFRS. A subsidiary that applies IFRS 19 is required to state clearly in its explicit and unconditional statement of compliance with IFRS that IFRS 19 has been adopted. The amendments are effective for periods beginning on or after 1 January 2027 and apply retrospectively. Earlier application is permitted.	1 January 2027

	Amendment	Date of application
Standards and amendments not endorsed by the European Union		
IFRS 9 - Amendments Regarding the Classification and Measurement of Financial Instruments	On 30 May 2024, the International Accounting Standards Board (IASB or Board) issued amendments regarding the classification and measurement requirements of IFRS 9 - Financial Instruments. The amendments aim to resolve the diversity in the application of the standard, making the requirements more understandable and consistent. The purpose of these amendments is to: a) clarify the classification of financial assets with environmental, social and corporate governance (ESG) characteristics and similar, since these characteristics in loans can affect whether loans are measured at amortised cost or fair value. To resolve any potential diversity in practical application, the amendments clarify how the contractual cash flows of loans should be valued. b) clarify the date on which a financial asset or financial liability is derecognised when it is settled through electronic payment systems. There is an accounting policy option that allows a financial liability to be derecognised before the cash is delivered on the settlement date, if certain criteria are met. c) improve the description of the term 'non-recourse', according to the amendments, a financial asset has non-recourse characteristics if the ultimate right to receive cash flows from an entity is contractually limited to the cash flows generated by specific assets. The presence of non-recourse features does not necessarily exclude the financial asset from complying with the SPPI, but its characteristics need to be carefully analysed. d) clarify that a contractually linked instrument must have a cascading payment structure that creates a concentration of credit risk by allocating losses disproportionately between different instalments. The underlying pool can include financial instruments that are not within the scope of the classification and measurement of IFRS 9 (e.g. finance leases) but must have cash flows equivalent to the SPPI criterion. The IASB has also introduced additional disclosure requirements relating to equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features linked to ESG targets. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	1 January 2026
Annual improvements (IFRS1, IFRS7, IFRS9, IFRS10 and IAS7)	On 18 July 2024, the International Accounting Standards Board (IASB) issued limited amendments to the IFRS and respective guidelines, resulting from the regular maintenance carried out on the Standards. The amendments include clarifications, simplifications, corrections, and modifications made with the aim of improving the consistency of various IFRS. The IASB amended: a) IFRS 1 First-time Adoption of International Financial Reporting Standards, to clarify certain aspects related to the application of hedge accounting by an entity that is preparing financial statements in accordance with IFRS for the first time; b) IFRS 7 Financial Instruments: Disclosures and the respective Implementation Guidance, in order to clarify: - the application guidance, regarding Gain and loss on derecognition; and - the implementation guidance, namely its Introduction, Fair value paragraph (disclosures regarding the difference between fair value and transaction price) and Credit risk disclosure. c) IFRS 9 Financial Instruments to: - require companies to initially measure a receivable without a significant financing component at the amount determined by applying IFRS 15, and - clarify that when a lease liability is derecognised, the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The amendment establishes that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in net profit/(loss). d) IFRS 10 Consolidated Financial Statements, clarification on the determination of a "de facto agent"; and e) IAS 7 Cash Flow Statements, amendment of detail in the paragraph relating to Investments in subsidiaries, associates and joint ventures. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	1 January 2026
Amendments to IFRS 9 and IFRS 7 - Nature-dependent electricity contracts	On 18 December 2024, the International Accounting Standards Board (IASB) issued limited amendments to the IFRS and respective guidelines, resulting from the regular maintenance carried out on the Standards. Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include: a) clarifying the application of the 'own-use' requirements; b) permitting hedge accounting if these contracts are used as hedging instruments; and c) adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments are effective for periods beginning on or after 1 January 2026. Earlier application is permitted.	1 January 2026

With respect to the above standards, which are not yet mandatory, the Company has not yet completed the calculation of all impacts arising from their application and has therefore elected to apply them early, although these impacts are not expected to be material.

1.5. Significant accounting estimates and judgements

The preparation of separate financial statements requires management to make judgements and estimates that affect the amount of revenue, costs, assets, liabilities, and disclosures at the date of the statement of financial position. To that effect, the management's estimates and judgements are based on:

(i) the best information and knowledge of current events and in certain cases on the reports of independent experts; and

(ii) the actions that the Company considers it may have to take in the future.

On the date on which the operations take place, the outcome could differ from those estimates.

Significant estimates and judgements

The estimates and assumptions which present a significant risk of generating a material adjustment to the book value of assets and liabilities in the following financial period are presented below:

Estimates and judgements	Notes
Uncertainty over Income Tax Treatments	6.1 - Income tax for the period 6.2 - Deferred taxes
Valuation of financial investments	10.1 – Investments in subsidiaries

2. Operational performance

2.1. Revenue and segment reporting

Accounting policies

Within the Navigator Group, the Company operates as a trader of the Group's products and supplier of most of the Group's raw materials.

In preparing the separate financial statements, the accounting policies used by the Company in the areas of revenue and segment reporting are consistent with the policies applied in the consolidated financial statements, as described below.

Navigator Group business areas

The Navigator Group's main business is the production and sale of writing and printing uncoated woodfree paper (UWF) and domestic consumption paper (tissue) as well as pulp, and it is present in the whole value-added chain, from research and development of forestry and agricultural production to the purchase and sale of wood and the production of eucalyptus pulp and the production of electric and thermal energy, as well as its commercialisation. In the last quarter of 2024, the group also started producing moulded fibre packaging at the Aveiro industrial complex.

The Navigator Group currently has ten industrial sites - four in Portugal, one in Spain and five in the United Kingdom. Of the industrial complexes in Portugal, two are dedicated to the production of BEKP pulp, electricity and UWF paper (Figueira da Foz and Setúbal), one is dedicated to the production of BEKP pulp, energy, moulded cellulose packaging and tissue paper (Aveiro) and a fourth, in Vila Velha de Ródão, produces tissue. In Spain, the Group owns an industrial complex in Zaragoza where it produces tissue paper. In May 2024, with the acquisition of the Navigator Tissue UK Group (formerly the Accrol Group), the Navigator Group now has five production sites in the UK related to the tissue business: Blackburn (rolls and facials); Leicester (rolls); Leyland (rolls); Flint (wet wipes) and Bridgewater (wet wipes).

Wood is produced from woodlands from subsidiaries or leased in Portugal and Spain, and also form granted lands in Mozambique. The production of cork and pine wood are sold to third parties while the eucalyptus wood is mainly consumed in the production of pulp.

A significant portion of the Group's own BEKP production is consumed in the production of UWF and tissue paper. Sales of BEKP pulp, UWF paper and tissue paper – to 118 (2023: 134) countries and territories around the world.

With regard to energy production, the Group has three cogeneration plants, integrated in the production of pulp. Heat production is used for internal consumption while electricity is sold to the national energy grid. The Group also owns two cogeneration plants fuelled by natural gas and two independent plants fuelled by biomass, integrated into paper production in Figueira da Foz and Setúbal, the majority of whose output is sold to the national energy grid.

In addition, the Group currently has nine photovoltaic plants in operation for self-consumption: two in Setúbal, one at Herdade de Espirra, two at the Figueira da Foz industrial complex, one at the Zaragoza industrial complex, one at Raiz (in Aveiro) and also two plants that will come into operation in 2024, at the Aveiro and Vila Velha industrial complexes.

Segment reporting

In accordance with IFRS 8, the Company considers an operating segment as a component of the group that develops business activities from which it can obtain revenue and incur expenses, whose operating net profit/(loss) are regularly reviewed by the Executive Committee, which is primarily responsible for the operational decision-making for allocation of resources to the segment and the assessment of its performance and for which separate financial information is available.

The information used in segment reporting corresponds to the financial information prepared by the Company.

Although the Group has defined a series of segments, Navigator is only responsible for the marketing of the products produced by its subsidiaries and for the management of those subsidiaries. Therefore, it is considered that all the Company's activities fall into one single segment and so no further breakdown is required.

Revenue

Revenue is presented by goods and services sold and by geographical area, based on the country of destination of the goods and services sold by the Company.

Commercial contracts with Customers refer essentially to the sale of goods such as tissue paper and pulp, and to an extent, to the transportation inherent to those goods, when applicable.

Revenue recognition by group of materials is described as follows:

Pulp	Pulp revenue results from sales made to the Company's subsidiaries and international producers of paper and decoration. Revenue is recognised at a specific time, by the amount of the performance obligation satisfied, the price of the transaction corresponding to a fixed amount invoiced on the basis of quantities sold, less cash discounts and quantity discounts, which are reliably determinable. On the export side, the transfer of control of the products generally occurs when the products are transferred to the control of the customer, in accordance with the negotiated Incoterms. The Company is solely responsible for selling BEKP pulp produced by Navigator Group companies, intended for sale to the market and to the Group's UWF paper and tissue producers.
UWF	Paper revenue refers to sales made through Commercial Distributors (B2B), which include large distributors, wholesalers or commercial operators, as well as producers and processors of paper products. Revenue is recognised at a specific time, on the date of delivery of the product to the customer when the transfer of control occurs, by the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to the quantities sold, less cash discounts and quantity discounts, which are reliably determinable.
Tissue	Tissue revenue results from sales of tissue paper produced for the private label of national and international retail chains. Revenue is recognised at a specific moment, by the amount of the performance obligation satisfied, and the price of the transaction corresponds to a fixed amount invoiced according to quantities sold, less cash discounts and quantity discounts, which are reliably determined. Revenue is recognised against the delivery of the product, at which time the transfer of control over the product is deemed to take place.
Central purchasing operations	The revenue from goods purchased from producers and distributors to supply the Group's mills that use them as raw materials for processing is recognised on the date of delivery of the product to the customer, for the amount of the performance obligation satisfied, where the transaction price corresponds to a fixed amount invoiced based on the quantities sold that can be reliably determined.

Detail of revenue by materials/services groups and geographical areas

During the periods ended 31 December 2024 and 2023, the revenue from sales of goods and rendering of services is detailed as follows:

Amounts in Euro	2024	2023
Sales		
UWF Paper		
Portugal	66,040,792	68,015,492
Rest of Europe	734,930,491	858,105,848
United States of America	67,177,021	35,416,136
Rest of World	385,196,738	260,278,799
	1,253,345,041	**1,221,816,275**
Tissue Paper		
Portugal	102,874,540	105,623,826
Rest of Europe	171,013,243	115,323,793
Rest of World	3,271,959	5,937,111
	277,159,743	**226,884,730**
Market pulp		
Portugal	11,395,309	3,312,700
Rest of Europe	139,047,737	90,461,707
Rest of World	87,286,968	155,707,960
	237,730,015	**249,482,367**
Pulp supplied to subsidiaries		
Portugal	640,288,946	545,441,729
Rest of Europe	20,011,226	12,365,173
	660,300,173	**557,806,902**
Sales of goods - subsidiaries	292,069,555	310,890,035
Total sales	**2,720,604,526**	**2,566,880,309**
Services rendered		
Management and administrative services of subsidiaries	114,048,554	92,825,518
Total services rendered	**114,048,554**	**92,825,518**
Total revenue	**2,834,653,080**	**2,659,705,827**

In 2024, the Company had a turnover of Euro 2,834,653,080, with sales of UWF paper accounting for around 44% of turnover (2023: 46%), pulp sales 32% (2023: 30%), tissue paper sales 10% (2023: 9%) and sales of raw materials to supply the Group's mills 10% (2023: 12%).

Sales of market pulp fell as a result of greater integration by the Group's paper mills. It should also be noted that in 2024 there was a gradual increase in supply as a result of the 2023 projects in Chile and Uruguay, as well as the new production capacity that started up in 2024 in Latin America and China, which put negative pressure on price levels.

As a result of the acceleration in order intake until May and again at the end of the year, the printing and packaging paper segment recorded a 9% increase in sales. Demand for uncoated printing and writing paper (UWF) has been practically stagnant in recent years, unlike other grades where demand has been falling since 2020.

The tissue paper segment maintained a positive performance, with positive effects from the growth in demand in Western Europe since the start of the year and the recovery in household purchasing power.

Services rendered to subsidiaries essentially include corporate services related to the strategic orientation of holdings and an intermediation fee for managing the wood supply of the Group's pulp producers.

2.2. Other operating income

For the periods ended 31 December 2024 and 31 December 2023, Other operating income is detailed as follows:

Amounts in Euro	2024	2023
Supplementary gains	129,263	14,400
Gains on disposal of non-current assets	341	178,601
Impairment reversal on receivables	1,378,213	1,934,771
Impairment reversal on inventories (Note 4.1.3)	345,491	133,717
Discounts received on purchases	454,475	237,959
Compensations	428,875	1,359,235
Other operating income	1,301,356	1,257,014
	4,038,014	**5,115,697**

2.3. Other operating expenses

Amounts in Euro	2024	2023
Cost of goods sold and materials consumed (Note 4.1.2)	**2,476,330,691**	**2,339,940,354**
External services and supplies		
Transportation of goods	119,745,253	112,666,024
Specialised services	81,710,937	76,347,831
Royalties	23,553,592	22,826,264
Fees	1,247,887	1,251,496
Insurance	2,467,128	2,300,454
Rentals	1,221,239	1,972,532
Fees	1,223,860	1,861,555
Travel and accommodation	895,354	1,174,127
Advertising and marketing	643,642	394,109
Representation costs	425,973	312,297
Other	494,251	527,951
	233,629,116	**221,634,640**
Payroll costs (Note 7.1)	**5,593,834**	**7,186,383**
Other operating expenses		
Impairment losses on inventories (Note 4.1.3)	5,072	465,150
Impairment losses on receivables	173,733	-
Other inventory losses (Note 4.1.2)	1,935,119	979,581
Donations	32,936	95,985
Membership fees	319,622	352,990
Indirect taxes	51,052	177,825
Other operating expenses	141,836	328,939
	2,659,370	**2,400,470**
Net provisions (Note 9.1)	**23,630**	**(1,789,744)**
Total operating expenses	**2,718,213,011**	**2,571,161,847**

In 2024, there was an increase in the costs borne by the company, in line with the increase in quantities sold, and this increase was visible above all in logistics costs and specialised services.

The Specialised services caption includes costs for marketing and sales agency services of Euro 21,428,790 euros (2023: Euro 19,914,058 euros) and costs for general administrative services of Euro 35,122,299 (2023: Euro 32,994,638) invoiced by Navigator Pulp Figueira, S.A..

Audit fees

	2024		2023	
Amounts in Euro	Expenses in the period	Fees invoiced	Expenses in the period	Fees invoiced
KPMG (SROC) and other entities belonging to the same network				
Audit fees	464,611	252,500	195,000	169,000
Other assurance services	97,000	116,500	13,260	34,010
Other services	331,778	331,778	475	475
	893,390	**700,778**	**208,735**	**203,485**

The services indicated as "Other assurance services" relate to the reporting of financial information and Sustainability Information verification services. With regard to services other than auditing, these refer to the provision of financial information auditing services to a number of companies in a Group within the scope of the acquisition by the Navigator Group, as well as agreed procedures on financial information.

The Board of Directors believes there are adequate procedures safeguarding the independence of auditors, through the Supervisory Board process analysis of the work proposed and careful definition of the work to be performed by the auditors.

3. Investments

3.1. Property, plant and equipment

Movements in property, plant and equipment

Amounts in Euro	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Administrative equipment	Other property, plant and equipment	Assets under construction	Total
Gross amount								
Balance as at 1 January 2023	**12,872**	**693,726**	**1,392,678**	**4,056,768**	**4,467,177**	**10,546,631**	**-**	**21,169,852**
Acquisitions	-	-	-	-	-	117,300	-	117,300
Disposals	(5,415)	-	-	-	-	-	-	(5,415)
Adjustments, transfers and write-offs	-	-	(18,179)	(392,191)	(342,055)	(81,293)	-	(833,718)
Balance as at 31 December 2023	**7,457**	**693,726**	**1,374,499**	**3,664,577**	**4,125,122**	**10,582,638**	**-**	**20,448,019**
Acquisitions	-	-	-	-	-	-	323,689	323,689
Balance as at 31 December 2024	**7,457**	**693,726**	**1,374,499**	**3,664,577**	**4,125,122**	**10,582,638**	**323,689**	**20,771,708**
Accumulated depreciation and impairment losses								
Balance as at 1 January 2023	**-**	**(77,563)**	**(1,380,734)**	**(3,942,181)**	**(4,402,684)**	**(10,511,665)**	**-**	**(20,314,830)**
Depreciation for the period (Note 3.3)	-	(14,791)	(9,267)	(13,014)	(9,588)	(7,525)	-	(54,185)
Disposals	-	-	-	-	-	-	-	-
Adjustments, transfers and write-offs	-	-	16,180	392,166	336,147	85,735	-	830,228
Balance as at 31 December 2023	**-**	**(92,354)**	**(1,373,821)**	**(3,563,029)**	**(4,076,125)**	**(10,433,455)**	**-**	**(19,538,787)**
Depreciation for the period (Note 3.3)	-	(14,791)	(387)	(13,011)	(7,778)	(43,366)	-	(79,333)
Balance as at 31 December 2024	**-**	**(107,145)**	**(1,374,208)**	**(3,576,040)**	**(4,083,903)**	**(10,476,821)**	**-**	**(19,618,120)**
Net book value as at 1 January 2023	**12,872**	**616,163**	**11,944**	**114,587**	**64,493**	**34,966**	**-**	**855,022**
Net book value as at 31 December 2023	**7,457**	**601,372**	**678**	**101,548**	**48,997**	**149,183**	**-**	**909,232**
Net book value as at 31 December 2024	**7,457**	**586,581**	**291**	**88,537**	**41,219**	**105,817**	**323,689**	**1,153,588**

Accounting policies

Recognition and initial measurement

Property, plant and equipment acquired up to 1 January 2004 (transition date to IFRS) are recorded at acquisition cost, or revalued acquisition cost in accordance with generally accepted accounting principles in Portugal until that date, net of amortisation and accumulated impairment losses.

Property, plant and equipment acquired after the transition date are shown at cost, less accumulated depreciation and impairment losses.

Depreciation and impairment

We use the straight-line method from the moment the asset is available for use and using the rates that best reflect their estimated useful life.

	Average useful life	
	2024	2023
Buildings and other constructions	20 – 50	20 – 50
Basic equipment	7 – 35	7 – 35
Transportation equipment	4 – 9	4 – 9
Administrative equipment	4 – 8	4 – 8
Other property, plant and equipment	3 – 21	3 – 21

The residual values of the assets and respective useful lives are reviewed and adjusted, on the date of the Separate statement of financial position. When the carrying amount of the asset exceeds its realisable value, the asset is written down to the estimated recoverable amount, and an impairment charge is booked.

Subsequent costs

Scheduled maintenance expenses are considered a component of the acquisition cost of property, plant and equipment and are fully depreciated by the next forecasted maintenance date.

All other repairs and maintenance costs are charged to the income statement in the financial period in which they are incurred.

Write-offs and disposals

Gains or losses arising from write-offs or disposals are determined by the difference between the proceeds from the disposals when applicable less transaction costs and the carrying amount of the asset and are recognised in the income statement as Other operating income (Note 2.2) or Other operating expenses (Note 2.3).

3.2. Right-of-use assets

Movements in right-of-use assets

Amounts in Euro	Buildings	Vehicles	Total
Gross amount			
Balance as at 1 January 2023	**4,277,508**	**54,896**	**4,332,404**
Acquisitions	-	-	-
Adjustments, transfers and write-offs	53,743	(35,612)	18,131
Balance as at 31 December 2023	**4,331,251**	**19,284**	**4,350,535**
Acquisitions	-	-	-
Adjustments, transfers and write-offs	117,680	(3,092)	114,588
Balance as at 31 December 2024	**4,448,931**	**16,192**	**4,465,123**
Accumulated depreciation and impairment losses			
Balance as at 1 January 2023	**(2,024,884)**	**(51,396)**	**(2,076,280)**
Depreciation (Note 3.3)	(518,682)	(8,610)	(527,292)
Adjustments, transfers and write-offs	-	40,722	40,722
Balance as at 31 December 2023	**(2,543,565)**	**(19,284)**	**(2,562,850)**
Depreciation (Note 3.3)	(546,107)	(2,018)	(548,125)
Adjustments, transfers and write-offs	-	5,110	5,110
Balance as at 31 December 2024	**(3,089,672)**	**(16,192)**	**(3,105,865)**
Net book value as at 1 January 2023	**2,252,624**	**3,500**	**2,256,124**
Net book value as at 31 December 2023	**1,787,686**	**-**	**1,787,685**
Net book value as at 31 December 2024	**1,359,259**	**-**	**1,359,258**

The caption Buildings refers to the lease agreement entered into between The Navigator Company, S.A. e a MaxiRent - Fundo de Investimento Imobiliário Fechado for the building located at Avenida Fontes Pereira de Melo 27, in Lisbon, for use as an office until May 2027.

Accounting policies

At the date the lease enters into force, the Company recognises right-of-use assets at its cost, which corresponds to the initial amount of the lease liability adjusted for: i) any prepayments; ii) lease incentives received; and iii) initial direct costs incurred.

To the right-of-use asset, the estimate of removing and/or restoring the underlying asset and/or the location where it is located may be added, when required by the lease agreement.

The right-of-use asset is subsequently depreciated using the straight-line method, from the start date until the lower between the end of the asset's useful life and the lease term. Additionally, the right-of-use asset reduced of impairment losses, if any, and adjusted for any remeasurement of the lease liability. The useful life considered for each class of right-of-use asset is equal to the useful life of Property, plant and equipment (Note 3.1) in the same class when there is a call option and the Company expects to exercise it.

Short-term leases and low-value asset leases

The Company recognises payments for leases of 12 months or less and for leases of assets whose individual acquisition value is less than USD 5,000 directly as operating expenses of the period (Note 2.3), on a straight-line basis.

3.3. Depreciation, amortisation and impairment losses

Amounts in Euro	2024	2023
Depreciation of property, plant and equipment for the period (Note 3.1)	79,333	54,185
Use of government grants	(841)	(988)
Depreciation of property, plant and equipment, net of grants charged-off	**78,492**	**53,197**
Depreciation of right-of-use assets for the period (Note 3.2)	**548,125**	**527,292**
	626,617	**580,489**

4. Working capital

4.1. Inventories

4.1.1. Inventories - detail by nature

Amounts net of accumulated impairment losses

	31-12-2024			31-12-2023		
Amounts in Euro	Gross amount	Impairment	Net amount	Gross amount	Impairment	Net amount
BEKP pulp	4,767,828	(17,571)	4,750,257	10,621,680	(136,092)	10,485,588
UWF Paper	17,949,366	(759,316)	17,190,050	16,002,438	(963,739)	15,038,699
Tissue Paper	453,063	(2,420)	450,643	2,586,851	(24,967)	2,561,884
Goods supplied to the Group's mills	5,038,724	(146,133)	4,892,591	4,170,909	(141,061)	4,029,848
Total	**28,208,981**	**(925,440)**	**27,283,541**	**33,381,878**	**(1,265,859)**	**32,116,019**

Inventories – distribution by geographical area

Amounts in Euro	31-12-2024	%	31-12-2023	%
Portugal				
BEKP pulp	-	0.00%	7,463,479	22.36%
UWF Paper	8,379,808	29.71%	8,220,029	24.62%
Tissue Paper	450,643	1.60%	437,634	1.31%
Goods used for Group supply	5,038,724	17.86%	4,170,909	12.49%
	13,869,175	**49.17%**	**20,292,051**	**60.79%**
Rest of Europe				
BEKP pulp	4,767,828	16.90%	3,158,201	9.46%
UWF Paper	9,569,558	33.92%	7,782,409	23.31%
Tissue Paper	2,420	0.01%	2,149,217	6.44%
	14,339,806	**50.83%**	**13,089,827**	**39.21%**
	28,208,981	**100.00%**	**33,381,878**	**100.00%**

The Company's inventories include Euro 8,830,451 (2023: Euro 14,673,749) relating to UWF paper, tissue paper and pulp for which invoices have already been issued but whose control has not been transferred to Trade receivables.

As at 31 December 2024 and 31 December 2023, there are no inventories in which ownership is restricted and/or pledged as collateral for liabilities.

4.1.2. Cost of goods sold and materials consumed in the period

Amounts in Euro	2024	2023
Opening balance	32,116,019	25,927,585
Purchases	2,473,092,913	2,347,439,802
Gains / (losses) on inventories (Note 2.3)	(1,935,119)	(979,581)
Gains / (losses) by impairment (Notes 2.2 and 2.3)	340,419	(331,433)
Closing balance	(27,283,541)	(32,116,019)
Cost of goods sold and materials consumed (Note 2.3)	**2,476,330,691**	**2,339,940,354**

Costs of goods and materials consumed by type

Amounts in Euro	2024	2023
BEKP Pulp - sales to market	224,763,542	255,196,325
BEKP Pulp - included in the Group	658,246,874	559,539,342
UWF Paper	1,011,660,977	979,105,940
Tissue Paper	289,304,756	238,255,673
Goods supplied to the Group's mills	292,354,542	307,843,074
	2,476,330,691	**2,339,940,354**

4.1.3. Movements in impairment losses in inventories

Amounts in Euro	2024	2023
Opening balance	**(1,265,859)**	**(934,426)**
Increases (Note 2.3)	(5,072)	(465,150)
Reversals (Note 2.2)	345,491	133,717
Impact in net profit/(loss) for the period	**340,419**	**(331,433)**
Charge-off	-	-
Closing balance	**(925,440)**	**(1,265,859)**

The impairment losses in inventories recorded in 2024 and 2023 relate to adjustments in the stock of UWF paper.

Accounting policies

Goods

The goods held by Navigator correspond essentially to eucalyptus pulp, UWF paper and tissue paper acquired from its subsidiaries, for sale to the market. It also includes materials acquired from third parties to supply subsidiaries as part of the Navigator Group's central purchasing functions.

The Company acts as the Navigator Group's central purchasing body, and most of the Group's purchases of raw materials are made centrally by the Company, which then supplies the manufacturing companies, except for wood supply.

Goods and raw, subsidiary and consumable materials are valued at the lower of their purchase cost or their net realisable value. The purchase cost includes ancillary costs, and it is determined using the weighted average cost as the valuation method.

4.2. Receivables

Amounts in Euro	31-12-2024 Non-current	31-12-2024 Current	31-12-2024 Total	31-12-2023 Non-current	31-12-2023 Current	31-12-2023 Total
Trade receivables	-	216,728,199	216,728,199	-	203,679,470	203,679,470
Receivables - Related companies (Note 10.2)	-	681,801,808	681,801,808	-	490,767,984	490,767,984
State	-	47,422,025	47,422,025	-	38,961,563	38,961,563
Tax consolidation - related parties (Note 10.2)	-	59,762,374	59,762,374	-	59,649,931	59,649,931
Accrued income	-	4,485,516	4,485,516	-	547,437	547,437
Deferred expenses	-	-	-	-	30,209	30,209
Derivative financial instruments (Note 8.2)	-	21,022,302	21,022,302	-	19,458,938	19,458,938
Advances to suppliers	-	2,603,887	2,603,887	-	3,276,567	3,276,567
Other receivables	6,684	268,802	275,486	27,956	149,483	177,439
	6,684	**1,034,094,913**	**1,034,101,597**	**27,956**	**816,521,582**	**816,549,538**

The amounts above are net of accumulated impairment losses. Analysis of impairment for receivables is presented in Note 8.1.4 - Credit risk.

The increase in this caption is mainly due to balances with related parties, namely Navigator United Kingdom, ltd. On 24 May 2024, this company acquired the entire share capital of Accrol Group Holdings Plc, a company based in Blackburn, England, which has 9 subsidiaries, 3 of which are operating.

Other - non-current

The amount recorded as non-current in 2024 is related to a VAT guarantee in connection with the Company's VAT registration in Switzerland, amounting to Euro 6,684. In 2023 the balance also included financial incentives to be received, namely under the RPP (Recovery and Resilience Plan).

State

Amounts in Euro	31-12-2024	31-12-2023
Value added tax - recoverable	7,146,118	-
Value Added Tax - repayment requests	40,275,907	38,961,563
	47,422,025	**38,961,563**

Up to the issuing of this report, Euro 40,275,907 in repayments requested on 31 December 2024 had been received. The amounts requested as at 31 December 2023, Euro 38,961,563 were received during the first half of 2024.

Accounting policies

Classification

Trade receivables and other debtors

Trade receivables balances result from the Company's main activities and the business model followed is the collection of contractual cash flows.

Balances from other debtors generally assume the business model of collecting contractual cash flows.

Initial measurement

At fair value.

Subsequent measurement

At amortised cost, net of impairment losses.

Impairment from Trade receivables

Impairment losses are recorded based on the simplified model provided for in IFRS 9, recording expected losses until maturity.

The expected losses are determined on the basis of the experience of historical actual losses over a statistically significant period and representative of the specific characteristics of the underlying credit risk (Note 8.1.4).

Impairment from other debtors

Impairment losses are recorded on the basis of the general estimated credit loss model of IFRS 9.

4.3. Payables

Amounts in Euro	31-12-2024	31-12-2023
Trade payables	76,061,929	64,536,033
Payables - related companies (Note 10.2)	533,952,927	545,994,019
State	2,160,781	2,227,427
Advances from customers	8,898,449	6,473,115
Profit attributable to shareholders	99,999,451	-
Other payables	10,966,313	239,850
Derivative financial instruments (Note 8.2)	6,311,499	5,691,817
Payroll costs accruals	7,106,789	9,165,030
Accrued expenses - interest payable	4,733,532	4,192,903
Accrued expenses - logistics and sales commissions	14,844,173	11,665,248
Accrued expenses - related companies (Note 10.2)	22,755,799	25,094,238
Other accrued expenses	1,818,743	2,325,765
Deferred income - operating grants	61,450	61,450
	789,671,835	**677,666,895**

The increase in this caption is mainly the result of the decision by the Company's Board of Directors on 19 December 2024 to pay an early dividend of Euro 99,999,451 (Note 5.4), payable on 9 January 2025.

State

Amounts in Euro	31-12-2024	31-12-2023
Personal income tax withhold (IRS)	485,334	349,695
Value added tax	1,227,802	1,456,503
Social Security contributions	447,645	421,229
	2,160,781	**2,227,427**

As at 31 December 2024 and 2023, there were no arrears with the State.

Other payables

As at 31 December 2024, this caption essentially includes the amount of Euro 10,801,575 to be paid to the IFC - International Finance Corporation, in accordance with the contract described in Note 5.5.

Accounting policies

Trade payables and other current liabilities are initially recorded at their fair value and subsequently measured at amortised cost.

5. Capital structure

5.1. Capital management

Capital management policy

For capital management purposes, the Company defines capital as including equity and net debt. The Company's objectives in relation to capital management are:

i. To safeguard the Company's ability to continue as a going concern and thus provide returns for Shareholders and benefits for its remaining Stakeholders;

ii. To keep a solid capital structure to support the growth of its business; and

iii. To maintain an optimal capital structure that enables it to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company can adjust the amount of dividends payable to its Shareholders, return capital to its Shareholders, issue new shares or sell assets to lower its borrowings.

In line with the sector, the Company monitors its capital based on the gearing ratio, defined as the proportion between net debt and total capital.

Net interest-bearing debt is calculated by adding the total amount of loans (including the current and non-current portions as disclosed in the statement of financial position) and deducting all cash and cash equivalents. Total equity is calculated by adding Shareholders' equity (as shown in the statement of financial position), to interest-bearing net debt, and excluding treasury shares and non-controlling interests.

The Company calculates the gearing ratio as follows:

Amounts in Euro	31-12-2024	31-12-2023
Interest-bearing liabilities (Note 5.6)	1,073,032,204	897,030,355
Cash and cash equivalents (Note 5.8)	(406,735,567)	(310,150,771)
Net debt	**666,296,637**	**586,879,584**
Equity	1,355,728,835	1,315,245,815
Treasury shares	-	-
Shareholders' equity, excluding treasury shares	**1,355,728,835**	**1,315,245,815**
Total equity	**2,022,025,472**	**1,902,125,399**
Gearing	**32.95%**	**30.85%**

5.2. Share Capital and treasury shares

The Navigator Company, S.A. is a public company with its shares quoted on the Euronext Lisbon.

As at 31 December 2024, The Navigator Company, S.A.'s share capital of Euro 500,000,000 was fully subscribed and is represented by 711,183,069 shares without nominal value (31 December 2023: 711,183,069 shares).

As at 31 December 2024 and 2023, the Shareholders with qualified shareholdings in the Company's capital were as follows:

	31-12-2024		31-12-2023	
Entity	**No. of shares**	**%**	**No. of shares**	**%**
Semapa, SGPS, S.A.	498,042,299	70.03%	497,617,299	69.97%
Floating shares	213,140,770	29.97%	213,565,770	30.03%
	711,183,069	**100.0%**	**711,183,069**	**100.0%**

As at 31 December 2024, the unit value of each share was Euro 3.59 (31 December 2023: Euro 3.55) and the market capitalisation of the Company at this date amounted to Euro 2,553,147,218 (31 December 2023: Euro 2,524,699,895), compared to equity of Euro 1,355,728,835 (31 December 2023: Euro 1,315,245,815).

Accounting policies

Ordinary shares are classified in Shareholders' equity.

Costs directly attributable to the issue of new shares or other equity instruments are reported as a deduction, net of taxes, from the proceeds of the issue.

Costs directly attributable to the issue of new shares or options for the acquisition of a new business are deducted from the amount issued.

When such shares are subsequently disposed or reissued, any proceeds, net of the directly attributable transaction costs and taxes, is directly reflected in the Shareholders' equity and not in net profit/(loss) for the period.

5.3. Earnings per share

	2024	2023
Profit attributable to Navigator's equity holders (Euro)	**286,948,195**	**274,923,820**
Total number of shares issued	711,183,069	711,183,069
Weighted average number of shares	**711,183,069**	**711,183,069**
Basic earnings per share (Euro)	**0.403**	**0.387**
Diluted earnings per share (Euro)	**0.403**	**0.387**

Accounting policies

Basic earnings per share are determined based on the division of profits or losses attributable to the ordinary Shareholders of the Company by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Company adjusts the profits or losses attributable to ordinary equity holders, as well as the weighted average number of outstanding shares for the purposes of all potential dilutive common shares.

5.4. Dividends

Amounts in Euro	Amount approved	Dividends per share (Euro)
Allocations in 2024		
Distribution of retained earnings	149,995,621	0.211
Early dividend resolution	99,999,451	0.141
Allocations in 2023		
Distribution of retained earnings	199,984,679	0.281

At the General Shareholders Meeting held on 24 May 2024, The Navigator Company, S.A. resolved to distribute dividends in the amount of Euro 149,995,621.

On 19 December 2024, the Board of Directors of The Navigator Company, S.A. decided to make an advance on profits to Shareholders, in the amount of Euro 99,999,451, equivalent to the net value of Euro 0.14061 per share, which was paid on 9 January 2025.

At the General Shareholders Meeting held on 17 May 2023, The Navigator Company, S.A. resolved to distribute dividends in the amount of Euro 199,984,679.

Accounting policies

The distribution of dividends to equity holders is recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Shareholders at the General Shareholders Meeting and up until the time of their payment or, in the case of anticipated distributions, when approved by the Board of Directors.

5.5. Reserves and Retained earnings

Amounts in Euro	31-12-2024	31-12-2023
Reserves by application of equity method	(395,128,709)	(404,214,827)
Fair value reserves	12,011,454	12,898,767
Legal reserve	100,000,000	100,000,000
Free reserves	3,481,014	3,481,014
Other reserves	(11,819,114)	(2,377,265)
Retained earnings	960,235,449	830,534,306
Reserves and retained earnings	**668,780,094**	**540,321,995**

Reserves by applying the equity method – details

Company	31-12-2024	31-12-2023
Subsidiaries		
Navigator Paper Southern Africa	54	-
Navigator España, S.A.	(489,090,119)	(489,989,689)
Navigator Pulp Aveiro, S.A.	(7,936,300)	(7,936,300)
Enerpulp, S.A.	154,000	154,000
Navigator Parques Industriais, S.A.	(1,499,369)	(1,499,368)
Portucel Moçambique, S.A.	25,229,195	26,069,669
Navigator Pulp Setúbal, S.A.	154,001	154,000
Navigator Pulp Figueira, S.A.	615,954	615,954
Navigator Forest Portugal, S.A.	739,554	754,578
Navigator Paper Setúbal, S.A.	(6,108,693)	(15,238,322)
Navigator Tissue Aveiro, S.A.	2,117,121	2,117,121
Navigator Paper Figueira, S.A.	79,783,696	79,783,696
Raíz - Inst. Investigação Floresta e Papel	729,654	816,570
Empremédia - Corretores de Seguros, S.A.	246,570	245,721
Empremedia DAC	(222,470)	(222,470)
Navigator Paper Mexico	(41,677)	(40,150)
Navigator Egypt	120	161
Subsidiaries	**(395,128,709)**	**(404,214,827)**

Fair value reserves– details

	31-12-2024			31-12-2023		
Amounts in Euro	**Gross amount**	**Tax amount**	**Net amount**	**Gross amount**	**Tax amount**	**Net amount**
Interest rate risk hedging	5,068,875	(1,343,252)	3,725,623	16,015,134	(4,404,162)	11,610,972
Hedging exchange rate risk and others	11,273,239	(2,987,408)	8,285,830	1,776,268	(488,473)	1,287,795
	16,342,114	**(4,330,660)**	**12,011,454**	**17,791,402**	**(4,892,635)**	**12,898,767**

Fair value reserves - movements

Amounts in Euro	31-12-2024	31-12-2023
Opening balance	**12,898,767**	**33,997,828**
Change in the fair value of derivative financial instruments (Note 8.2)	(1,526,544)	(29,102,154)
Deferred tax (Note 6.2)	639,231	8,003,093
Closing balance	**12,011,454**	**12,898,767**

Movements in Other reserves

In 2014, the Group signed agreements with IFC – Internacional Finance Corporation, a Subscription Agreement and a Put and Call option for the entry of this institution into the share capital of the subsidiary Portucel Moçambique, S.A., thus ensuring the construction phase of the Group's forestry project in Mozambique. In 2015, this Company performed a capital increase from MZM 1,000 million to MZM 1,680.798 million subscribing MZM 332,798 million corresponding to 19.98% of the capital at that date.

In February 2019, there was a reduction in the subscribed, underwritten, and paid-up capital of the shareholder The Navigator Company, S.A. to MZM 456,596,000, corresponding to 90.02% of the Company's share capital, and the IFC's holding was revised to MZM 50,620,000, corresponding to 9.98% of the Portucel Moçambique's share capital.

On 19 December 2023, an addendum was made to the agreements initially signed with the IFC - International Finance Corporation, extending the date of entry of this institution into the capital of the subsidiary Portucel Moçambique, S.A. from 31 December 2023 to 31 December 2028.

In the current period, Navigator considered that the put option on the shares of the subsidiary Portucel Moçambique, S.A. to The Navigator Company, S.A. by IFC – International Finance Corporation was expected to be exercised and recorded the amount of Euro 9,441,850 relating to that transaction.

Accounting policies

Reserves by applying the equity method

Corresponds to the accumulated change in changes in equity in the Company's subsidiaries whose investment is measured by the equity method (Note 10.1). In accordance with the Portuguese commercial legislation, these reserves are not distributable.

Fair value reserves

It corresponds to the accumulated change in fair value of derivative financial instruments classified as hedging instruments (Note 8.2), net of deferred taxes.

Changes related to derivatives are reclassified to net profit/(loss) for the period (Note 5.10) as the hedged instruments affect net profit/(loss) for the period. The fair value adjustments of financial investments recorded under this caption is not recycled to net profit/(loss).

Legal reserve

The Portuguese commercial legislation prescribes that at least 5% of annual net profit/(loss) must be transferred to the legal reserve, until this is equal to at least 20% of the share capital. This reserve cannot be distributed unless the company is liquidated. It may, however, be drawn on to absorb losses, after other reserves are exhausted, or incorporated in the share capital.

The legal reserve is constituted by its maximum amount in the periods presented.

Other reserves

This caption corresponds to reserves constituted through the transfer of prior period's profit and other movements. The portion of the balance corresponding to the acquisition value of treasury shares held (Note 5.2), if any, is not distributable.

5.6. Interest-bearing liabilities

	31-12-2024			31-12-2023		
	Non-current	Current	Total	Non-current	Current	Total
Bond loans	547,500,000	100,000,000	647,500,000	397,500,000	22,500,000	420,000,000
Commercial paper	85,000,000	35,000,000	120,000,000	70,000,000	35,000,000	105,000,000
Bank loans	78,551,587	12,420,635	90,972,222	71,972,222	34,539,683	106,511,905
Charges with bond issuances	(3,442,861)	-	(3,442,861)	(2,614,750)	-	(2,614,750)
Cash pooling Navigator Group	-	218,002,842	218,002,842	-	268,133,200	268,133,200
Debt securities and bank debt	**707,608,727**	**365,423,477**	**1,073,032,204**	**536,857,472**	**360,172,883**	**897,030,355**

The evolution of financing in 2024 was marked by the contracting of a significant volume of new long-term lines (maturities between 5 and 7 years), amounting to Euro 355 million, all indexed to ESG indicators.

Of this total, Euro 250 million were issued in the form of bonds, maturing in 2029 (Euro 50 million) and 2031 (Euro 200 million). A commercial paper issue was also made (Euro 50 million), with a firm underwriting until 2030. All the bonds and commercial paper were issued under the Sustainability-Linked Bonds Framework.

This operation contributed to extending the average life of the Group's debt, as well as reducing the Company's financing cost, in addition to having conditions adjusted to the fulfilment of sustainability commitments. The conditions of the bond loans are indexed to three ESG indicators already included in the Group's Sustainability Agenda and, in turn, aligned with the Sustainable Development Goals of the United Nations.

In December 2023, the Company signed a new long-term loan agreement with the European Investment Bank (EIB) for Euro 115 million, maturing in 12 years. The loan will be disbursed in up to 3 instalments within 18 months of signing the contract. The loan will support the project to build and operate the high-efficiency recovery boiler at the Setúbal Industrial Complex, a key step in the decarbonisation roadmap. This green loan is part of the REPowerEU Plan, which aims to increase financing for green energy and support the autonomy and competitiveness of the European Union.

The maturity analysis of interest-bearing liabilities is presented in the Note 8.1.3 - Liquidity risk.

Interest-bearing liabilities – Details

	31-12-2024					
Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	Current	Non-current
Bond loans						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	50,000,000	100,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	10,000,000	10,000,000	March 2025	Variable rate indexed to Euribor, with swap to fixed rate	10,000,000	-
Navigator 2021-2026	12,500,000	12,500,000	April 2026	Variable rate indexed to Euribor	2,500,000	10,000,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	37,500,000	37,500,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Navigator 2024-2029	50,000,000	50,000,000	June 2029	Variable rate indexed to Euribor, with swap to fixed rate	-	50,000,000
Navigator 2024-2031	50,000,000	50,000,000	June 2031	Variable rate indexed to Euribor, with swap to fixed rate	-	50,000,000
Navigator SLB 2024-2031	50,000,000	50,000,000	October 2031	Variable rate indexed to Euribor	-	50,000,000
Navigator 2024-2031 SLB	100,000,000	100,000,000	May 2031	Variable rate indexed to Euribor	-	100,000,000
Fees	-	(3,442,861)			-	(3,442,861)
European Investment Bank						
EIB Loan – Cacia	9,722,222	9,722,222	May 2028	Fixed rate	2,777,778	6,944,444
EIB Loan – Figueira	25,714,286	25,714,286	February 2029	Fixed rate	5,714,286	20,000,000
EIB Loan – Biomass Boiler	25,535,714	25,535,714	March 2031	Fixed rate	3,928,571	21,607,143
EIB Loan	115,000,000	-	Up to 12 years after reimbursement	Indexed to the cost of EIB funds, on disbursement	-	-
Commercial Paper Programme						
Commercial Paper Programme 175M	70,000,000	70,000,000	February 2026	Fixed rate	35,000,000	35,000,000
Commercial Paper Programme 65M ESG	19,500,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 75M	75,000,000	-	January 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M 2024- 2030	50,000,000	50,000,000	June 2030	Variable rate indexed to Euribor	-	50,000,000
Interest-bearing liabilities						
Long-term investment	55,000,000	30,000,000	March 2031	Variable rate indexed to Euribor	-	30,000,000
Bank credit facilities						
Short-term facility 20M	20,450,714	-			-	-
Cash pooling						
Navigator Group Cash Pooling Line	218,002,842	218,002,842			218,002,842	-
		1,073,032,204			**365,423,477**	**707,608,727**

Amounts in Euro	Amount	Outstanding amount	Maturity	Interest rate	31-12-2023 Current	Non-current
Bond loans						
Navigator 2022-2028 ESG	150,000,000	150,000,000	June 2028	Variable rate indexed to Euribor, with swap to fixed rate	-	150,000,000
Navigator 2019-2026	50,000,000	50,000,000	January 2026	Fixed rate	-	50,000,000
Navigator 2019-2025	30,000,000	30,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	20,000,000	10,000,000
Navigator 2021-2026	15,000,000	15,000,000	April 2026	Variable rate indexed to Euribor	2,500,000	12,500,000
Navigator 2020-2026	75,000,000	75,000,000	December 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	75,000,000
Navigator 2021-2026 ESG	100,000,000	100,000,000	August 2026	Variable rate indexed to Euribor, with swap to fixed rate	-	100,000,000
Fees	-	(2,614,750)	-	Variable rate indexed to Euribor	-	(2,614,750)
European Investment Bank						
EIB Loan - Energy	10,625,00	7,083,333	December 2024	Variable rate indexed to Euribor	7,083,333	-
EIB Loan – Cacia	13,888,889	12,500,000	May 2028	Fixed rate	2,777,778	9,722,222
EIB Loan – Figueira	31,428,572	31,428,572	February 2029	Fixed rate	5,714,286	25,714,286
EIB Loan – Biomass Boiler	27,500,000	27,500,000	March 2031	Fixed rate	1,964,286	25,535,714
Commercial Paper Programme						
Commercial Paper Programme 175M	105,000,000	105,000,000	February 2026	Fixed rate	35,000,000	70,000,000
Commercial Paper Programme 65M	42,250,000	-	February 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 75M	75,000,000	-	January 2026	Variable rate indexed to Euribor	-	-
Commercial Paper Programme 50M	50,000,000	-	December 2025	Variable rate indexed to Euribor	-	-
Loans						
Long-term investment	15,000,000	13,000,000	March 2026	Variable rate indexed to Euribor	2,000,000	11,000,000
Other	3,648,804	-	-6	Variable rate indexed to Euribor	-	-
Bank credit facilities						
Short-term facility 20M	20,450,714	15,000,000	-	-	15,000,000	-
Cash pooling						
Navigator Group Cash Pooling Line	268,133,200	268,133,200		-	268,133,200	-
		897,030,355			**360,172,883**	**536,857,472**

As at 31 December 2024, the average cost of debt with financial institutions, considering interest rates, the annual fees and hedging operations, was 2.5% (as at 31 December 2023 it was 2%).

As at 31 December 2024, the Company had contracted Commercial Paper Programmes, contracted and undisbursed Long-term financing, as well as available and undrawn credit facilities of Euro 304,950,714 (31 December 2023: 287,700,714).

The repayment terms for the interest-bearing liabilities recorded as non-current are detailed as follows:

Amounts in Euro	31-12-2024	31-12-2023
Non-current		
1 to 2 years	244,920,635	149,420,635
2 to 3 years	12,420,635	253,920,635
3 to 4 years	111,031,746	12,420,635
4 to 5 years	56,785,714	111,031,746
More than 5 years	285,892,857	12,678,571
	711,051,588	**539,472,222**
Fees	(3,442,861)	(2,614,750)
	707,608,727	**536,857,472**

Financial covenants in force

Ratio	Definition	Loans	Limit
Interest coverage	EBITDA 12M / Annual net interest	Bank	>= 4.5 - 5.5
Indebtedness	Interest-bearing debt / EBITDA 12M	Bank	<= 4.5
Net Debt / EBITDA	(Interest-bearing debt - Cash) / EBITDA 12M	Bank Commercial Paper Bonds	<= 4.0 <= 4.0 - 5.0 <= 4.0

Given the contractual limits, in 2024 and 2023 the Company is in compliance with the covenants negotiated. As at 31 December 2024 and 31 December 2023, the company presents a minimum safety margin above 80% on the fulfilment of its covenants.

Accounting policies

Interest-bearing liabilities includes Bonds, Commercial Paper, bank loans and other financing.

Initial measurement

At fair value, net of transaction costs incurred.

Subsequent measurement

At amortised cost, using the effective interest rate method.

The difference between the repayment amount and the initial measurement amount is recognised in the income statement over the debt period under "Interest expenses on other loans" in Note 5.10 – Net financial results.

Fair value

The book value of short-term interest-bearing liabilities or loans contracted at variable interest rates are close to their fair value.

The fair value of interest-bearing liabilities that are remunerated at a fixed rate is disclosed in Note 8.3 – Financial assets and liabilities.

Disclosure

The Company should classify a liability as current when: i) it expects to settle the liability in the normal course of its operating cycle; ii) it holds the liability primarily for trading purposes; iii) settlement of the liability is expected within twelve months of the reporting period; or iv) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Estimates and judgements

Commercial paper

The Company has several commercial paper programmes negotiated; agreements with which issues with contractual maturity below one year and with a revolving nature are often made. Where the Company expects to extend these loans (roll over), it classifies them as non-current liabilities.

5.7. Lease liabilities

Lease liabilities– nature

	31-12-2024			31-12-2023		
	Non-current	Current	Total	Non-current	Current	Total
Buildings	876,698	587,065	1,463,763	1,371,022	540,140	1,911,162
	876,698	**587,065**	**1,463,763**	**1,371,022**	**540,140**	**1,911,162**

Lease liabilities – movements

Amounts in Euro	31-12-2024	31-12-2023
Balance as at 1 January	**1,911,162**	**2,381,970**
Contract amortisation	(614,255)	(589,098)
Interest expense	50,711	64,546
Other changes	116,145	53,744
Total changes in related liabilities	**(447,399)**	**(470,808)**
Balance as at 31 December	**1,463,763**	**1,911,162**

Lease liabilities – future liabilities

Amounts in Euro	31-12-2024	31-12-2023
Less than 1 year	560,675	491,279
1 to 2 years	597,053	524,289
2 to 3 years	253,776	558,307
3 to 4 years	-	239,558
4 to 5 years	-	-
More than 5 years	-	-
	1,411,504	**1,813,433**
Interest on liabilities	52,259	97,729
Present value of liabilities	**1,463,763**	**1,911,162**

Accounting policies

At the start date of the lease, the Company recognises lease liabilities measured at the present value of future lease payments, which include fixed payments less lease incentives, variable lease payments, and amounts expected to be paid as residual value. Lease payments also include the price of exercise of renewal options reasonably certain to be exercised by the Company or lease termination penalty payments if the lease term reflects the Company's option to terminate the agreement.

In calculating the present value of future lease payments, the Company uses an incremental financing rate if the implied interest rate on the lease transaction is not easily determinable.

Subsequently, the value of the lease liabilities is increased by the interest amount (Note 5.10 – Net Financial Results) and decreased by the lease payments (rents).

5.8. Cash and cash equivalents

Amounts in Euro	31-12-2024	31-12-2023
Cash	3,050	3,050
Short-term bank deposits	5,826,041	9,661,172
Other short-term investments	252,000,000	135,000,000
Cash pooling (Note 10.2)	148,906,476	165,486,549
Cash and cash equivalents in the statement of financial position	**406,735,567**	**310,150,771**
Bank overdrafts - cash pooling (Notes 5.6 and 10.2)	(218,002,842)	(268,133,200)
Cash and cash equivalents in the statement of cash flows	**188,732,725**	**42,017,571**

In 2024 and 2023, Other short-terms investments corresponds to amounts invested by Navigator in a portfolio of short-term, highly liquid deposits and issuers with adequate ratings.

As at 31 December 2024 and 31 December 2023, there are no significant balances of cash and cash equivalents that are subject to restrictions on use by the Company.

Accounting policies

Cash and cash equivalents include cash, bank accounts and other short-term investments with an initial maturity of up to 3 months, which can be mobilised immediately without any significant risk in value fluctuations.

For cash flow statement purposes, this caption will also include, when applicable, bank overdrafts, which are presented in the Statement of financial position as a current liability, under the caption Interest-bearing liabilities (Note 5.6).

5.9. Cash flows from financing activities

Movements in liabilities for financing activities

Amounts in Euro	2024	2023
Balance as at 1 January	**897,030,355**	**985,446,453**
Payment of interest-bearing liabilities	(103,039,683)	(75,075,396)
Receipts of interest-bearing liabilities	330,000,000	15,000,000
Cash pooling	(50,130,358)	(29,206,035)
Changes in borrowing costs	(828,111)	865,333
Changes in interest-bearing debt	**176,001,849**	**(88,416,098)**
Gross interest-bearing debt	**1,073,032,204**	**897,030,355**

5.10. Net financial results

Amounts in Euro	2024	2023
Interest paid on debt securities and bank debt	(25,644,861)	(21,303,488)
Interest paid on other interest-bearing liabilities	(24,543,436)	(31,272,805)
Commissions on loans and expenses with the opening of credit facilities	(2,270,403)	(2,219,631)
Interest paid using the effective interest method	**(52,458,700)**	**(54,795,924)**
Interest paid on lease liabilities	(50,711)	(64,546)
Financial expenses related to the Company's capital structure	**(52,509,411)**	**(54,860,470)**
Unfavourable exchange rate differences	(1,678,277)	(1,515,057)
Gains / (Losses) on financial instruments - hedging (Note 8.2)	(2,549,705)	(960,636)
Losses on compensatory interest	(279,895)	(671,591)
Other expenses and financial losses	(1,400,175)	(656,504)
Financial expenses and losses	**(58,417,463)**	**(58,664,258)**
Interest received from loans granted	25,978,329	18,276,509
Gains on financial instruments - hedging (Note 8.2)	11,328,732	9,722,523
Gains on compensatory interest	768,961	86,567
Other income and financial gains	6,880,183	8,331,326
Financial income and gains	**44,956,205**	**36,416,925**
Financial profit/(loss)	**(13,461,258)**	**(22,247,333)**

Accounting policies

The Company classifies as "Financial income" the income and gains resulting from treasury management activities such as: i) interest obtained from the application of cash surplus; and ii) changes in the fair value in derivative financial instruments negotiated to hedge interest rate and exchange rate risk on loans, regardless of the formal designation of hedge.

6. Income tax

6.1. Income tax for the period

6.1.1. Income tax recognised in the income statement

Amounts in Euro	2024	2023
Current tax	(21,492,275)	(17,607,069)
Change in uncertain tax positions in the period	5,257,463	(1,690,823)
Deferred tax (Note 6.2)	4,323,148	(3,127,027)
	(11,911,664)	**(22,424,919)**

As at 31 December 2024 and 31 December 2023, the caption Change in uncertain tax positions in the period reflects the excess/insufficiency of tax estimates, the favourable outcome of some cases related to matters with high uncertainty, as well as requests for binding information, claims to the Tax Authorities and jurisprudence of the courts.

Nominal tax rate

In the periods presented, the Company considers a nominal tax rate in Portugal of 27.5%, resulting from the tax legislation as follows:

	2024	2023
Portugal		
Nominal income tax rate	21.0%	21.0%
Municipal surcharge	1.5%	1.5%
	22.5%	**22.5%**
State surcharge - on the share of taxable profits between Euro 1,500,000 and Euro 7,500,000	3.0%	3.0%
State surcharge - on the share of taxable profits between Euro 7,500,000 and Euro 35,000,000	5.0%	5.0%
State surcharge - on the share of taxable profits above Euro 35,000,000	9.0%	9.0%

Reconciliation of the effective income tax rate for the period

Amounts in Euro	2024	2023
Profit before income tax	**298,859,858**	**297,348,739**
Expected tax at nominal rate (21%)	62,760,570	62,443,235
Municipal surcharge (2024: 0.44% ; 2023: 0.31%)	1,327,295	910,583
State surcharge (2024: 2.13% ; 2023: 1.30%)	6,368,769	3,868,496
Income tax resulting from the applicable tax rate	**70,456,634**	**67,222,314**
Nominal tax rate for the period	**23.58%**	**22.61%**
Differences (a)	(47,716,550)	(44,491,310)
Tax losses from subsidiaries	(4,451,630)	-
(Excess)/ Insufficiency of income tax estimate	(530,498)	(958,103)
Effect of changes in uncertain tax positions in the period	(4,726,965)	-
Collection tax benefits	(529,487)	-
Autonomous taxation	195,198	652,018
Tax rate difference effect	(785,038)	-
	11,911,664	**22,424,919**
Effective tax rate	**3.99%**	**7.54%**

(a) This amount concerns mainly:

	2024	2023
Effect of application of equity method	(192,493,281)	(224,727,140)
Adjustments to investments in subsidiaries	(16,575,071)	-
Taxable provisions and impairment	(751,980)	14,622,035
Tax benefits - incentives to capitalise companies	(17,347,915)	(7,910,809)
Tax benefits - membership fees	(168,654)	(164,937)
Tax benefits - donations	(159,703)	(18,845)
Tax benefits - increase in energy costs	(2,059)	(9,363)
Employee benefits	26,683	32,687
Other	250,311	4,042,916
	(227,221,669)	**(214,133,456)**
Tax impact	**(47,716,550)**	**(44,491,310)**

6.1.2. Tax recognised in the statement of financial position

Amounts in Euro	31-12-2024	31-12-2023
Assets		
Amounts pending repayment (tax proceedings decided in favour of the Company)	19,746,025	17,510,098
	19,746,025	**17,510,098**
Liabilities		
Corporate Income Tax - IRC	26,999,467	4,081,875
Additional tax liabilities (IRC)	9,207,367	17,073,691
	36,206,834	**21,155,566**

Detail of Corporate Income Tax - IRC (net)

Amounts in Euro	31-12-2024	31-12-2023
Income tax for the period	21,492,275	17,607,069
Payments on account, special and additional payments on account	(59,655,867)	(71,548,624)
Withholding tax recoverable	(1,808,486)	(1,626,501)
Corporate Income Tax of companies included in the RETGS	59,762,374	59,649,931
Corporate Income Tax payable / (repayable) from previous periods	7,209,171	-
	26,999,467	**4,081,875**

Amounts pending repayment

Amounts in Euro	31-12-2024	31-12-2023
2005 Corporate Income Tax (RETGS) - Proceeding 1259/ 09.BESNT	13,886,728	13,886,728
RFAI 2010 to 2012 - compensatory interest	494,856	494,856
IRC 2015-I Case 21/22.2BALSB	5,364,441	-
2018 Corporate Income Tax (RETGS) - Proceeding CAAD 103/2023	-	1,749,389
2017 Corporate Income Tax - Proceeding CAAD 756/2022	-	1,379,125
	19,746,025	**17,510,098**

The movements in the period are detailed as follows:

Amounts in Euro	2024	2023
Balance at the beginning of the period	**17,510,098**	**15,341,107**
Increases	5,364,441	3,128,514
Charge-off	(3,045,969)	(959,523)
Reversals	(82,545)	-
	19,746,025	**17,510,098**

Uncertain tax positions - liabilities

Amounts in Euro	2024	2023
Balance at the beginning of the period	**17,073,691**	**11,494,069**
Increases	2,494,265	7,428,212
Charge-off	-	(198,590)
Transfers	(6,451,126)	-
Reversals	(3,909,463)	(1,650,000)
Changes in the period	**(7,866,324)**	**5,579,622**
	9,207,367	**17,073,691**

Taxes paid in litigation

As at 31 December 2024 and 31 December 2023, the additional tax assessments that are already paid and contested, not recognised in assets, are summarised as follows:

Amounts in Euro	31-12-2024	31-12-2023
Aggregate Corporate Income Tax 2005 - Proceeding 88/13.4BEALM	-	10,394,386
2006 Aggregate Corporate Income Tax Proceeding 909/11.6 BEALM	8,150,146	8,150,146
2018 Aggregate Corporate Income Tax – Proceeding 103/2023 and 48/23.5BEALM	8,014,795	11,138,180
State Surcharge 2015 II – Proceeding 453/23.9BEALM	6,970,541	6,970,541
State Surcharge 2016 – Proceeding 457/21.6BEALM	3,761,397	3,761,397
State Surcharge 2017 – Proceeding 456/21.8BEALM	8,462,724	8,462,724
State Surcharge 2018 – Proceeding 707/21.9 BEALM	-	12,223,705
State Surcharge 2019 – Proceeding 557/23.8BEALM	2,466,974	2,466,974
State Surcharge 2020 – Proceeding 26/24.9BEALM	5,183,000	5,183,000
State Surcharge 2021 – Proceeding 702/24.6BEALM	6,154,906	-
Pension Fund Contributions - Arbitration Proceeding 525/2024	1,457,205	-
	50,621,688	**68,751,053**

Accounting policies

Current income tax is calculated based on net profit/(loss), adjusted in conformity with tax legislation in force at the Statement of financial position date.

Taxation group

In Portugal, the Navigator Group is subject to the special tax regime for groups of companies (RETGS), comprising companies in which the shareholding is equal to or more than 75% and which meet the conditions laid down in articles 69 and following of the Corporate Income Tax Code (IRC Code).

These companies included in the RETGS calculate income taxes as if they were taxed independently. Liabilities are recognised as due to the controlling company of the tax business Group, currently The Navigator Company, S.A. which is responsible for the Group's overall assessment and payment of the corporate income tax. Where there are gains on the use of this regime, these are recorded as income in the controlling company's financial statements.

The amounts the Company has receivable from or payable to other companies in the tax business group in respect of their liabilities are presented under Receivables and Payables.

Estimates and judgements

The Company recognises liabilities for additional tax assessments that may result from reviews by the tax authorities. When the final result of these situations is different from the amounts initially recorded, the differences will have an impact on income tax in the period in which they are calculated.

In Portugal, annual income statements are subject to review and possible adjustment by the tax authorities for a period of 4 years. However, if tax losses are presented, they may be subject to review by the tax authorities for a period of 6 years.

The Board of Directors considers that any corrections to those declarations as a result of reviews/inspections by the Portuguese Tax Authorities will not have a significant impact in the financial statements as at 31 December 2024, although the periods up to and including 2020 have already been reviewed.

Uncertain tax positions

The amount of assets and liabilities recorded for tax proceedings arises from an assessment made by the Company, as at the date of the Statement of Financial Position, regarding potential differences of understanding with the Portuguese Tax Authorities, considering the developments in tax matters.

The Company, in relation to the measurement of uncertain tax positions, considers the provisions of IFRIC 23 - "Uncertainty over Income Tax Treatments", namely the measurement of risks and uncertainties in the definition of the best estimate of the expense required to settle the obligation, by weighing all the possible results that are controlled by them and their associated probabilities.

Pillar Two Model Rules - OECD

The Navigator Group is subject to the OECD Pillar Two model rules from 1 January 2024. It has applied the exception to the recognition and disclosure of information on deferred tax assets and liabilities related to Pillar Two income taxes, as provided for in the amendments to IAS 12.

As at the date of this report, the Group is currently assessing the impact of this change. However, based on the current understanding of the interpretation of the new rules, no significant impacts are expected.

6.2. Deferred taxes

Movements in deferred taxes

Amounts in Euro	As at 1 January 2024	Tax rate changes and regularisations	Income Statement Increases	Income Statement Decreases	Equity	As at 31 December 2024
Temporary differences originating deferred tax assets						
Provisions and impairment losses taxed	2,569,725	-	2,720,023	(2,569,725)	-	2,720,023
Lease liabilities relating to right-of-use assets	-	-	1,463,763			1,463,763
Adjustments to investments in subsidiaries	11,750,244	-	19,649,962	(3,074,891)	-	28,325,315
	14,319,969	**-**	**23,833,747**	**(5,644,616)**	**-**	**32,509,100**
Temporary differences originating deferred tax liabilities						
Adjustment of property, plant and equipment	(159,015)	-	-	18,267	-	(140,748)
Financial instruments	(18,072,331)	203,673	-	-	1,526,544	(16,342,114)
Right-of-use assets	-	-	(1,359,258)	-	-	(1,359,258)
	(18,231,346)	**203,673**	**(1,359,258)**	**18,267**	**1,526,544**	**(17,842,119)**
Deferred tax assets	3,937,991	-	6,554,281	(1,552,269)	-	8,940,003
Effect of the change in tax rate	-	(143,200)	(238,337)	56,446	-	(325,091)
Deferred tax assets	**3,937,991**	**(143,200)**	**6,315,943**	**(1,495,823)**	**-**	**8,614,912**
Deferred tax liabilities	(5,013,621)	234,697	(373,796)	5,023	419,800	(4,727,897)
Effect of the change in tax rate	-	1,590	13,593	(183)	(15,265)	(265)
Deferred tax liabilities	**(5,013,621)**	**236,287**	**(360,203)**	**4,841**	**404,534**	**(4,728,162)**

Amounts in Euro	As at 1 January 2023	Wine company merger effect	Income Statement Increases	Income Statement Decreases	Equity	As at 31 December 2023
Temporary differences originating deferred tax assets						
Provisions and impairment losses taxed	410,869	-	2,569,725	(410,869)	-	2,569,725
Adjustments to investments in subsidiaries	25,316,119	-	1,561,458	(15,127,333)	-	11,750,244
	25,726,988		**4,131,183**	**(15,538,202)**	**-**	**14,319,969**
Temporary differences originating deferred tax liabilities						
Pensions and other post-employment benefits	-	(17,386)	-	17,386	-	-
Adjustment of property, plant and equipment	(177,644)		-	18,629	-	(159,015)
Financial instruments	(47,174,485)		-	-	29,102,154	(18,072,331)
	(47,352,129)	**(17,386)**	**-**	**36,015**	**29,102,154**	**(18,231,346)**
Deferred tax assets	**7,074,922**	**-**	**1,136,075**	**(4,273,006)**	**-**	**3,937,992**
Deferred tax liabilities	**(13,021,836)**	**(4,781)**	**-**	**9,904**	**8,003,092**	**(5,013,621)**

As at 31 December 2024, the rate of 26.50% was used and as at 31 December 2023, the rate of 27.50% was used.

Accounting policies

Deferred tax is calculated based on the liability of the Statement of financial position on the temporary differences between the book values of the assets and liabilities and their respective tax base. To determine the deferred tax, the tax rate expected to be in force in the period in which the temporary differences will be reversed is used.

Deferred tax assets are recognised whenever there is a reasonable likelihood that future taxable profits will be generated against which they can be offset. Deferred tax assets are revised periodically and decreased, whenever it is likely that tax losses will not be used.

Deferred taxes are recorded as an income or expense for the year, except where they result from amounts recorded directly under equity, situation in which deferred tax is also recorded under the same caption. Tax benefits attributed to the Company regarding its investment projects are recognised through the income statement as there is sufficient taxable income to allow its use.

7. Payroll

7.1. Payroll costs

Amounts in Euro	2024	2023
Remuneration of Corporate Bodies - fixed (Note 7.3)	911,838	1,157,161
Remuneration of Corporate Bodies - variable	530,405	1,319,093
Employee remuneration	2,710,766	3,479,121
Social Security contributions	813,347	957,547
Post-employment benefits (Note 7.2.2)	117,473	127,261
Other payroll costs	510,005	146,200
Payroll costs	**5,593,834**	**7,186,383**

Number of employees at the end of the period

As at 31 December 2024 and 2023, the number of Employees under contractual employment with the Company was 309 and 331, respectively, of which 295 were employed by other Group companies (2023: 318). The company employed—via multiple employment contracts—33 employees (2023: 36).

Accounting policies

Short-term employee benefits

Acquired rights - holidays and holiday allowance

In accordance with the collective agreement applicable to The Navigator Company, S.A., Workers are entitled to 25 working days leave, as well as one month's holiday allowance, acquired in the year preceding that of the payment. Moreover, employees who work continuous shifts for more than 25 or 30 years get one or two additional days' holiday, respectively.

Bonuses

According to the current Performance Management System (*Sistema de Gestão de Desempenho*), employees have the right to a bonus, based on annually defined objectives. The entitlement of this bonus is usually acquired in the year preceding its payment.

These liabilities are recorded in the year in which the Employees acquire the respective right, irrespective of the date of payment, whilst the balance payable at the date of the Statement of financial position is shown under the caption Payables (Note 4.3).

Benefits arising from termination of employment

The benefits arising from termination of employment are recognised when the Company can no longer withdraw the offer of such benefits or in which the Company recognises the cost of restructuring under the provisions recording. Benefits due more than 12 months after the end of the reporting period are discounted to their present value.

7.2. Employee benefits

7.2.1. Defined benefit plan

Policy for managing the risk associated with defined benefit plans

For capital management purposes, the Company defines capital as including equity and net debt.

The Company's exposure to risk is limited to the number of existing beneficiaries and will tend to decrease, since there are no defined benefit plans open to new employees in the Company.

The most significant risks to which the Company is exposed through defined benefit plans include:

i) Risk of change in the longevity of participants.

ii) Market rate variation risk – rate variation impacts the rate used to discount liabilities (technical interest rate) which is based on yield curves of highly rated bonds with maturities similar to the liabilities' expiry dates and the fixed rate of return of the assets. The Company uses yield curves in order to monitor the evolution of rates and performs sensitivity analyses of interest rate variations with the aim of foreseeing and preventing the consequent impact on the fund's funding level.

iii) Risk of change in the wage and pension growth rate.

iv) Return on the fund's financial assets – the Company closely monitors the evolution of the fund's assets, as well as the evolution of the main financial market indicators, revisiting the investment policy approved for the management of the assets whenever justifiable, and at least every three years. The investment policy is aligned with a conservative view of asset management and defined on the basis of the responsibilities to be financed by the fund.

Net liabilities

Net liabilities reflected in the Statement of financial position and the number of beneficiaries of the defined benefit plans in force in the Company are detailed as follows:

	31-12-2024		31-12-2023	
	No. of Beneficiaries	**Amount**	**No. of Beneficiaries**	**Amount**
Past service liabilities				
Active employees, including individual accounts	14	927,214	13	752,992
Alumni	-	-	-	-
Retired employees	128	12,172,444	130	12,571,121
Market value of pension funds		(12,690,722)		(13,156,177)
Total net liabilities	**142**	**408,936**	**143**	**167,936**

Historical information - last five years

Amounts in Euro	2020	2021	2022	2023	2024
Present value of liabilities	17,087,861	16,354,196	13,760,556	13,324,113	13,099,658
Fair value of assets and reserves	15,924,756	16,798,826	13,360,257	13,156,177	12,690,722
Surplus / (deficit)	**(1,163,105)**	**444,630**	**(400,299)**	**(167,936)**	**(408,936)**

Evolution of defined benefit plan liabilities

2024	Opening balance	Current services cost	Interest expense	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro						
Pensions with autonomous fund	13,324,113	20,101	444,522	538,376	(1,227,454)	13,099,658
	13,324,113	**20,101**	**444,522**	**538,376**	**(1,227,454)**	**13,099,658**

2023	Opening balance	Current services cost	Interest expense	Actuarial deviations	Payments performed	Closing balance
Amounts in Euro						
Pensions with autonomous fund	13,760,556	18,879	461,493	303,971	(1,220,785)	13,324,113
	13,760,556	**18,879**	**461,493**	**303,971**	**(1,220,785)**	**13,324,113**

The average expected duration of the defined benefit liabilities is 9 years (2023: 9 years).

Funds

Funds allocated to the defined benefit pension plans - evolution

Amounts in Euro	2024	2023
Opening balance	**13,156,177**	**13,360,257**
Expected income for the period	437,941	447,684
Remeasurement	324,058	552,111
Pensions paid	(1,227,454)	(1,220,785)
Merger effect Soc. Vinhos	-	16,910
Closing balance	**12,690,722**	**13,156,177**

Funds allocated to defined benefit plan - estimated contributions in the following period

The contributions planned for the next annual reporting period are, among other factors, dependent on the profitability of the funds' assets.

Funds allocated to defined benefit plans - composition of assets

Amounts in Euro	31-12-2024	%	31-12-2023	%
Securities listed in the market				
Bonds	7,769,834	61.2%	7,988,842	60.7%
Shares	3,221,083	25.4%	3,095,335	23.5%
Public debt	1,189,802	9.4%	1,413,678	10.7%
Liquidity	128,779	1.0%	230,232	1.7%
Other short-term investments	381,224	3.0%	428,090	3.3%
	12,690,722	**100%**	**13,156,177**	**100%**

The assets of the pension fund do not include any assets of the Company.

7.2.2. Expenses incurred with post-employment benefit plans

	2024				2023			
Amounts in Euro	Current services cost	Net interest	Defined contribution – Contributions for the period	Impact on net profit/(loss) (Note 7.1)	Current services cost	Net interest	Defined contribution – Contributions for the period	Impact on net profit/(loss) (Note 7.1)
Pensions with autonomous fund	20,101	6,582	-	26,683	18,879	13,808	-	32,687
Defined contributions plans	-	-	90,790	90,790	-	-	94,574	94,574
	20,101	**6,582**	**90,790**	**117,473**	**18,879**	**13,808**	**94,574**	**127,261**

As at 31 December 2024, the Defined Contribution plans covered 345 participants (2023: 388 participants).

Accounting policies

Post-employment benefits - defined benefit plan

The Company has assumed the commitment to make payments to their employees in the form of complementary retirement pensions, disability, early retirement and survivors' pensions, having constituted defined-benefit plans.

The Company set up autonomous pension funds as a means of funding most of the liabilities. Based on the projected credit unit method, the Company recognises the costs with the attribution of these benefits as the services are provided by the employees. The total liability is estimated separately for each plan at least once every six months, on the date of closing of the interim and annual accounts, by a specialised and independent entity.

The liability thus determined is presented in the Statement of financial position, less the fair value of the funds set up, under Pensions and other post-employment benefits.

Actuarial deviations resulting from changes in the value of estimated liabilities, as a consequence of changes in the financial and demographic assumptions used and experience gains, added to the differential between the actual return on fund assets and the estimated share of net interest, are designated as remeasurements and recorded directly in the statement of comprehensive income, under retained earnings.

Net interest corresponds to the application of the discount rate to the value of net liabilities (value of liabilities less the fair value of fund assets) and is recognised in the income statement for the period under Payroll costs (Note 7.1).

The gains and losses generated by a curtailment or settlement of a defined-benefit plan are recognised in the income statement for the period when the curtailment or settlement occurs. A curtailment occurs when there is a material reduction in the number of employees.

Costs for past liabilities resulting from the implementation of a new plan or increases in benefits attributed are recognised immediately in net profit/(loss) for the period.

Post-employment benefits - defined contribution plan

The Company assumed commitments regarding payments to a defined contribution plan in a percentage of the employees' salary, in order to provide retirement, disability, early retirement and survivors' pensions.

To this end, Pension Funds have been set up to capitalise on those contributions, for which employees may still make voluntary contributions, but for which the Company does not assume any additional contribution responsibilities or a pre-fixed return. Thus, the contributions made are recorded as expenses of the period in which they are recognised, regardless of the time of their settlement.

Estimates and judgements

Actuarial assumptions

	31-12-2024	31-12-2023
Social Security Benefits Formula		Decree Law 187/2007 of 10 May
Disability table	EKV 80	EKV 80
Mortality table	TV 88-90	TV 88-90
Technical interest rate	3.50%	3.50%
Wage growth rate	2.00%	2.00%
Return rate on plan assets	3.50%	3.50%
Pensions growth rate	2.00%	2.00%

Sensitivity analysis

Amounts in Euro	31-12-2024	31-12-2023
0.5% decrease in the discount rate		
Increase in liabilities assumed	552,335	570,146
0.5% increase in the discount rate		
Decrease in liabilities assumed	(506,556)	(528,393)
0.5% decrease in the wage growth rate		
Decrease in liabilities assumed	(24,586)	(25,179)
0.5% increase in the wage growth rate		
Increase in liabilities assumed	29,373	26,713
0.5% decrease in the pensions growth rate		
Decrease in liabilities assumed	(440,120)	(462,032)
0.5% increase in the pensions growth rate		
Increase in liabilities assumed	472,016	489,876

7.3. Remuneration of Corporate Bodies

Amounts in Euro	2024	2023
Navigator Corporate Bodies		
Board of Directors	757,338	985,890
Supervisory Board	75,500	83,521
Environment Board	73,000	79,750
Board of the General Shareholders Meeting	6,000	8,000
	911,838	**1,157,161**

Remuneration of the members of the Board of Directors

Full details of the remuneration policy for the members of Navigator's Board of Directors are described in the Company's Corporate Governance Report.

Three of the current directors are members of pension plans of Navigator Brands, S.A., a subsidiary of the Company, as Employees of that company, before joining management positions.

As at 31 December 2024 and 2023, regarding the members of the Board of Directors of Navigator, there were no: i) any additional liabilities allocated to other long-term benefits, ii) employment termination benefits, iii) share-based payments and iv) any outstanding balances.

8. Financial instruments

8.1. Financial risk management

The Company, at the level of the Navigator Group, has a risk-management programme, which focuses its analysis on the financial markets with a view to mitigate the potential adverse effects on its financial performance. Risk management is undertaken by the Group's Financial Management in accordance with the policies approved by the Board of Directors and monitored by the Risks and Control Commission.

The Company adopts a proactive approach to risk management, as a way to mitigate the potential adverse effects associated with those risks, namely the exchange rate risk and interest rate risk.

8.1.1. Exchange rate risk

Exchange rate risk management policy

A significant part of the Company's sales is priced in currencies other than the Euro, therefore its evolution can have a significant impact on the cash flows obtained from the Company's future sales, with the currency with the greatest impact being the USD. Also, sales in GBP, PLN, CHF and ZAR have some weight, having sales in other currencies less expression.

Purchases of some raw materials are also made in USD, namely part of wood and long-fibre pulp imports of wood and acquisitions of long-fibre pulp. Therefore, changes in USD may have an impact on acquisition values.

Moreover, once a sale or purchase is made in a currency other than the Euro, the Company becomes exposed to exchange rate risk until the receipt or payment of such sale or purchase, if no hedging instruments are in place. As a result, there is a significant number of receivables and payables, the latter with lesser expression, exposed to exchange rate risk.

The Company has foreign subsidiaries that expose it to exchange rate risk, namely Navigator North America in the United States, Navigator United Kingdom, Ltd. and Portucel Moçambique. Besides those operations, the Company does not hold materially relevant investments in foreign operations, the net assets of which are exposed to exchange rate risk.

Use of derivative financial instruments

The Company manages exchange rate risk by using derivative financial instruments, in accordance with a policy that is subject to periodic review and whose purpose is to limit the exchange rate risk associated with future sales and purchases, receivables and payables, as well as other assets expressed in currencies other than the Euro.

In the periods presented, the Company holds derivatives that are hedging the exchange rate risk of future operations in currencies other than the presentation currency (see Note 8.2 - Derivative financial instruments).

Exposure of financial assets and liabilities to exchange rate risk and sensitivity analysis

31 December 2024	US dollar	Sterling pound	Polish zloti	South African rand	Swiss Franc	Total (Euro)
Amounts in foreign currency						
Cash and cash equivalents	291,472	3,892	33,392	1,038	1,828	295,058
Receivables	115,310,769	19,818,964	9,733,718	-	1,846,939	139,134,237
Total financial assets	**115,602,241**	**19,822,856**	**9,767,110**	**1,038**	**1,848,767**	**139,429,295**
Payables	(2,534,382)	(241,959)	-	-	(75,875)	(2,811,906)
Total financial liabilities	**(2,534,382)**	**(241,959)**	**-**	**-**	**(75,875)**	**(2,811,906)**
Financial net position in foreign currency	**113,067,859**	**19,580,897**	**9,767,110**	**1,038**	**1,772,892**	**136,617,389**
Financial net position in Euro	**108,834,208**	**23,614,772**	**2,284,704**	**53**	**1,883,651**	**136,617,388**
Impact of + 10% change in all exchange rates on net profit/(loss) for the period						**12,419,763**
Impact of -10% change in all exchange rates on net profit/(loss) for the period						**(15,179,710)**

31 December 2023	US dollar	Sterling pound	Polish zloti	South African rand	Swiss Franc	Total (Euro)
Amounts in foreign currency						
Cash and cash equivalents	3,782,459	811,936	78,273	-	2,731	4,378,306
Receivables	120,943,141	21,697,447	14,349,866	-	1,572,289	139,422,401
Total financial assets	**124,725,600**	**22,509,383**	**14,428,139**	**-**	**1,575,020**	**143,800,707**
Payables	(6,517,284)	(48,356)	-	-	(70,250)	(6,029,501)
Total financial liabilities	**(6,517,284)**	**(48,356)**	**-**	**-**	**(70,250)**	**(6,029,501)**
Financial net position in foreign currency	**118,208,316**	**22,461,027**	**14,428,139**	**-**	**1,504,770**	**137,771,206**
Financial net position in Euro	**106,975,852**	**25,845,495**	**3,324,839**	**-**	**1,625,022**	**137,771,207**
Impact of + 10% change in all exchange rates on net profit/(loss) for the period						**12,524,654**
Impact of -10% change in all exchange rates on net profit/(loss) for the period						**(15,307,912)**

In this Note, the Company discloses the exposure of financial assets and liabilities to exchange rate risk, as well as the respective sensitivity analysis. There are currencies in which the Company has carried out transactions but in which, at the balance sheet date, it does not have relevant foreign exchange exposures, which is why the exchange rates disclosed in Note 1.4.3 are more numerous than the currencies presented in this note.

8.1.2. Interest rate risk

Interest rate risk management policy

A significant share of the Company's financial liabilities cost is indexed to short-term reference interest rates, which are reviewed more than once a year (generally every six months for medium and long-term debt). Hence, changes in interest rates can have an impact on the Company's income statement.

The strategy for interest rate risk management is reviewed annually by the Company, and currently the Company maintains the majority of its debt traded at fixed rate.

Use of derivative financial instruments

When deemed appropriate by the Board, the Company uses derivative financial instruments (Note 8.2), namely swaps, with the purpose of fixing the interest rate on loans obtained, within certain parameters, deemed appropriate by the Company's risk management policies.

Exposure to interest rate risk

As at 31 December 2024, approximately 11% (31 December 2023: 5%) of the Company's financial liabilities are indexed to short-term reference interest rates, revised in periods below one year (usually 6-month rates for long-term debt), plus duly negotiated risk spreads. Hence, changes in interest rates can impact the Company's earnings.

Navigator has favoured the contracting of fixed rate debt and has derivative financial instruments to cover its interest rate risk, namely interest-rate swaps, with the purpose of fixing the interest rate on the Company's borrowings within certain limits.

As at 31 December 2024 and 31 December 2023, the detail of the financial assets and liabilities with interest rate exposure, considering the maturity or the next interest-fixing date is as follows:

Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
31 December 2024						
Assets						
Current						
Cash and cash equivalents	406,735,567	-	-	-	-	406,735,567
Total financial assets	**406,735,567**	**-**	**-**	**-**	**-**	**406,735,567**
Liabilities						
Non-current						
Interest-bearing liabilities	-	-	-	10,000,000	80,000,000	90,000,000
Current						-
Interest-bearing liabilities	218,002,842	-	-	-	-	218,002,842
Total financial liabilities	**218,002,842**	**-**	**-**	**10,000,000**	**80,000,000**	**308,002,842**
Cumulative differential	**188,732,725**	**188,732,725**	**188,732,725**	**178,732,725**	**98,732,725**	

Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
31 December 2023						
Assets						
Current						
Cash and cash equivalents	310,150,771	-	-	-	-	310,150,771
Total financial assets	**310,150,771**	**-**	**-**	**-**	**-**	**310,150,771**
Liabilities						
Non-current						
Interest-bearing liabilities	-	-	-	23,500,000	-	23,500,000
Current						-
Interest-bearing liabilities	268,133,200	2,000,000	9,583,333	-	-	279,716,533
Total financial liabilities	**268,133,200**	**2,000,000**	**9,583,333**	**23,500,000**	**-**	**303,216,533**
Cumulative differential	**42,017,571**	**40,017,571**	**30,434,238**	**6,934,238**	**6,934,238**	

From 2024 onwards, the tables above show assets and liabilities with exposure to interest rate risk, not including assets and liabilities whose interest rate risk is fully covered by derivative financial instruments with a maturity and/or repricing identical to the underlying. In order to make the information presented comparable, the appropriate changes were made to the table for the homologous period, ensuring the consistency of the criteria adopted in preparing this disclosure. In liquidity risk note 8.1.3, the contractual maturity of all financial liabilities is shown, regardless of whether interest rate risk is hedged through derivative financial instruments.

Estimates and judgements

Sensitivity analysis

Navigator uses the sensibility analysis technique to measure impacts on the income statement and equity of increase or decrease on interest rates maintaining the other variables constant. This is an illustrative analysis only since changes in market rates rarely occur separately.

The sensitivity analysis is based on the following assumptions:

i) Changes in market interest rates affect interest income and expenses arising from variable financial instruments;

ii) Changes in market interest rates affect the fair value of derivative financial instruments as well as other financial assets or liabilities;

iii) Changes in fair value of derivative financial instruments and other financial assets and liabilities are measured using the discounted cash flows method, with market interest rates at year end.

A 0.50% increase in interest rates on which interest on loans are calculated would have an impact on profit before taxes, for the period ended 31 December 2024 by approximately Euro 462,500 (31 December 2023: Euro 175,417).

8.1.3. Liquidity risk

Liquidity risk management policy

The Company manages the liquidity risk in two ways:

i. ensuring that its financial debt has a high medium- and long-term component with maturities appropriate to the characteristics of the industries where it operates, and

ii. by contracting with financial institutions credit facilities available at all times for an amount that guarantees adequate liquidity.

Available but not used credits

The Company's policy is to maintain credit facilities at adequate levels to, together with the amount of Cash and Cash Equivalents in order to guarantee, with some comfort margin, the cash cycle expected for the next 12 months.

Contractual maturity of financial liabilities (undiscounted flows, including interest)

Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2024						
Liabilities						
Interest-bearing liabilities						
Bond loans	420,000	10,521,500	99,941,464	392,316,564	210,017,643	713,217,171
Commercial paper	-	35,497,000	248,500	35,248,500	50,000,000	120,994,000
Bank loans	-	4,969,536	9,377,303	48,971,139	37,668,335	100,986,313
Derivative financial instruments	-	1,259,512	2,879,804	2,659,143	(783,753)	6,014,704
Total liabilities	**420,000**	**52,247,548**	**112,447,071**	**479,195,346**	**296,902,225**	**941,212,188**
Of which interest (at the rates prevailing at that date)						**76,725,262**

Amounts in Euro	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2023						
Liabilities						
Interest-bearing liabilities						
Bond loans	420,000	10,721,500	30,895,000	432,923,500	-	474,959,999
Commercial paper	-	745,500	35,745,500	71,491,000	-	107,982,000
Bank loans	15,000,000	5,189,218	16,188,037	62,679,270	12,840,786	111,897,311
Derivative financial instruments	-	-	(10,087,985)	(14,934,263)	-	(25,022,248)
Total liabilities	**15,420,000**	**16,656,218**	**72,740,553**	**552,159,507**	**12,840,786**	**669,817,062**
Of which interest (at the rates prevailing at that date)						**63,327,406**

The table considers the debt issued and the long-term debt contracted and not disbursed that will refinance the debt maturing in 2025 (Available and undrawn credit facilities).

The contractual maturity of the interest-bearing liabilities presupposes the fulfilment of financial covenants, as detailed in Note 5.6 - Interest-bearing liabilities.

Available and undrawn credit facilities

Amounts in Euro	31-12-2024	31-12-2023
Undrawn credit facilities		
Commercial paper (with long term underwriting)	144,500,000	167,250,000
EIB Loan	115,000,000	115,000,000
Other credit facilities	45,450,714	5,450,714
	304,950,714	**287,700,714**
Commercial paper used (Note 5.6)	120,000,000	105,000,000
Other credit facilities used	738,472,222	537,091,265
Contracted credit facilities (nominal value)	**1,163,422,936**	**929,791,979**

8.1.4. Credit risk

Credit risk management policy

The Company is exposed to credit risk on balances receivable from Trade receivables and other debtors and has adopted a policy of managing risk coverage within certain levels through credit insurance with a specialised independent company.

Most sales that are not covered by credit insurance are covered by bank guarantees and documentary credits, and any exposure that is not covered remains within the limits previously approved by the Executive Committee.

However, the worsening of global economic conditions or adversities affecting only economies on a local scale may lead to deterioration in the ability of the Company's Customers to settle their liabilities, leading entities providing credit insurance to significantly decrease the amount of credit facilities that are available to those Customers. This scenario may result in limitations on the amounts that can be sold to some customers without directly incurring credit risk levels that are not compatible with the risk policy in this area.

Cash equivalents

The Company adopts strict policies in approving its financial counterparties, limiting its exposure in accordance with an individual risk analysis and within previously approved limits.

Maximum exposure to credit risk

The Company's maximum exposure to the credit risk of financial assets corresponds to their net amount, as follows:

Amounts in Euro	31-12-2024	31-12-2023
Non-current		
Receivables (Note 4.2)	6,684	27,956
Current		
Receivables (Note 4.2)	1,033,579,502	816,521,582
Cash and cash equivalents (Note 5.8)	406,735,567	310,150,771
	1,440,321,753	**1,126,700,309**

Ageing structure of Trade receivables balances

As at 31 December 2024 and 2023, Trade receivables balances presented the following ageing structure, considering as reference the maturity date of the outstanding amounts before impairments:

Amounts in Euro	31-12-2024	31-12-2023
Amounts not due	192,391,500	186,701,878
from 1 to 90 days	24,267,673	16,962,609
from 91 to 180 days	59,623	14,983
from 181 to 360 days	6,609	-
from 361 to 540 days	2,125	-
from 541 to 720 days	669	-
more than 721 days	-	-
	216,728,199	**203,679,470**
Balances considered impaired	1,975,527	2,593,323
Impairment	(1,975,527)	(2,593,323)
Net balance of trade receivables (Note 4.2)	**216,728,199**	**203,679,470**
Trade receivables covered by credit insurance	178,533,257	172,422,513
Trade receivables covered by bank guarantees	2,000,000	1,300,000
Trade receivables covered by title retention agreements	1,873,390	7,046,082
Trade receivables covered by letters of credit / documentary remittances	33,593,182	22,910,875
Covered receivables	**215,999,829**	**203,679,470**
Available and undrawn credit facilities	417,439,401	483,461,612
Credit hedging facilities contracted	**633,439,230**	**687,141,082**

The amounts shown above correspond to the amounts outstanding according to the contracted due dates.

Despite some delays in the settlement of those amounts, that does not result, in accordance with the available information, in the identification of impairment losses other than the ones considered through the respective losses. These are calculated based on the information periodically collected on the financial behaviour of the Company's Customers, which allow, in conjunction with the experience obtained in the client portfolio analysis and with the history of credit defaults, in the part not attributable to the insurance company, to define the amount of losses to be recognised in the period. The guarantees in place for a significant part of outstanding and long-term balances, justify the fact that no impairment loss has been recorded for those balances. The rules defined by the credit risk insurance policy applied by the Company, ensure a significant hedge of all outstanding balances.

Movements in impairment losses in Trade receivables

Amounts in Euro	2024	2023
Accumulated impairment at beginning of the period	**(2,593,323)**	**(5,893,593)**
Changes due to:		
Amounts recognised in the income statement	(757,265)	-
Reversal of unused amounts	1,378,213	3,214,133
Changes recognised in the income statement	**620,948**	**3,214,133**
Derecognition of uncollectible assets	-	86,137
Exchange rate adjustment	(3,152)	-
Accumulated impairment at end of the period	**(1,975,527)**	**(2,593,323)**

Accounting policies

Impairment of debt instruments

The Company assesses, on a prospective basis, the expected credit losses associated with its financial assets measured at amortised cost and at fair value through other comprehensive income, in accordance with IFRS 9.

On this basis, Navigator recognises expected credit losses throughout the lifetime of financial instruments that have been subject to significant increases in credit risk since its initial recognition, assessed either individually or collectively, considering all reasonable and sustainable information, including available prospective information.

If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since its initial recognition, the Company measures the impairment of that financial instrument by an amount equivalent to the expected credit losses.

IFRS 9 provides that for the calculation of these impairments, one of two models is used: the 3-step method or the use of a matrix, the distinguishing component being the existence or not of a significant financing component. For Navigator's financial assets, since it is not a financial institution and there are no assets that have a significant financing component, the use of a matrix was chosen.

The model adopted for the impairment assessment in accordance with IFRS 9 is as follows:

i. Calculate the total credit sales made by the Group over the last 12 months, as well as the total amount of bad debts relating to them;

ii. Determine the Customers' payment profile, by setting buckets of receipt frequency;

iii. Based on I. and II. above, estimate the probability of default (i.e., the amount of bad debts calculated at I. compared to the balance of outstanding sales in each bucket calculated at II);

iv. Adjust the percentages of future forecasts obtained in III.;

v. Apply the default percentages as calculated in IV. to the balances of customers still outstanding at the reporting date.

Although IFRS 9 assumes 90 days as "default", Navigator considered a period of 180 days, since the experience of real losses before this period is low. This period is aligned with the current risk management policies of the company, namely in what regards the credit insurance hired, and to the fact that there is no sales with significant components of funding in light of IFRS 15. Additionally, the company evaluated the impact of considering 180 days of "default" instead of the 90 days and the Expected Credit Loss would not change significantly.

In the event of an accident in the credit insurance company, the model considers the limit paid, by Navigator, of 10% for national Customers and 5% for international Customers.

In addition, the Company recognises impairment on a case-by-case basis, based on specific balances and specific past events, considering the historical information of the counterparties, their risk profile and other observable data in order to assess whether there are objective indicators of impairment for these financial assets. The Company uses the write-off procedure only when the credit is considered to be definitely uncollectible by a court decision.

8.2. Derivative financial instruments

Movements in derivative financial instruments

	2024			2023		
	Trading derivative	Hedge derivative	Total net	Trading derivative	Hedge derivative	Total net
Balance at the beginning of the period	**(4,068,868)**	**17,835,989**	**13,767,121**	**(3,106,233)**	**46,938,143**	**43,831,910**
New contracts / settlements	4,987,261	(11,296,063)	(6,308,801)	(1,999)	(9,722,523)	(9,724,522)
Change in fair value through net profit/(loss) (Note 5.10)	(2,549,705)	11,328,732	8,779,027	(960,636)	9,722,523	8,761,887
Change in fair value through other comprehensive income (Note 5.5)	-	(1,526,544)	(1,526,544)	-	(29,102,154)	(29,102,154)
Balance at the end of the period	**(1,631,312)**	**16,342,114**	**14,710,803**	**(4,068,868)**	**17,835,989**	**13,767,121**

Hedging derivative contracts entered into for pulp and paper sales had a negative impact of Euro 5,714,356 on sales margin. (2023: positive impact of Euro 1,973,497).

8.2.1. Detail and maturity of derivative financial instruments by nature

31 December 2024 Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Hedging (future sales)	272,000,000	USD	2025	-	(1,103,142)	(1,103,142)
Hedging (future sales)	130,000,000	GBP	2025	-	(262,405)	(262,405)
Interest rate swaps - Bonds	535,000,000	EUR	2031	8,383,516	(3,314,640)	5,068,875
Energy	24,653,150	EUR	2025	12,638,786		12,638,786
				21,022,302	**(4,680,188)**	**16,342,114**
Trading						
Foreign exchange forwards (future sales)	60,500,000	USD	2025	-	(1,597,132)	(1,597,132)
Foreign exchange forwards (future sales)	40,900,000	GBP	2025	-	(34,179)	(34,179)
				-	**(1,631,312)**	**(1,631,312)**
				21,022,302	**(6,311,499)**	**14,710,803**

31 December 2023 Amounts in Euro	Notional	Currency	Maturity	Positive (Note 4.2)	Negative (Note 4.3)	Net amount
Hedging						
Hedging (future sales)	287,500,000	USD	2024	1,348,010	(608,036)	739,974
Interest rate swaps - Bonds	355,000,000	EUR	2028	17,064,360	-	17,064,360
BHKP pulp	7,092,000	USD	2024	31,655	-	31,655
				18,444,025	**(608,036)**	**17,835,989**
Trading						
Foreign exchange forwards (future sales)	(46,000,000)	USD	2024	1,014,913	(4,987,262)	(3,972,349)
Foreign exchange forwards (future sales)	(6,099,807)	GBP	2024	-	(96,519)	(96,519)
				1,014,913	**(5,083,781)**	**(4,068,868)**
				19,458,938	**(5,691,817)**	**13,767,121**

Cash flow hedge | Exchange rate risk EUR/USD

During the last 6 months of 2024, the Group contracted derivative financial instruments to hedge exchange rate risk, acquiring USD 272,000,000 and GBP 130,000,000 in Zero Cost Collar, thus ensuring a significant level of hedging of the estimated exposure for 2025.

Interest rate hedge

During the second quarter of 2024, the Company contracted two swaps in the amount of Euro 50,000,000 each to fix the interest rate associated with the Navigator 2024-2029 bond loan and the Navigator 2024-2031 bond loan, in the amount of Euro 50,000,000, each, both starting in June 2024.

In the last quarter of 2024, the Company contracted two new swaps in the amount of Euro 50,000,000 each, to fix the interest rate associated with the Navigator 2024-2031 bond loan in the amount of Euro 100,000,000, both starting in November 2024.

In this way, it was possible to hedge the interest rate risk on these credit lines.

Energy Hedging

In the first quarter of 2024, the Company entered into Swaps to fix the purchase price of electricity and natural gas for a volume of approximately 199,740 MWh of electricity and 581,064 MWh of natural gas, starting in 2025.

Commodities Hedging – BHKP

As at 31 December 2024, Navigator had contracted derivatives in the amount of USD 7,092,000.

Estimates and judgements

Fair value of derivative financial instruments

Whenever possible, the fair value of derivatives is estimated on the basis of quoted instruments. In the absence of market prices, the fair value of derivatives is estimated through the discounted cash-flow method and option valuation models, in accordance with prevailing market assumptions.

Accounting policies

The fair value of derivative financial instruments is included under Payables (Note 4.3), when negative, and under Receivables (Note 4.2), when positive.

In accordance with IFRS 9 - Financial Instruments, the Group has opted to continue applying the hedge accounting requirements of IAS 39 - Financial Instruments, until there is greater visibility on the Dynamic Risk Management (macro hedging) project currently in progress.

Whenever expectations of changes in interest or exchange rates so justify, the Group hedges these risks through derivative financial instruments, such as interest rate swaps (IRS), interest rate and foreign exchange collars, forwards, etc.

Trading derivative financial instruments

Although the derivatives contracted by the Company represent effective economic hedges of risks, not all of them qualify as hedging instruments in accounting terms to satisfy the applicable rules and requirements. Instruments that do not qualify as hedging instruments are recorded in the Separate statement of financial position at their fair value and changes in fair value are

recognised in Net financial results (Note 5.10), when related to financing operations, or in External services and supplies (Note 2.3) or Revenue (Note 2.1), when referring to hedging of sales receivable flows in a currency other than the presentation currency.

Hedging derivative financial instruments

Derivative financial instruments used for hedging purposes may be recognised as hedging instruments provided that they comply, cumulatively, with the conditions set out in IAS 39.

Cash flow hedging (interest rate, exchange rate and commodity risk - BHKP)

In order to manage its exposure to interest rate risk and exchange rate risk, the Company enters into cash flow hedges.

Those transactions are recorded in the Interim consolidated statement of financial position at their fair value, if considered effective hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Accumulated amounts in equity are reclassified to net profit/(loss) in the periods when the hedged item affects the Income statement (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement under Net financial results (Note 5.10). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment), the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity is recycled to the income statement, unless the hedged item is a forecast transaction, in which case any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

Derivative financial instruments used by Navigator Group

Foreign exchange trading derivatives

The Navigator Group has a currency exposure on sales invoiced in foreign currencies, namely US dollars (USD) and pounds sterling (GBP). As the Group's financial statements are presented in Euro, it is exposed to an economic risk on the conversion of these currency flows to the Euro. The Group is also required, albeit to a lesser degree, to make certain payments in those same currencies which, for currency exposure purposes, act as a natural hedge. Thus, the hedge is aimed at safeguarding the net value of items in the statement of financial position denominated in a currency other than the presentation currency against the respective currency fluctuations.

The hedging instruments used in this operation are foreign exchange forward contracts covering the net exposure to currencies other than the presentation currency, for amounts and due dates close to that exposure. The nature of the risk hedged is the change in the book value on sales and purchases expressed in currencies other than the presentation currency.

At the end of each month, the balances of Trade receivables and Trade payables expressed in foreign currency are updated, with the gain or loss offset against the fair value change of the forwards negotiated.

Cash flow hedge | Exchange rate risk EUR/USD and EUR/GBP

The Company makes use of derivative financial instruments in order to limit the net exchange risk associated with sales and future purchases estimated at USD and GBP.

Cash flow hedge | Interest rate

Navigator hedges future interest payments associated with commercial paper issues by hiring an interest rate swap, which pays a fixed rate and receives a floating rate. This instrument is designated as hedge of cash flows from the commercial paper programme and the bond loan.

Cash flow hedge | Commodities - BHKP

Navigator uses derivative financial instruments in order to minimise the exposure risk associated with the variation of the pulp price, indexed to PIX, in USD.

8.3. Financial assets and liabilities

8.3.1. Categories of Group Financial Instruments

The financial instruments included in each caption of the separate statement of financial position are classified as follows:

Amounts in Euro	Note	Financial assets at amortised cost	Derivative financial instruments - hedging	Trading derivative financial instruments	Non-financial assets	Total
31 December 2024						
Non-current receivables	4.2	6,684	-	-	-	6,684
Current receivables	4.2	961,165,070	21,022,302	-	47,493,551	1,034,094,913
Cash and cash equivalents	5.8	406,735,567	-	-	-	406,735,567
Total assets		**1,367,907,322**	**21,022,302**	**-**	**47,493,551**	**1,440,837,164**
31 December 2023						
Non-current receivables	4.2	27,956	-	-	-	27,956
Current receivables	4.2	757,523,435	18,444,025	1,014,913	39,539,209	816,521,582
Cash and cash equivalents	5.8	310,150,771	-	-	-	310,150,771
Total assets		**1,067,702,163**	**18,444,025**	**1,014,913**	**39,539,209**	**1,126,700,309**

Amounts in Euro	Note	Financial liabilities at amortised cost	Derivative financial instruments - hedging	Trading derivative financial instruments	Financial liabilities outside the scope of IFRS 9	Total
31 December 2024						
Interest-bearing liabilities	5.6	1,073,032,204	-	-	-	1,073,032,204
Lease liabilities	5.7	-	-	-	1,463,763	1,463,763
Payables	4.3	783,360,335	4,680,188	1,631,312	-	789,671,835
Total liabilities		**1,856,392,539**	**4,680,188**	**1,631,312**	**1,463,763**	**1,864,167,801**
31 December 2023						
Interest-bearing liabilities	5.6	897,030,355	-	-	-	897,030,355
Lease liabilities	5.7	-	-	-	1,911,162	1,911,162
Payables	4.3	671,975,078	608,036	5,083,781	-	677,666,895
Total liabilities		**1,569,005,433**	**608,036**	**5,083,781**	**1,911,162**	**1,576,608,412**

8.3.1. Fair value of financial assets and liabilities

Financial assets and liabilities measured at fair value

Amounts in Euro	31-12-2024 Level 1	Level 2	Level 3	31-12-2023 Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss						
Trading derivatives	-	-	-	-	1,014,913	-
Hedging financial instruments	-	21,022,302	-	-	18,444,025	-
Total assets	**-**	**21,022,302**	**-**	**-**	**19,458,938**	**-**
Financial liabilities at fair value through net profit/(loss)						
Trading derivatives	-	(1,631,312)	-	-	(5,083,781)	-
Hedging financial instruments	-	(4,680,188)	-	-	(608,036)	-
Total liabilities	**-**	**(6,311,499)**	**-**	**-**	**(5,691,817)**	**-**

Estimates and judgements

Fair value of fixed-interest interest-bearing liabilities

The fair value of these liabilities is calculated using the discounted cash flow method at the reporting date, using a discount rate in accordance with the characteristics of each financing, belonging to level 2 of the fair value hierarchy of IFRS 13.

Accounting policies

The fair value of financial instruments is classified according to the fair value hierarchy of IFRS 13 - Fair Value Measurement:

Level 1 Based on quotes from active net markets at the reporting date.

Level 2 Determined using evaluation models, the main inputs of which are observable in the market.

Level 3 Determined using evaluation models, the main inputs of which are not observable in the market.

9. Provisions, commitments and contingencies

9.1. Provisions

Movements in provisions

Amounts in Euro	Legal proceedings	Investments in subsidiaries	Other provisions	Total
1 January 2023	**832,790**	**-**	**17,300,000**	**18,132,790**
Increases	10,256	-	-	10,256
Reversals	-	-	(1,800,000)	(1,800,000)
Impact in net profit/(loss) for the period	**10,256**	**-**	**(1,800,000)**	**(1,789,744)**
Other transfers and adjustments	-	1,287	-	1,287
31 December 2023	**843,046**	**1,287**	**15,500,000**	**16,344,333**
Increases	-	-	94,728	94,728
Reversals	(71,098)	-	-	(71,098)
Impact in net profit/(loss) for the period	**(71,098)**	**-**	**94,728**	**23,630**
Other transfers and adjustments	-	256,781	-	256,781
31 December 2024	**771,948**	**258,068**	**15,594,728**	**16,624,744**

No repayments of any nature are expected in respect of these provisions.

Legal proceedings

The balance as at 31 December 2024 is essentially comprised of labour lawsuits. The outcome of provisions for legal proceedings depends on the labour or civil court decisions.

Investments in subsidiaries

The amount recognised as provisions for subsidiaries relates solely to the shareholding in the subsidiary Navigator Paper Southern Africa, Navigator Paper Mexico and Navigator Tissue Ibérica (Note 10).

Other provisions

The amount presented includes provisions to cover risks related to events of a different nature, the resolution of which may result in outflows of cash, in particular organisational restructuring processes, risks of contractual positions assumed in investments, among others.

In 2024, Other provisions include Euro 15,594,728 related to the Mozambique project. Although the Memorandum of Understanding (MoU) signed with the Mozambican Government provided for a "best effort" commitment to create the necessary conditions to carry out the investment until last 31 December 2018, that was not possible until 31 December 2024, and both parties continued to work towards that goal.

The Group's uncertain income tax positions are disclosed in Note 6.1 - Income Tax.

Accounting policies

Provisions are recognised whenever the Company has a present legal or constructive obligation, as a result of past events, in which it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions for future operating losses are not recognised. Provisions are reviewed on the date of the statement of financial position and are adjusted to reflect the best estimate at that date.

Investments in subsidiaries

Provisions are recognised for the Company's liabilities for losses on investments in subsidiaries (Note 10), after the related book value has been reduced to zero, to the extent that the Company may have incurred legal or constructive obligations or made payments on behalf of such subsidiaries.

9.2. Commitments

Guarantees provided to third parties

Amounts in Euro	31-12-2024	31-12-2023
Guarantees provided		
Navigator guarantees for EIB loans	11,666,667	22,083,333
Ocean Network Express	2,751,947	2,751,947
Simria	338,829	338,829
Tax and Customs Authority	9,288,070	-
Administration Fédérale de Contributions	76,585	76,585
Other	56,074	74,473
	24,178,172	**25,325,168**

Moreover, the Company has entered into energy purchase commitments amounting to Euro 103,786,050 (2023: Euro 125,753,200).

9.3. Contingent assets and liabilities

Public debt settlement fund

According to Decree-Law 36/93 of 13 February, the tax debts of privatised companies relating to periods prior to the privatisation date (25 November 2006) are the responsibility of the Public Debt Settlement Fund (FRDP). The Navigator Company applied to the FRDP on 16 April 2008, requesting the payment of the tax debts until then settled by the Tax Authorities. On 13 December 2010, the company filed a new request for payment of debts assessed by the Tax Authorities for the periods of 2006 and 2003, which was supplemented, on 13 October 2011, with the amounts already paid and uncontested relating to these same debts, as well as the expenses directly related thereto, pursuant to the ruling dated 24 May 2011 (Case 0993A/02), which confirmed the company's position regarding the enforceability of such expenses.

On 13 December 2017, The Navigator Company, S.A. has made an extra-judicial agreement with the Tax Authorities, in which it was acknowledged the FRDP responsibility for refunding the amount of Euro 5,725,771 corresponding to the amount of Corporate Income Tax (IRC) unduly paid, resulting from the alleged qualification/incorrect consideration, by the Tax Authorities, of the tax loss calculated as a result of the operations performed by Soporcel, S.A. in 2003, as well as to promote the reimbursement to Navigator of the mentioned amount.

In this context, FRDP is liable for Euro 21,853,377, detailed as follows:

Amounts in Euro	Period	Requested amounts	Decrease due to RERD	Proceedings decided in favour of the Group	Outstanding amounts
Proceedings confirmed in court					
Corporate income tax	2002	18,923	-	-	18,923
Corporate income tax (FR)	2004	3,324	-	-	3,324
Corporate income tax	2004	766,395	-	(111,544)	654,851
Expenses		314,957	-	(314,957)	-
		1,103,599	**-**	**(426,501)**	**677,098**
Proceedings not confirmed in court					
Corporate income tax	2005	11,754,680	(1,360,294)	-	10,394,386
Corporate income tax	2006	11,890,071	(1,108,178)	-	10,781,893
		23,644,751	**(2,468,472)**	**-**	**21,176,279**
		24,748,350	**(2,468,472)**	**(426,501)**	**21,853,377**

Regarding the aggregate corporate income tax proceedings of 2005 and 2006, if Courts come to a decision in favour of Navigator Group, the Group will withdraw the request made to FRDP.

Public Debt Settlement Fund - proceeding 774/11.3 BEALM

Additionally, a new petition was filed in the Administrative Court of Almada on 11 October 2011, which called for the repayment of various amounts, amounting to Euro 136,243,949. These amounts regard adjustments in the financial statements of the Group after its privatisation that had not been considered in formulating the price of its privatisation as they were not included in the documentation made available for consultation by the bidders.

On 24 May 2014, the Court denied the Navigator Group's proposal to present testimony evidence, alternatively proposing written submissions. On 30 June 2014, the Group appealed against this decision, but continuously presented written evidence. The Court subsequently confirmed the Navigator Group's views on this matter, both parts appointed experts and the partial expert report was issued on July 2017, being required either by The Navigator Company, S.A. either by the Ministério das Finanças, the attendance of both designated experts in court hearing, in order to provide oral explanations on the expert report.

Following claims filed by Navigator on 11 September 2017 and 15 January 2019, the experts submitted redrafted Expert Reports on 27 December 2018 and 19 March 2019, respectively.

The trial hearing sessions took place between May and June 2019, with the parties filing closing arguments in September 2019.

10. Group structure

10.1. Investments in subsidiaries

Company		Head Office	31/12/2024 Equity	% held	Balance	31/12/2023 Equity	% held	Balance
Navigator Brands, S.A.	(A)	Portugal	32.980.074	100	409.736.461	32.643.937	100	409.400.324
Navigator Pulp Aveiro, S.A.	(B)	Portugal	127.514.690	100	126.968.573	106.248.123	100	106.123.853
Enerpulp, S.A.		Portugal	74.815.748	100	74.815.748	74.509.637	100	74.509.637
Navigator Parques Industriais, S.A.		Portugal	83.849.012	100	83.849.012	85.415.275	100	85.415.275
Portucel Moçambique, S.A.		Moçambique	9.867.605	90	9.867.605	11.122.922	90	11.122.922
Navigator Tissue Ibérica	(E)	Espanha	(257.003)	100	(257.003)	-	-	-
Navigator Pulp Setúbal, S.A.		Portugal	83.278.156	100	83.278.156	72.929.757	100	72.929.757
Navigator Pulp Figueira, S.A.		Portugal	207.462.036	100	207.462.036	188.359.928	100	188.359.927
Navigator Abastecimento de Madeira, ACE		Portugal	-	97	-	-	97	-
Navigator Forest Portugal, S.A.		Portugal	57.395.214	100	57.395.214	59.013.396	100	59.013.396
Navigator Paper Setúbal, S.A.	(B)	Portugal	405.437.380	100	390.428.273	420.074.069	100	415.217.443
Navigator Tissue Aveiro, S.A.	(B)	Portugal	128.368.371	100	128.294.779	135.189.631	100	134.813.112
Raíz - Inst.Investigação Floresta e Papel		Portugal	12.011.573	97	11.651.225	10.900.584	97	10.573.566
Navigator Tissue Ejea, S.L.	(C)	Espanha	81.744.640	100	85.737.531	68.206.977	100	72.363.519
Navigator Paper Figueira, S.A.	(B)	Portugal	89.834.744	100	77.061.617	102.186.284	100	98.565.420
Pulpchem Logistics, A.C.E.		Portugal	-	50	-	-	50	-
Empremédia - Corretores de Seguros, S.A.		Portugal	5.460.865	100	5.460.865	5.193.421	100	5.193.421
Empremedia DAC		Irlanda	7.651.039	100	7.651.040	7.828.845	100	7.828.845
Empremedia RE DAC	(E)	Irlanda	19.093.632	100	19.093.632	-	-	-
Navigator Paper Mexico		México	(2.076)	25	(519)	2.698	25	674
Navigator Egypt		Egipto	33.541	1	335	35.229	1	352
Navigator Green Fuels Setúbal, S.A.		Portugal	35.515	100	35.515	48.339	100	48.339
Navigator Green Fuels Figueira da Foz, S.A.		Portugal	38.610	100	38.610	48.339	100	48.339
Navigator Fiber Solutions , S.A.	(D)	Portugal	-	-	-	2.049	0	2
Navigator Paper Southern Africa		Africa do Sul	(54.639)	1	(546)	(128.742)	1	(1.287)
Portucel Nigeria Limited		Nigeria	-	1	-	-	1	-
					1.778.568.159			**1.751.526.836**
Provisões para participadas com situação líquida negativa					**258.068**			**1.287**
Investimentos em subsidiárias					**1.778.826.227**			**1.751.528.123**

(A) Includes Goodwill generated on the acquisition of the Figueira da Foz integrated pulp and paper business
(B) Balance sheet value reflects elimination of unrealised internal margins
(C) Includes goodwill generated on the acquisition of the consumer tissue business in Zaragoza, Spain.
(D) Shareholding disposed of in 2024.
(E) Shareholding disposed of in 2024.

The goodwill associated with the integrated pulp and paper production activity in Figueira da Foz, in the amount of Euro 376,756,383, and with the tissue production activity in Zaragoza, in the amount of Euro 4,156,542, is disclosed in the table above as part of the value of the financial investment under the equity method, in accordance with the requirements of IAS 27 and IAS 28.

Movements in the period

Movements in investments in subsidiaries - summary

Amounts in Euro	2024	2023
Opening balance	**1,751,528,123**	**2,093,159,574**
Acquisitions, incorporations and disposal of shareholdings	15,266,674	58,651,861
Mergers, demergers and liquidations	-	(1,838,305)
Additional capital contributions	4,000,000	36,300,000
Share of (loss)/gains from the application of the equity method	192,493,281	224,727,140
Other comprehensive income	9,086,118	1,013,513
Dividends distributed	(193,804,947)	(295,340,074)
Capital increases and decreases	197	(372,038,000)
Transfer to provisions (Note 9.1)	256,781	1,287
Other movements	-	6,891,127
Closing balance	**1,778,826,227**	**1,751,528,123**

In 2024, gratuitous pecuniary instalments of Euro 4,000,000 were made to the subsidiary Portucel Moçambique, S.A..

In 2023, the General Shareholders Meeting approved the increase in Navigator Forest Portugal, S.A.'s equity through the payment of additional pecuniary and gratuitous capital contributions in the amount of Euro 25.000.000. Also for the subsidiary Portucel Moçambique, S.A., in that year, additional pecuniary and gratuitous capital contributions were made in the amount of Euro 4,000,000, and shareholder loans were also converted into additional capital contributions in the amount of Euro 7,300,000.

Movements in investments in subsidiaries - details

Amounts in Euro	2024	2023
Opening balance	**1,751,528,123**	**2,093,159,574**
Mergers, demergers and liquidations		
Soc. Vinhos Herdade Espirra, S.A.	-	(1,838,305)
Mergers, demergers and liquidations	**-**	**(1,838,305)**
Additional capital contributions		
Navigator Forest Portugal, S.A.	-	25,000,000
Portucel Moçambique, Lda.	4,000,000	11,300,000
Additional capital contributions	**4,000,000**	**36,300,000**
Acquisition, incorporation and disposal of shareholdings		
Navigator Tissue Ejea, S.L.	-	58,551,811
Empremedia RE DAC	15,165,286	-
Navigator Tissue Ibérica	101,097	-
Navigator Green Fuels Setúbal, S.A.	-	50,000
Navigator Green Fuels Figueira da Foz, S.A.	-	50,000
Navigator Fiber Solutions, S.A.	291	50
Acquisition, incorporation and disposal of shareholdings	**15,266,674**	**58,651,861**
Share of (loss)/gains from the application of the equity method		
Navigator España, S.A.	17,330,104	19,937,534
Navigator Pulp Aveiro, S.A.	29,746,942	12,990,920
Enerpulp, S.A.	14,843,057	14,586,595
Navigator Parques Industriais, S.A.	9,554,678	7,526,789
Portucel Moçambique, Lda.	(4,414,843)	(3,275,767)
Navigator Paper Southern Africa	490	(1,287)
Navigator Pulp Setúbal, S.A.	23,348,730	17,362,431
Navigator Pulp Figueira, S.A.	38,028,653	21,604,252
Navigator Forest Portugal, S.A.	727,212	3,053,803

Amounts in Euro	2024	2023
Navigator Tissue Aveiro, S.A.	33,356,224	41,459,179
Navigator Paper Setúbal, S.A.	2,668,095	39,734,372
Raiz - Inst.Investigação Floresta e Papel	1,164,575	818,765
Navigator Tissue Ejea, S.L.	14,529,078	13,811,707
Navigator Paper Figueira, S.A.	6,945,092	29,914,903
Navigator Tissue Ibérica	(358,100)	-
Empremédia - Corretores de Seguros, S.A.	1,295,243	1,161,734
Empremedia RE DAC	3,928,346	-
Empremedia DAC	(177,805)	4,034,429
Navigator Paper Mexico	333	10,217
Navigator Egypt	24	(66)
Navigator Green Fuels Setúbal, S.A.	(12,824)	(1,661)
Navigator Green Fuels Figueira da Foz, S.A.	(9,729)	(1,661)
Navigator Fiber Solutions , S.A.	(294)	(48)
Share of (loss)/gains from the application of the equity method	**192,493,281**	**224,727,140**
Changes in the investee's equity not recognised in the income statement		
Soc. Vinhos Herdade Espirra, S.A.	-	352
Navigator España, S.A.	899,567	3,036,349
Navigator Forest Portugal, S.A.	(15,024)	1,489,984
Navigator Paper Setúbal, S.A.	9,129,629	(3,842,014)
Navigator Pulp Figueira, S.A.	-	9
Raiz - Inst.Investigação Floresta e Papel	(86,916)	149,831
Portucel Moçambique, S.A.	(840,474)	1,733,087
Navigator Paper Southern Africa	54	-
Empremédia - Corretores de Seguros, S.A.	849	11,704
Empremedia DAC	-	(1,548,341)
Navigator Paper Mexico	(1,527)	(17,628)
Navigator Egypt	(40)	180
Changes in the investee's equity not recognised in the income statement	**9,086,118**	**1,013,513**
Distribution of dividends/reserves		
Navigator España, S.A.	(17,893,533)	(21,774,546)
Navigator Pulp Aveiro, S.A.	(8,902,223)	(27,747,883)
Navigator Parques Industriais, S.A.	(11,120,940)	(6,646,121)
Navigator Forest Portugal, S.A.	(2,330,370)	(10,735,721)
Navigator Pulp Setúbal, S.A.	(13,000,331)	(53,600,000)
Navigator Pulp Figueira, S.A.	(18,926,544)	(41,772,835)
Navigator Paper Setúbal, S.A.	(36,586,894)	(30,541,422)
Navigator Tissue Aveiro, S.A.	(39,874,557)	(21,483,691)
Navigator Paper Figueira, S.A.	(28,448,895)	(67,150,000)
Empremédia - Corretores de Seguros, S.A.	(1,028,647)	(835,265)
Navigator Tissue Ejea, S.L.	(1,155,065)	-
Enerpulp, S.A.	(14,536,945)	(13,052,590)
Distribution of dividends/reserves	**(193,804,947)**	**(295,340,074)**
Share capital increases/(decreases)		
Navigator Parques Industriais, S.A.	-	(42,988,000)
Navigator Paper Setúbal, S.A.	-	(205,000,000)
Navigator Pulp Setúbal, S.A.	-	(124,050,000)
Navigator Paper Southern Africa	197	-
Share capital increases/(decreases)	**197**	**(372,038,000)**
Other movements and reclassifications	**-**	**6,891,127**
Closing balance	**1,778,569,446**	**1,751,526,836**
Provisions for subsidiaries (Note 9.1)	256,781	1,287
Closing balance considering Provisions	**1,778,826,227**	**1,751,528,123**

Estimates and judgements

As at 31 December 2024 the amount of equity interests recognised in the separate financial statements of The Navigator Company, S.A., by applying the equity method amounts to Euro 1,779 million (2023: Euro 1,751 million), which includes goodwill allocated to the integrated paper cash-generating unit in Figueira da Foz and the tissue paper cash-generating unit in Zaragoza. Goodwill is not amortised and is subject to impairment tests, at least annually, and whenever there are changes in the assumptions underlying the test performed at the date of the statement of financial position which result in a possible loss of value. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

As at 31 December 2024, a possible increase of 0.5% in the discount rate used in the impairment test of Goodwill allocated to the cash-generating unit in Figueira da Foz integrated Paper, would imply a decrease in the assessment in the amount of Euro 273,710,850 (31 December 2023: Euro 214,028,739), which is still approximately 4 times higher than the book value of this cash-generating unit.

Moreover, the 0.5% increase in the discount rate used in the impairment test for Navigator Tissue Ejea would imply a decrease in the valuation as at 31 December 2024 of Euro 15,985,812, which is still around 2 times higher than the book value of this cash-generating unit.

Accounting policies

Subsidiaries are all entities over which the Company has control, which occurs when the Company is exposed or entitled to the variable returns resulting from its involvement with the entities and has the capacity to affect that return through the exercise of power over the entities, regardless of the percentage they hold over equity.

The existence and the effect of potential voting rights which are currently exercisable, or convertible are considered when the Company assesses whether it has control over another entity.

Measurement

Investments in subsidiaries are accounted under the equity method.

In accordance with the equity method, financial investments are recorded at their acquisition cost, subsequently adjusted by the amount corresponding to the Company's share of changes in shareholders' equity (including net profit/(loss)) of the subsidiaries, against results for the period or against shareholders' equity, as applicable, and by dividends received.

The accounting policies of joint ventures are amended, when necessary, to ensure that they are applied consistently with those of Navigator.

When the Company's share in the subsidiary's losses is equal to or exceeds its investment in the subsidiary, the Company ceases to recognise additional losses, except where it has assumed liability or made payments in the subsidiary's name, as detailed in Note 9.1 - Provisions. If they subsequently report profits, the Company resumes recognising its share of those profits only after its share of the profits equals the share of unrecognised losses.

10.2. Transactions with related parties

Balances with related parties

	31-12-2024				31-12-2023			
Amounts in Euro	Cash – Cash Pooling	Receivables	Payables	Interest-bearing liabilities – Cash Pooling	Cash – Cash Pooling	Receivables	Payables	Interest bearing liabilities – Cash Pooling
Shareholders								
Semapa – Soc. de Investimento e Gestão, SGPS, S.A.	-	-	1,155,456	-	-	-	952,804	-
Subsidiaries								
Portucel Moçambique, Lda.	-	8,777,898	179,039	-	-	7,962,778	179,039	-
Soc. Vinhos Herdade Espirra, S.A.	-	-	-	-	-	-	-	-
Eucaliptusland, S.A.	549,394	4,341,162	19,636,644	-	-	986,623	19,738,746	7,940,382
Enerpulp, S.A.	13,144,987	8,256,303	-	-	37	22,015,848	21,151	12,085,595
Navigator Forest Portugal, S.A.	544,841	177,844,533	44,669	3,304,198	4,189,275	177,428,142	14,311,715	4,354,853
Empremédia, S.A.	-	394,980	2,500,000	-	-	348,905	2,500,000	-
Navigator Tissue Aveiro, S.A.	13,335,910	124,992,364	26,337,286	-	1,030,176	118,950,221	11,056,819	19,828,089
Viveiros Aliança, S.A.	1,629,545	21,084	115,247	-	1,098,500	13,415	23,155	-
Navigator Paper Setúbal, S.A.	-	8,024,351	81,074,841	64,083,164	29,403,323	43,037,658	65,939,575	111,673,946
Navigator Paper Figueira, S.A.	18,657,449	52,002,492	95,496,936	-	23,187,277	52,052,846	98,180,797	-
Navigator Pulp Setúbal, S.A.	64,419,401	26,437,895	18,519,994	-	20,279,862	11,259,662	21,224,420	-
Navigator Tissue Ródão, S.A.	-	23,252,539	117,668,427	21,514,273	168	14,747,039	130,985,491	3,848,014
Navigator Pulp Figueira, S.A.	-	22,061,407	40,712,675	56,588,888	6,833,461	6,833,962	42,229,134	19,850,089
Raiz - Instituto de Investigação da Floresta e Papel	-	203,372	6,474,989	1,853,006	-	125,753	6,489,243	1,437,234
Navigator Brands, S.A.	-	6,986,203	10,709,598	32,627,521	-	28,092,201	32,366,089	38,671,413
Navigator Pulp Aveiro, S.A.	24,719,288	13,561,674	39,022,990	-	52,106,399	4,930,641	13,955,564	-
Navigator Parques Industriais, S.A.	-	6,460,821	58,469	18,383,729	-	11,589,317	609,665	19,141,996
Navigator Abastecimento de Madeira, ACE	5,921,193	319,462	192,245	18,358,609	27,358,071	132,356	877,541	27,723,654
Bosques do Atlantico, S.L.	5,565,479	-	28,848,149	-	-	-	28,848,149	178,975
PulpChem Logístics, ACE	-	-	2,309,328	-	-	-	877,377	-
Navigator North America	-	4,862,273	17,141,844	-	-	12,021	58,349,528	-
Navigator Eurasia	-	34,540	-	-	-	25,208	-	-
Navigator Afrique du Nord	-	23,072	-	-	-	15,584	-	-
Navigator United Kingdom, Ltd	-	203,005,905	18,400,507	-	-	-	17,301,073	-
Gavião - Sociedade de Caça e Turismo, S.A.	-	19,772	1,335,146	192,451	-	17,996	1,336,474	527,653
Navigator Tissue Ibérica	-	11,167,315	11,769,427	-	-	14,907,513	2,723,669	-
Navigator Tissue UK Limited	-	3,644,227	-	-	-	-	-	-
Navigator France, SAS	-	2,469	-	-	-	-	-	-
Navigator Itália, SRL	-	-	-	-	-	-	-	-
Navigator Deutschland, GmbH	-	-	15,141	-	-	-	1,753	-
Navigator Austria	-	80,941	-	-	-	10,083	-	-
Navigator Africa SRL	-	2,000	-	-	-	2,000	-	-
Navigator Paper Poland SP Zoo	-	21,364	-	-	-	9,332	-	-
Navigator Tissue Ejea, S.L.	-	20,668,217	8,352,301	-	-	27,290,211	-	-
Navigator Egypt, ELLC	-	-	58	-	-	-	58	-
Navigator Paper Southern Africa	-	4,248,982	144,430	-	-	128,742	-	-
Navigator Tissue France	-	9,793,430	964,397	-	-	-	-	-
Empremedia DAC	-	40,000	7,501,300	-	-	7,491,858	100	-
EMA Cacia - Engenharia e Manutenção Industrial, ACE	-	-	539	248,402	-	-	219	150,601
EMA Setúbal - Engenharia e Manutenção Industrial, ACE	-	-	943	386,097	-	-	257	230,822
EMA Figueira - Engenharia e Manutenção Industrial, ACE	-	-	1,041	382,281	-	-	750	379,599
Navigator Green Fuels Setúbal, S.A.	-	-	1,890	-	-	-	-	48,130
Navigator Green Fuels Figueira da Foz, S.A.	-	-	2,003	35,553	-	-	-	48,130
Navigator Fiber Solutions, S.A.	418,989	11,135	224	44,670	-	-	148	14,025
Other related parties								
Secil Britas, S.A.	-	-	19,709	-	-	-	6,082	-
Hotel Ritz, S.A.	-	-	844	-	-	-	1,672	-
	148,906,476	**741,564,182**	**556,708,726**	**218,002,842**	**165,486,549**	**550,417,915**	**571,088,257**	**268,133,200**

Transactions with related parties

Amounts in Euro	2024 Purchase of goods and services	2024 Sales and services rendered	2024 Payroll costs	2024 Other operating income	2024 Financial (expenses)/ income	2023 Purchase of goods and services	2023 Sales and services rendered	2023 Payroll costs	2023 Other operating income	2023 Other operating expenses	2023 Financial (expenses)/ income
Shareholders											
Semapa - Soc. Inv. e Gestão, SGPS, S.A.	11,523,914	-	-	-	-	9,730,534	-	-	-	-	-
	11,523,914	**-**	**-**	**-**	**-**	**9,730,534**	**-**	**-**	**-**	**-**	**-**
Subsidiaries				-					-		
Eucaliptusland, S.A.	-	1,870,732	-	-	(1,128,473)	-	477,942	-	-	-	(1,018,275)
Enerpulp, S.A.	(190,811)	3,678,536	(108,599)	-	242,365	(216,984)	3,821,165	(100,050)	-	-	183,888
Navigator Brands, S.A.	23,547,789	3,389,624	2,892,199	996	(2,166,667)	22,836,745	3,614,698	3,211,813	-	-	(1,776,882)
Navigator Forest Portugal, S.A.	(25,078)	1,501,002	(617,250)	-	7,435,913	(11,129)	691,259	(477,898)	(7,540)	264	7,532,631
Empremédia, S.A.	-	-	-	-	28,336	-	-	-	-	-	13,035
Navigator Tissue Aveiro, S.A.	114,360,950	67,949,389	-	-	4,214,637	115,236,411	55,660,935	-	-	-	4,409,273
Viveiros Aliança, S.A.	364,189	-	-	-	57,783	206,340	-	-	-	-	26,181
Navigator Paper Setúbal, S.A.	531,133,392	381,206,558	(7,591,524)	48,789	(3,598,687)	544,360,541	346,969,016	(6,581,076)	-	-	(6,400,644)
Navigator Tissue Ejea, S.L.	60,285,712	47,233,292	-	-	970,670	-	18,451,438	-	-	-	970,322
PulpChem Logístics, ACE	26,513,779	-	-	-	-	30,033,011	-	-	-	-	
Navigator Pulp Setúbal, S.A.	276,956,633	45,895,237	(4,916,247)	-	2,162,743	256,271,792	40,816,709	(4,597,528)	-	-	(3,968,120)
Navigator Tissue Ródão, S.A.	115,722,989	65,158,826	(93,447)	-	(6,617,503)	123,970,800	64,860,817	(90,552)	-	-	(4,830,849)
Navigator Pulp Figueira, S.A.	403,696,768	58,915,884	(7,194,124)	-	(104,098)	384,802,531	58,339,089	(6,797,105)	501	-	(1,799,480)
Raiz	(6,598)	214,576	(145)	-	(331,779)	2,820	309,293	(56,837)	-	-	(286,781)
Navigator United Kingdom, Ltd	19,289,001	-	-	1,556,091	4,391,042	19,321,400	-	-	-	-	-
Navigator Tissue Ibérica	1,766,063	49,976,837	-	-	-	1,282,063	52,736,006	-	-	-	-
Navigator Paper Figueira, S.A.	484,386,102	380,886,900	-	-	(1,732,490)	438,089,123	331,413,041	-	-	-	(1,622,832)
Navigator Pulp Aveiro, S.A.	244,106,884	32,111,651	(2,448,841)	-	1,963,359	205,362,516	28,918,450	(2,361,485)	-	-	1,715,993
Navigator Parques Industriais, S.A.	-	2,856,483	-	-	(718,948)	-	2,547,324	-	-	-	(1,923,467)
Navigator North America	300,269	73,956,435	-	(953,229)	-	-	37,220,675	-	-	-	-
Portucel Moçambique, Lda.	(8,864)	-	(537)	9,814	-	(8,277)	-	-	16,560	-	-
Bosques do Atlantico, S.L.	(1,498)	-	-	-	-	(2,701)	-	-	-	-	-
Empremedia DAC	-	-	-	-	44,232	-	-	-	-	-	75,698
Navigator Afrique du Nord	-	-	-	1,882	-	-	-	-	8,459	-	-
Gavião, S.A.	-	-	-	-	(73,406)	-	-	-	-	-	(63,028)
Navigator Itália, SRL	-	-	-	-	-	160	-	-	-	-	-
Navigator France SAS	-	-	-	2,469	-	-	-	-	-	-	-
Navigator Paper Southern Africa	-	3,733,201	-	(128,766)	-	-	-	-	128,742	-	-
Navigator Deutschland, GmbH	105,606	-	-	-	-	79,111	-	-	-	-	-
Navigator Austria	-	-	-	3,093	-	-	-	-	16,006	-	-
Navigator Paper Poland SP Zoo	-	-	-	6,929	-	-	-	-	17,457	-	-
Navigator Eurasia	-	-	-	9,332	-	-	-	-	9,959	-	-
Navigator Abastecimento de Madeira, ACE	(31,670)	346	(352,327)	-	438,732	(42,914)	(782,889)	(411,030)	-	-	303,842
Navigator Green Fuels Setúbal, S.A.	-	-	-	-	(1,890)	-	-	-	-	-	-
Navigator Green Fuels Figueira da Foz, S.A.	-	-	-	-	(2,003)	-	-	-	-	-	-
Navigator Fiber Solutions, S.A.	(20,087)	-	(900)	-	6,005	-	-	-	-	-	(148)
Navigator Tissue France	865,681	59,798,139	-	-	-	-	471,828	-	-	-	-
Navigator Tissue UK Limited	-	3,770,847	-	-	-	-	-	-	-	-	-
EMA Cacia, ACE	-	-	-	-	(8,576)	-	-	-	-	-	(7,758)
EMA Setúbal, ACE	**-**	**-**	**-**	**-**	**(12,982)**	**-**	**-**	**-**	**-**	**-**	**(10,363)**
EMA Figueira, ACE	-	-	-	-	(15,510)	-	-	-	-	-	(13,023)
	2,303,117,201	**1,284,104,495**	**(20,431,743)**	**557,400**	**5,442,805**	**2,141,573,358**	**1,046,536,795**	**(18,261,748)**	**190,144**	**264**	**(8,490,787)**
Other related parties											
Secil Britas, S.A.	**37,750**	**-**	**-**	**-**	**-**	**68,865**	**-**	**-**	**-**	**-**	**-**
Hotel Ritz, S.A.	**7,806**	**-**	**-**	**-**	**-**	**3,836**	**-**	**-**	**-**	**1,106**	**-**
	45,556	**-**	**-**	**-**	**-**	**72,701**	**-**	**-**	**-**	**1,106**	**-**

The remuneration of the Group's key management personnel is detailed in Note 7.3 - Remuneration of corporate bodies.

11. Explanation added for translation

These financial statements are a translation of the financial statements originally issued in Portuguese. In the event of discrepancies, the Portuguese language version shall prevail.

BOARD OF DIRECTORS

Ricardo Miguel dos Santos Pacheco Pires
Board of Directors Chairman

António José Pereira Redondo
Chairman of the Executive Committee

José Fernando Morais Carreira de Araújo
Executive Committee Member

Nuno Miguel Moreira de Araújo Santos
Executive Committee Member

João Paulo Cabete Gonçalves Lé
Executive Committee Member

Dorival Martins de Almeida
Executive Committee Member

António Quirino Vaz Duarte Soares
Executive Committee Member

Maria Teresa Aliu Presas
Member

Mariana Rita Antunes Marques dos Santos
Member

Sandra Maria Soares Santos
Member

Vítor Paulo Paranhos Ferreira
Member

Ana Teresa Cunha de Pinto Tavares Lehmann
Member

Hugo Alexandre Lopes Pinto
Member

Maria Isabel da Silva Marques Abranches Viegas
Member

2024 ANNUAL REPORT

Statutory Auditors' Report and Auditors' Report

FROM FOREST TO FUTURE

Eucaliptus globulus

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
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STATUTORY AUDITORS' REPORT and AUDITORS' REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **The Navigator Company, S.A.** (the Entity), which comprise the separate statement of financial position as at 31 December 2024 (showing a total of 3,277,865,315 euros and total equity of 1,355,728,837 euros, including a profit for the year attributable to shareholders of 286,948,195 euros), and the separate income statement, separate statement of comprehensive income, statement of changes in equity and separate statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of **The Navigator Company, S.A.** as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by *Ordem dos Revisores Oficiais de Contas* (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section below. We are independent from the Entity under the terms of the law, and we comply with the other ethical requirements under the code of ethics of the Portuguese Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., sociedade anónima portuguesa e membro da rede global KPMG, composta por firmas membro independentes associadas com a KPMG International Limited, uma sociedade inglesa de responsabilidade limitada por garantia.

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A.
Capital Social: 3.916.000 Euros - Pessoa Coletiva N.º PT 502 161 078 -
Inscrito na O.R.O.C. N.º 189 - Inscrito na C.M.V.M. N.º 20161489
Matriculada na Conservatória do registo Comercial de Lisboa sob o N.º
PT 502 161 078

Valuation of financial investments (1,778,826,227 euros)

See Note 1.5 Significant accounting estimates and judgements and Note 10.1 of the notes to the Financial Statements

The Risk

The valuation of the Entity's financial investments requires a high degree of estimation and judgement by the Board of Directors, particularly with regard to determining the recoverable value of investments made when signs of impairment are identified.

Our response to the identified risk

Our audit procedures included, amongst others, those that we describe below:

- We assessed the design and implementation of the main controls implemented by the Entity in this regard, namely the budgeting procedures on which the forecasts are based, by reference to the comparison of current performance with estimates made in previous periods, and the integrity of the discounted cash flow model;
- We assessed the existence of signs of impairment in financial investments;
- We obtained and analysed the impairment tests of the financial investments, based on discounted cash flow models, carrying out the following procedures:
  - We verified the arithmetic accuracy of the models;
  - We assessed the significant internal and external assumptions used and their reasonableness, such as current business trends, market performance, inflation, forecasted economic growth and discount rates;
  - We conducted sensitivity analyses of the assumptions and forecasts used; and
  - We involved our specialists in assessing the average cost of capital;
- We assessed the adequacy of the respective disclosures to the financial statements, in accordance with the applicable accounting framework.

Responsibilities of Management and the Supervisory Body for the Financial Statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and the cash flows, in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the preparation of the management report, the corporate governance report and the remunerations' report in accordance with applicable laws and regulations;
- the designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- adopting accounting policies and criteria appropriate in the circumstances; and
- the assessment of the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor´s Responsibilities for the Audit of the Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and,
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verification of the requirements as provided in Article 451(4) and (5) of the Portuguese Companies' Code regarding the corporate governance report, as well as the verification that the remuneration report was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In compliance with article 451 (3), al. e) of the Portuguese Commercial Companies Code, in our opinion the management report has been prepared in accordance with the applicable legal and regulatory requirements and the financial information contained therein is consistent with the audited financial statements, and no material inconsistencies have been identified.

On the Corporate Governance Report

Pursuant to Article 451(4) of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Group to provide under Article 29-H of the Securities Code, and we have not identified any material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of paragraph 1 of that Article.

On the remunerations' report

Pursuant to article 26-G, no. 6, of Portuguese Companies' Code, we inform that the Entity has included in the corporate governance report in a separate chapter the information defined in no. 2 of that article.

On the European Single Electronic Format (ESEF)

The financial statements of The Navigator Company, S.A. for the year ended 31 December 2024 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for drawing up and disclosing the annual report in accordance with the ESEF Regulation.

We are responsible for obtaining reasonable assurance as to whether the financial statements included in the annual report are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the OROC (Portuguese Institute of Statutory Auditors) Technical Application Guide on ESEF reporting and included obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.

On the additional matters provided in Article 10 of the Regulation (EU) 537/2014

Pursuant to article 10 of the Regulation (EU) no. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were first appointed as auditors of the Entity in the general shareholders meeting held on 22 September 2017 for a first mandate from 2015 to 2018. We were reappointed as auditors in the general shareholders meeting held on 9 April 2019 for a second mandate from 2019 to 2022 and on 17 May 2023 for a third mandate from 2023 to 2025.
- Management as confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA we maintained professional scepticism, and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the financial statements due to fraud.
- We confirm that the audit opinion we issue is consistent with the additional report that we prepared and delivered to the supervisory body of the Entity on [•] April 2025.
- We declare that we have not provided any prohibited services as described in Article 5 of the Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

11 April 2025

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(no. 189 and registered at CMVM with the no. 20161489)
represented by
Rui Filipe Dias Lopes
(ROC no. 1715 and registered at CMVM with no. 20161325)

2024 ANNUAL REPORT

Report and Opinion of the Audit Board

The Navigator Company, S.A.

Report and Opinion of the Audit Board
Separate Financial Statements

2024 Financial Year

Shareholders,

1. In accordance with the Law and the Articles of Association of the Company, and in the performance of the mandate conferred on us, we hereby submit the report on our supervisory activities carried out in 2024 and issue our opinion on the Individual Management Report and Separate Financial Statements presented by the Board of Directors of the Navigator Company, S.A., for the financial year ended 31 December 2024.

2. Over the course of the year we regularly monitored the activities of the Company, as often and as extensively as we deemed appropriate, in particular through periodic meetings with the Company's Directors and Managers. We monitored the verification of the accounting records and respective supporting documentation, as well as the effectiveness of the risk management, internal control and internal audit systems. We monitored compliance with the Law and the Articles of Association. In the course of our activities we encountered no constraints whatsoever.

3. We have met several times with the Statutory Auditor and External Auditor, KPMG & Associados, SROC, Lda., monitoring the audit work carried out and checking their independence, and we have analysed the Legal Certification of Accounts and Audit Report, which we agree with.

4. The Audit Board analysed the proposals submitted to it for the provision of non-audit services by the Chartered Accountants Firm and approved those that concerned permitted services, did not affect the independence of the Chartered Accountants Firm and complied with the other legal requirements.

5. Within the scope of our duties, we have verified that:

    a) The Separate Statement of Income by Nature, the Separate Statement of Financial Position, the Separate Statement of Comprehensive Income, the Separate Statement of Changes in Equity, the Separate Statement of Cash Flows and the accompanying Notes to the Separate Financial Statements, provide an adequate understanding of the Company's financial position and results, comprehensive income, changes in equity, and cash flows;

    b) The accounting policies and valuation criteria adopted comply with the International Financial Reporting Standards (IFRS) as adopted in the European Union and are suitable to ensure that such criteria lead to a correct valuation of the Company's assets and results, following the analyses and recommendations issued by the External Auditor;

    c) The Management Report is sufficiently clear in explaining the development of the business and the situation of the Company, clearly highlighting the most significant aspects of the activity;

    d) The Corporate Governance Report includes the information required by Article 29.º-H of the Securities Code and takes into account the recommendations of the Code of the Portuguese Institute for Corporate Governance (IPCG).

6. We are of the opinion that the proposal for application of results presented by the Board of Directors does not contravene the applicable legal and statutory provisions.

7. Accordingly, taking into consideration the information received from the Board of Directors and the Company departments, and also the conclusions of the Statutory Auditor's Report and Auditor's Report, we recommend that:

    a) The Management Report be approved;

    b) The Separate Financial Statements be approved;

    c) The proposal for the application of results presented by the Board of Directors be approved.

8. Finally, the members of the Audit Board wish to acknowledge and express their appreciation for the assistance received from the Board of Directors, the main managers and other staff of the Company, as well as to the firm of Statutory Auditors, KPMG & Associados, SROC, Lda.

Lisbon, April 11, 2025

The Chairman of the Audit Board

José Manuel Oliveira Vitorino

Member

Gonçalo Nuno Palha Gaio Picão Caldeira

Member

Maria da Luz Gonçalves de Andrade Campos

CORPORATE GOVERNANCE

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FROM FOREST TO FUTURE

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Part I
Information on Shareholder Structure, Organisation and Corporate Governance

A. Shareholder structure

I. Capital structure

1. Capital structure (share capital, number of shares, capital distribution among shareholders, etc.), including indication of shares not admitted to trading, different categories of shares, rights and duties attached to the same, and the percentage of the capital represented by any such category (article 29-H, no. 1, para. a) of the CVM)

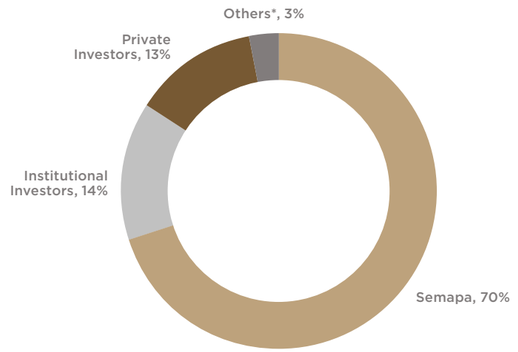
The Navigator Company, S.A. has a share capital of Euro 500,000,000, fully paid up, represented solely by 711,183,069 ordinary shares, without nominal value, the same rights and duties being attached to all shares.

All shares representing the Company's share capital are listed on the regulated Euronext Lisbon market, managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

At the end of 2024, the Company carried out a new analysis of its shareholder base, identifying and characterising its main institutional shareholders. In addition to the Semapa Group, the majority shareholder with 70% of Navigator's share capital, about 180 institutional shareholders were identified and characterised, representing about 14% of the shares issued.

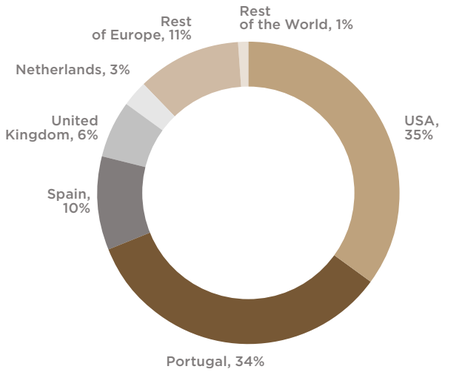
Thus, in December 2024, the shareholder composition identified was as follows:

Shareholders Composition

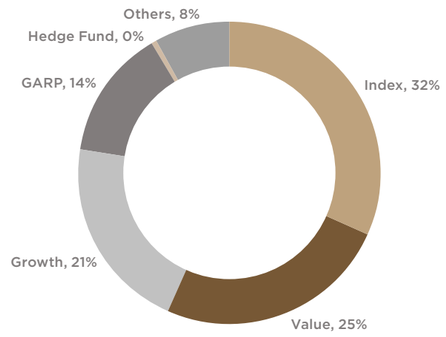


*Others does not include non-identified, brokerage/trading and several.

Shareholders by Geography (Institutional – excluding Semapa)



Shareholders by Investment Style (Institutional)



Navigator's institutional shareholders, excluding the majority shareholder, at the end of 2024 were mainly from the United States of America (USA) and Europe. The weight of US-based shareholders remains stable after the increase in exposure recorded in 2022 and currently stands at 35% (vs. 37% in 2023).

With regard to Shareholders from Europe, we highlight Portuguese Shareholders, with 34% (vs. 31% in 2023), Shareholders based in Spain, with 10% (vs. 11% in 2023), UK Shareholders, around 6% (vs. 5% in 2023), and Shareholders based in the Netherlands, with close to 3%.

In addition, in terms of investment style characterisation, around 32% of the shares were held by institutional investors with an Index Funds style strategy, 25% of investors with a Value strategy, 21% by investors with a Growth strategy and around 14% with GARP (Growth at Reasonable Price) strategies.

2. Restrictions on the transferability of shares, such as consent clauses for disposal, or limitations on ownership of shares (Art. 29-H, no. 1, para. b))

The shares representing Navigator's share capital are freely transferable.

3. Number of own shares, corresponding percentage of share capital and percentage of voting rights which would correspond to own shares (Art. 29-H, no. 1, para. a))

As of 31 December 2024, Navigator did not hold any own shares.

4. Significant agreements to which the Company is a party and which take effect, are amended or terminate in the event of a change in the control of the Company as a result of a takeover bid, together with the respective effects, unless, due to its nature, disclosure of such agreements would be seriously detrimental to the Company, except if the Company is specifically required to disclose such information by other mandatory provisions of law (Art. 29-H, no. 1, para. j))

The Company is not a party to any significant financing agreements, debt issuance instruments or others that come into force, are amended or terminate in the event of a change of control of the Company following a takeover bid.

Nor has Navigator adopted any measures requiring payments or the as bsumption of charges by the Company in the event of a change of control or of the composition of the management body, which could jeopardise the economic interest in the transfer of shares and the free assessment by the Shareholders of the performance of the Directors.

5. Rules applicable to the renewal or revocation of defensive measures, in particular those providing for limits on the number of votes which can be held or cast by a single shareholder individually or in a concerted manner with other shareholders.

There are no defensive measures in place within the Company, particularly those that limit the number of votes that can be held or exercised by a single shareholder individually or in concert with other shareholders.

6. Shareholders' agreements known to the Company or which might lead to restrictions on the transfer of securities or voting rights (Art. 29-H, no. 1, para. g))

The Company is not aware of any shareholders' agreement that could lead to restrictions on the transfer of securities or voting rights.

II. Shareholding and Bondholding positions

7. Identification of persons and organisations who, directly or indirectly, own qualifying holdings (articles 29-H, no. 1, para. c) and d) and 16), detailing the attributable percentage of the share capital and votes and the respective grounds.

The holders of qualifying holdings in Navigator on 31 December 2024 are those identified in the table below:

Holder	Attribution	N.º Shares	% shares and voting rights
Filipa Mendes de Almeida de Queiroz Pereira (Filipa Queiroz Pereira), Mafalda Mendes de Almeida de Queiroz Pereira (Mafalda Queiroz Pereira), e Lua Mónica Mendes de Almeida de Queiroz Pereira (Lua Queiroz Pereira)	Jointly, through companies held directly and indirectly by them and described below, in conjunction with the shareholders´ agreement they entered into in relation to their holdings in companies that own shares of Semapa - Sociedade Investimento e Gestão, SGPS, S.A.	—	—
Target One Capital, S.A.	Controlled by Filipa Queiroz Pereira; holds 21,56% of the share capital of Sodim, SGPS, S.A. (Sodim)	—	—
Keytarget Investments - Consultoria e Investimentos, S.A.	Controlled by Mafalda Queiroz Pereira; holds 21,56% of Sodim´s share capital	—	—
Premium Caeli, S.A.	Controlled by Lua Queiroz Pereira; holds 21,56% of Sodim´s share capital	—	—
Sodim, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira; holds 100% of the share capital of Cimo - Gestão de Participações, SGPS, S.A.(Cimo)	—	—
Cimo - Gestão de Participações, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira and directly by Sodim	—	—
Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira and directly by Sodim and Cimo; direct ownership of shares	498,042,299	70.030%
Total		**498,042,299**	**70.030%**

8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.

This information is provided in Annex I of Part II of this Report.

9. Special powers of the management board, in particular concerning resolutions to increase capital (article 29-H (1) (i)) indicating, with regard to these, the date on which they were granted, the period during which such powers may be exercised, the upper limit for the increase in share capital, shares already issued under the powers granted and the manner in which the powers granted are implemented.

The Articles of Association do not authorise the Board of Directors to pass resolutions approving capital increases.

10. Information on the existence of significant dealings of a commercial nature between holders of qualifying holdings and the Company.

All the transactions that took place in 2024 between the Company and the holders of qualifying holdings are described in Note 11.3 of the Notes to the consolidated financial statements and Note 10.2 of the Notes to the individual financial statements. There were no significant commercial relationships between the holders of qualifying holdings and the Company in 2024 - due to the application of the Regulation on Conflicts of Interest and Transactions with Related Parties and under the terms and conditions set out therein at any given time, as described in paragraphs 89 et seq. of this Report.

B. CORPORATE BODIES AND COMMITTEES

I. GENERAL MEETING

a) Composition of the Board of the General Meeting*
*Throughout the reference year

11. Officers of the Board of the General Meeting and their term of office (starting and ending dates).

The officers of the Board of the General Meeting are:

Chairman: Rui Manuel Pinto Duarte (mandate from 17/05/2023 to 31/12/2025).

Secretary: Luís Nuno Pessoa Ferreira Gaspar (mandate from 17/05/2023 to 31/12/2025).

b) Exercise of voting rights

12. Any restrictions on voting rights, such as limitations on the exercise of voting rights based on the ownership of a given number or percentage of shares, time limits for exercising voting rights, or systems for detaching voting rights from ownership rights (Art. 29-H, no. 1, para. f).

In the Company there are no restrictions on the exercise of voting rights by its shareholders. Navigator's Articles of Association stipulate that each share in the Company corresponds to one vote.

Despite the existence of statutory deadlines for participation in the General Meeting, provided for in the Company's Articles of Association, mandatory legal provisions apply to this matter, such as Article 23-C of the Portuguese Securities Code. The statutory deadline for postal voting is the day before the General Meeting.

The Company's Articles of Association were amended at the annual general meeting held on 17 May 2022, at which time they specifically regulated voting by electronic or postal means, with the Chairman of the Board of the General Meeting being responsible for verifying their authenticity and regularity and ensuring their confidentiality until the time of the vote, observing the following:

a) Explanations of vote must be addressed to the Chairman of the General Meeting and received at the registered office no later than the day before the General Meeting;

b) If the right to vote is exercised electronically, the e-mail addressed to the Chairman of the Board of the General Meeting of Shareholders must contain an attached document in PDF format, signed in accordance with the signature on the valid identification document of the respective holder, containing the voting declarations for each of the items on the agenda as well as a copy of the holder's identification document. The Chairman of the Board of the General Meeting of Shareholders may establish in the notice convening the meeting in question a system other than that set out in this paragraph that ensures equivalent security and reliability;

c) If the right to vote is exercised by post, the envelope must contain a letter addressed to the Chairman of the Board, duly signed in accordance with the signature on the holder's valid identification document and containing the explanations of vote relating to each of the items on the agenda, as well as a copy of the holder's identification document;

d) Votes cast by these means shall be counted together with any votes cast at the General Meeting and shall count as negative votes in relation to proposals submitted after they have been cast.

The General Meeting may also be held by telematic means, whenever this proves to be appropriate and convenient, provided that the Chairman of the Board of the General Meeting confirms that, for the purposes of holding the meeting, the respective means, the authenticity of the declarations and the security of the communications are ensured, and the Company records the content and the respective participants.

For the purposes of identifying the Company's Shareholders and final Investors, the Company has the right, under the terms and for the purposes of the Securities Code, to be provided with information on the identity of its Shareholders by the entity managing the centralised system or by the relevant financial intermediaries at any time, so as to be able to communicate directly with them and facilitate the exercise of the rights inherent in their shares and their involvement in the Company.

Until this amendment, the Articles of Association authorised the Board of Directors to regulate ways of exercising voting rights other than by paper ballots, provided that they also ensured the authenticity and confidentiality of the votes until the moment of voting.

Although the Board of Directors has not made use of this option, the Chairman of the Board of the General Meeting has always accepted voting by electronic mail, provided that it is received under conditions equivalent to voting by post, in terms of time, intelligibility, guarantee of authenticity, confidentiality and other formalities.

There are no systems for highlighting property rights.

13. Indication of the maximum percentage of the voting rights which can be exercised by a single shareholder or by shareholders connected in any of the forms envisaged in article 20 (1).

There are no statutory rules establishing rules in this regard.

14. Identification of shareholder resolutions which, under the Articles of Association, can only be adopted with a qualified majority, in addition to those provided for by law, and details of the majorities required.

The Company's Articles of Association do not contain specific rules regarding the constitutive or deliberative quorum at General Meetings, so the legal provisions of the Commercial Companies Code apply in full.

II. MANAGEMENT AND SUPERVISION

(Board of Directors, Executive Committee and General and Supervisory Board)

a) COMPOSITION*

15. Identification of the governance model adopted.

The Company adopted in its Articles of Association a one-tier management model, *i.e.* with a Board of Directors made up of executive and non-executive members, a Supervisory Board and a Statutory Auditor, under the terms of Article 278(1)(a) and Article 413(1)(b) of the Commercial Companies Code.

16. Rules in the Articles of Association on procedural and material requirements applicable to the appointment and replacement of members, as the case may be, of the Board of Directors, the Executive Committee and the General and Supervisory Board (article 29-H, no. 1, para. h). Diversity Policy.

The Company currently has no special rules in its Articles of Association regarding the appointment and replacement of directors. In this respect, the general supplementary rules set out in the Portuguese Companies Code apply, *i.e.* the power to appoint directors (between three and seventeen) and the supervisory body rests with the shareholders.

However, the Articles of Association provide that a director may be elected individually if there are proposals subscribed and presented by groups of shareholders, provided that none of these groups holds shares representing more than twenty per cent and less than ten per cent of the share capital. If such proposals are submitted, the election will be held separately and before the election of the other Directors. The same shareholder may not subscribe to more than one list.

Each proposed list must identify at least two eligible persons.

If lists are presented by more than one group, the vote will be on all of these lists.

In 2020, Navigator's Board of Directors approved the following Company Diversity Principles, which were revised in 2021, setting out the requirements and criteria for the profile of new members of corporate bodies and senior managers:

- Inclusion of members with different academic qualifications and professional experience in different areas, appropriate and relevant to the position to be held;
- Promoting gender diversity;
- Inclusion of members of different ages, combining acquired experience with new perspectives; and
- Inclusion of members with different geographical backgrounds or experiences.

These principles are published on the Company's website (https://en.thenavigatorcompany.com/Investors/Governance).

These Diversity Principles constitute the Company's formal recognition of the benefits of diversity in its governing bodies, namely as a way of ensuring greater balance in its composition, enhancing the performance of each member and, as a whole, of each body, improving the quality of decision-making processes and contributing to its sustainable development.

To this end, the competences matrix below shows that there is a fairly reasonable degree of diversity in its various dimensions and with regard to the members of Navigator's Board of Directors:

Skills Matrix

	Gender	Year of birth	Position	Engineering	Economics	Management	Other training	Business Administration and Management	Governance	Mergers & Acquisitions	Internationalization	Academics	Talent Management	Research & Development	Information Technologies	ESG*	Pulp and Paper	Energy	Industry
Ricardo Pires	M	1976	CBD			●	●	●	●	●	●	●	●			●	●	●	●
António Redondo	M	1964	CEO	●		●	●	●	●	●	●	●		●		●	●	●	●
Fernando Araújo	M	1964	CFO			●	●	●	●	●	●	●			●	●	●		●
Nuno Santos	M	1970		●		●		●	●	●	●			●		●	●	●	●
João Lé	M	1963		●		●	●	●			●			●		●	●	●	●
Dorival Almeida	M	1966		●		●	●	●	●		●		●	●	●	●	●	●	●
António Quirino Soares	M	1974			●	●		●			●	●		●			●		●
Ana Lehmann	F	1972			●	●		●		●	●	●		●	●	●		●	●
Hugo Pinto	M	1978		●		●	●	●		●		●	●		●				●
Isabel Viegas	F	1958					●					●	●	●		●			
Mariana Marques dos Santos	F	1966				●		●	●		●	●	●		●				
Sandra Santos	F	1971			●	●		●		●	●	●	●			●		●	●
Teresa Presas	F	1952					●	●	●	●	●					●	●		●
Vitor Paranhos Pereira	M	1957			●			●	●	●	●		●		●	●			

* Includes powers for overseeing strategy, management of impacts, risks and opportunities, good practices and certification on topics related to (i) Sustainable Forest Management and Biodiversity Conservation; (ii) Climate Action and Energy; (iii) Water Management; (iv) Circular Economy; (v) People Management; (vi) Innovation, Development and Bioproducts; and (vii) Value Chain.

It should also be noted that the Talent Committee[1] is the committee with advisory functions in terms of appointing governing bodies, with powers to support the identification of potential members of the governing bodies and to assess the suitability of each candidate for the position to be filled. It must ensure transparent selection processes and that candidates are proposed who have the greatest merit, are best suited to the requirements of the position and promote appropriate diversity within the organisation, including between men and women.

In this way, the Company believes that all the objectives resulting from the formal adoption of a diversity policy have been achieved, which is also demonstrated by reality.

It should also be noted, and reinforcing the promotion of diversity, that in 2024 the Company approved the 2025 Equality Plan, with progress compared to the 2024 Equality Plan approved in 2023, and has communicated this Plan to the CMVM, which has also published it on Navigator's website (https://thenavigatorcompany.com/wp-content/uploads/2025/03/2024-12-05-PLIG2025_ENG-final.pdf).

17. Composition, as the case may be, of the Board of Directors, the Executive Committee and the General and Supervisory Board, detailing the provisions of the Articles of Association concerning the minimum and maximum number of directors, duration of term of office, number of full members, and the date when first appointed and the end of their terms of office for each member.

The Company's Articles of Association stipulate that the Board of Directors comprises three to seventeen members (article 15 no. 1), elected for three-year, renewable terms (article 8 no. 3).

The date of the first appointment and the end of the term of office are individualised for each member:

Name	Date of first appointment and end of Mandate
Ricardo Miguel dos Santos Pacheco Pires	2015-2025
António José Pereira Redondo	2007-2025
Nuno Miguel Moreira de Araújo Santos	2015-2025
José Fernando Morais Carreira de Araújo	2007-2025
João Paulo Cabete Gonçalves Lé	2020-2025
Dorival Martins de Almeida	2023-2025
António Quirino Vaz Duarte Soares	2023-2025
Ana Teresa Cunha de Pinho Tavares Lehmann	2023-2025
Hugo Alexandre Lopes Pinto	2023-2025
Maria Isabel da Silva Marques Abranches Viegas	2023-2025
Maria Teresa Aliu Presas	2019-2025
Mariana Rita Antunes Marques dos Santos	2019-2025
Sandra Maria Soares Santos	2019-2025
Vítor Paulo Paranhos Pereira	2020-2025

The composition of the Board of Directors is freely available for consultation on the Company's website at https://en.thenavigatorcompany.com/Investors/Governance.

[1] The Company's Internal Commissions are identified in points 21 and 29 of this Report.

18. Distinction between executive and non-executive members of the Board of Directors and, in relation to non-executive directors, identification of those who can be regarded as independent or, if applicable, identification of the independent members of the General and Supervisory Board.

(A) Executive and non-executive Directors; identification of independent directors

During 2024, and to this date, six members of the Board of Directors held executive positions and formed an Executive Committee, which was elected and whose powers were delegated by the Board of Directors, and eight of the Directors hold non-executive positions.

The executive members of the Board of Directors belong to the Executive Committee and are identified below in point 28, while the other members are non-executive.

Given that, throughout 2023, the number of non-executive directors represented 57.1% of the members of the Board of Directors, we consider this percentage to be adequate for the size of the Company and the complexity of the risks inherent in its activity, and sufficient to efficiently ensure the duties entrusted to them.

This judgement of suitability took into account, in particular, the size of the Executive Committee and the delegation of powers entrusted to it by the Board of Directors, the profile, age, professional background and experience and integrity of the members of this body, their diverse skillset and the availability of the non-executive members to carry out their duties, which, through the close co-operation developed with the Chairman of the Board of Directors and the members of the Executive Committee, ensure effective monitoring, supervision and assessment of the activity of the executive members of the Board of Directors, the Company's activities, its family nature and the stability of its shareholder capital structure.

At the Annual General Meeting held on 17 May 2023, which elected the members of the governing bodies for the current term, three new non-executive members of the Board of Directors were elected - Ana Teresa Cunha de Pinho Tavares Lehmann, Hugo Alexandre Lopes Pinto and Maria Isabel da Silva Marques Abranches Viegas - the first of whom can be considered independent, thus increasing the number of independent directors to four in accordance with the criteria for measuring independence defined in point 18.1 above and in Recommendation IV.2.4 of the IPCG Corporate Governance Code. The Company thus has 50% independent non-executive directors, more than a third of the non-executive directors, in accordance with the Recommendations of the IPCG Corporate Governance Code.

The remaining four non-executive directors, although not independent in accordance with the above criteria, have the necessary suitability, experience and proven professional competence, which makes it possible to enrich and optimise the Company's management with a view to creating value, as well as ensuring the effective defence of the interests of all shareholders and supervising and assessing the activity of the executive directors in an impartial, independent and objective manner and, at the same time, ensuring that there are no conflicts of interest between the interests and position of the Shareholder and the Company.

(B) Coordination mechanism which is equivalent to the appointment of a Lead Independent Director

In view of the specific characteristics of the Company, namely its family nature and the concentration of its capital structure, the total number of non-executive Directors and, among these, independent Directors, as well as the characteristics and current position of the Chairman of the Board of Directors, the Company considers that the appointment of a coordinator would be inappropriate and would merely aim at formal compliance with this recommendation, which the Company does not agree with.

In reality, and as already mentioned in this report, the Company has a number of rules and procedures in place which allow for close and regular coordination between the various members of the Board of Directors, particularly between the Chairman and the other Directors, and the existence of the conditions and means necessary for them to carry out their duties in an independent, informed and efficient manner, guaranteeing the supervisory and oversight role of executive management.

In this regard, we would like to highlight the various mechanisms provided for in the Regulations of the Board of Directors and the various internal committees[2] of the Company, under which:

a) The members of the Board of Directors, including the non-executive members, may have access to all the information necessary to assess the Company's performance, situation and development prospects, including, in particular, the minutes, the documentation supporting the decisions taken, the convening notices and the archives of the meetings of the other governing bodies, without prejudice to access to any other documents or persons from whom clarification may be requested;

b) The Chairman of the Board of Directors shall inform the Company's Directors, at the beginning of each Board meeting, of the most relevant resolutions and acts carried out by the Executive Committee since the previous meeting, which are not yet known to the other Directors;

c) Minutes shall be drawn up of all meetings of the Executive Committee, which shall be kept by the Company Secretary and made available to any member of the Board of Directors who requests them;

d) The Chairman of the Executive Committee shall, as far as possible, promote the involvement of non-executive directors;

e) in specific projects and acts so as to enable non-executive directors to be more closely involved in the Company's activities, depending on the matters in question and the specific qualifications and preferences of each one;

f) All executive directors must be available to provide any clarification and information requested by non-executive directors;

g) The Chairman of each of the Company's Internal Committees must inform the Board of Directors of the resolutions of the Committee of which he is a member, which in view of their relevance should be brought to its attention. In the case of the Executive Committee, this task falls to the Chairman of the Executive Committee;

h) All members of the Company's Internal Committees must be available to provide any clarification and information requested by the other Directors;

i) Supporting documents relating to the various items on the agenda for meetings of the Board of Directors and the Company's Internal Committees must be distributed to all members in advance so that they can be analysed in good time, preferably when the meeting is convened.

In addition, at least three non-executive directors are members of the Talent Committee - the Chairman of the Board of Directors is also chairman of the Talent Committee and the Corporate Governance Committee - thus reinforcing the coordination and performance of the work of the non-executive members.

The Company has therefore established a mechanism equivalent to the coordination of non-executive directors by appointing a lead independent director.

[2] The Internal Commissions of the Company are identified in points 21 and 29 of this Report.

19. Professional qualifications and other relevant biographical details of each member, as applicable, of the Board of Directors, the General and Supervisory Board and the Executive Committee.

Ricardo Miguel dos Santos Pacheco Pires

Ricardo Pires has a degree in Business Administration and Management from Universidade Católica Portuguesa, a specialisation in Corporate Finance from ISCTE and an MBA in Business Management from Universidade Nova de Lisboa. He began his career in management consultancy between 1999 and 2002, first at BDO Binder and then at GTE Consultores. Between 2002 and 2008 he worked in the Corporate Finance Department of ES Investment, where he carried out various M&A and capital markets projects in the Energy, Pulp and Paper and Food & Beverages sectors. He has worked with Semapa since 2008, initially as Director of Strategic Planning and New Businesses and then, from 2011, as Chief of Staff to the Chairman of the Board of Directors. Since 2014, he has been an Executive Director of Semapa and, since 2022, Chairman of its Executive Committee, while also holding positions in other related companies. Since 2015, he has held non-executive management positions at The Navigator Company and Secil, and in 2022 he became Chairman of the Board of Directors of these companies. In 2017 he was appointed CEO of Semapa Next, and in 2022 he became Chairman of the Board of Directors of that company. Since 2020 he has been Chairman of the Board of Directors of the ETSA Group and in 2023 he was appointed Chairman of the Board of Directors of Triangle's. Between 2020 and 2022 he taught on the Master's in Finance programme at the Catholic University of Lisbon.

António José Pereira Redondo

António Redondo has a degree in Chemical Engineering from the FCT of the University of Coimbra, attended the Business Management course and has an MBA with a specialisation in Marketing from UCP. He joined Soporcel in 1987, where he held various positions in the technical, production, marketing and commercial management areas. He has been a member of the Board of Directors and Executive Committee of The Navigator Company since April 2007, having been Chief Commercial Officer from 2007 to 2019, with responsibilities in the areas of Marketing, Sales, Revenue Management, Supply Chain, Logistics and Product Development. In 2020, he was appointed CEO of the Company. He is also Chairman of Biond - Forest Fibers from Portugal, Director of CIP (Business Confederation of Portugal), member of the Boards of CEPI (Confederation of European Paper Industries) and Euro-Graph (European Association of Graphic Paper Producers), Member of the Board of COTEC Portugal - Business Association for Innovation and Member of the Academy of Engineering.

José Fernando Morais Carreira de Araújo

Fernando Araújo has a degree in Law from Universidade Lusíada do Porto (2000) and a bachelor's degree in Accounting and Administration from Instituto Superior de Contabilidade e Administração do Porto (ISCAP - 1986) and a Specialised Higher Studies Course in Financial Control from the same institution (1992). He has been a Chartered Accountant since 1995. Certified Accountant since 1987. He has been Vice-Chairman of the Board of the General Meeting of Biond - Forest Fibers from Portugal since 2022. He has been a member of the Audit Board of the Portuguese Institute of Chartered Accountants since January 2021 and a member of the Board of the Portuguese Tax Association since 2019. He has a postgraduate degree in Advanced Financial Accounting (ISCTE - 2002/2003), a postgraduate degree in Tax Law from the Lisbon Faculty of Law (FDL - 2002/2003) and a postgraduate degree in Corporate Governance from the Lisbon Institute of Economics and Management (ISEG - 2006/2007). He completed an MBA in Corporate Reporting at ISCTE - IUL in 2016. He began his professional career in 1987 at Sportrade, where he was responsible for accounting at Eurofer between 1988 and 1993 and was head of Administrative Services at COLEP from 1991 to 1993. Between 1993 and 2001, he worked in the tax area at KPMG, rising to Senior Tax Manager. He was Director of Tax and Accounting at Secil between 2001 and 2005, at Semapa between 2002 and 2006, and at the company between 2006 and 2007. He has been an executive director of the company since April 2007.

Nuno Miguel Moreira de Araújo Santos

Nuno Santos has a degree in Civil Engineering from Instituto Superior Técnico (1993) and an MBA from INSEAD (1996). He began his professional career at McKinsey & Company in 1993 and, until March 2015, was Senior Partner and leader of the Energy, Commodities & Industry Practice in McKinsey's Iberia Office. He was also a member of the Leadership Committee of the Energy, Commodities & Industrials Global Practice. He became an executive director of The Navigator Company in April 2015. He is currently President of APIGCEE (Portuguese Association of Large Electricity Consumers).

João Paulo Cabete Gonçalves Lé

João Lé has a degree in Agronomy, specialising in Agricultural Economics, from the Instituto Superior de Agronomia (ISA) of the Universidade Técnica de Lisboa, a post-graduate degree in Silviculture of Fast-Growing Species from the ISA and the Universidade de Trás-os-Montes e Alto Douro and a post-graduate degree in Management, specialising in Finance, from ISCTE, Universidade de Lisboa. He has been with the Navigator Group for around 30 years, having taken on responsibility for the Forestry Area in August 2007 and, in July 2016, he was appointed CEO of Portucel Moçambique, responsible for the project to implement a forestry-based industry in Mozambique through DUATs (areas allocated by the government), with around 360,000 hectares in two provinces. He has been an executive director of the company since January 2020.

António Quirino Vaz Duarte Soares

António Quirino Soares has a degree in Business Management from the University of Coimbra and a Master's degree in Economics from the University of Exeter, UK. He joined The Navigator Company in 2001, where he held various positions in the Sales and Marketing areas for 13 years. This was followed by five years as Marketing Director, during which time he boosted the international presence of the company's mill brands and promoted the production of knowledge on market and sociological trends in paper consumption on a global scale, including the Horizon 2030 study. Before joining the Executive Committee, Quirino Soares was Supply Chain Director, a position in which he managed the logistical challenges arising from the global disruptions during the pandemic. During his two years in charge of this area, he also launched the supply chain operations associated with Navigator's new sustainable packaging line. António Quirino Soares has been a member of The Navigator Company's Executive Committee since 1 August 2023. He is an executive director responsible for Logistics, Marketing, Supply Chain, Product Technology, European Sales, International Sales, E-Commerce, Moulded Pulp, Packaging and Pricing.

Dorival Martins de Almeida

Dorival Almeida has a degree in Chemical Production Engineering from the Federal University of São Carlos, a postgraduate degree in Business Management from the Armando Álvares Penteado Foundation, a specialist in Quality Engineering from the State University of Campinas, a postgraduate degree in Production Management from the Federal University of São Carlos, a postgraduate degree in Pulp and Paper Technology from the Federal University of Viçosa, a postgraduate degree in People and Talent Management from the University of Coimbra and an MBA in Business Management from the Getúlio Vargas Foundation. He worked at Votorantim Celulose e Papel, from 1992 to 2007, at International Paper, between 2007 and 2019, and at CMPC, between 2019 and 2021. He joined Navigator in 2021 as Industrial Director of the Figueira da Foz Mill. He became an executive director of The Navigator Company in April 2023.

Ana Teresa Cunha de Pinho Tavares Lehmann

Ana Lehmann has a degree in Management from FEP-Universidade do Porto and a Masters and PhD in Economics (International Business) from the University of Reading (UK). She is a non-executive member of the Board of Directors of The Navigator Company, TAP-Transportes Aéreos Portugueses, S.A. and TAP-SGPS, S.A., and Chairman of the Board of Directors of the Iberian group Zolve-Logifrio. She chairs the General Board of the Fund for Internationalisation, the Finance, Audit and Risk Committee of TAP-S.A. and TAP SGPS-S.A., and is a member of the Advisory Board of the Orkestra-Basque Competitiveness Institute and the U. Fribourg Competitiveness Institute, the Strategic Council for the Digital Economy (CIP) and collaborates regularly with various international organisations. She was Secretary of State for Industry (XXI Constitutional Government). She is a Professor at FEP-U. Porto and has taught/researched at various European and American universities (Columbia University of New York, Glasgow, Reading, Uppsala, among others) in the areas of Foreign Direct Investment, Internationalisation and Innovation. She was Vice-President of CCDR-N, President of the Managing Authority of the European Union's Atlantic Area Programme, Pro-Rector of the University of Porto, President of the Investment Committee of the Social Innovation Fund and a member of the Supervisory Board of the European Institute of Innovation and Technology (EIT) Manufacturing. She supported the founding of API-Agência Portuguesa para o Investimento and InvestPorto. She was President of the European International Business Academy.

Hugo Alexandre Lopes Pinto

Hugo Pinto has a degree in Civil Engineering from Instituto Superior Técnico, an executive master's degree in Real Estate Management and Finance and a master's degree in Finance from ISCTE - Instituto Universitário de Lisboa and an MBA from INSEAD. Between 2001 and 2007, he was a structural engineer and project manager at J. L. Câncio Martins - Projecto de Estruturas, Lda. From 2007 to 2013, he was project manager at Sonagi. From 2018 to 2020, he was a director and member of the Semapa Next, S.A. Investment Committee. Since March 2013, he has held various positions in the Semapa Group, having been Director of Planning and Strategic Development (07/2020-12/2021), Director of the CEO's Office (01/2019-06/2020), Deputy Director of the CEO's Office (04/2016-12/2018), Deputy Director of Finance (11/2014-03/2016) and Deputy Director of Strategic Planning and New Business (03/2013-10/2014). He is a director of Quotidian Podium, S.A., Secil - Companhia Geral de Cal e Cimentos, S.A., Semapa Next, S.A., ETSA - Investimentos, SGPS, S.A., Capital Hotels - Soc. De Investimentos e Gestão, S.A. and Hotel Ritz, S.A. She is also a member of Semapa's Executive Management Committee, a member of the Supervisory Board of Fundação Nossa Senhora do Bom Sucesso and a member of the Remuneration Committee of Sonagi, SGPS, S.A. She joined Navigator as a non-executive director in May 2023.

Maria Isabel da Silva Marques Abranches Viegas

Maria Isabel Viegas has a degree in Psychology from the Instituto Superior de Psicologia Aplicada (ISPA) and a master's degree in Human Resources Policies and Management from ISCTE. She joined Marconi between 1990 and 1999, where she was responsible for Recruitment and Development Services (between 1990 and 1994), responsible for the Labour Relations and Social Policy Area (between 1995 and 1998) and responsible for Staff Management (between June 1998 and September 1999). From 1999 to 2003, she joined Jazztel as Human Resources Director. At the Banco Santander Totta Group, from 2003 to 2017, she was Coordinating Director of Human Resources for the Santander Group and Director of Santander Pensions. Between 2018 and 2021, she held consultancy positions: she was an Advisor/Adviser to some companies within the scope of ECS Capital (Montalva Group, Vale de Lobo, Moretextile) and Semapa, in the Talent area; she carried out consultancy projects in Strategic Human Resources Management (e.g. Montellano Group, Pestana Group, Infraestruturas de Portugal) and was also a mentor to top executives in several companies and, on a pro bono basis, in the PWN Mentoring Programme, where she accompanies young female executives. She is also a lecturer at the Católica Lisbon School of Business and Economics, with a regular teaching activity, namely in the Executive Masters and in executive training, where she has taught and coordinated various programmes since 2006. She was recognised with the Career Award in 2017, as part of the HR Awards 2017, by the IIRH. She is also dedicated to philanthropic activities, as co-founder and board member of the dNovo Association (since 2020), which supports highly qualified professionals over 50 and unemployed. She joined the Semapa Group in January 2022 as Chief People Officer, as a member of the Executive Management Committee and as a member of Semapa's Talent Committee. At Secil she is a non-executive director and a member of the Remuneration Committee. She is a director of Semapa Next, a member of the Remuneration Committee of Semapa Next, a member of the Remuneration Committee of ETSA Investimentos and a member of Quotidian Podium. She has been a member of Sonagi's Remuneration Committee since 2022. She joined Navigator in May 2023 as a non-executive director.

Maria Teresa Aliu Presas

Maria Teresa Aliu Presas has a degree from the Instituto Superior de Psicologia Aplicada in Lisbon. She made her career in the paper industry and joined the Tetra Pak Group in 1982, where she held various positions in Portugal, Switzerland, the international headquarters, and Brussels, in the areas of Marketing and Communication, Environment and European Affairs, namely vice-president of the Europe Region and head of Environment for the entire group. From 2003 to 2011, he headed the European Confederation of the Paper Industry (CEPI). She has been a member of the board of directors of various European

associations and a non-executive director of the company Powerflute Oy. She currently works for the consultancy Magellan in Brussels, is a non-executive director of the World Bioeconomy Forum and has been a non-executive director of Navigator since 2019.

Mariana Rita Antunes Marques dos Santos

Mariana Marques dos Santos graduated in Business Management from Universidade Católica Portuguesa and complemented her training with an MBA from INSEAD (Fontainebleau), having also attended the same programme at Kellogg - Northwestern University in Chicago. From 1989 to 2006, she taught quantitative methods at ISCTE and strategy and internationalisation policies at the IBS-ISCTE Business School. Alongside her academic activities, she has developed a business career linked to various areas and functions. Starting out by experiencing the dynamics of the financial markets, he collaborated with Lloyds Bank in the area of securities portfolio management. She then joined a venture capital team - SFIR - where she was a project analyst in 1991 and 1992. She was also a consultant in Madrid for a multinational company, Arthur D. Little, where she was involved in various projects, including the launch of the Portuguese branch in 1995 and 1996. She then took on a succession of international roles within the Abrantina Group between 1996 and 2007, namely in Mozambique and Germany, managing projects in various areas, such as food or the production and distribution of building materials. At the end of 2007, she took on a business project of her own, launching NBC Medical, in the area of international trade in medicines, where she was involved as managing partner until June 2021. She has been a non-executive director of The Navigator Company since May 2019. She has been a member of the board of FAE - Fórum de Administradores e Gestores de Empresas since March 2022. Since January 2024, she has been Vice-Chair of the International Trade Committee at the World Trade Centre Lisboa.

Sandra Maria Soares Santos

Sandra Maria Soares Santos has a degree in Management from the Faculty of Economics in Porto (1989-94) and an MBA from PBS - Porto Business School (1999). She began her career at Banco Espírito Santo and at the University of Porto in 1994, where she was a guest lecturer. At BES she held various technical and commercial positions, at a time when the bank was incorporating young managers and substantially transforming its organisational structure and way of doing business. She began her career at BA Group at the end of 1999 as Controller, a position she took on at a time when the group was starting to expand geographically. Since then, she has held various positions, such as Finance Director, Human Resources Director, Factory Director and CFO. It was as CFO (2007) that she played an active role in the acquisition and integration processes of the acquired companies. In 2012, she was seconded to be CFO of another business, plastic packaging, in which BA's shareholders decided to invest, an assignment she completed a year later. Until February 2024, she was CEO and a member of the Board of Directors of the BA Group, which has industrial operations in 8 European countries and Mexico, 16 industrial units, more than 5000 employees and an annual turnover of 1600 million euros. She has been a non-executive director of Navigator since April 2019. She is also a non-executive director of Titan Cement International and a member of EDP's General Supervisory Board. She was a member of the Board of the Business Roundtable Portugal Association, created in 2021 with the ambition of helping Portugal grow. She was also a non-executive director of BPI and Chair of its Talent Committee from 2023 to 2024.

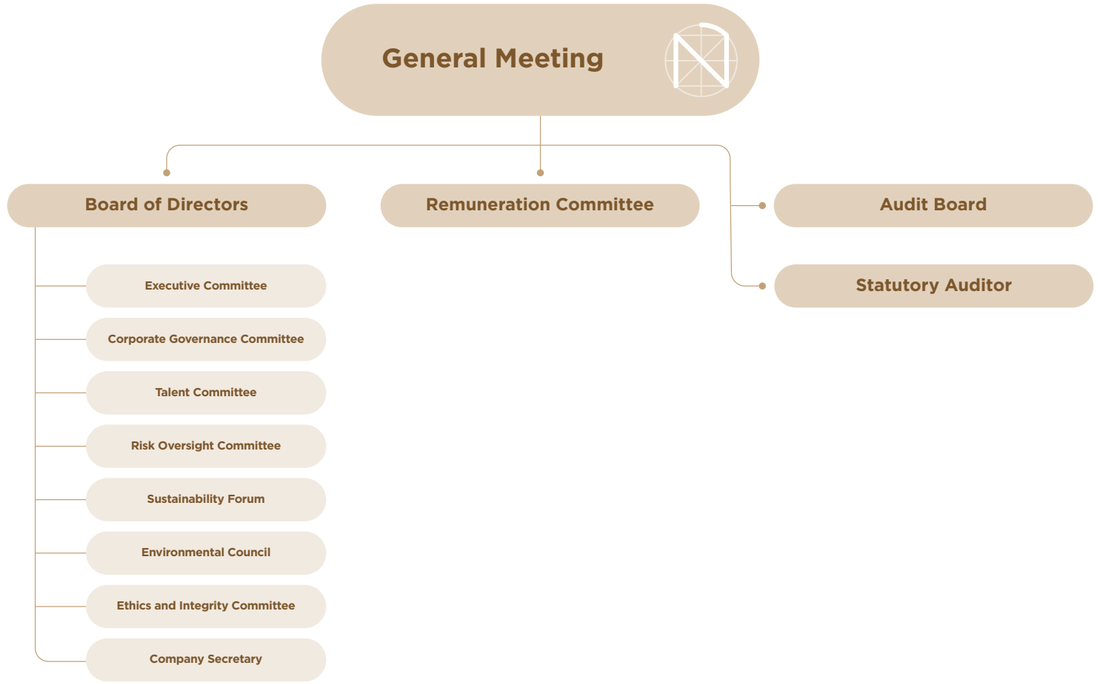
Vítor Paulo Paranhos Pereira

Vítor Paranhos Pereira has a degree in Economics from the Portuguese Catholic University and attended AESE (University of Navarre). He began his professional career in 1982 at Gaspar Marques Campos Correia & Cª. Lda. as Finance Director until 1987. From 1987 to 1989, he held the position of Deputy Finance Director at the Instituto do Comércio Externo de Portugal (ICEP). In 1989 he joined the Group as Finance Director of Sodim, having been appointed a member of its Board of Directors in 2009, a position he held until May 2018 and then from March 2020 to the present. He has also held management positions in various companies related to Sodim, namely Hotel Ritz since 1998. Between 2001 and 2016, he also held management positions at Hotel Villa Magna. He has been a director of Sonagi since 1995 and has been Chairman of the Board of Directors since June 2020. He was appointed a director of Refundos in 2005, serving as Chairman of the Board of Directors of that company from 2018 until May 2020. From 2006 to 2015, he was Chairman of the Supervisory Board of the Hotel Association of Portugal (AHP) and in 2019 he was appointed Chairman of the Board of the General Meeting of this organisation. From 2007 to 2016, he was Chairman of the General Meeting of the Portuguese Association of Investment Funds, Pensions and Assets (APFIPP). He was a member of the Supervisory Board of Eurovida - Companhia de Seguros, S.A. and Popular Seguros - Companhia de Seguros, S.A. from 2009 to 2018. In 2014, he was appointed a member of the Board of Directors of Semapa. Since March 2020, he has been an Executive Director of Semapa and other related companies, and since 2020 he has also held management positions at Secil and The Navigator Company.

20. Regular and significant family, professional or business relationships of the members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Committee with shareholders with qualified holdings exceeding 2% of voting rights.

Among the members of the Company's Board of Directors, during the year under review, Directors Ricardo Miguel dos Santos Pacheco Pires, Vítor Paulo Paranhos Pereira were also Directors of the shareholder Semapa, while Hugo Alexandre Lopes Pinto and Maria Isabel da Silva Marques Abranches Viegas were managers at Semapa.

21. Organisational or functional charts showing the division of powers between the different corporate boards, committees and/or company departments, including information on delegated powers, in particular with regard to delegation of the daily management of the Company.



Between 1 January and 31 December 2024, the Executive Committee (which, according to the Statutes, can comprise between three to nine members) was made up of six members, who shared the following list of responsibilities:

Executive Comittee

- Research Area
- Forestry Area
- Industrial Area
- Commercial Area
- Corporate Area
- Mozambique

Executive Comittee

António Redondo

Communication and Brand
Rui Pedro Batista

Risk Management
Carla Guimarães

Talent Management
Paula Castelão

Fernando Araújo

Accounting and Tax
Marta Matias

Management and Control
Daniel Milheiras

Finance
Manuel Arouca

Legal Services
António Neto Alves

António Cunha Reis
(Legal Services)

Ana Nery
(Public Affairs)

Ana Marques
(Compliance)

Materials Management
Pedro Sousa

Human Resources
Ana Cristina Borges

Empremédia
Alexandra Fernandes

Investor Relations
Ana Canha

Advisory To The Executive Committee
António Gomes
Eduardo Veiga
Guilherme Pedroso
José Manuel Anjos
João Prima
Oscar Arantes
Adriano da Silveira

Nuno Santos

Business Development
Vasco Ferreira

Environment and Energy
José Nordeste

RAIZ
Carlos Pascoal Neto

Pulp Sales
João Escobar Henriques

Tissue Sales
Hermano Mendonça

Tissue Operations
Alexandre Vale

Paulo Santos
(Tissue BU Aveiro)

Santiago Santolaria
(Tissue BU Ejea)

Márcio Moura
(Tissue BU Vila Vilha Ródão)

Joaquim Belfo
(Technical Tissue)

Fernando Gaga
(Supply Chain Tissue)

Navigator Tissue UK
Graham Cox

Tissue Finance & Business Performance
Vasco Ferreira

Rute Loureiro
(Business Intelligence Tissue)

João Lé

Wood Supply
Gonçalo Vieira

Portucel Mozambique
Paulo Silva

Forestry Management
Nuno Neto

Sustainability
Paula Guimarães

Forestry Area Projects
Paulo Santos

Forestry Business Intelligence
Liliana Casimiro

Game Management - Gavião
José Raposo

Dorival Almeida

Setúbal Industrial Complex
Carlos Brás

Danilo Rivoiro
(Pulp)

Paulo Barata
(Paper)

João Baleizão
(Maintenance)

Anssi Martilla
(Asset Management and Maintenance Coordination)

Francisco Franco
(Process Control and Product Quality)

Figueira da Foz Industrial Complex
Carlos Zurrinha

Rui Faria
(Paper)

Carlos Gonçalves
(Maintenance)

Ricardo Rodrigues
(Pulp)

Susana Magalhães
(Process Control and Product Quality)

Aveiro Industrial Complex
António Oliveira

Rui Coelho Pereira
(Pulp)

Luís Alvelos Marques
(Maintenance)

Clara Ré
(Process Control and Product Quality)

Tiago Manuel Sá
(Molded Pulp)

Projects
António Manuel Sequeira

Security and Support Systems
Paula Monteiro

Digital Technology
Pedro Matos Silva

Hugo André Gonçalves
(Information Systems)

Paulo Birck
(Digital Acceleration)

Roberto Mantovani
(NVG Digital Bed)

António Quirino Soares

Logistics
Nuno Soares

Marketing
Catarina Novais

Supply Chain
Gonçalo Nuno Duarte

Technical Product
Cidália Abreu

Europe Sales
Mário França

Ashley Miller (Northern Europe)
Remco Wagner (Central Europe)
Ignacio Bereincua (Iberia)
Massimo Colletti (Italy & Eastern Europe)
Patrice Charpentier (France)

International Sales
Gonçalo Veloso de Sousa

Alejandro Monfort (MENA & Sub-Saharan Africa)
Mike Dutt (USA)
Murat Kaplan (Turkiye and Asia and Oceania)

gKRAFT Commercial Division
António Quirino Soares*

Luís Rodiles (Molded Pulp)
Luís Ganhão (Packaging Project)
Cedric Jeoffroy (Paper Packaging Sales)

Revenue Management Department
Cristina Campos

E-Commerce
Maria João Lara

Changes in 2024:
- Gonçalo Nuno Duarte (Risk Management) became head of the Supply Chain in January;
- Carla Guimarães (Accounting and Remuneration) became head of the Risk Management in January;
- Paula Guimarães became head Sustainability in January;
- Ana Nery became head of the Public Affairs in January;
- Marta Matias became head of the Accounting and Tax (formerly Accounting and Remuneration) in January
- Márcio Moura became head of the Tissue BU Vila Vilha Ródão in January;
- Ana Guimarães became head of the Human Resources in March;
- Acquisition of Accrol in May, now called Navigator Tissue UK, led by Graham Cox;
- Paulo Birck became head of Digital Acceleration in July;
- Formalization of the NVG Digital Bed structure led by Roberto Mantovani in July;
- Creation of the gKRAFT Commercial Division, which incorporates the Packaging Project, the Molded Pulp and Paper Packaging Sales, in September;
- Creation of the Tissue Finance and Business Performance led by Vasco Ferreira, which will incorporate the Business Intelligence Tissue led by Rute Loureiro, in September.

As of 01/01/2025:

- Extinction of the Environment and Energy Department;
- Creation of the Environment and Circularity Department headed by Laura Costa, reporting to Dorival Almeida;
- Creation of the Energy and Energy Transition Department headed by Nuno Rodrigues, reporting to Nuno Santos;
- José Nordeste becomes Advisor to the Executive Committee;
- Manuel Arouca (Finance) becomes head of the Business Development;
- Nuno Neto (Forestry Management) becomes head of the Finance ;
- Pedro Sousa (Materials Management) becomes head of Forestry Management;
- José António Rodrigues becomes head of Materials Management;
- Jennifer Wilkerson becomes responsible for the USA market in the International Sales Department.

*** Interim Position**

The powers delegated to the Executive Committee are as follows:

a) To propose to the Board of Directors the Company's policies, objectives and strategies;

b) To propose operating budgets and medium and long-term investment and development plans to the Board of Directors, and to implement them once approved;

c) Approving budget changes during the year, including transfers between cost centres, provided that they do not exceed twenty million euros in any one year;

d) Approve contracts for the purchase of goods or services, the total value of which does not exceed twenty million euros per year;

e) Approve financing contracts, request bank guarantees, or take on any other responsibilities that represent an increase in indebtedness, with an overall value of less than twenty million euros each year;

f) Acquire, dispose of or encumber fixed assets of the Company up to an individual value of five per cent of the paid-up share capital;

g) To take or lease any immovable property;

h) To represent the Company in or out of court, actively or passively, as well as to propose and pursue any legal or arbitration actions, to confess and withdraw from them, to compromise;

i) Acquire, dispose of or encumber shares in other companies up to a maximum of twenty million euros each year;

j) To decide on the acquisition and disposal of own shares, when this has been decided by the General Meeting, and in compliance with what has been decided by the General Meeting;

k) Manage shareholdings in other companies, in conjunction with the Chairman of the Board of Directors, namely by appointing, with the latter's agreement, representatives on the respective governing bodies, and defining guidelines for the actions of these representatives;

l) Concluding, amending and terminating employment contracts;

m) Opening, operating and closing bank accounts;

n) Appointing agents for the Company;

o) In general, all powers that may be delegated by law, subject to any limitations resulting from the provisions of the preceding paragraphs.

Together with the Chairman of the Board of Directors, the Executive Committee may also decide on the matters referred to in paragraphs c), d), e) and i) above, when the respective amounts, calculated in accordance with the terms referred to therein, exceed twenty million euros, but do not exceed fifty million euros.

The Chairman of the Board of Directors has the powers attributed to him by law and the Articles of Association. The power to amend any conditions of contracts previously entered into and covered by the aforementioned points c), d), e) and i) shall lie with the body or bodies that would have had the power to enter into them.

The Executive Committee may discuss all matters within the remit of the Board of Directors, although it may only decide on matters delegated to it.

The Regulations of the Executive Committee, approved by the Board of Directors, also establish the rules governing the actions of executive directors.

Resolutions regarding the definition of the Company's strategy, as well as its general policies and the Navigator Group's corporate structure, are a matter for the Board of Directors, and the Executive Committee has no delegated powers in this regard. The non-executive directors are therefore involved in defining the strategy, main policies, corporate structure and decisions that should be considered strategic by virtue of their amount or risk, as well as assessing their fulfilment.

Company management is centred on coordination between the Board of Directors and the Executive Committee. Coordination and rapprochement have been ensured by the close co-operation developed by the Chairman of the Board of Directors, Ricardo Pires, with the executive team, by the availability of the members of the Executive Committee to regularly pass on all relevant or urgent information, or that is requested, relating to the day-to-day management of the Company to the non-executive members of the Board of Directors, in order to allow permanent monitoring of Company life, and by convening meetings of the Board of Directors for all strategic decisions or those considered especially relevant, even if these fall within the scope of the general powers delegated, and also by the presence of the Chairman of the Board of Directors at some meetings of the Company's Executive Committee.

Also, with regard to the other members of the governing bodies, the information requested is provided by the members of the Executive Committee in a timely and appropriate manner.

In order to ensure regular transmission of information, the notices convening meetings and the minutes of these meetings are available for consultation by the Supervisory Board. The Company's other committees and governing bodies also ensure the inter-organisational flow of information and documentation necessary for the exercise of the legal and statutory powers of each of the other bodies and committees in a timely and appropriate manner, under the terms of their respective operating regulations and in accordance with the law and the articles of association.

With regard to strategic planning and investment policy, and without prejudice to the portfolio to which reference is made, it should be clarified that this is by nature an area in which the non-executive members have a greater say and that the Chairman of the Board of Directors has been significantly involved. The non-executive directors are therefore involved in defining the strategy, main policies, corporate structure and decisions that should be considered strategic, due to their amount or risk, as well as assessing their fulfilment.

The Company has internal regulations for the Board of Directors and Supervisory Board, as well as for the internal committees identified below, which contain rules of operation, competence and coordination between the various bodies and committees.

Under the terms of these regulations and other applicable rules, the aforementioned governing bodies and other Company committees draw up full minutes of their meetings.

The corporate bodies and internal committees identified above are obliged, under the terms of their respective internal operating regulations, to make available to each other, under the terms required by law and the articles of association, all the information and documentation necessary for the exercise of the legal and statutory powers of each of the other bodies and committees, and the various departments and services of the Company must collaborate in the production, processing and dissemination of this information, in an appropriate, rigorous and timely manner.

The regulations of the Board of Directors and the Supervisory Board also establish, in particular, mechanisms that guarantee, within the limits of the applicable legislation and regulations, their members' access to all the information necessary to assess the Company's performance, situation and development prospects, including, in particular, minutes, supporting documentation for decisions taken, convening notices and archives of meetings of the other governing bodies, without prejudice to access to any other documents or persons from whom clarification may be requested.

It should be noted that the internal regulations of the Board of Directors and the Supervisory Board were revised in 2024, following the revision in 2023 of the 2018 IPCG Corporate Governance Code.

'With regard to sustainability, it is important to mention the competences of the Sustainability Department - which, in conjunction with the company's different departments and the Sustainability Forum, forms various working groups to deal with specific issues - which has carried out its activity under the supervision of the Executive Committee and involving all the Group's companies across the board. As a result of this activity, each year the company draws up its Annual Report which, from a consolidated perspective and in response to the legal requirements introduced by Decree-Law 89/2017 of 28 July, provides an in-depth analysis of the company's approach and commitment to sustainability issues. With regard to sustainability information, which from 2006/2007 until 2024 was reported in accordance with the Global Reporting Initiative Standards (Cap. 9.2), it should be noted that, for the year ending 31 December 2024, it was prepared in accordance with the requirements of the European Sustainability Reporting Standards ('ESRS'), with Navigator having instituted processes that ensure the collection, processing and analysis of sustainability information, including that reported in Roadmap 2030 (Cap. 3.4.4). In this way, and through compliance with and realisation of the aforementioned strategic principles, and in the terms further developed in the aforementioned Report, the Company ensures long-term success, with a significant contribution to the community at large.

Navigator has a Responsible Management Agenda 2030, anchored in the concept of 'Creating Value with Responsibility' (Chap. 3.4), in line with the United Nations 2030 Agenda (Chap. 3.4). It was defined with the aim of increasing the company's positive contribution in the long term - towards 2030 - and is organised around two strategic lines of action, which reflect the two dimensions of its corporate purpose, People and Planet (Chap. 2).

It is supported by a 2030 Roadmap, made up of a set of commitments (Chap. 3.4), structured according to 11 material topics, as a result of the revision of the dual materiality analysis carried out in 2024 (Chap. 5.1.4).

The 2030 Agenda and Roadmap aim to maximise the company's performance on environmental, social and governance (ESG) issues, contributing to business resilience, corporate reputation and image, and creating the conditions for sustainability to become a strategic competitive advantage, while at the same time creating value for its different stakeholders (Chap. 3).

Underpinning the various positive impacts generated by Navigator, which are intended to be maximised through its strategy and business model, are sustainable forest management and the development of forest-based products and solutions. In fact, these contribute to a circular, low-carbon bioeconomy, to the valorisation of the entire forestry value chain, as well as to the development of the rural economy and the promotion of employability and qualification in the sector. We should also highlight the fact that we are the company with the greatest contribution to National Value Added, directly impacting the country's economy and its generation of wealth.

Navigator has defined a set of policies and codes (Chap. 3.4), among other structuring documents, as well as actions to support the realisation of its goals and targets, and its approach to each material issue. All of Navigator's material topics have associated commitments and objectives, action plans and KPIs, the vast majority of which are supported by policies and codes.

It should be emphasised that the 2030 Responsible Management Agenda is based on two dimensions - People and Planet - and that the sustainability report details the management approach followed by the Company, the actions undertaken in the reporting year and the performance achieved - in line with the objectives and targets defined in the 2030 Roadmap (Chap. 3.4).

Navigator has a sustainability governance structure supported by various corporate bodies and committees with well-defined functions. External stakeholders also take part in some of these bodies, which support the Organisation in analysing its performance, identifying risks and making recommendations, among other things (Chap. 5.1.4).

The Executive Committee delegates management of the 2030 Roadmap to the heads of the company's different departments, and there is a team of sustainability key users who monitor the action plans set out therein. These departments and key users, with the guidance and support of the Sustainability Department, assess Navigator's performance against the goals set. All proposals for changes to the 2030 Roadmap arising from this process are submitted by the Sustainability Department to the Executive Committee for appraisal and approval and are subsequently made public in the Annual Report.

Risk assessment (Chap. 3.3) is also supported by its own governance structure and duly defined processes, aligned with the IIA's (Institute of Internal Auditors) 3-Line Model, as mentioned in Section 51 of this Report. It has the involvement of the Sustainability Department and addresses risks related to environmental, social and governance (ESG) aspects.

It should be noted that data related to sustainability can be found in Chapters 3 and 5 of the Management Report, and a compilation of the main performance indicators is also available in Chapter 8, with methodological notes in context.

Navigator, as an industrial group that produces pulp, paper, tissue and sustainable packaging solutions, manages forestry assets and produces renewable electricity, has climate change at the centre of its concerns and therefore has a governance structure supported by various bodies with well-defined functions in terms of sustainability management, including climate-related impacts (Chap. 5.2.2). It should be noted that, within the scope of the remuneration policy, monetary incentives are established for EC members, promoting the management of climate-related issues. These incentives are dependent on Navigator's environmental performance, in order to achieve the targets and objectives set.

The 2030 Roadmap (Chap. 3.4.4) expresses a commitment to invest in low carbon solutions towards carbon neutrality, supported by a set of objectives and targets aimed at reducing GHG emissions and increasing renewable energy in total primary energy consumption. It should be noted that since 2019, Navigator has voluntarily adopted a roadmap for carbon neutrality, which reflects the ambition to decarbonise industrial complexes in Portugal by 2035 (EU ETS emissions). The commitment to reducing CO2 emissions was extended by joining the Science Based Targets initiative (SBTi) and approving the targets submitted in 2022 (Chap. 5.2.2).

The positive contribution to combating climate change and its effects is also expressed in other Roadmap commitments associated with promoting the forest-based circular bioeconomy, with an impact on the value chain - e.g. sustainable forest management and the development of bioproducts. Also of note is the importance of promoting efficiency in the use of energy, water and materials, as well as the reduction and recovery of waste.

b) OPERATION

22. Existence of rules of procedure for the Board of Directors, the General and Supervisory Board and the Executive Committee, as the case may be, and place where these may be consulted.

The internal rules of procedure for Navigator's Board of Directors are published on the Company's website, in the Investors area, in relation to Corporate Governance, and are freely available for consultation at www.thenavigatorcompany.com/en/investors/governance.

The Regulations of the Board of Directors provide for the exercise of its powers, chairmanship, frequency of meetings, operation and the duties of its members.

In accordance with these Regulations, within the limits of the applicable legislation:

a) The members of the Board of Directors shall be guaranteed access at all times to all the information necessary to assess the Company's performance, situation and development prospects, including, in particular, the minutes, the documentation supporting the decisions taken, the notices convening meetings and the archives of the meetings of the other governing bodies, without prejudice to access to any other documents or persons from whom clarification may be requested;

b) The Board of Directors must make available to the other governing bodies and committees, in a timely and appropriate manner, under the terms required by law and the articles of association, the inter-organisational flow of information and documentation necessary for the exercise of the legal and statutory powers of each of the other bodies and committees;

c) Non-executive directors must participate in the definition by the management body of the strategy, main policies, corporate structure and decisions that should be considered strategic for the Company due to their amount, risk or special characteristics, as well as in the assessment of their fulfilment.

Directors who are members of the Executive Committee may not carry out executive management duties in entities outside the Company's corporate group, unless the activity of these entities is considered ancillary or complementary to the Group's activity or does not involve a significant amount of time.

Directors who are not members of the Executive Committee may carry out management duties (executive or otherwise) in entities outside the Company's Group, provided that they do not involve companies that carry out activities in competition with those of the Company, or companies directly or indirectly in which it has a stake, and they must inform the Chairman of the Board of Directors prior to commencing such duties.

The following powers cannot be delegated generically:

a) the definition of the Company's strategy and main policies, without prejudice to the Board of Directors being able to delegate to the Executive Committee the preparation, for approval by the Board of Directors, of the proposed strategic plan and investment policy;

b) The organisation and coordination of the Company's corporate structure; and

c) Matters that are, at any given time, considered strategic due to their amount, risk or special characteristics.

The Board of Directors shall assess its performance annually, as well as the performance of the Executive Committee and other Committees and of the Managing Directors, if any, taking into account the fulfilment of the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this end, and the functioning between the Company's bodies and committees, identifying possibilities for improving this performance.

23. Number of meetings held and rate of meeting attendance of each member of the Board of Directors, General and Supervisory Board and Executive Committee, as applicable.

During the 2024 financial year, the Board of Directors held eight meetings, the minutes of which were drawn up. All the members of the Board of Directors were present at the eight meetings, corresponding to an attendance rate of 100 per cent, with the exception of executive director Nuno Santos, who was absent from one meeting for duly justified reasons, with an attendance rate of 87.5 per cent at the Board of Directors' meetings.

In accordance with the Regulations of the Board of Directors, detailed minutes of the respective meetings are drawn up.

The number of Board meetings held is freely available for consultation on the Company's website at www.thenavigatorcompany.com/en/investors/governance/.

24. Indication of the company bodies empowered to assess the performance of executive directors.

The Remuneration Committee draws up the Remuneration Policy, which defines how the system works, and prepares the entire framework for the assessment of executive directors. The performance appraisal of each executive director follows an internal process structured under the leadership of the person in charge (i.e. under the responsibility of the person who chairs the team, in the case of the members of the Executive Committee, and under the responsibility of the Chairman of the Board of Directors, in the case of the Chairman of the Executive Committee) and in which the non-executive directors that the person in charge sees fit to involve also take part.

Also involved in this process is the Appointments and Appraisals Committee, currently made up of three non-executive members of the Board of Directors, which is responsible for monitoring the performance appraisal system of the executive management and the awarding of remuneration by the Company and for giving its opinion on the proposals for individual performance appraisals of the executive management, which makes it unnecessary for the Board of Directors itself to be involved in the performance appraisal of the executive directors.

Lastly, the Remuneration Committee is responsible for confirming the respective achievement factors in the performance appraisal and ensuring the overall coherence of the process by setting the variable remuneration.

Thus, in 2024 and for the 2023 financial year, the Talent Committee met and gave its opinion on the individual performance proposals of the members of the Executive Committee, Adriano Augusto da Silva Silveira, João Paulo Araújo Oliveira, João Paulo Cabete Gonçalves Lé, José Fernando Morais Carreira Araújo and Nuno Miguel Moreira Araújo Santos, issued by the respective Chairman. José Fernando Morais Carreira de Araújo and Nuno Miguel Moreira de Araújo Santos, issued by the respective Chairman, and António José Pereira Redondo, issued by the Chairman of the Board of Directors, communicating his opinion to the Remuneration Committee. These evaluation proposals were based on the application of the basic criteria for evaluating the performance of executive directors in force at Navigator and further described in point 25.

For its part, and under the terms of the Regulations of the Board of Directors and the Regulations of the Remuneration Committee, the Board of Directors, accompanied by the Remuneration Committee, must annually assess its performance, as well as the performance of its committees, including the Executive Committee, taking into account compliance with the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this effect, and the relationship between the Company's bodies and committees. Under the terms of the respective regulations, the Appointments and Assessment Committee monitors the overall assessment of the Board of Directors' performance.

The assessment of the executive directors, as well as the self-assessment of the Board of Directors and its committees, took place in 2023, in relation to 2022 performance, and will take place in 2024, in relation to 2023, under the terms described above.

25. Predetermined criteria for assessing the performance of executive directors.

The basic criteria for assessing the performance of executive directors in force in 2023-2025 are those defined in point 2.2 of chapter 2 of the Remuneration Policy for defining the variable component of remuneration. These criteria are materialised through a system of quantitative and qualitative KPIs related to the performance of the Company and the director in question. The general business indicators include EBITDA (with a weighting of 35%), net profits (with a weighting of 10%), cash flow (with a weighting of 10%) and Total Shareholder Return vs. Peers (with a weighting of 10%), and the behavioural competences include the alignment of each Director with the long-term interests and sustainability of the Company.

In addition to these criteria, in line with the commitments made by the Company in its sustainability strategy and recognising the importance of efficient energy use and the need to reduce fossil CO2 emissions from economic activities, the implementation of the corporate energy efficiency programme approved in 2016 is also taken into account. Therefore, the specific objectives will always include ESG indicators, such as the result of the Company's annual climate study, the reduction of CO2 emissions, certified wood and the consumption of water, energy and wood.

26. Availability of each of the members of the Board of Directors, the General and Supervisory Board and the Executive Committee, as the case may be, indicating office held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of these bodies during the period.

Ricardo Miguel dos Santos Pacheco Pires

Positions held in Navigator Group companies

Chairman of the Board of Directors of The Navigator Company, S.A.

Positions held in other companies / entities

Chairman of the Board of Directors of APHELION, S.A.
Director of CIMO - Gestão de Participações, SGPS, S.A.
Director of 3 Fundação Semapa – Pedro Queiroz Pereira
Chairman of the Board of Directors of ETSA - Investimentos, SGPS, S.A.
Director of Directors of Pyrus Agricultural LLC
Director of Directors of Pyrus Investments LLC
Director of Directors of Pyrus Real Estate LLC
Chairman of the Board of Directors of Quotidian Podium, S.A.
Chairman of the Board of Directors of SECIL - Companhia Geral de Cal e Cimento, S.A.
Director of SEMAPA Inversiones, S.L.
Chairman of the Board of Directors of SEMAPA NEXT, S.A.
Director of SODIM, SGPS, S.A.
Chairman of the Board of Directors of Triangle's - Cycling Equipments, S.A.
Director of Triangle's 2 - Cycling Products, Unipessoal Lda
Director of UPSIS, S.A.
Chairman of the Board of Directors of UPSIS - Consultoria e Investimentos, S.A.

António José Pereira Redondo

Positions held in Navigator Group companies

Chief Executive Officer and Director of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd.
Director of Bosques do Atlântico, S.L.
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd
Chairman of the Board of Directors of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Chairman of the Board of Directors of Navigator Forest Portugal, S.A.
Chairman of the Board of Directors of Navigator Green Fuels Figueira da Foz, S.A.
Chairman of the Board of Directors of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Chairman of the Board of Directors of Navigator North America, Inc.
Chairman of the Board of Directors of Navigator Paper Figueira, S.A.
Director of Navigator Paper México S. de R.L. de C.V.
Chairman of the Board of Directors of Navigator Paper Setúbal, S.A.
Chairman of the Board of Directors of Navigator Parques Industriais, S.A.
Chairman of the Board of Directors of Navigator Pulp Aveiro, S.A.
Chairman of the Board of Directors of Navigator Pulp Figueira, S.A.
Chairman of the Board of Directors of Navigator Pulp Setúbal, S.A.
Chairman of the Board of Directors of Navigator Tissue Aveiro, S.A.
Chairman of the Board of Directors of Navigator Tissue Ejea, S.L.
Chairman of the Board of Directors of Navigator Tissue Iberica, S.A.
Chairman of the Board of Directors of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Chairman of the Board of Directors of RAIZ - Instituto de Investigação da Floresta E Papel
Director of Severn Delta Limited

Positions held in other companies / entities

Chairman of the Board of Directors of Biond – Forest Fibers from Portugal
Director of CIP (Portuguese Industrial Confederation)
Member of the Board of CEPI (Confederation of European Paper Industries)
Member of the Board of Directors of Euro-Graph (European Association of Graphic Paper Producers)
Member of the Board of Directors of Directors of COTEC Portugal – Business Association for Innovation
Member of the Engineering Academy

José Fernando Morais Carreira de Araújo

Positions held in Navigator Group companies

Director and member of the Executive Committee of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd
Director of Bosques do Atlântico, S.L.
Director of Empremedia Re Designated Activity Company
Chairman of the Board of Directors of Empremédia - Corretores de Seguros, S.A.
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd
Director of Navigator Africa, S.R.L.
Director of Navigator Afrique du Nord, SARLAU
Director of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Director of Navigator Deutschland GMBH
Director of Navigator Egypt (LLC)
Vice-Presidente do Conselho de Administração da Navigator Eurasia Kağit Ve Kağit Ürünleri Sanayi Ve Ticaret Anonim Şirketi
Director of Navigator Forest Portugal, S.A.
General Director of Navigator France SAS
Director of Navigator Green Fuels Figueira da Foz, S.A.
Director of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Director of Navigator Itália, S.R.L.
Director of Navigator Middle East Trading DMCC
Director of Navigator Netherlands B.V.
Director of Navigator North America, INC.
Director of Navigator Paper Austria GMBH
Director of Navigator Paper España S.A.
Director of Navigator Paper Figueira, S.A.
Director of Navigator Paper México S. de R.L. de C.V.
Director of Navigator Paper Setúbal, S.A.
Director of Navigator Paper Southern Africa Proprietary Limited
Director of Navigator Paper UK Ltd.
Director of Navigator Parques Industriais, S.A.
Director of Navigator Poland Paper Spółka Z Ograniczoną Odpowiedzialnością
Director of Navigator Pulp Aveiro, S.A.
Director of Navigator Pulp Figueira, S.A.
Director of Navigator Pulp Setúbal, S.A.
Director of Navigator Tissue Aveiro, S.A.
Director of Navigator Tissue Ejea, S.L.
General Director of Navigator Tissue France SAS
Director of Navigator Tissue Iberica, S.A.
Director of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Director of Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, S.A.
Director of Portucel Nigeria Limited
Director of Pulpchem Logistics, ACE
Director of RAIZ - Instituto de Investigação da Floresta e Papel
Director of Severn Delta Limited

[3] Started functions from 29 May 2024.

Positions held in other companies / entities

Vice-Chairman of the Board of the General Meeting of Biond - Forest Fibers from Portugal, representing Navigator Paper Figueira, S.A.
Member of the Board of AFP - Associação Fiscal Portuguesa (Portuguese Tax Association)
Member of the Audit Board of the Portuguese Institute of Statutory Auditors

Nuno Miguel Moreira de Araújo Santos

Positions held in Navigator Group companies

Director and member of the Executive Committee of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd.
Director of Bosques do Atlântico, S.L.
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd.
Director of Navigator Africa, S.R.L.
Director of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Director of Navigator Forest Portugal, S.A.
Director of Navigator Green Fuels Figueira da Foz, S.A.
Director of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Director of Navigator North America, Inc.
Director of Navigator Paper Figueira, S.A.
Director of Navigator Paper Setúbal, S.A.
Director of Navigator Parques Industriais, S.A.
Director of Navigator Pulp Aveiro, S.A.
Director of Navigator Pulp Figueira, S.A.
Director of Navigator Pulp Setúbal, S.A.
Director of Navigator Tissue Aveiro, S.A.
Director of Navigator Tissue Ejea, S.L.
Chairman of the Board of Directors of Navigator Tissue France SAS
Director of Navigator Tissue Iberica, S.A.
Director of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Director of RAIZ - Instituto de Investigação da Floresta e Papel
Director of Severn Delta Limited

Positions held in other companies / entities

President of APIGCEE (Portuguese Association of Large Electricity Consumers)

João Paulo Cabete Gonçalves Lé

Positions held in Navigator Group companies

Director and member of the Executive Committee of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd.
Director of Bosques do Atlântico, S.L.
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd.
Director of Navigator Abastecimento De Madeira, ACE
Chairman of the Board of Directors of Navigator Africa, S.R.L.
Director of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Director of Navigator Forest Portugal, S.A.
Director of Navigator Green Fuels Figueira da Foz, S.A.
Director of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Director of Navigator North America, Inc.
Director of Navigator Paper Figueira, S.A.
Director of Navigator Paper Setúbal, S.A.
Director of Navigator Parques Industriais, S.A.
Director of Navigator Pulp Aveiro, S.A.
Director of Navigator Pulp Figueira, S.A.
Director of Navigator Pulp Setúbal, S.A.
Director of Navigator Tissue Aveiro, S.A.
Director of Navigator Tissue Ejea, S.L.
Director of Navigator Tissue Iberica, S.A.
Director of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Chairman of the Board of Directors of Portucel Moçambique - Sociedade de Desenvolvimento Florestal e Industrial, S.A.
Director of RAIZ - Forest and Paper Research Institute
Director of Severn Delta Limited
Chairman of the Board of Directors of Viveiros Aliança - Empresa Produtora de Plantas, S.A.

Positions held in other companies / entities

In 2024, he did not hold any positions in other companies/entities.

Dorival Martins de Almeida

Positions held in Navigator Group companies

Director and member of the Executive Committee of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd.
Director of Bosques do Atlântico, S.L.
Director of EMA Cacia - Engenharia e Manutenção Industrial, ACE
Director of EMA Figueira da Foz - Engenharia e Manutenção Industrial, ACE
Director of EMA Setúbal - Engenharia e Manutenção Industrial, ACE
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd.
Director of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Director of Navigator Forest Portugal, S.A.
Director of Navigator Green Fuels Figueira da Foz, S.A.
Director of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Director of Navigator North America, INC.
Director of Navigator Paper Figueira, S.A.
Director of Navigator Paper Setúbal, S.A.
Director of Navigator Parques Industriais, S.A.
Director of Navigator Pulp Aveiro, S.A.
Director of Navigator Pulp Figueira, S.A.
Director of Navigator Pulp Setúbal, S.A.
Director of Navigator Tissue Aveiro, S.A.
Director of Navigator Tissue Ejea, S.L.
Director of Navigator Tissue Iberica, S.A.
Director of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Director of RAIZ - Instituto de Investigação da Floresta e Papel
Director of Severn Delta Limited

Positions held in other companies / entities

In 2024, he did not hold any positions in other companies/entities.

António Quirino Vaz Duarte Soares

Positions held in Navigator Group companies

Director and member of the Executive Committee of The Navigator Company, S.A.
Director of Accrol Holdings Limited
Director of Art Tissue Ltd.
Director of Bosques do Atlântico, S.L.
Director of Enerpulp - Cogeração Energética de Pasta, S.A.
Director of Eucaliptusland - Sociedade de Gestão de Património Florestal, S.A.
Director of John Dale (Holdings) Limited
Director of John Dale Limited
Director of Leicester Tissue Company Limited
Director of LTC Parent Ltd
Director of Navigator Brands, S.A.
Director of Navigator Corporate UK Limited
Director of Navigator Deutschland GMBH
Chairman of the Board of Directors of Navigator Eurasia Kağit Ve Kağit Ürünleri Sanayi Ve Ticaret Anonim Şirketi
Chairman of the Board of Directors of Navigator Fiber Solutions, S.A.
Director of Navigator Forest Portugal, S.A.
Chairman of the Board of Directors of Navigator France SAS
Director of Navigator Green Fuels Figueira da Foz, S.A.
Director of Navigator Green Fuels Setúbal, S.A.
Director of Navigator Holding Tissue UK Limited
Chairman of the Board of Directors of Navigator Italia, S.R.L.
Chairman of the Board of Directors of Navigator Netherlands B.V.
Director of Navigator North America, Inc.
Director of Navigator Paper Austria GMBH
Chairman of the Board of Directors of Navigator Paper España S.A.
Director of Navigator Paper Figueira, S.A.
Director of Navigator Paper Setúbal, S.A.
Manager of Navigator Paper Southern Africa Proprietary Limited
Manager of Navigator Paper UK Ltd.
Director of Navigator Parques Industriais, S.A.
Chairman of the Board of Directors of Navigator Poland Paper Spółka Z Ograniczoną Odpowiedzialnością
Director of Navigator Pulp Aveiro, S.A.
Director of Navigator Pulp Figueira, S.A.
Director of Navigator Pulp Setúbal, S.A.
Director of Navigator Tissue Aveiro, S.A.
Director of Navigator Tissue Ejea, S.L.
Director of Navigator Tissue Iberica, S.A.
Director of Navigator Tissue Ródão, S.A.
Director of Navigator Tissue UK Limited
Director of Portucel Nigeria Limited
Director of RAIZ - Forest and Paper Research Institute
Director of Severn Delta Limited

Positions held in other companies / entities

In 2024, he did not hold any positions in other companies/entities.

Ana Teresa Cunha de Pinho Tavares Lehmann

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Director of TAP - Transportes Aéreos Portugueses, S.A.
Director of TAP - Transportes Aéreos Portugueses, SGPS, S.A.
Chairman of the Finance, Audit and Risk Committee of TAP Transportes Aéreos Portugueses, S.A.
Chairman of the Finance, Audit and Risk Committee of TAP Transportes Aéreos Portugueses, SGPS, S.A.
Chairman of the Board of Directors of Zolve - Logística e Transporte, S.A.
Chairman of the General Board of the Fund of Funds for Internationalisation
Member of the Advisory Board of the Orkestra-Basque Competitiveness Institute
Member of the Advisory Board of the University of Fribourg Competitiveness Institute
Member of the Advisory Board of Vibe Capital Partners
Member of the Strategic Council for the Digital Economy (CIP)

Hugo Alexandre Lopes Pinto

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Director of Quotidian Podium, S.A.
Member of the Talent Committee of The Navigator Company, S.A.
Director of Secil - Companhia Geral de Cal e Cimentos, S.A.
Director of Semapa Next, S.A.
Director of ETSA - Investimentos, SGPS, S.A.
Member of the Executive Management Committee of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.
Member of the Remuneration Committee of Sonagi, SGPS, S.A.
Member of the Supervisory Board of the Nossa Senhora do Bom Sucesso Foundation
Director of Capital Hotels - Sociedade de Investimentos e Gestão, S.A.
Director of Hotel Ritz, S.A.

Maria Isabel da Silva Marques Abranches Viegas

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Chief People Officer of Semapa (Vogal da Comissão de Direção Executiva)
Member of Semapa's Talent Committee
Non-executive Director of Secil
Member of Secil's Remuneration Committee
Director of Semapa Next
Member of the Remuneration Committee of Semapa Next
Member of the Remuneration Committee of ETSA Investimentos
Member of Quotidian Podium
Member of the Remuneration Committee of Sonagi

Maria Teresa Aliu Presas

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Non executive director of the World Bioeconomy Forum.
Senior consultant of Magellan Association.

Mariana Rita Antunes Marques dos Santos

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Director of FAE – Fórum de Administradores e Gestores de Empresas.
Co-Chairman of the International Trade Committee – Business Club, World Trade Center Lisboa

Sandra Maria Soares Santos

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.[4]

Positions held in other companies / entities

Director of BA Glass I – Serviços de Gestão e Investimentos, S.A.[5]
Director of BPI – Banco Português de Investimento[6]

[4] Resigned with effects from 31 March 2025.

[5] Resigned with effects from February 2024.

[6] Resigned with effects from April 2024.

Member of the Audit Committee and Chairman of BPI's Appointments, Appraisals and Remuneration Committee[7]
Director of Titan Cement International[8]
Member of the General and Supervisory Board of EDP[9]
Non executive director of Titan Cement International[10]

Vítor Paulo Paranhos Pereira

Positions held in Navigator Group companies

Director of The Navigator Company, S.A.

Positions held in other companies / entities

Director of Aphelion, S.A.
Director of Antasobral - Sociedade Agropecuária, S.A.
Director of Capital Hotels - Sociedade de Investimentos e Gestão, S.A.
Director of Cimo - Gestão de Participações, SGPS, S.A.
Member of the Advisory Board of the SEMAPA Foundation - Pedro Queiroz Pereira [11]
Chairman of the Board of Directors of Galerias Ritz, S.A.
Director of Hotel Ritz, S.A.
Chairman of the Board of Directors of Parque Ritz, S.A.
Director of Quotidian Podium, S.A.
Director of Secil - Companhia Geral de Cal e Cimento, S.A.
Chairman of the Board of Directors of Semapa Inversiones, S.L.
Director and member of the Executive Committee of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A.
Director of SEMAPA Next, S.A.
Director of Sodim, SGPS, S.A.
Director of Sociedade Agrícola da Herdade dos Fidalgos, Unip., Lda
Chairman of the Board of Directors of Sonagi, SGPS, S.A.
Chairman of the Board of Directors of Sonagi - Imobiliária, S.A.
Chairman of the Board of the General Meeting of the Hotel Association of Portugal

c) Committees belonging to the management or supervisory bodies and managing directors

27. Identification of committees set up by the Board of Directors, the General and Supervisory Board and the Executive Committee, as the case may be, and place where the rules of procedure may be consulted.

The Board of Directors includes the following committees:

i. Executive Committee
ii. Corporate Governance Committee
iii. Talent Committee
iv. Environmental Council
v. Sustainability Forum
vi. Risk Management Committee

The Operating Regulations of the Internal Committees provide for the exercise of their respective powers, chairmanship, frequency of meetings, operation and the duties of their members. Detailed minutes of the respective meetings are drawn up and can be consulted on the Company's website at https://en.thenavigatorcompany.com/Investors/Governance.

The composition and number of annual meetings of the Internal Committees are publicised on the Company's website at https://en.thenavigatorcompany.com/Investors/Governance.

In accordance with their respective Operating Regulations, the Internal Committees must ensure, in a timely and appropriate manner, the flow of information, starting with the respective convening notices and minutes, necessary for the exercise of the legal and statutory competences of each of the other bodies and committees.

28. Composition, if applicable, of the Executive Committee and/or identification of the Managing Director(s).

On 31 December 2024, the Executive Committee comprised the following directors:

Chairman:

- António José Pereira Redondo

Members:

- José Fernando Morais Carreira de Araújo
- Nuno Miguel Moreira de Araújo Santos
- João Paulo Cabete Gonçalves Lé
- Dorival Martins de Almeida
- António Quirino Soares

29. Indication of the powers of each of the committees created and summary of the activities carried on the exercise of these responsibilities.

EXECUTIVE COMMITTEE

The powers of the Executive Committee are listed in point 21 of this report.

The Executive Committee is the Company's executive management body and has developed its competences within the scope of the delegation of powers entrusted to it by the Board of Directors. This Committee meets regularly and whenever necessary, depending on the business in progress and monitoring the Company's activity, and met 48 times during the 2024 financial year. In addition to the members of the Executive Committee, whenever matters so warrant, these meetings are attended by non-executive directors, directors of Group companies and members of Navigator's various departments.

CORPORATE GOVERNANCE COMMITEE

The Corporate Governance Committee is made up of four members: Ricardo Miguel dos Santos Pacheco Pires (Chairman), António José Pereira Redondo, António Pedro Gomes Paula Neto Alves and Rui Tiago Trindade Ramos Gouveia.

[7] Resigned with effects from April 2024.
[8] Resigned with effects from February 2025.
[9] Started functions on February 2025.
[10] Started functions on February 2025.
[11] Started functions on 29 May 2024.

The Corporate Governance Committee, in addition to permanently supervising the Company's compliance with the legal, regulatory and statutory provisions applicable to corporate governance, is responsible for critically analysing the Company's practices and behaviour in the field of corporate governance, and for taking the initiative to propose the discussion, alteration and introduction of new procedures aimed at improving corporate structure and governance. The Corporate Governance Committee must also assess the Company's governance situation on an annual basis and submit any proposals it deems appropriate to the Board of Directors.

In 2024, in addition to the day-to-day work and communications carried out by telematic means, the Committee held four meetings, at which the following topics were analysed:

- Analysing and commenting on the Corporate Governance Report for 2023;

- Analysis of the assessment of compliance with the IPCG Corporate Governance Code carried out by the Executive Follow-up and Monitoring Committee (CEAM), with reference to 2023;

- Comparison analysis of compliance with the IPCG CGS Recommendations by other listed companies;

- Amendments to Navigator's Internal Regulations;

- Initiatives to be carried out in 2024.

TALENT COMMITTEE

The Talent Committee is made up of three to seven members, including a majority of non-executive directors, one of whom will be chairman, appointed by the Board of Directors for a period of four years, coinciding with the term of office of the Board of Directors.

In 2024, the Committee had five members: Ricardo Miguel dos Santos Pacheco Pires (Chairman), António José Pereira Redondo, Hugo Alexandre Lopes Pinto, Maria Isabel da Silva Marques Abranches Viegas and Mariana Rita Antunes Marques dos Santos.

In accordance with its Internal Regulations, the Talent Committee is responsible for monitoring and supporting the appointment of senior executives of the Company and the Navigator Group, as well as assessing the performance of these executives.

In the performance of its duties, and without prejudice to other competences assigned to it by the Company's Board of Directors, the Talent Committee is particularly responsible for the corporate bodies:

In terms of appointments:

- Assisting the Board of Directors in identifying and assessing the suitability of the profile, knowledge and curriculum vitae of members of the governing bodies to be appointed, namely the appointment by co-option to fulfil the duties of a member of the Company's Board of Directors, as well as the choice of directors to fulfil executive duties;

- Making its terms of reference available and, to the best of its ability, introduce transparent selection processes that include effective mechanisms for identifying potential candidates, and that those who are most meritorious, best suited to the requirements of the position and promote appropriate diversity within the organisation, including gender diversity, are chosen for proposals;

- Whenever deemed appropriate, to be aware of and monitor the selection processes for potential candidates to fulfil executive management functions in subsidiary companies of the Group, in cases where the Company intends to submit the respective elective proposal.

In terms of evaluation:

- To monitor the system for assessing management performance and awarding Company remuneration;

- To give its opinion on the proposals for the annual individual performance appraisal of the members of the Executive Committee, issued by the respective Chairman, and of the latter, issued by the Chairman of the Board of Directors;

- To monitor the overall assessment of the performance of the Board of Directors as a body, taking into account the fulfilment of the Company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this end.

In addition to other duties expressly assigned to it by the Board of Directors, it is the responsibility of the Appointments and Appraisals Committee, particularly with regard to the other managerial staff:

- To monitor and issue recommendations on the Group's internal talent management policies and procedures;

- Periodically assessing the need for and availability of talent at Group level and recommending the appropriate actions to ensure the Group's ability to respond to the challenges that arise, namely monitoring and issuing recommendations on internal policies and procedures relating to selection, hiring, remuneration, ongoing assessment, remuneration and incentive policies, as well as the succession plan for senior management, and making any recommendations it deems appropriate in this regard.

The Committee is also responsible for talent management, especially with regard to senior management: (i) monitoring and issuing recommendations on the Group's internal talent management policies and procedures and (ii) periodically assessing the need for and availability of talent at Group level and recommending the appropriate actions to ensure the Group's ability to respond to the challenges that arise.

By virtue of its members and its competences in terms of remuneration, performance assessment and appointments, the existence of this Committee reflects adherence to Recommendation II.2.5. of the IPCG Corporate Governance Code.

In line with its competences, in 2024, in addition to its day-to-day work and communications carried out by telematic means, the Talent Committee held two meetings at which the following topics were discussed: (a) performance appraisals for the 2023 financial year; (b) the performance appraisal process for the 2023 financial year; (c) succession plans and the presentation to the Supervisory Board of proposals for a talent development plan and a succession plan.

ENVIRONMENTAL COMMITTEE

Given the specific nature of the Navigator Group's business and the environmental concerns inherent in it, the Board of Directors set up an Environmental Board, which is responsible for monitoring and issuing opinions on the environmental aspects of the company's business and making recommendations on the environmental impact of its main undertakings, taking particular account of the legal provisions, licensing conditions and the Navigator Group's policy on the matter.

The Environmental Board has four members: Maria da Conceição Cunha (Chairman), Ana Isabel Miranda, Maria Margarida Tomé and Joaquim Poças Martins, all of whom are independent academic figures of recognised technical and scientific competence, particularly in the most important areas of environmental concern in the Navigator Group's current activity.

The Environmental Board has direct contact with the Navigator Group's business world, through meetings held at its industrial sites, its main forestry plantations and its research institute, RAIZ.

In 2024, two meetings of the Environmental Council were held, covering the following topics: environmental performance; future industry scenarios; forests and climate change; Pedrogão - reforestation projects; WWTP 2 retrofit; community monitoring; EUDR - impacts; O2 delignification in Setúbal; and forest fires.

SUSTAINABILITY FORUM

Recognising the fundamental role that sustainability plays in the Navigator Group's strategic development, the Navigator Sustainability Forum was set up in 2015.

The main aim of the Forum is to foster collaboration between the Navigator Group and personalities who are part of its sphere of activity, from non-governmental organisations to universities, social organisations, Customers and Suppliers.

This is an initiative that seeks to strengthen dialogue with its main stakeholders, promoting debate and active listening on issues that are relevant to the Company and society.

As a rule, the Sustainability Forum meets twice a year, with one session involving permanent members only and the other extending participation to various stakeholders, with a central theme for debate. The aim of the Sustainability Forum sessions is to delve more deeply into issues essential to sustainability as a pillar of business strategy, and to receive contributions for formulating corporate policy on social and environmental responsibility issues, positioning themselves as platforms for understanding and co-operation between the Navigator Group and its main stakeholders.

The Sustainability Forum is made up of internal and external members and is chaired by the Chairman of the Executive Committee, António Redondo, with Teresa Presas as Secretary General. The internal members are Ana Miranda, António Quirino Soares, Dorival Almeida, João Paulo Cabete Gonçalves Lé, Joaquim Poças Martins, José Fernando Morais Carreira de Araújo, Margarida Tomé, Maria da Conceição Cunha, Nuno Miguel Moreira de Araújo dos Santos and Vitor Paranhos Pereira.

The following people are external members of the Sustainability Forum, linked to activities of the company's main stakeholder groups: Filipe Duarte Santos, Francisco Ferreira, Francisco Gomes da Silva, José Júlio Norte, Luís Neves da Silva, Rosário Alves, Helena Freitas, Assunção Cristas, Rita Nabeiro and Filipe Santos.

In 2024, two sessions of the Sustainability Forum were held, one internal, attended by permanent members of the Forum, members of the Board of Directors, managers and staff from various areas of Navigator's activity, and the other external, attended by a wide range of the company's stakeholders. The Forum's internal session took place at the Figueira da Foz Industrial Complex on 5 June, and its theme was 'Sustainability Reporting in the context of CSRD: The particular case of Supply Chain Management', while the external session took place in Santarém on 4 November and was dedicated to the theme '2030 Agenda for Responsible Management - Commitment to the Future'.

ETHICS AND INTEGRITY COMMITTEE

Following the drafting and approval of the Code of Ethics and Conduct by the Executive Committee in 2010, the Ethics and Integrity Committee was set up to draw up an annual report on compliance with the rules contained in the Code of Ethics. This report must explain all irregular situations of which the Committee is aware, as well as the conclusions and follow-up proposals it has adopted in the various cases analysed.

The members of this Committee are Henrique Reynaud Campos Trocado, Jaime Alberto Marques Sennfelt Fernandes Falcão and Rui Tiago Trindade Ramos Gouveia.

The Ethics and Integrity Committee is responsible for providing impartial and independent support to the company's bodies in publicising and complying with the Code of Ethics in all Navigator Group companies.

the Ethics and Integrity Committee is particularly responsible for the following duties:

a) Checking that the Code of Ethics and Conduct is integrated into the Company's usual internal control systems;

b) To analyse the conclusions drawn by the Risk Management Department from any audits it carries out in relation to issues covered by the Code of Ethics and Conduct;

c) Ensuring the operation of a mechanism for reporting breaches of the Code of Ethics and Conduct, as part of the Company's whistleblowing mechanism;

d) Assessing and evaluating any situation that arises in relation to compliance with the precepts included in the Code of Ethics and Conduct in which a member of a corporate body is involved;

e) To submit to the Corporate Governance Committee the adoption of any measures it deems appropriate in this area, including the review of internal procedures;

f) To submit to the Board of Directors, should it deem it necessary, proposals for amendments to the Company's Code of Ethics and Conduct;

g) Draw up an annual report on its performance in complying with the rules contained in the Code of Ethics and Conduct in Navigator Group companies.

In carrying out its duties, the Ethics and Integrity Committee may obtain information and reports from the Compliance Area on matters and initiatives related to the Code of Ethics and Conduct.

The Ethics and Integrity Committee also acts as an advisory body to the Board of Directors on matters concerning the application and interpretation of the Code of Ethics and Conduct.

Under the terms of the Whistleblowing Regulations, whenever a communication involving a member of the Board of Directors or the Supervisory Board is received, the Ethics and Integrity Committee is informed.

Three meetings were held in 2024, at which the activities carried out in 2023 were analysed, the main issues that have been reported and raised within the scope of the Company's Code of Ethics and Conduct and the Company's Whistleblowing Channel, in Portugal and abroad, and its functioning and mode of operation were discussed. The Ethics Committee's activity report for the year ending 31 December 2023 was also discussed and approved.

RISK OVERSIGHT COMMITTEE

In July 2023, the Board of Directors set up the Risk Oversight Committee as part of the implementation of a new risk management system (ERM NVG) that will allow closer, continuous and integrated monitoring of operations, carrying out real actions that will help mitigate the risks that exist within the scope of the Group's activities.

The Committee includes the CEO, the Financial Director, a non-executive Director appointed by the Board of Directors, the Risk Management Director, the Sustainability Director, the Legal, Compliance and Public Affairs Director and the person responsible for Empremédia - Insurance Brokers, respectively.

The Committee's competences and responsibilities are:

a) To assess and comment on The Navigator Company Group's risk management policy;

b) To supervise the application of the defined risk management policy, including the definition of the risk appetite and the maximum tolerance levels to be respected;

c) Supervising the operationalisation of the Risk Management Model (ERM - Enterprise Risk Management) defined by the Group, specifically with regard to risk inventory and selection of the main business risks;

d) Anticipating the existence of new exogenous risks, namely those related to the use of new information technologies and artificial intelligence mechanisms;

e) Monitoring the company's main risks, the level of effective exposure to risk and its potential evolution;

f) Monitoring the effectiveness of plans to mitigate the company's main risks;

g) To monitor the implementation of the Risk Management Committee's activity plans;

h) To take cognisance of the risk management monitoring reports issued by the Risk Management Committee and propose the adoption of the necessary or appropriate measures in the light of these reports;

i) Contributing to the promotion of a risk culture within The Navigator Company Group.

III. SUPERVISION

(Audit Board, Audit Committee or General Supervisory Board)

a) COMPOSITION*

30. Identification of the supervisory body (Audit Board, Audit Committee or General Supervisory Board) corresponding to the model adopted.

Under the single-tier management model adopted, the Company's supervisory body is the Audit Board and the Statutory Auditor, in accordance with section b) of no. 1 of article 413 of the Companies Code.

31. Composition, as applicable, of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs, indicating the minimum and maximum numbers of members and duration of their term of office, as established in the Articles of Association, number of full members, date of first appointment and end date of the term of office of each member; reference may be made to the item in the report where this information is contained in accordance with paragraph 18.

In accordance with the Articles of Association, the Company's Audit Board includes three full members, one of whom is Chairman, and one substitute member, whose terms of office are three years - at the same time as the members of the Board of Directors - and renewable.

Name	Date of first appointment and end of Mandate
José Manuel Oliveira Vitorino (Chairman)	2016[12]-2025
Gonçalo Nuno Palha Gaio Picão Caldeira (Full Member)	2007-2025
Maria da Graça Torres Ferreira da Cunha Gonçalves (Full Member)	2018-2024[13]
Maria da Luz Gonçalves de Andrade Campos (Full Member)	2024-2025[14]
Marta Isabel Guardalino da Silva (Alternate Member)	2024[15]-2025

The Company believes that the number of members of the Audit Board is perfectly adequate for its size and the complexity of the risks inherent in its activity, ensuring that the duties entrusted to them are carried out efficiently. This judgement of adequacy took into account, in particular, the Company's activities, the stability of the shareholder structure, as well as the diverse skills and availability of the members of the Audit Board to carry out their duties, namely through close collaboration with the other bodies and committees of the Company and the External Auditor and Statutory Auditor.

32. Identification, as applicable, of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs who are deemed independent, in accordance with article 414 (5) of the Companies Code; reference may be made to the item in the report where this information is contained in accordance with item 19.

The members of the Audit Board, José Manuel Oliveira Vitorino (Chairman) and Maria da Luz Gonçalves de Andrade Campos, are considered by Navigator to be independent, in the light of the criteria set out in Article 414(5) of the Companies Code, the former serving his third term and the latter her first. Maria da Graça Torres Ferreira da Cunha Gonçalves was considered independent, in the light of the same criteria.

Gonçalo Nuno Palha Gaio Picão Caldeira, appointed at the Annual General Meeting of 17 May 2023 for a fifth term as a member of the Audit Board, is a non-independent member of this corporate body, as results from the application of Article 414(5)(B) of the Companies Code.

33. Professional qualifications, as applicable, of each of the members of the Audit Board, the Audit Committee or the General and Supervisory Board or the Committee for Financial Affairs and other relevant biographical details; reference may be made to the item in the report where this information is contained in accordance with item 21.

[12] He was an alternate member from 2015 to 2016. He joined the Audit Board as a full member in 2016 and as Chairman since 2018.

[13] Termination of duties due to death on April 12, 2024.

[14] Was an alternate member from 2023 to 2024. She joined the Audit Board as an effective member on 12 April 2024, and her mandate was confirmed at the General Meeting on 24 May 2024.

[15] Firt appointment at the General Meeting of 24 May 2024.

José Manuel Oliveira Vitorino
(Chairman of the Audit Board)

José Manuel Vitorino has a degree in Business Organisation and Management from the Instituto Superior de Economia of the University of Lisbon. He qualified as a Chartered Accountant and in the Executive Training Programme at Universidade Nova de Lisboa. He was an Assistant Professor at the Faculty of Economics of the University of Coimbra, where he remained until 1980, after which he joined PricewaterhouseCoopers and divided his activity between the areas of auditing and financial advisory services, both in national and foreign companies and groups, and in projects in which he was part of international teams. He had been a Partner for several years when he left PricewaterhouseCoopers in 2013 due to reaching the age limit. He also served as Chairman of the Audit Board of Novo Banco, S.A., until 2017, and is a member of the Audit Board of ANA - Aeroportos de Portugal, S.A. He has been a member of the internal control committee of Jerónimo Martins, SGPS, SA since May 2022. He has been a member of the Audit Board of The Navigator Company since 2015, and of Semapa and Secil since 2016, serving as Chairman of these supervisory bodies since 2018.

Gonçalo Nuno Palha Gaio Picão Caldeira
(Full member of the Audit Board)

Gonçalo Picão Caldeira has a degree in Law and was admitted to the Portuguese Bar Association in 1991, after completing his traineeship. He has a postgraduate degree in Management (MBA - Universidade Nova de Lisboa) and attended the Real Estate Management and Evaluation course at ISEG. He has been working in property management and development through family companies since 2004. Before that, he worked with the BCP Group from 1992 to 1998 and with the Sorel Group from October 1998 to March 2002. He also worked for Semapa from April 2002 to February 2004. He has been a member of the Audit Board of the Company since 2007, of Semapa since 2006 and of Secil since 2013.

Maria da Luz Gonçalves de Andrade Campos
(Full member of the Audit Board)

Maria da Luz Campos has a degree in Finance from the Lisbon School of Economics and Management (ISCEF) and attended the AESE/IESE Senior Management Programme (PADE), as well as various specialised training courses in finance and leadership. She developed her professional career at ANA, EP/SA, where she held several important positions, most notably as Administrative and Financial Director between 1995 and 2019, during which time she also held responsibilities in the Planning and Management Control Department (2003-2004). She was a director and later Chairman of the Board of Directors of Portway Handling de Portugal (2002-2005) and Audit Director of ANA, EP (1994-1995). She represented ANA on various international committees, including Eurocontrol and ACI (Airports Council International), and was a member of the Investment Committee of Futuro, Sociedade Gestora de Fundos de Pensões. She has extensive experience in financial management, auditing and strategic processes, having actively participated in ANA's financing strategy, the split between airport management and air navigation, as well as the privatisation process of ANA, SA. Since April 2024, she has been a member of the Audit Boards of Semapa - Sociedade de Investimento e Gestão, SGPS, S.A., The Navigator Company, S.A. and Secil - Companhia Geral de Cal e Cimento, S.A.

Maria da Graça Torres Ferreira da Cunha Gonçalves
(Full member of the Audit Board)

Maria da Graça Torres Ferreira da Cunha Gonçalves had a degree in Business Organisation and Management from the Instituto de Ciências do Trabalho e da Empresa (ISCTE) and was a chartered accountant. From June 1978 to November 1985, she held various positions in the areas of General Accounting, Analytics and Financial Planning and Analysis at Magnetic Peripherals Inc. Portugal. She was a financial analyst at Shell Portuguesa, S.A. between December 1985 and November 1989. Between December 1989 and July 1994, she was Controller and CFO of United Distillers Comp. Velha, Lda., with responsibility for the entire Finance, IT and Purchasing areas. Between August 1994 and July 1995, she was CFO of ITT Automotive Europe GmbH, with responsibility for the entire Financial and Personnel Area. From August 1995 to June 2015, she was Back Office Director at Pernod Ricard Portugal, responsible for Finance, Management Control, Purchasing, Logistics, Production, Human Resources and Legal. In 2001 and 2002, she was responsible in Portugal for the acquisition of Seagram (Sandeman & Co.). Later, in 2005 and 2006, she was responsible for the Financial and Human Resources areas of the Allied Domecq (Cockburn Smithes & C.ª) acquisition process. She was vice-president of the sector's association, ACIBEV, representing Pernod Ricard. She was a member of the Audit Board of the Company, Semapa and Secil, from 2018 to 2024.

b) OPERATION

34. Existence of operating regulations, and place where they can be consulted, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs; reference may be made to the item in the report where this information is contained in accordance with item 24.

The Company's Supervisory Board has its own internal rules of procedure, which are published on the Company's website, in the Investors area, relating to Corporate Governance, and are freely available for consultation via the following link https://en.thenavigatorcompany.com/Investors/Governance.

The annual report issued by the Supervisory on its activities is published together with the Annual Report and is available on the Navigator Group's website.

35. Number of meetings held and rate of attendance at meetings of the Supervisory Board, the Audit Committee or the General and Supervisory Board and the Committee for Financial Affairs, as the case may be; reference may be made to the item in the report where this information is contained in accordance with item 25.

The Audit Board held twenty-eight meetings during the 2024 financial year. All agendas and the respective minutes were sent to the Chairman of the Board of Directors and are also available to the Risk Management Department.

Its current members were present at all the meetings held while they were in office, so their attendance rate was 100 per cent. Maria da Graça Torres Ferreira da Cunha Gonçalves attended only one meeting, as her position was terminated for health reasons.

The number of Audit Board meetings held is freely available for consultation on the company's website at www.thenavigatorcompany.com/en/investors/governance/.

In accordance with the Regulations of the Audit Board, detailed minutes of the respective meetings are drawn up.

36. Availability of each of the members of the Audit Board, the Audit Committee or the General and Supervisory Board and the Committee for Financial Affairs, as the case may be, indicating offices held simultaneously in other companies, inside and outside the group, and other relevant activities carried out by the members of these bodies during the period; reference may be made to the item in the report where this information is contained in accordance with item 26.

José Manuel Oliveira Vitorino

Positions held in Navigator Group companies

Does not hold any positions in other Navigator Group companies.

Positions held in other companies / entities

Member of the Audit Board of ANA – Aeroportos de Portugal, S.A.
Member of the Internal Control Committee of Jerónimo Martins, SGPS, SA.
Chairman of the Audit Board of Secil – Companhia Geral de Cal e Cimento, S.A.
Chairman of the Audit Board of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.

Gonçalo Nuno Palha Gaio Picão Caldeira

Positions held in Navigator Group companies

Does not hold any positions in other Navigator Group companies.

Positions held in other companies / entities

Director at Linha do Horizonte Investimentos Imobiliários, Lda.
Director at Loftmania – Gestão Imobiliária, Lda.

Member of the Audit Board of Secil – Companhia Geral de Cal e Cimento, S.A.
Member of the Audit Board of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.
Director of Topologia II – SIC Imobiliária Fechada, S.A.[16]

Maria da Luz Gonçalves de Andrade Campos

Positions held in Navigator Group companies

Does not hold any positions in other Navigator Group companies.

Positions held in other companies / entities

Member of the Audit Board of Secil – Companhia Geral de Cal e Cimento, S.A.
Member of the Audit Board of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A.

c) POWERS AND RESPONSIBILITIES

37. Description of applicable procedures and criteria for the supervisory body's involvement in hiring additional services from the external auditor.

In accordance with the rules laid down in the European Audit Regulation, Article 77(10) and (11) of the Statute of the Portuguese Institute of Statutory Auditors, approved by Law no. 140/2015, the Internal Regulations of the Audit Board, as amended, and the Internal Regulations on the approval of non-audit services, approved on 1 June 2016. º 140/2015, of 7 September, in the Internal Regulations of the Audit Board, in the version in force, and in the Internal Regulations on the approval of non-audit services, approved on 1 June 2016, the contracting of non-audit services - which are neither required by law nor constitute prohibited services for the External Auditor and Statutory Auditor or any member of their network, by Navigator or by companies in a control or group relationship with it - is subject to prior approval by Navigator's Audit Board, duly substantiated.

Accordingly, the proposals submitted by the external auditor are forwarded to the Audit Board for analysis and validation, seeking essentially to safeguard (i) that these are permitted services, (ii) that the provision of these services does not affect the independence and impartiality of the External Auditor, necessary for the provision of audit services, (iii) that the cumulative value of the fees received for the provision of non-audit services does not exceed the limit defined in the EOROC and (iv) that the additional services in question are provided with high quality and autonomy.

The Audit Board has therefore applied the rules laid down in the European Audit Regulation and the Statute of the Portuguese Institute of Statutory Auditors, approved by Law 140/2015 of 7 September, and observes the internal procedures laid down in the Internal Regulations on the approval of non-audit services to ensure that the legal provisions are complied with.

38. Other duties of the supervisory bodies and, if applicable, of the Committee for Financial Affairs.

1. The Audit Board has the competences that result from the law, and there are no delegated powers or assigned areas of responsibility. The functions and duties of the Audit Board are expressly set out in its Operating Regulations, which provide for the exercise of its powers, chairmanship, frequency of meetings, operation and the duties of its members. Detailed minutes of the respective meetings are drawn up and can be consulted on the Company's website at https://en.thenavigatorcompany.com/Investors/Governance.

In accordance with the Operating Regulations, revised in December 2023, the Audit Board ensures, in a timely and appropriate manner, the flow of information, starting with the respective convening notices and minutes, necessary for the exercise of the legal and statutory competences of each of the other bodies and committees.

2. In carrying out its duties, and without prejudice to other competences attributed to it by law, namely in article 420 of the Companies Code, in accordance with its operating regulations, the Audit Board is particularly responsible for:

a) Supervising the management of the Company, including, in this context, annually assessing the budget, the internal functioning of the Board of Directors and its committees, as well as the relationship between the various bodies and committees of the Company;

b) To ensure compliance with the law and the articles of association;

c) Checking that the books, accounting records and supporting documents are in order;

d) Verify, when it deems it appropriate and in the manner it deems appropriate, the extent of cash and stocks of any kind of goods or valuables belonging to the Company or received by it as a guarantee, deposit or other security;

e) Checking the accuracy of the accounting documents;

f) Verify that the accounting policies and valuation criteria adopted by the Company lead to a correct assessment of assets and results;

g) Draw up an annual report on its supervisory activities and issue an opinion on the report, accounts and proposals presented by the board of directors;

h) To convene the general meeting when the chairman of the general meeting does not do so;

i) Evaluate and comment on the strategic guidelines and risk policy prior to their final approval by the board of directors;

j) Supervising and evaluating the effectiveness of the internal control system, comprising risk management, compliance and internal audit functions, and may propose any necessary Adjustments;

k) To give its opinion on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and to propose any necessary adjustments;

l) Receiving reports of irregularities submitted by shareholders, Company employees or others;

m) To hire experts to assist one or more of its members in the performance of their duties, and the hiring and remuneration of experts shall take into account the importance of the matters entrusted to them and the economic situation of the Company;

n) Supervising the adequacy of the process of preparation and disclosure of financial information by the Board of Directors, including the adequacy of accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial years, in a duly documented and communicated manner;

o) Propose to the General Meeting the appointment of the statutory auditor and the respective remuneration, indicating the criteria that led to the choice of the proposed statutory auditor and describing the selection process conducted by the auditor;

p) To propose to the General Meeting the dismissal of the statutory auditor or the termination of the contract for the provision of their services whenever there is just cause for this;

q) Supervising the audit of the Company's financial statements;

r) To supervise the independence of the statutory auditor, in particular with regard to the provision of additional services, and to assess annually the work carried out by the statutory auditor and its suitability for the performance of the duties assigned to it;

[16] Started functions on 21 October 2024.

s) To certify that the report on the structure and practices of corporate governance disclosed includes the elements referred to in article 29-H of the Securities Code;

t) To issue a prior and binding opinion on the Regulation on Conflicts of Interest and Transactions with Related Parties to be drawn up and approved by the Board of Directors or, in the absence of such a regulation, on the definition to be made by the management as to whether the transactions that the Company carries out with related parties are carried out within the scope of its current activity and under market conditions;

u) To issue, within a reasonable period of time, a prior opinion on any business with related parties that is not carried out within the scope of the Company's current activity and under market conditions;

v) Verify that the transactions with related parties that the Company carries out are carried out within the scope of the Company's current activity and under market conditions;

w) To fulfil the other duties laid down by law or the Articles of Association.

3. In accordance with its operating regulations, in the performance of its duties, and without prejudice to other powers attributed to them by law, the members of the Supervisory Board may, acting jointly or separately:

a) To obtain from the management the presentation, for examination and verification, of the books, records and documents of the Company, as well as to verify the stocks of any class of valuables, namely money, securities and merchandise;

b) Obtain from management, or from any of the Directors, information or clarification on the course of the Company's operations or activities or on any of its businesses;

c) To have access to all the Company's information and employees in order to assess the Company's performance, situation and development prospects, including, in particular, the minutes, the documentation supporting the decisions taken, the notices convening meetings and the archives of the meetings of the other governing bodies, without prejudice to access to any other documents or persons from whom clarification may be requested;

d) Obtain the reports made by the Company's internal control services, including the risk management, compliance and internal audit functions, in particular those on matters relating to the rendering of accounts, the identification or resolution of conflicts of interest and the detection of potential irregularities;

e) Obtain from the Company's statutory auditor the clarifications necessary for the annual assessment by the Audit Board of the work carried out by the statutory auditor, as well as their independence and suitability to carry out their duties;

f) Obtain from third parties who have carried out transactions on the Company's behalf the information they need to properly clarify such transactions;

g) Attend board meetings whenever they see fit.

4. In order to carry out its duties, the Audit Board may be assisted by experts specially appointed for this purpose and also by a Company specialising in auditing work, and may decide to hire the services of experts to assist one or more of its members in carrying out their duties.

5. In the performance of their duties, and without prejudice to other duties imposed on them by law, in accordance with their operating regulations, the members of the Audit Board have the duty to:

a) Be informed and diligently prepare for Council meetings;

b) Participate in board meetings and attend general meetings, as well as board meetings called by the chairman or at which the accounts for the financial year are examined;

c) Carry out conscientious and impartial supervision;

d) To keep secret the facts and information they become aware of as a result of their duties;

e) To inform the board of the checks, inspections and due diligence they have carried out and of the results;

f) To report, at the first meeting held, all irregularities and inaccuracies that they have verified, as well as whether they have obtained the clarifications, they need to carry out their duties;

g) Record in writing all the checks, inspections, complaints received and endeavours that have been carried out and the results of these;

h) Inform the management body of the results of the statutory audit and explain how it contributed to the integrity of the process of preparing and disclosing financial information, as well as the role that the supervisory body played in this process;

i) Monitor the process of preparing and disclosing financial information and make recommendations or proposals to ensure its integrity;

j) Supervising the effectiveness of the internal quality control and risk management systems and, if applicable, internal auditing, with regard to the process of preparing and disclosing financial information, without violating their independence;

k) Monitoring the statutory audit of the individual and consolidated annual accounts, including their execution;

l) Verify and monitor the independence of the statutory audit firm in the exercise of its statutory audit activity or in the provision of other legally permitted services under the terms defined in the applicable law and regulations, namely through:

i. Demonstration, during the selection process for the firm of statutory auditors, that the firm has internal mechanisms in place to ensure independence and avoid conflicts of interest;

ii. Regular proof by the audit firm that these internal mechanisms are adequate and comply with the applicable legislation and regulations;

iii. Obtaining an annual declaration of independence;

iv. Annual communication of the separate audit services that have been provided;

v. A reasoned proposal as to whether the statutory audit firm's duties should be extended beyond the maximum legal period, weighing up the respective conditions of independence and the advantages and costs associated with its replacement;

vi. Communication from the audit firm about exceeding the fee threshold; and

vii. The joint analysis of possible threats to its independence and the application of safeguards to mitigate them;

m) Select the firms of statutory auditors to propose to the General Meeting for election and justifiably recommend a preference for one of them;

n) Treating confidentially all Company documentation to which they have access in the performance of their duties, including the content of meetings of the Board and other governing bodies in which they participate and information preparatory thereto; and

o) To make available to the other governing bodies and committees, as required by law and the articles of association, all the information and documentation necessary for the exercise of the legal and statutory competences of each of these bodies and committees.

6. Members of the Audit Board must report to the Public Prosecutor's Office any offences of which they become aware and which constitute public offences.

7. Whenever any member of the Audit Board becomes aware of facts that reveal difficulties in the normal pursuit of the Company's object, they must immediately notify the statutory auditor.

The Audit Board is also the main interlocutor of the External Auditor and Statutory Auditor, having direct access to and knowledge of their work. The Company believes that this direct supervisory action by the Audit Board is possible, without interference from the Board of Directors, in relation to the work carried out by the External Auditor and Statutory Auditor, as long as it does not jeopardise the timely and adequate knowledge of the management body, which is ultimately responsible for what happens in the Company and for the financial statements, in relation to this same work.

Respecting this principle, the reports of the External Auditor and Statutory Auditor are sent to the Audit Board and discussed at joint meetings of this body with a member of the Board of Directors, including the results of the statutory audit, and the Audit Board ensures that the necessary conditions for the provision of auditing services are in place within the Company. The Audit Board is also responsible for proposing and monitoring, with the support of the Company's internal services, the remuneration of the External Auditor and Statutory Auditor.

The Statutory Auditor also co-operates with the Audit Board in order to provide, immediately and in accordance with the applicable laws and regulations, information on irregularities relevant to the performance of the Audit Board's duties that it has detected, as well as any difficulties it has encountered in carrying out its duties.

In accordance with the Regulation of the Audit Board, the Statutory Auditor and the Company maintain permanent and adequate channels of communication, namely by holding regular meetings with the management, the Audit Board and the departments and directorates with responsibilities in the matters in question, and with the consequent discussion and analysis of all the information that is pertinent to the exercise of the corresponding activity.

The Audit Board is also close to the Risk Management Committee. In fact, according to this committee's regulations, its chairman must inform the Supervisory Board of any resolutions which, given their relevance, it should be aware of. On the other hand, all the members of the Committee must be available to provide any clarification and information requested by the members of the Audit Board; however, requests for information and clarification should preferably be made through the Chairman. Finally, the members of the Audit Board may attend meetings of the Committee at the request of its Chairman or at the request of the Audit Board, depending on the item on the agenda.

IV. STATUTORY AUDITOR

39. Identification of the statutory audit firm and the partner and statutory auditor representing the same.

The Company's Statutory Auditor is KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A., registered with the Portuguese Association of Statutory Auditors under no. 189 and with the CMVM under no. 20161489, represented by Rui Filipe Dias Lopes (ROC no. 1715).

The substitute Statutory Auditor is Vítor Manuel da Cunha Ribeirinho (ROC no. 1081).

40. Indication of the consecutive number of years for which the statutory audit firm has held office in the Company and/or Group.

The Statutory Auditor mentioned in point 39 has been working for the Company since 2018.

41. Description of other services provided by the statutory auditor to the company.

In addition to the statutory audit services provided to the Company and its subsidiaries, the Statutory Auditor also provided other assurance and reliability services, as well as financial information review services, in accordance with the provisions of Law 140/2015 of 7 September.

The amounts paid for these services throughout 2024 are detailed in points 46 and 47 below.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of article 8 and the partner and statutory auditor representing such firm in the performance of these duties, together with their respective registration number with the Portuguese Securities Market Commission.

The Company's external auditor is KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A., registered with the Portuguese Institute of Statutory Auditors under no. 189 and with the CMVM under no. 20161489, represented in the fulfilment of these duties by partner Rui Filipe Dias Lopes (ROC no. 1715).

43. Indication of the consecutive number of years for which the external auditor and the respective partner and statutory auditor representing the same in the performance of these duties has held office in the Company and/or Group.

The External Auditor and the respective Statutory Auditor who represents him in carrying out these duties were appointed at the General Meeting in September 2017, for the financial year starting on 1 January 2018. They were re-elected to office at the General Meeting held on 9 April 2019. Thus, 2023 was their sixth year in office with the Company and/or the Group.

44. Policy on rotation of the external auditor and the respective partner and statutory auditor representing the same in the performance of these duties, and the respective frequency of rotation.

The policy and frequency of rotation of the External Auditor and Statutory Auditor and their representative is determined by article 54 of Law 140/2015 of 7 September (Statute of the Portuguese Institute of Statutory Auditors), which establishes the legal regime applicable to the mandatory rotation of Statutory Auditors in public interest companies, such as Navigator.

In 2023, at the proposal of the Audit Board, which considered that the applicable legal conditions had been met, the Shareholders' General Meeting approved the reappointment of KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. as the

Company's Statutory Auditor for the three-year period 2023-2025, under the terms of the Statute of the Portuguese Institute of Statutory Auditors and the maximum time limits for carrying out statutory audit duties set out therein.

45. Indication of the body responsible for assessing the external auditor and the intervals at which this assessment is conducted.

As part of its supervisory role and its review of the Company's financial statements, the Audit Board assesses the External Auditor and Statutory Auditor on an ongoing basis, particularly in the context of the preparatory work for its Report and Opinion on the annual accounts.

As well as being responsible for proposing the appointment of the Statutory Auditor and the respective remuneration to the General Meeting, the Audit Board is the body responsible for assessing and monitoring all the audit work carried out by the External Auditor on an ongoing basis, with the possibility of proposing its dismissal with just cause at the General Meeting, provided the appropriate formalities are met. To this end, throughout the year the Audit Board meets regularly with the Statutory Auditor and External Auditor, establishing a permanent and direct relationship between these two bodies, the latter being the recipient of their reports, including when matters relating to the rendering of accounts and the detection of potential irregularities are at issue. At these meetings, the Audit Board will be able to analyse all the accounting and financial information it deems necessary at any given time and may request from them any information it deems necessary for its supervision.

In addition, the Audit Board, in carrying out its supervisory duties and reviewing the Company's financial statements, carries out an overall assessment of the External Auditor's performance each year as part of the preparatory work for its Report and Opinion on the annual accounts and also monitors its independence, namely by obtaining written confirmation of the auditor's independence; confirming compliance with the rotation requirements of the partner responsible and identifying threats to independence and the safeguard measures adopted to mitigate them.

To this end, the Audit Board has unrestricted access to the documentation produced by the Company's auditors, being able to request any information it deems necessary and being the first recipient of the final reports drawn up by the external auditors.

In accordance with the provisions of Article 420(2) of the Companies Code, the Audit Board is responsible for proposing the appointment of the Company's Statutory Auditor to the General Meeting.

46. Identification of work, other than auditing, done by the external auditor for the company and/or for companies in a control relationship with it, together with internal procedures for approving the hiring of such services, specifying the reasons for doing so.

As described in point 47, in the year ended 31 December 2024 KPMG, Sociedade de Revisores Oficiais de Contas and other entities belonging to the same network were invoiced for fees relating to the statutory audit of annual accounts, limited audit of interim accounts and reliability assurance services and services other than auditing. The breakdown of the invoicing for these services is detailed below in point 47.

The services indicated as 'assurance services' relate to the issuing of reports on financial information and verification services for Sustainability Information. With regard to services other than auditing, they refer to the provision of financial information auditing services to a group of companies within the scope of the acquisition by the Navigator Group, as well as agreed procedures services on financial information. As mentioned above, these services are not included in the list of prohibited services set out in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council. As mentioned above, these services are not included in the prohibited services list in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014, and the legal requirements for independence, threats to independence and safeguards to limit these threats by the auditor have been guaranteed.

In 2024, the provision of non-audit services by the Statutory Audit Firm to the Company and subsidiaries is regulated in the Internal Regulation on the approval of non-audit services, approved on 1 June 2016, which provides for non-audit services that cannot be provided by the SROC and prior control and authorisation processes for these services by the Audit Board. The regime defined in this internal rule is fully in line with the provisions of the Statute of the Order of Statutory Auditors, approved by Law no. 99-A/2021, the Legal Regime for Audit Supervision, approved by Law no. 148/2015 and Regulation (EU) no. 537/2014 of the European Parliament and of the Council. º537/2014 of the European Parliament and of the Council of 16 April 2014.

Therefore, the services provided by the External Auditor and Statutory Auditor, other than auditing, were always approved by the Audit Board, in compliance with the applicable legal rules in force in 2024 and the internal procedures put in place for this purpose.

47. Indication of the annual remuneration paid by the company and/or controlled, controlling or group entities to the auditor and other individuals or organisations belonging to the same network, specifying the percentage relating to the following services (for the purposes of this information, the concept of network is as defined in Commission Recommendation No. C [2002] 1873 of 16 May 2002).

By the Company *		
Value of audit services (€)	252,500	36%
Value of reliability assurance services (€)	116,500	17%
Value of tax consultancy services (€)	0	0%
Value of services other than audits (€)	331,778	47%
By entities that are part of the Group*		
Value of audit services (€)	248,470	83%
Value of reliability assurance services (€)	51,850	17%
Value of tax consultancy services (€)	0	0%
Value of services other than audits (€)	0	0%

** Including individual and consolidated accounts*

In 2024, services other than auditing services billed to the Company or to entities in a controlling relationship with it by the External Auditor and Statutory Auditor, including entities in a holding relationship with them or which are part of the same network, represented 50 per cent of the total services provided.

C. INTERNAL ORGANISATION

I. Articles of Association

48. Rules applicable to the amendment of the Company's Articles of Association (art. 29-H, no. 1, al. h).

The Company's Articles of Association do not define any specific rules for amending them, so the general rules of the Commercial Companies Code apply.

II. Reporting of Irregularities (Whistleblowing)

49. Means and policy for reporting of irregularities (whistleblowing) occurring in the company.

The Navigator Company, as a listed company with a rigorous governance system, has implemented a Whistleblowing Channel, which is available through a portal accessible from its websites, thus reinforcing the company's aim of having an internal

mechanism in which reports of irregularities are submitted in an effective system, in accordance with the rules of conduct established by Navigator and the principles of guaranteeing anonymity, confidentiality, safeguarding and non-retaliation in relations with whistleblowers, while complying with data protection and information security standards.

This Whistleblowing Channel is an independent service for reporting possible irregular practices, managed by an external entity representing Navigator and intended for communications from Collaborators, Suppliers, Customers, Service Providers or any other interested parties, as provided for in the Whistleblowing Regulations.

The Whistleblowing Regulations enshrine the general duty to report alleged irregularities within the Navigator Group, helping to ensure that it continues to position itself as an upstanding, reputable and credible business group, as well as a fair, honest and safe place to work.

In accordance with these Regulations, irregularities include violations of the rules set out in the Code of Ethics and Conduct and other internal regulations, as well as non-compliance with external legislation or regulations to which The Navigator Company is subject (e.g. violation of rules of conduct or ethics, fraud, corruption and related offences, protection of privacy and personal data, health and safety, environmental protection, human rights, among others).

The Regulation appoints a multidisciplinary team with the power to follow up on complaints received, known as the Whistleblowing Committee (CDI), which is made up of the Director of Legal, Compliance and Public Affairs (DLC), the Director of Risk Management (DGR) and the Compliance Officer, respectively. In cases where the complaint may concern any member of the aforementioned Committee, it is referred to the Audit Board.

The person responsible for following up the complaint must determine whether the complaint contains the minimum grounds to trigger an investigation process, as well as determining the involvement of other bodies, departments or Employees, when certain requirements are met.

If the complaint has the minimum grounds, the investigation process begins, which consists of verifying all the facts necessary to assess the alleged irregularity. This process ends with either the closure of the case or a proposal to apply the most appropriate measures to the irregularity in question.

All persons with a conflicting interest in the situation being reported are excluded from the investigation and decision process, in order to ensure that it is received, screened, analysed and filed in an independent, autonomous and impartial manner.

Reflecting a proactive approach on the part of our Stakeholders in identifying and reporting issues relevant to the Company, during 2024 the Whistleblowing Channel received a total of 37 reports of irregularities, covering topics such as harassment or discrimination, health, safety and environmental protection, as well as issues related to violations of policies or procedures, privacy and data protection and food safety. Of these reports, only one was substantiated, concerning a situation of moral harassment between employees.

Although all the cases were identified and dealt with due diligence, in relation to the substantiated situation, the appropriate measures were taken to resolve it. This channel has proved to be a vital tool for promoting a culture of transparency, responsibility and compliance within the organisation.

Following the events that took place in 2020 and 2021, underpinned by the 2020 criminal investigation into alleged corruption in the wood reception activity at one of our manufacturing centres, which led to the dismissal with just cause of the workers involved in that activity, legal proceedings are still underway in the labour and criminal courts. In fact, during 2024, Navigator continued to monitor, in the competent labour courts, the legal challenges to the regularity and lawfulness of the dismissals of 28 workers, and to date there have been no further developments in these cases. On the other hand, in the criminal courts, Navigator, as an assistant, continues to monitor the case, and it has proceeded to the trial stage, with the production of evidence having already begun.

III. Internal Control and Risk Management

50. People, bodies or committees responsible for internal audits and/or implementation of internal control systems.

The Company's management and supervisory bodies have attached increasing importance to developing and improving the Navigator Group's internal control and risk management systems.

In 2023, the Group improved its internal risk management process by implementing a new Enterprise Risk Management (ERM) tool aligned with the guidelines of COSO - Committee of Sponsoring Organisations of the Treadway Commission and the ISO 31000 Standard. The implementation of this tool was carried out in conjunction with the Group's different departments and initially focused on the UWF Pulp and Paper business lines. In 2024, ERM was extended to new businesses, namely the Tissue Paper and Packaging businesses. This tool has brought greater alignment with the Group's strategy and objectives, as well as targeted and continuous monitoring of risks, with the responsibilities of the different players in the process clearly defined.

In this context, the Navigator Group's Risk Management Governance Model was improved with the creation of two additional bodies: the Risk Oversight Committee and the Risk Management Committee.

The Governance Model is aligned with the Institute of Internal Auditors (IIA) 3-Line Model, which involves: (1) in the first line, all the business units responsible for carrying out daily risk management activities; (2) in the second line, the Chief Executive Officer, the Risk Management Department, the Compliance Area, Empremédia - Corretores de Seguros, the Sustainability Department and the Risk Management Committee; (3) in the supervisory line, there is the Audit Board, the Risk Oversight Committee and Internal Audit.

The internal control and risk management system is based on a systematic and explicit assessment of business risks by all the Navigator Group's organisational departments and the identification of the main controls in place in all business processes. This basis will enable the company to constantly assess the adequacy of its internal control system to the risks perceived as most critical at any given time.

As part of this periodic assessment, an annual internal audit programme is established, to be carried out by the Internal Audit department (Risk Management Department) in conjunction with each directorate involved, to monitor and assess the adequacy of the said internal control system to the perceived risks and to support the organisation in implementing improvement programmes for this system.

The external auditor checks the effectiveness and functioning of the internal control mechanisms as part of its statutory audit work and reports any deficiencies to the Audit Board.

Within the framework of the Governance Model adopted for Risk Management, the responsibilities of the main players are defined below.

BOARD OF DIRECTORS

The responsibilities of the Board of Directors in this area are:

- Reviewing and approving the risk management policy defined for The Navigator Company Group, including risk appetite and tolerance;
- Setting risk-taking objectives and ensuring that they are met;
- Approve the risk management governance model adopted by The Navigator Company Group;

- Supervising the application of the risk management policy in The Navigator Company Group;
- Discuss and approve the strategic plan, including the definition of acceptable risk levels;
- Approve strategies for dealing with risks, particularly very high risks;
- Promote a risk culture within The Navigator Company Group.

AUDIT BOARD

The powers and responsibilities of the Audit Board in this area are:

- Supervising and assessing the effectiveness of the internal control system, comprising the risk management, compliance and internal audit functions, and may propose any necessary adjustments;
- Evaluate and propose improvements to the risk management and internal control model, processes and procedures;
- Monitor the implementation of activity plans within the scope of risk management and internal control;
- Monitor, assess and comment on the strategic lines and objectives and the risk management policy defined by the Board of Directors, proposing and implementing periodic control mechanisms and procedures with a view to ensuring that the risks actually incurred by the company are consistent with the objectives set by the management body;
- Give its opinion on the work plans and resources allocated to the internal control services, including the control of compliance with the rules applied to the Company and internal auditing;
- Take cognisance of the internal control and risk assessment reports issued by the External Auditor and propose the adoption of measures deemed necessary or appropriate in the light of these reports;
- Take cognisance of the risk management monitoring reports issued by the Risk Management Department and to propose the adoption of measures deemed necessary or appropriate in the light of these reports in terms of internal control;
- Take cognisance of and express an opinion on the activity carried out in this area by the Risk Management Department, on the resources allocated to the services that also perform internal control functions, being the recipient, where available, of the reports or opinions produced by these services when matters relating to the rendering of accounts, the identification or resolution of conflicts of interest and the detection of potential illegalities and irregularities are concerned;
- Receive reports of irregularities submitted by shareholders, company employees or others, under the terms of the Whistleblowing Regulations in force.

RISK OVERSIGHT COMMITTEE

The powers and responsibilities of the Risk Oversight Committee are:

- To assess and express an opinion on The Navigator Company Group's risk management policy;
- Supervise the application of the defined risk management policy, including the definition of the risk appetite and the maximum tolerance levels to be respected;
- Supervise the operationalisation of the Risk Management Model (ERM - Enterprise Risk Management) defined by the Group, specifically with regard to risk inventory and selection of the main business risks;
- Anticipate the existence of new exogenous risks, namely those related to the use of new information technologies and artificial intelligence mechanisms;
- Monitor the company's main risks, the level of effective exposure to risk and its potential evolution;
- Monitor the effectiveness of plans to mitigate the company's main risks;
- Monitor the implementation of the Risk Management Committee's activity plans;
- Take cognisance of the risk management monitoring reports issued by the Risk Management Committee and proposing the adoption of the necessary or appropriate measures in the light of these reports;
- Contribute to the promotion of a risk culture within The Navigator Company Group.

INTERNAL AUDIT

Internal Audit's responsibilities in this area are:

- Defining a systematic and disciplined approach to evaluating the effectiveness of the internal control system, including the risk management and compliance functions, and being able to propose any necessary recommendations;
- Defining and implementing the annual audit plan for risk management and internal control;
- Testing risk management and internal control procedures and proposing improvements;
- Regularly reporting on the status of audits, as well as the main conclusions of audits carried out and proposing recommendations for improvement in the light of these reports.

CHIEF EXECUTIVE OFFICER

The responsibilities of the Chief Executive Officer in this area are:

- Defining The Navigator Company Group's risk management policy, including the risk appetite;
- Taking the risk management policy into account when defining the Navigator Group's strategic objectives;
- Provide means and resources for effective and efficient risk management;
- Approve the risk management model, processes and procedures;
- Define the risk management governance model to be adopted by the Navigator Group, including the responsibilities to be assigned;
- Approve risk management activity plans;
- Ensure that the main risks to which The Navigator Company Group is exposed are identified and reduced to acceptable levels, in line with the defined risk appetite and tolerance;
- Discuss and approve options for treating risks whose residual risk level is above the risk tolerance levels;

- Monitoring and reviewing the work carried out by the Risk Management Department within the scope of risk management;
- Reporting results to the Board of Directors.

RISK MANAGEMENT DEPARTMENT

The responsibilities of the Risk Management Department in this area are:

- Proposing the risk management policy, standards and procedures and their respective revisions;
- Defining the risk management methodology, processes and procedures;
- Drawing up risk management activity plans;
- Identify and implement means and resources (human, procedural and technological) to facilitate risk identification, analysis and management;
- Alerting to potential risks when defining strategic and operational objectives;
- Streamlining and monitoring the process of identifying, analysing, assessing and treating risks by risk owners;
- Supporting the definition of risk appetite and risk tolerance;
- Supporting the definition of responsibilities to be assigned within the scope of risk management;
- Supporting the identification and characterisation of risks;
- Monitoring risk indicators;
- Supporting the definition of risk mitigation measures;
- Evaluating the effectiveness of risk mitigation measures;
- Assessing compliance with risk tolerance;
- Ensuring compliance with risk mitigation action plans;
- Drawing up risk management monitoring reports.

LEGAL, COMPLIANCE AND PUBLIC AFFAIRS DEPARTMENT

In line with the evolution of best international practices, Navigator has set up a Compliance Department, part of the Legal, Compliance and Public Affairs Department, emphasising the importance of pursuing a compliance policy that frames its activity throughout the entire value chain, both legal and regulatory, with a view to transparency and fairness, in order to prevent and combat illegal acts.

Navigator therefore considers it a structuring element for the proper management and mitigation of compliance risks associated with its business and economic activities to have a system that promotes legal compliance and ethical conduct.

The compliance system aims to ensure compliance with applicable legal requirements, especially from the perspective of preventing corruption, money laundering, terrorist financing, violation of international sanctions, protection of human rights and protection of personal data, as well as reinforcing the ethical culture of the company and several of its stakeholders, namely members of governing bodies, employees and suppliers, by promoting training and communication activities on matters of legal compliance and ethical conduct.

This system is crucial if the company is to have adequate capacity to pursue its activities in accordance with the applicable legal requirements in these areas and to promote ethical behaviour on the part of the relevant stakeholders, fostering respect for the most appropriate standards and practices in the decision-making process, in the context of the challenges posed by the business environment, and also contributing to the creation of value and the sustainability of the Navigator Group.

To achieve these goals, the compliance system is aligned with the following fundamental organisational dimensions of the Group:

- The governance model set out in the respective articles of association and in the internal regulations of the management and supervisory bodies;
- The business strategy and objectives, in particular by focussing on the prevention, detection and remediation of non-compliances that could have an impact on its economic and financial value;
- The risk management and internal control system, to allow the second line of defence of the COSO (Committee of Sponsoring Organisations of the Treadway Commission) model to be incorporated and acted upon effectively in managing the compliance risks to which the company is exposed; and
- The organisational culture, to promote assimilation of the importance of compliance matters for the organisation's operation, resilience and reputation, and at the same time encourage the adoption of conduct that minimises the tangible and intangible costs of non-compliance for the company and its people.

In order to make its compliance system effective, Navigator has implemented an effective and efficient compliance system governance model which clearly identifies the competencies of the various players involved in the processes associated with its business and which fosters appropriate coordination and communication between them, based on simple processes and procedures guided by business objectives, so as to avoid bureaucratisation and loss of agility in business development.

The structure and organisation of the Navigator Group's compliance system is based on the coordinated action of the functional units within the Group's internal structure, in conjunction with the management and supervisory bodies and in accordance with generally accepted best practice, with a view to supporting the decision-making process.

With regard to the prevention of corruption and related offences, and compliance with the General Regime for the Prevention of Corruption and Related Offences (RGPC), in particular, the company has one of its executive directors as the Regulatory Compliance Officer and the Head of Compliance as the General Officer responsible for the Execution, Control and Review of the Plan for the Prevention of Risks of Corruption and Related Offences (PPR).

Also in this context, over the course of 2024, the Navigator Group consolidated the Third Party Integrity Verification process and developed a set of procedures with a view to the proper implementation of the policies in force and the mitigation of risks identified in the PPR, in order to ensure more transparent action in line with its ethical principles.

Within the scope of internal control and risk management, the responsibilities of the Compliance Area are as follows:

- Preventing and detecting situations of legal non-compliance or inadequate ethical conduct;
- Presenting and coordinating the implementation of corrective or remedial measures for situations of legal non-compliance or ethical misconduct;

- Drawing up and proposing a three-year plan for developing and updating the compliance system, assessing the need to update/amend this plan on an annual basis;
- Preparing and proposing internal compliance standards and procedures;
- Carry out an integrity assessment of third parties that have dealings with the Navigator Group;
- Identify and manage compliance risks relevant to Navigator;
- Define compliance guidelines;
- Coordinating the activities of compliance officers and establishing the appropriate communication and reporting mechanisms for their respective functions;
- Promote training and other capacity-building initiatives in compliance matters for Employees, Members of governing bodies and other relevant Stakeholders;
- Ensuring compliance with the duty to provide periodic information to the Supervisory Authorities and other requests from these entities, in matters within their remit;
- Supporting the Ethics Committee in dealing with reports of irregularities concerning breaches of the Code of Ethics and Conduct;
- Monitoring the handling of irregularities reported through the Whistleblowing Channel, by integrating the Compliance Area Manager into the Whistleblowing Committee;
- Monitoring the level of compliance of Navigator Group companies.

EMPREMÉDIA - INSURANCE BROKERS

As part of the review of The Navigator Company Group's Risk Management Governance Model, it was decided to abolish the previous Asset Risk Analysis and Monitoring Committee and integrate this component into the current Governance Model, in terms of risk monitoring, to be carried out by Empremédia, which is the Group company responsible for insurance management.

Thus, Empremédia's responsibilities in this area include commenting on the risk prevention systems in place in the Group and assessing the suitability of the risk insurance policies and the policies that they translate into.

RISK MANAGEMENT COMMITTEE

In order to implement the Risk Management Model (ERM), the Risk Management Committee was set up, comprising:

- Chief Executive Officer
- Financial Director
- Representatives from each monitoring area (Risk Management Department, Legal, Compliance and Public Affairs Department, Sustainability Department and Empremédia - Insurance Brokers)
- Representatives from each of the defined risk families (Productive Commercial, Resilient, Capacity Building and Reputational)

The responsibilities of the Risk Management Committee are:

- Evaluate and comment on the risk management policy;
- Propose the definition of the risk appetite and maximum tolerance levels to be respected;
- Review and approve the risk inventory;
- Reviewing the Group's risk matrix;
- Monitoring the follow-up and effectiveness of action plans for mitigation measures;
- Monitoring risk indicators;
- Evaluate the effectiveness of the risk management process;
- Defining those responsible for the risks identified;
- Promote liaison between different Risk Management areas and subsystems;
- Regularly informing the Executive Committee and the Risk Oversight Committee of its activity and decisions.

BUSINESS AREAS/DEPARTMENTS

The responsibilities of the business areas/directorates in this area are:

- Participate in the process of identifying, analysing, assessing and treating risks;
- Defining risk tolerance;
- Identifying and characterising risks;
- Define and monitor risk indicators;
- Defining, implementing and executing risk mitigation measures in accordance with risk mitigation action plans;
- Carry out risk and control assessments.

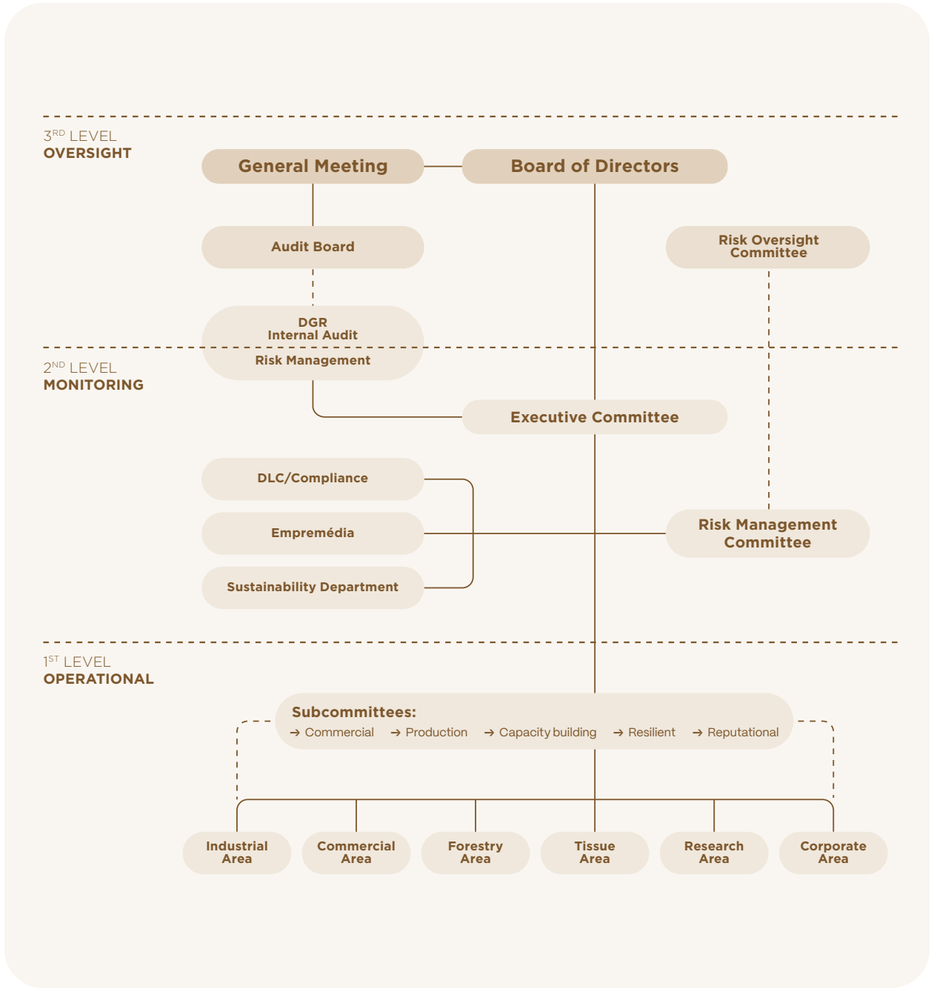
51. Description of the lines of command in this area in relation to other bodies or committees; an organisational chart may be used to provide this information.

The organisational and governance structure for internal control and risk management is based on the 3-line model of the IIA - Institute of Internal Auditors, as shown in the figure below. This model ensures that:

- The first line is responsible for day-to-day risk management and internal control activities. Those responsible for risks and internal control activities must carry out their daily duties in accordance with the business strategy and internal policies, standards and procedures, including The Navigator Company Group's Risk Management Policy;
- The second line is responsible for defining compliance, sustainability and risk and internal control regulations and verifying their implementation across the board, as well as challenging the risk identification and assessment carried out by the first line and regularly monitoring risk levels;

– The third line supervises, controls and evaluates the effectiveness of risk management and internal control processes and monitors the efficiency and effectiveness of risk mitigation measures.

In terms of the hierarchical and functional framework, it is important to emphasise that Internal Audit (Risk Management Department), as well as reporting functionally to the Chairman of the Executive Committee, reports hierarchically to the Supervisory Board, thus ensuring the necessary support for the proper execution of its competences. These relationships are shown schematically in the organisational chart below:



52. Existence of other departments with responsibilities in the field of risk control.

The company has the following committees, which complement the work of the Supervisory Board and the Chairman of the Executive Committee in controlling and monitoring specific risks:

– Corporate Governance Committee - supervises the application of the Navigator Group's Corporate Governance rules and the Code of Ethics, as well as overseeing internal procedures relating to matters of conflicts of interest, particularly with regard to relations between the Navigator Group and its Shareholders or other Stakeholders.

– Ethics and Integrity Committee - supervises compliance with the Code of Ethics and identifies situations that may jeopardise compliance.

– Talent Committee - responsible for monitoring and supporting the appointment of senior executives in the company and the Navigator Group, as well as assessing the performance of senior executives.

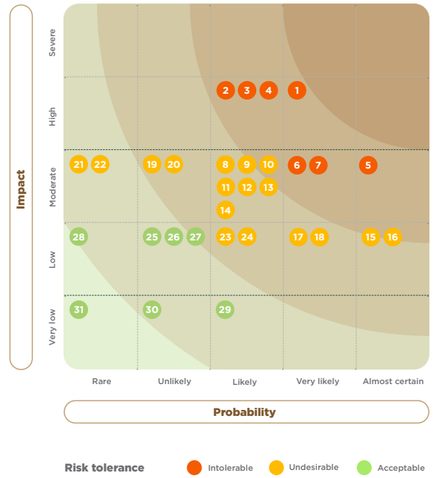
– Sustainability Forum - implements corporate and strategic policy on matters of social and environmental responsibility, and the prevention of potential risks affecting these matters.

53. Identification of the main risks (economic, financial and legal) to which the company is exposed in the course of its business.

The Navigator Company Group has a Risk Taxonomy, a tool to support risk management and which systematises the Group's main risks, organised into 6 categories: strategic, financial, operational, compliance, technology and people (which includes economic, financial and legal risks).

The Risk Taxonomy is a dynamic document that is reviewed annually by the Risk Management Department to reflect changes in the organisation's internal and external environment. This approach ensures that risks are continually identified, categorised and monitored in a consistent manner, allowing for proactive management in line with the Group's strategic objectives.

The Navigator Group's matrix of main risks in terms of impact and probability of occurrence is as follows:



# Main risks (not exhaustive)	Summary Description	Main Mitigation Measures
1 Cybersecurity, information systems and artificial intelligence (Technology Risk)	Risk of loss of security, confidentiality, transparency, integrity and availability of data and systems due to exposure to undue access or new forms of cyber-attacks or information theft, which exploit vulnerabilities in information, corporate and industrial control technologies, or the improper use of artificial intelligence technologies. NB: In the year under review, the members of the Company's governing bodies did not use artificial intelligence mechanisms as a decision-making tool.	• Definition of the cybersecurity governance model; • Information security policies and procedures; • Cybersecurity incident response plan; • Monitoring and access control; • Intrusion testing and analysing security vulnerabilities; • Registration and control of IT/OT assets; • Third party risk management; • Regular training and awareness-raising activities in cybersecurity and artificial intelligence.
2 Access to wood (Operational Risk)	Risk of actual unavailability of wood due to regulatory or legislative restrictions (*e.g.* restrictions on planting eucalyptus) and failures to promote productivity, resilience and sustainability of national forests.	• Sustainable Forest Management through certification by the FSC and PEFC systems; • Promoting chain of custody certification for all the Group's wood suppliers; • Communication, education and awareness of eucalyptus among key stakeholders; • Development (RAIZ) and production (nurseries) of improved plants from a genetic improvement programme; • Prospecting for raw materials in national and international markets; • Drawing up an annual wood supply plan; • Optimising wood inbound flows; • Programme to encourage producers to join sustainable and certified forest management models; • Programmes to support forestry producers and enhance production forests.
3 Talent management (People Risk)	Risk of inability to attract, retain and develop talent to cope with the departure of resources in critical or difficult to replace business areas or to respond to additional resource needs.	• Diversification of attraction and *employer brading* strategies; • Grow Project; • Carrying out organisational climate studies; • Human resources development and talent management policy; • Human Rights Policy; • Gender equality plan; • Existence of a competitive career plan that is up to date with existing needs; • Flexibility of the remote working model (partial regime); • Implementation of development, recognition and continuous improvement programmes (*e.g.* Future Leaders Forum, Future Leaders Board, Straight to the Top Programme); • Ongoing training programmes tailored to employee needs; • Succession strategy and plan for critical positions; • Adherence to the UN Global Compact.
4 Evolution of the regulatory environment (Compliance Risk)	Risk of regulatory changes arising from political choices, particularly in fiscal, environmental or economic terms, significantly affecting, directly or indirectly, the Group's operations and/or results.	• Monitoring the most pressing issues on the political and regulatory agenda in Europe, Portugal and Mozambique; • Carrying out *advocacy* initiatives by the Public Affairs Department in the regulatory, environmental and social spheres; • Participation in national and international industry associations and events; • Business Round Table.
5 Adverse weather events (Operational Risk)	Risk associated with adverse climatic events, whether chronic (*e.g.* water stress) and/or acute (*e.g.* cyclones or floods)	• Identifying and assessing environmental risks and opportunities in accordance with national and international benchmarks (*e.g.* TCFD) and integrating them into decision-making processes; • Carrying out studies and analysing climate risks at the main plants; • Environmental management system; • Sustainable forest management through certification by the FSC® and PEFC systems; • Roadmap to carbon neutrality and decarbonisation targets approved by SBTi - Science Based Targets initiative; • Gradual elimination of fossil fuel energy consumption and investment in renewable energy sources; • Natural capital insurance.
6 Logistics chain (Operational Risk)	Risk of lack or unavailability of sufficient logistics resources to operate, as a result of natural constraints (*e.g.* bad weather) or market constraints (*e.g.* relocation of suppliers).	• Diversification of suppliers and means of transport; • Developing partnerships/services in neighbouring ports, achieving regularity and stability in services; • Continuous monitoring of market prices, holding supply tenders and regular requests for quotations; • Regular monitoring of the use of logistical resources.
7 Access to utilities (Operational Risk)	Risk of effective unavailability of utilities (*e.g.* water and energy) in industrial activity.	• Realisation of investment projects aimed at reducing water use in the Group's manufacturing complexes (*e.g.* PRUA); • Investments in energy efficiency; • Decarbonisation plan; • Permanent monitoring of water and energy consumption; • Preventive maintenance strategy for assets; • Diversification of supply sources.
8 Price volatility (Strategic Risk)	Risk of fluctuating prices or margins due to changes in market conditions.	• Continuous and proactive market monitoring, enabling assessment of short-term price expectations and understanding of long-term trends; • Frequent revision of the gross margin calculation in order to monitor the evolution of prices to customers; • Focus on strategic markets; • Definition of marketing and branding strategies.
9 Competitive environment (Strategic Risk)	Risk of increased competitive pressures due essentially to the competitive positioning of producers with significantly lower production costs.	• Cost reduction policy; • Monitoring innovation and optimising processes; • Diversification of products, markets and business segments; • R&D&I activities and investment in bioproducts; • Definition of marketing and branding strategies; • Providing new customer services (*e.g.* NVG Hub omnichannel platforms); • Monitoring technological developments with suppliers.
10 Fraud (Compliance Risk)	Risk of fraudulent acts, corruption (*e.g.* conflicts of interest) and/or unethical behaviour on the part of the Group or third parties.	• Code of ethics and conduct; • Code of Conduct for Suppliers; • Regulations on conflicts of interest and transactions with related parties; • Definition of policies for the prevention of corruption and related offences and *compliance*; • Internal and external audits; • Regular *compliance* training sessions.

# Main risks (not exhaustive)	Summary Description	Main Mitigation Measures
11 Access to financing (Financial Risk)	Risk of unavailability of internal or external financing due to endogenous causes (*e.g.* over-indebtedness) or exogenous causes (*e.g.* contraction and negative outlook for business development, decrease in market liquidity).	• The Group's financing policy; • Minimum liquidity stock policy; • Definition and monitoring of compliance with financial *covenants*; • Diversification of sources (internal and external) and financing instruments.
12 External context (Operational Risk)	Risk of significant or disruptive changes in the Group's external context caused, for example, by the occurrence of pandemics (*e.g.* Covid-19) and/or serious economic recession in the main markets or at European/global level.	• Continuous assessment of the macroeconomic context; • Diversification of markets and clients; • Diversification of suppliers and sources of raw materials; • Solid capital structure; • Cost reduction policy; • Insurance cover.
13 Occupational health and safety (Operational Risk)	Risk of accidents at work and/or failure to protect the health of employees as a result of non-compliance with safety procedures and rules or the occurrence of unexpected public health events (*e.g.* Covid-19).	• Certified safety management systems (ISO 45001); • Continuous improvement plans; • Employee assistance programme and health and well-being initiatives; • Mandatory use of personal protective equipment (PPE) in the workplace; • Training programmes on health and safety at work; • Internal and external emergency plans.
14 Public perception (Strategic Risk)	Risk of degradation, inability to monetise or increase the value of existing reputational capital in the medium to long term, due to reputationally damaging events or inaction in the management of existing reputational capital.	• Existence of various policies and standards to prevent irregular conduct or inappropriate behaviour, supported by a governance structure involving the *compliance* area and by well-established reporting lines; • Implementation of regular *stakeholder* consultation mechanisms; • Continued investment in raising awareness of the Navigator Group's brands; • Reinforced positioning and commitment to environmental sustainability issues; • Continuous strengthening of the market's perception of the natural and sustainable origin of the Navigator Group's paper and other products; • Compliance with certifications and requirements for both the materials purchased and the products produced.
15 Financial markets (Financial Risk)	Risk of exposure to unfavourable variations in the exchange rate and/or interest rate and applicable ratings, which have a significant negative impact on the Group's financial results.	• Hedging instruments; • Definition of hedging strategies and exposure limits; • Daily monitoring of exposure by currency; • Definition of exposure limits to counterparties; • Permanent monitoring of commodity prices.
16 Biodiversity conservation (Strategic Risk)	Risk of losing genetic variety, species and ecosystems, jeopardising the resilience of natural resources, sustainability and compliance with legal requirements.	• Development of a biodiversity strategy; • Certification of sustainable forest management by the FSC® and PEFC systems; • Assessment of natural values and the potential impacts of operations, including mapping and inventorying them and assessing their conservation status; • Support programmes for forestry producers and the enhancement of production forests; • Training for suppliers and service providers on sustainable forest management practices; • Implementation of regular *stakeholder* consultation mechanisms; • Carrying out ecosystem restoration and requalification projects.

# Main risks (not exhaustive)	Summary Description	Main Mitigation Measures
17 Changes in consumption (Strategic Risk)	Risk of a significant irreversible drop or discontinuity in the consumption of the Group's products or markets as a result of the emergence of alternative products and technologies.	• Development of a quality product portfolio with innovative solutions; • Definition of marketing and branding strategies; • Market and customer diversification; • R&D&I activities and investment in bioproducts; • Searching for market segments that are less sensitive to variations in demand; • Monitoring market trends.
18 Valuation of assets (Operational Risk)	Risk of loss in the valuation of assets that significantly impacts the value of the Group's balance sheet.	• Asset diversification; • - Maintenance of industrial and forestry assets; • - Regular asset valuation; • - Regular impairment testing.
19. Knowledge Management (People Risk)	Risk of losing accumulated knowledge within the Group (intellectual capital), driven by the departure of employees in key roles with specific knowledge and/or experience, and by the absence of effective knowledge-sharing and transfer policies.	• Succession strategy and planning for critical positions; • Conducting organizational climate surveys; • Talent rejuvenation program; • Investment in training and the Learning Center offering; • Digital transformation projects aimed at streamlining and simplifying processes.
20. Business Diversification (Strategic Risk)	Risk of failing to identify opportunities for new businesses, products, or processes.	• Development of analyses and market research, including market studies; • Definition of a business diversification strategy; • Alignment of synergies between new opportunities and the core business; • Empowerment and upskilling of internal teams; • Regular monitoring of progress against objectives and industry benchmarks.
21. Access to Raw Materials (Operational Risk)	Risk of effective unavailability of raw materials (e.g., chemicals) due to disruptions in supply chains.	• Sourcing of raw materials in national and international markets; • Partnership strategy with suppliers; • Ongoing monitoring of market prices, conducting supply tenders, and regularly requesting quotations from suppliers; • Monitoring of the entire supply chain; • Specialized team exclusively dedicated to procurement; • Diversification of raw material supply sources; • Implementation of safety stocks based on the complexity of the logistics chain; • Existence of purchasing policies and procedures.
22. Non-Natural Environmental Disasters (Operational Risk)	Risk of a serious environmental accident caused by non-natural incidents occurring at assets under the Group's responsibility, originating internally or externally, such as explosions of industrial equipment or spills of toxic and environmentally harmful substances.	• Existence of environmental operational control plans for the Group's industrial units; • Existence of industrial maintenance plans; • Regular audits of industrial facilities; • Mandatory training and awareness-raising of employees on safety and environmental matters; • Existence of internal and external emergency plans; • Fire detection and suppression systems; • Insurance coverage.

# Main risks (not exhaustive)	Summary Description	Main Mitigation Measures
23. ESG Performance (Strategic Risk)	Risk of weak strategic focus in the management of ESG components, with significant impact on the Group's reputation and financial performance.	• Assignment and formalization of ESG performance responsibilities at top management level; • Integration of ESG considerations into corporate decision-making, including investment decisions; • Risk management framework aligned with international best practices; • ESG reporting alignment and compliance with global and regulatory frameworks (e.g., Global Reporting Initiative, SDGs, TCFD, SBTi); • Continuous improvement of the reliability and quality of ESG data collection, control, and validation systems; • Issuance of debt linked to sustainability criteria (e.g., Green Bonds and Sustainability-Linked Loans).
24. Climate Transition (Operational Risk)	Risk arising from the process of adapting to a low-carbon economy, namely the Group's inability to adjust to long-term and structural changes in technology, regulation, and market dynamics (e.g., changes in consumer preferences).	• Monitoring of GHG emissions across the value chain and use of an internal carbon price in investment analysis; • Setting targets for GHG and water reduction; • Alignment of investment decision-making and reporting with global and regulatory frameworks (e.g., TCFD, SBTi); • Decarbonization plan.
25. Production Efficiency (Operational Risk)	Risk of production inefficiency caused by errors and/or failures in the production process.	• Benchmarking to optimize production; • Operational cost reduction policy; • Production efficiency targets; • Technical integrity assessments of key facilities by external experts; • Preventive maintenance strategy; • Predictive maintenance through digital initiatives using advanced analytics, sensors, and process automation; • Existence of internal and external emergency plans; • Regular training for industrial teams; • Culture of continuous and on-the-job learning; • Investment in R&D&I (Research, Development, and Innovation); • Implementation of a rigorous quality control system; • Implementation of safety stocks; • Internal and external audits.
26. Governance (Strategic Risk)	Risk of inability or unintentional failures in the Group's governance model.	• Responsible business conduct based on ethics, accountability, and transparency; • Codes of ethics and conduct for employees and suppliers; • Ongoing evaluations of Group board members and directors; • Implementation of diversity and independence within the Board of Directors and Executive Committee; • Evaluation and nomination committees; • Implementation of regular stakeholder engagement mechanisms; • Risk management framework aligned with international best practices; • Oversight through internal and external audits; • Comprehensive discussion forums (e.g., Sustainability Forum and Community Engagement Forum).

# Main risks (not exhaustive)	Summary Description	Main Mitigation Measures
27. Innovation Management (Strategic Risk)	Risk of low innovation activity with a transformative impact on the business, mainly due to a lack of focus on the effectiveness of R&D&I processes from a business-oriented and impact-driven perspective.	• Implementation of a Capex investment plan for continuous improvement and technological R&D objectives; • Investment in R&D&I; • Promotion of participation in collaborative/co-creation projects with external entities (R&D, suppliers, clients, innovative companies); • Active promotion of intellectual property valorisation; • Optimization and automation of industrial and business support processes.
28. Adverse Labor Situations (Operational Risk)	Risk of occurrence of adverse labour situations due to non-compliance with applicable labour laws and/or inadequate management of labour relations with employees, workers' representative organizations, and unions.	• Compliance with labour laws and other applicable worker regulations; • Adherence to labour legislation; • Development of occupational health and safety programs; • Implementation and monitoring of the labour negotiation process; • Promotion of initiatives that foster equality/equity, diversity, and inclusion; • Promotion of social dialogue with workers' representative organizations and unions.
29. Customer Satisfaction (Operational Risk)	Risk of declining customer satisfaction levels due to product degradation and/or service delivery failures.	• Maintenance of quality and innovation control standards; • Monitoring of market prices; • Definition of minimum service level thresholds for customers; • Provision of new customer services (e.g., omnichannel platforms like NVG Hub); • Regular customer surveys to assess satisfaction levels.
30. Investment Decision-Making (Strategic Risk)	Risk of difficulties in executing investments considered strategic and necessary for business development and operational efficiency.	• Monitoring and evaluation of market and industry trends; • Investment analysis, including an integrated risk assessment; • Ongoing monitoring of investment projects; • Regular cost control discipline; • Insurance coverage.
31. Customer Credit (Financial Risk)	Risk of difficulty or inability to collect the full amounts granted as customer credit within the agreed timeframes.	• Formal customer approval process by the Executive Committee Member responsible for commercial matters; • Credit insurance coverage for all operations; • Existence of alternative mitigation measures (e.g., Cash in Advance, Cash Against Documents); • Continuous monitoring of customer exposure and overdue accounts.

The risks posed by climate change, alongside the evolution of ESG topics, have taken on particular importance in The Navigator Company's risk management framework. In addition to being directly linked to Navigator's business processes—with mitigation controls in place and subject to monitoring—climate change is reflected across multiple areas of our risk management structure. For example, risks such as access to raw materials or CO_2 licensing may, to a large extent, stem from drought phenomena or the (de)carbonization of economies. These are issues that Navigator seeks to anticipate and which are extensively addressed in another section of this Report.

54. Description of the process of identification, assessment, monitoring, control and management of risks.

Risk management represents a key tool for The Navigator Company in supporting decision-making, through the continuous monitoring of the risks to which it is exposed. It fosters a broad awareness across the organisation of a risk culture that not only emphasizes risk avoidance but also embraces the positive perspective of taking calculated risks.

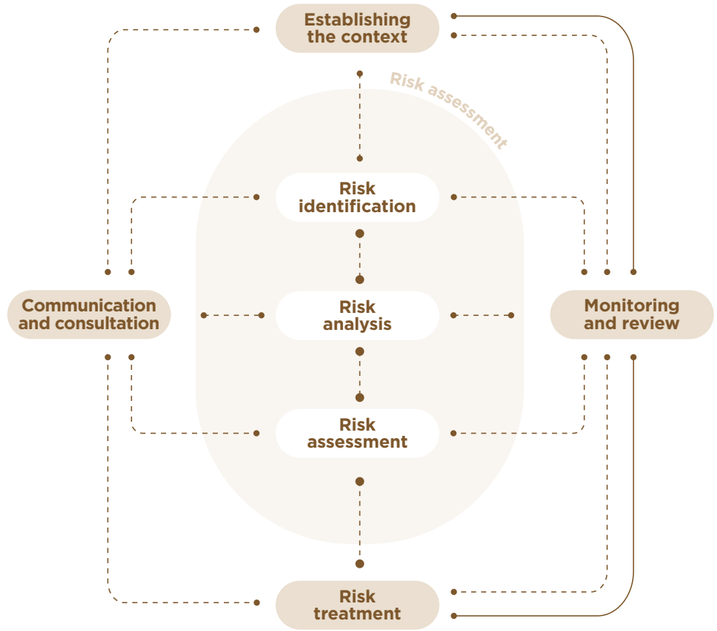
In addition, the various business areas and departments benefit from risk management by being able to anticipate uncertain scenarios—mitigating risks with adverse consequences while leveraging those that carry potential opportunities. This results in greater and more sustainable decision-making capabilities across the organisation, enabling Navigator to respond in a coordinated and integrated manner to risks whose causes, impacts, or vulnerabilities span multiple areas.

From an Internal Audit and internal control perspective, risk management is particularly relevant, as it allows for continuous evaluation of The Navigator Company's risk profile and contributes to strengthening internal controls. Risk management also plays a vital role in guiding Internal Audit activities, directing efforts toward the areas and processes that present higher levels of risk and concern for the business—an approach known as "Risk-Based Internal Auditing." As an immediate outcome of this approach, audit activities can be planned and executed with a focus on the most relevant risks to The Navigator Company, supported by a structured audit planning methodology.

The Navigator Company's risk management process follows internationally recognized best practices, models, and frameworks, including the COSO II – Integrated Framework for Enterprise Risk Management and ISO 31000.

Risk management at Navigator is guided by the Risk Management Policy, which: (i) establishes the principles, guidelines, and responsibilities for the proper identification, analysis, evaluation, treatment, and response to risks; and (ii) ensures that risk management is aligned with the Group's strategic objectives, fostering a risk-aware culture across the organization.

The risk management process has been developed with ISO 31000 as a reference for its main phases, and COSO II as a basis for the systematization and structuring of risks. This process consists of seven interrelated stages and incorporates an iterative cycle of continuous improvement, underpinned by communication and consultation, as well as monitoring and review mechanisms. The following figure schematically illustrates the risk management process flow.



Establishing the Context

The purpose of establishing the context is to define the scope of risk management and includes: (i) identifying the internal and external environments in which the Group operates and assessing potential changes in these environments; (ii) identifying the organisational scope of risk management; and (iii) defining a set of criteria through which risks will be assessed.

Risk Identification

Risk identification is supported by the Risk Taxonomy, a risk management tool that systematises the Group's main risks, organised into six categories: strategic, financial, operational, compliance, technology, and people. This identification is further supported by meetings and workshops with business areas, risk benchmarking analyses, and market trend assessments.

In the area of information security, risk identification is also based on internal and external vulnerability analyses, cyber security incident investigations, and both internal and external audits.

Risk Analysis

The objectives of this stage are to identify ways of mitigating the impact and likelihood of risks, as well as to define indicators that signal a risk event may be imminent or has already occurred. Risks are prioritised and mapped onto a risk matrix, and mitigation measures are identified to reduce the likelihood and/or impact of each risk. These are compiled into risk registers.

The risk matrix allows for the categorisation and ranking of risks in order of importance and supports the definition of any additional mitigation measures deemed necessary. Following risk identification, risk appetite is also defined—i.e., the level of risk the Group is willing to accept in order to achieve its strategic and business objectives.

At this stage, risk indicators (KPIs/KRIs) are also established. These act as early warning tools, allowing the anticipation of potential or emerging risk events.

Risk Assessment

Risk assessment is carried out using both qualitative and quantitative criteria, based on the likelihood of occurrence and the magnitude of the impact, evaluated on a five-point scale in accordance with the Group's defined risk appetite.

The risk level for each individual risk is calculated by multiplying the probability of occurrence by the potential impact. Probability is measured by how often or likely a risk may occur within a given period and can be based on historical data, expectations, or frequency of occurrence.

The impact is measured across six dimensions: (1) Financial; (2) Reputation; (3) Compliance; (4) Human Capital; (5) Environmental and (6) Information Security.

This process is reviewed annually or whenever justified by changes in the business or context.

Risk Treatment

Once risks are identified and assessed, the decision-making process begins to determine and implement the risk response strategy, in accordance with the established risk appetite. Possible types of risk response include accept; mitigate; transfer; or avoid.

The Risk Management Department monitors the implementation of risk response measures and reports their status to the Executive Committee, Risk Oversight Committee, Risk Management Committee, and Audit Board.

Communication and Consultation

Communication is a key element at every stage of the risk management process. The Risk Management Department produces regular reports for both internal and external Stakeholders — namely the Risk Management Committee and the Risk Oversight Committee — on risk exposure, follow-up on mitigation measures, and the evolution of KPIs and KRIs.

Monitoring and Review

Ongoing monitoring and periodic review of the risk management process are essential to ensure it remains effective, relevant, and up to date over time. The Risk Management Department continuously monitors the evolution of the Group's risks, the implementation of risk responses, and the risk indicators as part of the Group's annual risk management cycle.

The Risk Management Committee, the Risk Oversight Committee, and the Audit Board are responsible for overseeing the risk management process, contributing suggestions for improvements or changes to risks, mitigation measures, or risk indicators.

In addition, Internal Audit provides independent assurance regarding the effectiveness of controls and recommends improvements whenever necessary. In this context, during 2024, a series of internal control audits were carried out, along with follow-ups on previously identified audit issues.

This year's work focused primarily on internal control processes, particularly mapping the main organisational processes with the identification of associated risks and operational controls, strengthening risk assessment and operational information systems—especially in the area of cyber security—analysing paper pulp stock traceability processes, and assessing performance in forest protection.

Furthermore, monitoring of internal control topics identified by the External Auditor continued.

The external audit is conducted by KPMG. The Company's External Auditor verifies the effectiveness and operation of internal control mechanisms based on the information provided by the Company. The findings from these audits are reported to the Audit Board, which in turn reports any deficiencies identified, where applicable.

55. Main components of internal control and risk management systems implemented at the company for the disclosure of financial information (art. 29-H, no. 1, para. l).

The Company has an internal control system in place regarding the preparation and disclosure of financial information, which is ensured by the Company's departments and business areas, namely the Accounting and Tax Department, the Management Control Department, the Risk Management Department, and the Investor Relations Department, and is regularly monitored by the Audit Board.

Within the scope of this system, the Audit Board reviews the financial information on a quarterly basis, based on reports prepared by the relevant departments and, on a half-yearly and annual basis, relies on the opinion issued by the Statutory Auditor and External Auditor.

In this context, meetings are also held involving the Risk Management Department, members of the Executive Committee, the Statutory Auditor and External Auditor, as well as those responsible for accounting and for Planning and Management Control, in order to monitor ongoing processes.

The components of the internal control and risk management system are described in Section 54.

IV. Investor Support

56. Office responsible for investor support, composition, functions, information provided and contact details.

The Company has had an Investor Relations Office since 1995. This Office's mission is to ensure permanent and appropriate contact with the financial community - Investors, Shareholders, Financial Analysts and Regulatory Entities - and to promote the communication of relevant information on the Company's performance, historical and current performance and future strategy.

In accordance with the principles of coherence, integrity, regularity, fairness, credibility and timeliness, it contributes to facilitating the investment decision-making process and the sustained creation of shareholder value.

The Investor Relations Office is also responsible for monitoring all matters relating to the relationship with the Portuguese Securities Market Commission (CMVM), the fulfilment of legal obligations to inform the regulator and the market, as well as responding to requests for information from investors, both institutional and private, domestic and foreign, and from financial analysts who draw up opinions and recommendations on the company's shares.

The Investor Relations Office is made up as follows:

Head: Ana Canha, who also fulfils the duties of Market Relations and CMVM Representative, whose contact details are detailed in the following section.

Team: Catarina Augusto

All mandatory information, such as information on the company, the registered office and the other details mentioned in article 171 of the Companies Code, is available on the Navigator Group's website, whose address is www.thenavigatorcompany.com/en.

In addition to the mandatory information, in Portuguese and English, the site provides a range of general information about the Group, namely:

- Financial information (presentations, disclosure of results and quarterly reports and accounts, annual reports and information on debt);
- Insider information releases to the market and other releases;
- Information on the performance of Navigator's shares on the stock exchange and the recommendations issued by analysts;
- Annual calendar of corporate events, including, among others, the General Shareholders' Meeting and the disclosure of annual, half-yearly and quarterly accounts;
- Corporate Governance Information;
- The Navigator Company's Code of Conduct;
- Description of the governing bodies, as well as the Company's Articles of Association;
- Regulations in force;
- Information on General Shareholders‘ Meetings, such as notices convening General Shareholders’ Meetings, proposals submitted for discussion and voting at General Shareholders' Meetings, resolutions passed and attendance statistics;
- Minutes of General Shareholders' Meetings.

In order to provide the market with a clear, transparent and up-to-date view of the company's strategy, both in terms of operational performance and future prospects, the Office organises and participates in various events. These events aim to present the company's strategies and prospects to the market, as well as monitoring the development of activities throughout the year and clarifying any doubts. In this way, an open dialogue is maintained with all stakeholders throughout the year. Among the activities organised, the following stand out:

- Virtual and face-to-face meetings with financial analysts and investors;
- Responses to questions addressed to the Office, sent by e-mail to a specific address or by telephone;
- Virtual and face-to-face meetings with members of the management team, namely the Group's CEO and CFO;
- Investor meetings held at the industrial complexes;
- Dissemination of announcements to the market through the CMVM, and sending email messages to all investors and financial analysts in the database created and updated by the Office;
- Quarterly results presentation conference calls with Navigator's Executive Committee;
- Presentations to the financial community: presentation of results, conferences and Annual General Meeting of Shareholders;
- Continuous process of updating the Investors Area at the institutional address.

Contacts:

Contact with the Office is possible through the Market Relations Representative, the Company's general telephone contacts (+351 219 017 300) and the email address: investidores@thenavigatorcompany.com.

These contacts are available on Navigator's website, in the Investors area.

57. Investor Relations Officer.

The Company's Market Relations representative is Ana Rosa Pinelo Esteves Canha and can be contacted via the Company's general telephone number (+351 219 017 300) or the following email address: ana.canha@thenavigatorcompany.com.

These contacts are available on Navigator's website, in the Investors area.

58. Information on the proportion and response time to information requests during the year or pending from previous years.

Navigator is keen to ensure proximity to the capital market community, through transparent, objective and consistent communication of the Company's strategy. Over the course of 2024, the Company took part in eight events - the same number as in 2023 - bringing together Investors, Financial Analysts and other entities, and went on a *field trip* to the Figueira da Foz Industrial Complex. These events resulted in a total of 96 meetings (90 in 2023), of which 65 were face-to-face (37 in 2023) and 31 virtual (53 in 2023). In addition, four conference calls were held to present the quarterly results, which were attended by analysts and institutional investors.

At the same time, several follow-up meetings were held throughout the year with the 8 Analysts who cover Navigator's shares, and contacts and meetings were held with private and institutional Investors90 in 2023.

The Investor Relations Office also received enquiries and requests by electronic means (email and telephone), with an average of 20 contacts/month, and received and answered around 240 requests over the course of 2024, with an estimated average response time of less than 3 working days. There were no outstanding requests for information at the end of the year.

V. Website

59. Address(es).

Navigator's website address is available in Portuguese and English:

- www.thenavigatorcompany.com
- www.thenavigatorcompany.com/en/

60. Location information on the company name, public company status, registered office and other items referred to in article 171 the Companies Code.

The above information is available on Navigator's website, in the Investors area, a:

- https://en.thenavigatorcompany.com/Investors/Navigator-Share.

61. Location of the articles of association and operating regulations of boards and/or committees.

The above information is available on Navigator's website, in the Investors area, in the Corporate Governance section, at:

- https://en.thenavigatorcompany.com/Investors/Governance.

62. Location of information on the identities of members of statutory bodies, the market relations officer and the Investor Support Office or equivalent structure, and their respective duties and means of access.

The aforementioned information is available on Navigator's website, in the Investors area, specifically in the section on Corporate Governance, as well as in the section entitled Profile, available, respectively, at:

- https://www.thenavigatorcompany.com/en/investors/governance/
- https://www.thenavigatorcompany.com/en/investors/investor-support-office/.

63. Location for consultation of financial statements and reports, which must be accessible for no less than five years, together with the six-monthly corporate diary, disclosed at the start of each semester, including, amongst other things, General Meetings, disclosure of annual, half-yearly and (if applicable) quarterly accounts.

Navigator's quarterly, half-yearly and annual results, published since 2003, are available in the Investors area, in the section entitled 'Financial information', available at:

- https://www.thenavigatorcompany.com/en/investors/financial-information/.

The calendar of company events for the current year has its own tab in the Investors area entitled 'Calendar', available at:

- https://thenavigatorcompany.com/en/investors/calendar/.

64. Location for publishing the meeting notice for the General Meeting and all preparatory and subsequent information related to it.

The notice for the General Meeting, as well as all the preparatory and subsequent information related to it, is available in the Investors' area, in a separate tab entitled "General Meetings", available at:

- https://en.thenavigatorcompany.com/Investors/General-Meetings.

65. Location for publishing a historical archive of decisions made at the company's general meetings, share capital representation and voting results for the 3 preceding years.

The aforementioned information is available in the same place as the information on General Meetings, *i.e.* in the Investors' area, in a separate tab entitled "General Meetings", available at:

- https://en.thenavigatorcompany.com/Investors/General-Meetings

D. REMUNERATION

I. Powers to determine remuneration

66. Indication of the powers for determining the remuneration of statutory bodies, members of the executive committee or managing director and company managers.

The body responsible for determining the remuneration of the Board of Directors and the Supervisory Board is the Remuneration Committee.

With regard to the Company's directors, this competence belongs to the Board of Directors.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including identification of individuals or organisations contracted to provide support, and declaration regarding the independence of each member and adviser.

The Remuneration Committee is made up of Maria Eduarda Faria e Maia de Oliveira Luna Pais, João do Passo Vicente Ribeiro and Carlota Infante da Câmara Albergaria Caldeira.

The Company considers that all members of the Remuneration Committee are independent.

The Remuneration Committee does not have any people hired to assist it. The Company is free to appoint the services it deems necessary or convenient, within the Company's budgetary limits, a right it has exercised in the past, in which case it must ensure that the services are provided independently and that the respective providers are not contracted to provide other services to the Company itself or others in a controlling or group relationship without the express authorisation of the committee. The Company believes that the composition of the Remuneration Committee ensures its independence from management, as all its members are independent.

At the Company, the Remuneration Committee provides all information or clarification to the Shareholders at the respective Annual General Meetings or at any other General Meetings, if the respective agenda includes a matter related to the remuneration of the members of the Company's bodies and committees or if such attendance is requested by the Shareholders, doing so through the presence of at least one of its members. This was the case at the Annual General Meeting of 17 May 2023, which was attended by all its members.

68. Expertise and experience of the members of the Remuneration Committee in the field of remuneration policy.

Two of the members of the Remuneration Committee, Eduarda Luna Pais and Carlota Albergaria Caldeira, have extensive knowledge and experience of remuneration policy.

Eduarda Luna Pais was a consultant at Egon Zehnder for several years and subsequently Office Leader and Partner at this Company, which has extensive experience and is a leader in executive recruitment, involving in-depth and constantly updated knowledge of assessment processes and criteria and the associated remuneration packages.

For her part, Carlota Albergaria Caldeira has solid experience in human resources consultancy with a focus on managing executive search projects (national and international markets) and assessments. For several years, she carried out various consultancy projects for companies providing services in the area of talent management and executive recruitment, such as Jason Associates, Argo Talents and Mercer. He was also a Senior Associate at Heidrick & Struggles, where he managed several Human Capital/Leadership Services consultancy projects.

III. Remuneration structure

69. Description of the remuneration policy of the management and supervisory bodies referred to in article 2 of Law no. 28/2009, of June 19.

The remuneration policy for the management and supervisory bodies ("Remuneration Policy") for the 2023 financial year, drawn up by the Remuneration Committee, was approved at the Annual General Meeting of 17 May 2023, and corresponds to Annex 2 of this Report, and there is no departure from the procedure for applying the approved remuneration policy or derogations from it.

70. Information on the means of structuring remuneration to align the interests of managing board's members with the long-term interests of the company, and how this is based on performance assessment, discouraging the assumption of excessive risk.

The way in which the remuneration of the governing bodies was structured and how the assessment of the performance of the executive management in 2024 was based complied with the model and principles - duties performed, the Company's economic situation and market criteria - set out in the Remuneration Policy for members of Navigator's management and supervisory bodies in force, to which reference is made. Point 24 above describes the process and the bodies involved in assessing the performance of executive directors.

The remuneration system in force at Navigator ensures its business strategy and also, in the long term, the alignment of the interests of the members of the board of directors with the interests of the Company and its sustainability, in particular, because it is a remuneration that seeks to be fair and equitable, within the scope of the principles set out, and because it associates the members of the board of directors with results, through a variable component of remuneration that has results as the preponderant factor, but also takes into account the behavioural skills of each director, such as their alignment with the long-term interests of the Company and its sustainability.

Regarding the remuneration components:

(a) Non-executive Directors

The remuneration of the non-executive members of the Board of Directors consists only of a fixed component, corresponding to an annual amount, payable 12 times a year, which may be differentiated due to the accumulation of functions and increased responsibilities (for example, members of specialised commissions or committees, or a predetermined amount for each attendance at a Board meeting). The remuneration of the non-executive members of the Board of Directors does not include any component whose value depends on the Company's performance or its value.

(B) Executive Directors

The remuneration of the executive members of the Board of Directors consists of a fixed component, corresponding to an annual amount, payable 12 times a year.

The annual variable remuneration of executive directors is occasional and, overall, may correspond to a percentage not exceeding five per cent of the net profit for the previous financial year, in accordance with the Company's Articles of Association.

The Remuneration Committee is responsible for setting this component, and the performance assessment of each executive director follows an internal process structured under the responsibility/leadership of the person in charge (*i.e.* under the responsibility of the person who chairs the team, in the case of the members of the Executive Committee, and under the responsibility of the Chairman of the Board of Directors, in the case of the Chairman of the Executive Committee) and in which the non-executive directors who the person in charge deems relevant are also involved. Also involved in this process is the Talent Committee, which is responsible for monitoring the system for assessing management performance and awarding remuneration, and for giving its opinion on the proposals for individual performance assessments for executive management. Finally, the Remuneration Committee is responsible for confirming the respective achievement factors in the performance appraisal and ensuring the overall coherence of the process by setting the variable remuneration.

The annual variable remuneration is based on a target value applicable to each director, which is paid under conditions of performance by the director and the Company that correspond to the expectations and objectives previously set. This target value is defined by weighing up the general principles mentioned above - market, specific functions, the Company's situation - with emphasis on comparable market situations in functions of equivalent relevance.

The weightings of actual performance in relation to expectations and objectives, which determine the variation in relation to the target, are based on a set of quantitative and qualitative KPIs related to the Company's performance (corresponding to general business indicators, with a weight of 65%) and the performance of the Director in question (corresponding to specific objectives, with a weight of 20%, and behavioural indicators, with a weight of 15%).

The general business indicators and their respective weightings, which may be adjusted annually by a maximum of 5 per cent, are as follows:

a) EBITDA, with a weighting of 35%

b) Net results, with a weight of 10%

c) Cash flow, with a weight of 10 per cent, and

d) Total Shareholder Return vs Peers, with a weight of 10%.

The specific objectives will always include ESG indicators, such as the result of the Company's annual climate survey, the reduction of CO_2 emissions$_2$, certified wood and the consumption of water, energy and wood.

On the other hand, and within the behavioural indicators, the alignment of each executive director with the existing leadership model and the Company's long-term interests stands out.

The performance criteria referred to above are applied mathematically in their quantitative part - using the values of the business plans approved by the Board of Directors as a reference, and at the end of each period these commitments are compared with the results actually obtained - and through evaluative assessments with regard to the qualitative part.

In addition to the statutory limit on management's share of profits for the year, the Company also has mechanisms in place to limit variable remuneration: (i) the variable component is eliminated if the results show a significant deterioration in the Company's performance in the last financial year or when this is expected in the current financial year and (ii) the amount of annual variable remuneration attributable has a defined cap, corresponding to 1.8 times the target, in order to prevent good performance at one time, with immediate remuneration advantages for management, from being made at the expense of good future performance.

The determination of the annual variable remuneration may take into account reasonable adjustments relating to exogenous factors and unforeseen economic decisions, as defined in advance by the Remuneration Committee.

The nature of the indicators, their respective weight in determining the effective variable remuneration and the limits on the application of variable remuneration create a remuneration model based on recognising merit by reference to the Company's actual performance and discouraging excessive risk-taking, while at the same time contributing to the realisation of the strategy defined by The Navigator Company and ensuring that the interests of the executive members of the board of directors are aligned with the company's long-term interests.

The remuneration of the members of the Audit Board consists only of a fixed component, which will consist of a fixed annual amount, payable 12 times a year, with the remuneration of the Chairman of the Audit Board being higher than that of the other members of the Audit Board, taking into account the special duties he performs. There are not and never have been any agreements set by this Committee regarding payments by The Navigator Company for the dismissal or termination of office of members of the Audit Board.

The remuneration of the members of the Board of the General Meeting consists only of a fixed component, consisting of a predetermined amount for each meeting that actually takes place, with a lower amount for the second and subsequent meetings that take place during the same year. The remuneration of those who chair the Board of the General Meeting shall be higher than that of those who act as secretaries, taking into account the greater responsibility of the duties performed.

Although there is no independent remuneration mechanism in the Company with the specific aim of discouraging excessive risk-taking, Navigator does not include any specific objectives in the directors' performance objectives that promote excessive risk-taking, nor has it instituted any mechanism that allows for advance payments of future remuneration. Risk is an inherent characteristic of any act of management and, as such, inevitably and permanently subject to consideration in any management decision. Its qualitative or quantitative assessment as good or bad cannot be made in isolation in itself, but only in its result on the Company's performance over time, thus blending in with long-term interests, and therefore benefiting from the incentives for general long-term alignment and sustainability mentioned above.

71. Reference, if applicable, to the existence of a variable remuneration component and information on any impact on this from performance assessments.

The existence of a variable component in the remuneration of executive directors and information on the possible impact of performance appraisals on this component are described above, in point 70, and in the Remuneration Policy in Annex 2, to which reference is made.

The remuneration of the members of the Audit Board does not include any variable component.

72. Deferred payment of the variable remuneration component, with reference to the deferral period.

The Company does not defer payment of the variable component of remuneration.

73. Criteria applied in allocating variable remuneration in shares and on the continued holding by executive directors of these shares, on any contracts concluded with regard to these shares, specifically hedging or transferring risk, the respective limits and the respective proportion represented of total annual remuneration.

The Company's variable remuneration does not include any share component.

74. Criteria applied on the allocating of variable remuneration in options and an indication of the deferral period and value.

The Company's variable remuneration does not include any options.

75. Main parameters and grounds for any annual bonus system and any other non-cash benefits.

The criteria used to set annual bonuses are those relating to variable remuneration, as described in point 2.2.2 of chapter 2 of the Remuneration Policy, and in points 25 and 70 above.

In addition to the variable component that may be attributed to members of the executive management bodies, no other non-pecuniary benefits are attributed to members of the management and supervisory bodies, without prejudice to the means made available to them for the performance of their duties, life insurance, health insurance and personal accident insurance in line with market practices.

76. Main features of complementary or early retirement schemes for directors, and the date of approval by the General Meeting for each individual.

The Company currently has no supplementary pension or early retirement schemes for directors.

In 2019, a proposal was submitted to the Insurance and Pension Funds Supervisory Authority (ASF) to amend the Pension Fund's Constitutive Contract, whereby The Navigator Company Pension Plan was altered, and the Directors were no longer entitled to a retirement supplement under the Plan. This amendment was approved by the ASF for 2022 with retroactive effect from 2 December 2021.

However, under the terms of the Regulations of The Navigator Company Pension Plan (formerly Portucel S.A. Pension Plan) in force until the effective date of the amendment to the Articles of Association, the Company's Directors who were paid as such, and who had served at least one full term of office in accordance with the articles of association, were entitled, upon retirement or disability, if this occurred during their term of office, to a monthly supplement to their old-age or disability pension, respectively.

If the invalidity occurred after the end of their term of office, these members of the Board of Directors would only be entitled to the invalidity pension supplement if they were awarded the corresponding invalidity pension by the social security organisation with which they were registered and if they requested this from the Company.

This supplement was defined according to a formula that takes into account gross monthly pay and the number of years of service, with a minimum of 10 years and a maximum of 30 years.

The directors António José Pereira Redondo, João Paulo Cabete Gonçalves Lé and António Quirino Vaz Duarte Soares are members of the pension plans of Navigator Brands, S.A., a subsidiary of the Company, as employees of that company, before taking up management positions.

Due to the specific nature of the Navigator Group's pension plan, there has been no intervention by the General Meeting to date in approving the main features of the specific rules applicable to the retirement of Directors.

It should be noted in this regard that the Company was a state-owned company until 1991, with its activity and form of operation regulated by the special law applicable to this type of company, and during this period the specific rules applied to the retirement of the members of the Board of Directors were approved.

However, it should be noted that the supplementary pension plans in force at the Company are described in Note 7 of the notes to the consolidated accounts for the financial year, which form part of the Annual Report subject to approval by the General Meeting.

IV. Disclosure of Remuneration

77. Indication of the annual amount of remuneration earned, in aggregate and individual form, by the members of the management bodies of the company, from the company, including fixed and variable remuneration and, in relation to this, mention of the different components that gave rise to it.

The amount of remuneration earned in 2024 is shown below, where the variable remuneration was paid in 2024 but relates to 2023 performance, by the members of the Company's management body, from Navigator, with a distinction between fixed and variable remuneration, and relative percentages, but without distinguishing the different components that gave rise to the variable remuneration, because the variable component is defined as a whole, weighting the elements explained in the Remuneration Policy, without identifying components.

	Fixed Remuneration			Variable Remuneration	
	Amount (Euros)	Relative Percentage		Amount (Euros)	Relative Percentage
António José Pereira Redondo	701 766	48.82%		735 572	51.18%
Adriano Augusto da Silva Silveira	180 000	43.78%		231 101	56.22%
João Paulo Cabete Gonçalves Lé	335 175	39.77%	z	507 561	60.23%
João Paulo Araújo Oliveira	0	0%		290 622	100%
José Fernando Morais Carreira de Araújo	335 175	40.69%		488 513	59.31%
Nuno Miguel Moreira de Araújo Santos	335 175	38.49%		535 538	61.51%
Dorival Martins de Almeida	335 175	100%		365 011	52.13%
António Quirino Vaz Duarte Soares	335 175	100%		231 101	40.81%
Maria Teresa Aliu Presas	77 000	100%		-	0%
Mariana Rita Antunes Marques dos Santos	105 000	100%		-	0%
Sandra Maria Soares Santos	77 000	100%		-	0%
Ana Teresa Cunha de Pinho Tavares Lehmann	77 000	100%		-	0%

The table above shows the annual amount corresponding to the period in which the members of the Board of Directors held office.

The tables below show, for the purposes of Article 26-G(2)(c) of the Securities Code, the annual variations over the last five financial years in the remuneration paid individually by the Company to the members of the Board of Directors, as well as the average remuneration of the Company's full-time equivalent Employees, and the Company's performance indicators:

(Amounts in euros)

Board of Directors		2020	2021	2022	2023	2024
António José Pereira Redondo	Fixed Remuneration (€)	655 699	668 349	651 780	707 196	701 766
	Variable Remuneration (€)	185 984	839 967	777 486	982 603	735 572
	Total Remuneration (€)	841 683	1 508 316	1 429 266	1 689 799	1 437 338
	Variation in %	-3.0%	79.2%	-5.2%	18.2%	-14.9%
Adriano Augusto da Silva Silveira	Fixed Remuneration (€)	313 172	319 214	319 214	238 006	180 000
	Variable Remuneration (€)	117 000	628 891	625 240	792 842	231 101
	Total Remuneration (€)	430 172	948 105	944 454	1 030 848	411 101
	Variation in %	44.8%	120.4%	-0.4%	9.1%	-60.1%
João Paulo Cabete Gonçalves Lé	Fixed Remuneration (€)	315 392	319 214	319 214	329 855	335 175
	Variable Remuneration (€)	15 074	524 141	602 857	735 822	507 561
	Total Remuneration (€)	330 466	843 355	922 071	1 065 677	842 736
	Variation in %	100%	155.2%	9.3%	15.6%	-20.9%
João Paulo Araújo Oliveira	Fixed Remuneration (€)	313 157	319 806	319 199	190 193	0
	Variable Remuneration (€)	121 627	582 448	567 308	718 958	290 622
	Total Remuneration (€)	434 784	902 254	886 507	909 151	290 622
	Variation in %	-46.0%	107.5%	-1.7%	2.6%	-68.0%
José Fernando Morais Carreira de Araújo	Fixed Remuneration (€)	313 171	319 213	319 213	329 854	335 175
	Variable Remuneration (€)	175 663	599 173	623 780	717 151	488 513
	Total Remuneration (€)	488 834	918 386	942 993	1 047 005	823 688
	Variation in %	-44.0%	87.9%	2.7%	11.0%	-21.3%
Nuno Miguel Moreira de Araújo Santos	Fixed Remuneration (€)	313 157	319 199	319 199	329 850	335 175
	Variable Remuneration (€)	128 915	474 022	612 855	740 185	535 538
	Total Remuneration (€)	442 073	793 221	932 054	1 070 035	870 713
	Variation in %	-39.8%	79.4%	17.5%	14.8%	-18.6%
Dorival Martins de Almeida	Fixed Remuneration (€)	-	-	-	230 946	335 175
	Variable Remuneration (€)	-	-	-	-	365 011
	Total Remuneration (€)	-	-	-	230 946	700 186
	Variation in %	-	-	-	100%	203.2%
António Quirino Vaz Duarte Soares	Fixed Remuneration (€)	-	-	-	139 656	335 175
	Variable Remuneration (€)	-	-	-	-	231 101
	Total Remuneration (€)	-	-	-	139 656	566 276
	Variation in %	-	-	-	100%	305.5%
Manuel Soares Ferreira Regalado*	Fixed Remuneration (€)	75 543	77 000	77 000	32 083	0
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	75 543	77 000	77 000	32 083	0
	Variation in %	-1.9%	1.9%	0.0%	-58.3%	0.0%
Maria Teresa Aliu Presas	Fixed Remuneration (€)	75 522	77 000	77 000	77 000	77 000
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	75 522	77 000	77 000	77 000	77 000
	Variation in %	100%	2.0%	0.0%	0.0%	0.0%
Mariana Rita Antunes Marques dos Santos	Fixed Remuneration (€)	102 984	105 000	105 000	105 000	105 000
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	102 984	105 000	105 000	105 000	105 000
	Variation in %	100%	2.0%	0.0%	0.0%	0.0%
Sandra Maria Soares Santos	Fixed Remuneration (€)	75 522	77 000	77 000	77 000	77 000
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	75 522	77 000	77 000	77 000	77 000
	Variation in %	100%	2,0%	0.0%	0.0%	0.0%
Ana Teresa Cunha de Pinho Tavares Lehmann	Fixed Remuneration (€)	-	-	-	47 707	77 000
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	-	-	-	47 707	77 000
	Variation in %	-	-	-	100%	100%
Vítor Manuel Galvão Rocha Novais Gonçalves*	Fixed Remuneration (€)	96 145	77 000	98 000	40 833	0
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	96 145	77 000	98 000	40 833	0
	Variation in %	0.0%	-19.9%	27.3%	-58.3%	0.0%
Luís Alberto Caldeira Deslandes*	Fixed Remuneration (€)	-	-	77 000	-	0
	Variable Remuneration (€)	-	-	-	-	0
	Total Remuneration (€)	-	-	77 000	-	0
	Variation in %	-	-	100%	-100.0%	0.0%

Audit Board		2020	2021	2022	2023	2024
José Manuel Vitorino	Fixed Remuneration (€)	21 994	21 994	21 994	35 147	30 000
	Variation in %	0.00%	0.00%	0.00%	59.80%	-14.64%
Gonçalo Picão Caldeira	Fixed Remuneration (€)	16 002	16 002	16 002	25 593	21 840
	Variation in %	0.00%	0.00%	0.00%	59.94%	-14.66%
Maria da Luz Gonçalves de Andrade Campos	Fixed Remuneration (€)	-	-	-	-	15 056
	Variation in %	-	-	-	-	100%
Maria da Graça Gonçalves	Fixed Remuneration (€)	16 002	16 002	16 002	25 593	
	Variation in %	0.00%	0.00%	0.00%	59.94%	-100%

78. Amounts paid on any basis by other controlled, controlling or group companies or companies under common control.

It is important to clarify that the amounts referred to in this number pertain only to companies not controlled by The Navigator Company. They also include amounts that are unrelated to Navigator and its corporate bodies, as they concern its Shareholders, the Shareholders of its Shareholders, and other companies controlled by Shareholders, provided there is a control relationship.

In 2024, the following directors received remuneration from other companies that are either in a control relationship with, or subject to common control with, Navigator: Ricardo Miguel dos Santos Pacheco Pires (€1,244,836.38), Hugo Alexandre Lopes Pinto (€380,454.04), Maria Isabel da Silva Marques Abranches Viegas (€234,250.72), and Vítor Paulo Paranhos Pereira (€834,969.77). It is clarified that the remaining members of the Board of Directors did not receive remuneration from other companies within the same group as Navigator, based on the definition of "group" under point (g) of paragraph 1 of Article 2 of Decree-Law No. 158/2009 of July 13, in accordance with point (d) of paragraph 2 of Article 26-G of the Portuguese Securities Code (CVM).

79. Remuneration paid in the form of profit sharing and/or payment of bonuses, and the grounds on which these bonuses and/or profit sharing were granted.

The amount of remuneration paid by the Company in the form of profit-sharing and/or bonus payments corresponds to the variable remuneration set out in point 77 of this Report, and these amounts were set on the basis of the Remuneration Committee's actual application of the criteria described in chapter 2 of the Remuneration Policy.

80. Compensation paid or due to former executive directors for their dismissal during the year.

No compensation was paid during the year, nor is any due from the Company to former executive directors for leaving office.

81. Indication of the annual remuneration earned, on an aggregate and individual basis, by the members of the Company's supervisory bodies, for the purposes of Law 28/2009 of 19 June.

	Fixed Remuneration		Variable Remuneration	
	Amount	Relative Percentage	Amount	Relative Percentage
José Manuel Vitorino	€30 000	100%	0	0%
Gonçalo Picão Caldeira	€21 840	100%	0	0%
Maria da Luz Campos	€15 056	100%	0	0%
Maria da Graça Gonçalves			0	0%

82. Indication of remuneration earned in the reporting period by the Chairman of the General Meeting.

The Chairman of the Board of the General Meeting only receives fixed remuneration, taking into account the number of meetings of the General Meeting each year.

During 2023, the Chairman of the General Meeting received a fixed remuneration of €5,000 (five thousand euros).

V. Agreements with implications for remuneration

83. Contractual limits on severance pay for directors, and the respective relationship with the variable remuneration component.

The Company has no contract with directors that limits or otherwise alters the supplementary legal regime for cases of termination of office, with or without just cause. The Remuneration Policy approved by the Company's Remuneration Committee stipulates that, in the event of directors leaving office, the supplementary legal regime in this area will apply.

Therefore, considering the absence of individual contracts with Directors in this area and the provisions of the aforementioned Remuneration Policy, in the event of dismissal that is not due to a serious breach of duty by the Director or to the Director's inability to fulfil his duties normally, the Company will be obliged to pay compensation under the general terms of the law, without this compensation exceeding the amount of remuneration that he would presumably receive until the end of the period for which he was elected.

Leaving office before the end of the term of office does not therefore give rise, directly or indirectly, to the payment to the Director of any amounts other than those provided for by law.

84. Reference to the existence and description, with an indication of the amounts involved, of agreements between the company and members of the board of directors and senior managers, within the meaning of Article 29-R(3) of the Securities Code, which provide for compensation in the event of resignation, unfair dismissal or termination of the employment relationship following a change of control of the company (Article 29-H(1)(k)).

There are also no agreements between the Company and members of the board of directors and senior managers that provide for compensation in the event of resignation, unfair dismissal or termination of the employment relationship following a change of control of the Company.

VI. Stocks or stock option plans

85. Identification of plan and beneficiaries.

Not applicable, as there are no remuneration payments through share award plans or stock option plans.

86. Description of plan (terms of allocation, non-transfer of share clauses, criteria on the price of shares and the price of exercising options, the period during which the options may be exercised, the characteristics of the shares to be distributed, the existence of incentives to purchase shares and/or exercise options).

Not applicable.

87. Stock-option rights for which the company's workers and Employees are the beneficiaries.

Not applicable.

88. Control mechanisms in an employee ownership scheme insofar as voting rights are not directly exercised by Employees (article 29-A (1) (e)).

There is no employee ownership scheme in Navigator.

E. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

I. Control mechanisms and procedures

89. Procedures implemented by the Company for controlling related party transactions (reference is made for this purpose to the concept deriving from IAS 24).

The Company has adopted a Regulation on Conflicts of Interest and Transactions with Related Parties, which sets out the rules on conflicts of interest and transactions with related parties to which the company is a party, in addition to the internal mechanisms the company has in place, for the purposes of complying with international accounting standard IAS 24 (Related Party Disclosures), and is applicable, without prejudice to the obligations of the Company and its directors in terms of Insider Information, the legal regime for the Company's dealings with Directors, and the internal regulations on Reporting Irregularities and other applicable legislation in this area.

These regulations were approved with the favourable and binding opinion of the Audit Board, taking into account the applicable legal and regulatory framework in force on this matter, namely Law no. 50/2020, of 25 August, and Law no. 99-A/2021, of 31 December.

These regulations are available for consultation on the company's website (www.thenavigatorcompany.com/en/investors/governance/).

In accordance with the Regulation on Conflicts of Interest and Related Party Transactions, transactions between the Company and related parties - qualified as such by the international accounting standards adopted under Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July, namely by the international accounting standard IAS 24 (Related Party Disclosures) - are subject to the following approval procedures:

The following transactions are approved by the Executive Committee:

a) Loans made to the Company by its shareholder companies for an amount equal to or less than one hundred million euros;

b) Transactions within the scope of the group taxation regime, with a value equal to or less than one hundred million euros;

c) Transactions carried out with controlled companies that consolidate accounts with the Company, with an individual or cumulative annual value equal to or less than two per cent of the controlled Company's turnover, calculated in accordance with the last approved annual accounts;

d) Loans to controlled companies that consolidate accounts with the Company, as well as underwriting their debt, (i) with a term of less than six months, (ii) with an individual or cumulative annual value of less than one fifth of the turnover of the respective controlled company, calculated in accordance with the last approved annual accounts, and which does not exceed one hundred million euros, and (iii) provided that the controlled company guarantees credit lines for the repayment of the operation; and

e) Any other transactions whose individual or cumulative annual value is equal to or less than one million euros.

Transactions that (i) do not fall within the scope of the preceding paragraphs, or (ii) fall within those paragraphs but are not carried out as part of the Company's day-to-day business, are approved by resolution of the Board of Directors, preceded by a favourable opinion from the Audit Board.

In accordance with the aforementioned Regulation, transactions may only be carried out under market conditions and if there is a justified self-interest on the part of the Company.

With regard to the procedures for informing, verifying and formalising related parties' transactions, the Regulation states that:

a) The Board of Directors is informed every six months of resolutions relating to transactions in which it has not participated;

b) The Audit Board is informed of transactions carried out by the Company for the purposes of verifying that the transactions comply with the regime described above and with the applicable legislation and regulations, and related parties may not take part in the verification in question;

c) It is also the responsibility of the Company's managers who intervene in the formalisation of transactions with related parties to ensure that the transactions are previously submitted to the resolutions required by the regulations and applicable laws and regulations; and

d) The formalisation and execution of resolutions on related parties' transactions must be particularly monitored by the Executive Committee.

The Company will disclose transactions that must be disclosed under the terms of the applicable legislation and regulations, namely because they have not fulfilled any of the legal requirements, and according to the value in question, under the terms and within the timeframe laid down in the applicable legislation and regulations.

The Regulation shall not apply to transactions treated as exempt under applicable laws and regulations.

As part of its ongoing commitment to ethics and integrity, Navigator is responsible for adopting measures to ensure impartiality in decision-making processes, preventing cases of potential conflict of interest involving the Company or its employees.

This commitment is reflected in the way the Company manages conflicts of interest and is materialised through:

- Implementation of clear policies and procedures that define what constitutes a conflict of interest and establish guidelines for its identification, disclosure and resolution;
- Promoting an organisational culture that values transparency, honesty and integrity in all business interactions and decisions made;
- Regular training for all employees on how to recognise, report and resolve conflicts of interest appropriately;
- Maintaining communication channels where employees and interested parties can report concerns about possible conflicts of interest.

With regard to the procedures applicable to conflicts of interest, the Regulation on Conflicts of Interest and Related Parties Transactions stipulates that a situation of conflict exists whenever a manager is in a position which, viewed objectively, is likely to compromise their independence and cause their judgement to be influenced by interests other than the interests of the Company, whether or not these interests are in their own assets or those of third parties. For the purposes of their adequate prevention, identification and resolution, the manager must:

- Communicate the existence of a conflict of interest, even if potential, to their hierarchical superior or, in the case of a member of a collegiate body, to the body in question, under the terms of the respective operating regulations; and

- Refrain from interfering or participating in the event of a conflict of interest and, in the case of a decision-making process, record this impediment in the minutes or other written document documenting the decision, without prejudice to the duty to provide the information and clarifications requested by the body in question and its members.

In addition, all the operating regulations of the governing bodies and internal committees contain provisions on conflicts of interest, in line with the rules described above.

The Company also has internal control mechanisms for identifying situations of potential conflict of interest, including a procedure for reporting and verifying these situations. In this context, it maps employees who, by virtue of their duties, find themselves in situations that could give rise to conflicts of interest, and then identifies third parties who may be related parties in transactions with Navigator, periodically updating this analysis.

In addition, all the operating regulations of the governing bodies and internal committees lay down provisions on conflicts of interest, in line with the rules described above.

90. Indication of transactions subject to control in the reporting period.

In 2024, there were no transactions subject to control, given that, by applying the criteria referred to in point 91 below, none of the Company's business with qualified shareholders or entities in any way related to the Company, under the terms of article 20 of the Securities Code, was subject to the prior opinion of the Supervisory Board. It should also be noted that there were no transactions between the Company and holders of qualifying holdings outside normal market conditions.

91. Description of the procedures and criteria applicable to intervention by the supervisory body for the purposes of prior evaluation of transactions to be carried out between the Company and qualifying shareholders or related entities, under article 20 of the Securities Code.

The procedures and criteria applicable to intervention by the supervisory body for the purposes of prior evaluation of transactions to be carried out between the Company and qualifying shareholders or related entities, under article 20 of the Securities Code, are described in item 89.

II. Details of Transactions

92. Indication of the place in the financial reports and account where information is available on related party transactions, in accordance with IAS 24, or, alternatively, reproduction of this information.

The information available on related party transactions is included in the Company's Report and Accounts, in Note 11.3 of the Notes to the Consolidated Financial Statements.

PART II
Corporate Government Assessment

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

In 2023, Navigator adopted the Corporate Governance Code of the Portuguese Institute of Corporate Governance ("IPCG") of 2018, as it has done since 2018, in accordance with and for purposes of article 2 of CMVM Regulation no. 4/2013.

The adopted Code was revised by the IPCG in 2020 and 2023. It is released by the IPCG and can be accessed on the respective website, at https://cgov.pt/images/ficheiros/2023/en_cgs_revisao-de-2023_ebook.pdf.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

Navigator has adopted most of the IPCG Corporate Governance Code Recommendations. The Principles and Recommendations of this Code are listed in the table below, with indication of the Recommendations adopted, not applicable and not adopted, and reference is made to the points in this Report where the matter is developed. In relation to the Recommendations not adopted, justification for non-adoption and a mechanism equivalent to the adopted "explain".

	Compliance	Comments
GENERAL PRINCIPLES A. Corporate governance promotes and fosters the pursuit of the respective long-term interests, performance and sustained development, and is structured in order to allow the interests of shareholders and other investors, staff, clients, creditors, suppliers and other stakeholders to be weighed, contributing to the strengthening of confidence in the quality, transparency and ethical standards of administration and supervision, as well as to the sustainable development of the community the companies form part of and to the development of the capital market. B. The Code is voluntary, and compliance is based on the comply or explain principle, applicable to all Recommendations.		
Chapter I – Company's relationship with Shareholders, Interested Parties and the Community at Large		
Principles I.A. In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size. In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size. I.B. The company periodically identifies, measures and seeks to prevent negative effects related to the environmental and social impact of the operation of its activity, in terms that are appropriate to the nature and size of the company. I.C. In its decision-making processes, the management body considers the interests of shareholders and other investors, employees, suppliers and other stakeholders in the activity of the company.		
Recommendations		
I.1. The company specifies how its strategy seeks to ensure fulfilment of its long-term objectives and what its main contributions are to the community at large.	Adopted	Part I, no. 21 Annual Report, Ch. 3.4 Roadmap 2030
I.2. The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.	Adopted	Part I, no. 21, 29, 49 and 53 Annual Report Ch. 5, Non-financial statement

Chapter II – Composition and functioning of the Corporate Bodies

II.1. Information

Principle
II.1.A. Companies and, in particular, their directors treat shareholders and other investors in an equitable manner, namely by ensuring mechanisms and procedures for the adequate treatment and disclosure of information.

Recommendation:

II.1.1. The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	Part I, no. 21, 22, 38 and 56 to 65 Annual Report Ch. 2.3 and Section 5

II.2. Diversity in the Composition and Functioning of the Corporate Bodies

Principles:
II.2.A. Companies have adequate and transparent decision-making structures, ensuring maximum efficiency in the functioning of their bodies and committees.
II.2.B. Companies ensure diversity in the composition of their management and supervisory bodies and the adoption of individual merit criteria in the respective appointment processes, which shall be the exclusive responsibility of shareholders.
II.2.C. Companies ensure that the performance of their bodies and committees is duly recorded, namely in minutes of meetings, which allow for knowing not only the sense of the decisions taken but also their grounds and the opinions expressed by their members.

Recommendations:

II.2.1. Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Adopted	Part I no. 16
II.2.2. The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up.	Adopted	Part I no. 22, 27, 29, 34 and 38
II.2.3. The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Part I no. 22, 27, 34 and 61
II.2.4. The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for non-employees, as set forth in the applicable law.	Adopted	Part I no. 49, 50, 54 and 89
II.2.5. The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.	Adopted	Part I no. 21, 27 and 29

II.3. Relations between Corporate Bodies

Principle:
II.3.A. The corporate bodies create the conditions for them to act in a harmonious and articulated manner, within the scope of their responsibilities, and with information that is adequate for carrying out their functions.

Recommendations:

II.3.1. The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Adopted	Part I no. 21, 22 and 38
II.3.2. Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Adopted	Part I no. 21, 22, 27 and 38

Ii.4. Conflicts of Interests

Principle:
II.4.A. The existence of current or potential conflicts of interest between the members of bodies or committees and the company shall be prevented, ensuring that the conflicted member does not interfere in the decision-making process.

Recommendations:

II.4.1. By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Adopted	Part I no. 89
II.4.2. The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Adopted	Part I no. 89

II.5. Related Party Transactions

Principle:
II.5.A. Transactions with related parties shall be justified by the interest of the company and shall be carried out under market conditions, being subject to principles of transparency and adequate supervision.

Recommendation:

II.5.1. The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Adopted	Part I no. 38 and 89 to 81

Chapter III – Shareholders and General Meeting

Principles:
III.A. The adequate involvement of shareholders in corporate governance constitutes a positive factor for the efficient functioning of the company and the achievement of its corporate objective.
III.B. The company promotes the personal participation of shareholders at general meetings as a space for reflection on the company and for shareholders to communicate with the bodies and committees of the company.
III.C. The company implements adequate means for shareholders to attend and vote at the general meeting without being present in person, including the possibility of sending in advance questions, requests for clarification or information on the matters to be decided on and the respective proposals.

Recommendations:		
III.1. The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.	Adopted	Part I no. 12 and 13
III.2. The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	Not applicable	Not applicable
III.3. The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	Adopted	Part I, no. 14
III.4. The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Adopted	Part I, no. 12
III.5. The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	Adopted	Part I, no. 12
III.6. The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	Not applicable	Not applicable
III.7. The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Adopted	Part I, no. 4, 83 and 84

Chapter IV – Management

IV.1. Management Bodies and Executive Directors

Principles:
IV.1.A. The day-to-day management of the company shall be the responsibility of executive directors with the qualifications, skills, and experience appropriate for the position, pursuing the corporate goals and aiming to contribute to its sustainable development.
IV.1.B. The determination of the number of executive directors shall take into account the size of the company, the complexity and geographical dispersion of its activity and the costs, bearing in mind the desirable flexibility in the running of the executive management.

Recommendations:		
IV.1.1. The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	Adopted	Part I, no. 21 and 22
IV.1.2. The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	Adopted	Part I, no. 22

IV.2. Management Body and Non-Executive Directors

Principles:
IV.2.A. For the full achievement of the corporate objective, the non-executive directors shall exercise, in an effective and judicious manner, a function of general supervision and of challenging the executive management, whereby such performance shall be complemented by committees in areas that are central to the governance of the company.
IV.2.B. The number and qualifications of the non-executive directors shall be adequate to provide the company with a balanced and appropriate diversity of professional skills, knowledge and experience.

Recommendations:		
IV.2.1. Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the non- executive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Adopted	Part I no. 18
IV.2.2. The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	Adopted	Part I, no. 18, 31, 50, 51 and 54
IV.2.3. The number of non-executive directors is greater than the number of executive directors.	Adopted	Part I, no. 18
IV.2.4. The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of: i) Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii) Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years; iii) Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv) Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v) Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi) Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.	Adopted	Part I, no. 18

IV.2.5. The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	Adopted	Part I, no. 18

Chapter V – Supervision

Principles:
V.A. The supervisory body carries out permanent supervision activities of the administration of the company, including, also from a preventive perspective, the monitoring of the activity of the company and, in particular, the decisions of fundamental importance for the company and for the full achievement of its corporate object.
V.B. The composition of the supervisory body provides the company with a balanced and adequate diversity of professional skills, knowledge and experience.

Recommendations:

V.1. With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.	Adopted	Part I, no. 38 and 50
V.2. The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.	Adopted	Part I, no. 18, 31, 50, 51 and 54

Chapter VI - Performance Assessment, Remuneration and Appointments

VI.1. Annual Performance Assessment

Principle:
VI.1.A. The company promotes the assessment of performance of the executive body and its individual members as well as the overall performance of the management body and its specialised committees.

Recommendation:

VI.1.1. The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	Adopted	Part I, no. 22, 24 and 25

VI.2. Remuneration

Principles:

VI.2.A. The remuneration policy for members of the management and supervisory bodies shall allow the company to attract qualified professionals at a cost that is economically justified by their situation, provide for the alignment with the interests of the shareholders – taking into consideration the wealth effectively created by the company, the economic situation and the market situation – and shall constitute a factor for developing a culture of professionalism, sustainability, merit promotion and transparency in the company.
V.2.B. Taking into consideration that the position of directors is, by nature, a remunerated position, directors shall receive a remuneration:
i) that adequately rewards the responsibility undertaken, the availability and competence placed at the service of the company;
ii) that ensures a performance aligned with the long-term interests of shareholders and promotes the sustainable performance of the company; and
iii) that rewards performance.

Recommendations:

VI.2.1. The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	Adopted	Part I no. 24, 27, 66 and 67
VI.2.2. The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Adopted	Part I no. 24, 27, 66 and 67
VI.2.3. The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Adopted	Part I no. 17, 18 e 21 VI.2.3.(II) Not applicable
VI.2.4. In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.	Adopted	Part I no. 76
VI.2.5. Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Adopted	Part I no. 67
VI.2.6. The remuneration committee ensures that such services are provided independently.	Adopted	Part I no. 67
VI.2.7. The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	Adopted	Part I n. 67
VI.2.8. In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Adopted	Part I no. 70 and 71 Part III Annex II
VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	Not adopted	Explanation of not adopted Recommendations below
VI.2.10. When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	Not applicable	Not applicable
VI.2.11. The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	Adopted	Part I no. 71

VI.3. Appointments

Principle:
VI.3.A. Regardless of the method of appointment, the knowledge, experience, professional background, and availability of the members of the corporate bodies and of the senior management shall be adequate for the job to be performed.

Recommendations:

VI.3.1. The company promotes, in the terms it deems adequate, but in	Adopted	Part I no. 16

a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.		
VI.3.2. The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Not adopted	Explanation of not adopted Recommendations below
VI.3.3. Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	Adopted	Part I no. 29
VI.3.4. The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	Adopted	Part I no. 16 and 29
Chapter VII – Internal Control		
Principle: VII.A. Based on the medium and long-term strategy, the company shall establish a system of internal control, comprising the functions of risk management and control, compliance and internal audit, which allows for the anticipation and minimisation of the risks inherent to the activity developed.		
Recommendations:		
VII.1. The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.	Adopted	Part I no. 22, 24 and 50, 54
VII.2. The company has a specialised committee, or a committee composed of specialists in risk matters, which reports regularly to the management body.	Adopted	Part I no. 27, 29 and 50
VII.3. The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.	Adopted	Part I no. 38, 50 and 54
VII.4. The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	Adopted	Part I no. 50 and 52, 54 and 55
VII.5. The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	Adopted	Part I no. 38 and 49 to 55
VII.6. Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.	Adopted	Part I no. 38 and 49 to 55
VII.7. The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	Adopted	Part I no. 21, 25, 29, 30, and 50 to 54
VII.8. The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	Adopted	Part I no. 21, 29, 30, and 50 to 54 Annual Report Ch. 5.2.1 and 5.2.2.
VII.9. The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	Adopted	Part I no. 53
VII.10. The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.	Adopted	Part I no. 38 and 50
VII.11. The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	Adopted	Part I no. 45 and 50
Chapter VIII – Information and statutory audit of the accounts		
VIII.1. Information		
Principles: VIII.1.A. The supervisory body, diligently and with independence, ensures that the management body observes its responsibilities in choosing policies and adopting appropriate accounting criteria and establishing adequate systems for financial and sustainability reporting, and for internal control, including risk management, compliance and internal audit. VIII.1.B. The supervisory body promotes a proper articulation between the work of the internal audit and that of the statutory audit of accounts.		
Recommendation:		
VIII.1.1. The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	Adopted	Part I no. 38
VIII.2. Statutory audit and supervision		
Principle: VIII.2.A. It is the responsibility of the supervisory body to establish and monitor formal, clear, and transparent procedures as to the relationship between the company and the statutory auditor and the supervision of compliance, by the statutory auditor, with the rules of independence imposed by law and by professional standards.		
Recommendations:		
VIII.2.1. By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	Adopted	Part I no. 37, 38 and 46
VIII.2.2. The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.	Adopted	Part I no. 38 and 45
VIII.2.3. The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	Adopted	Part I no. 38 and 45

COMPLY OR EXPLAIN

Explanation of non-adoption of recommendations

VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.

The explanation for the non-adoption of this recommendation is set out in the statement on the remuneration policy in force, which corresponds to Annex 2 to this Report, and reads as follows:

"Several writings sustain profusely the deferral of the payment of the variable part of remuneration to a later time, which will enable the establishment of a direct relation between remuneration and the impact of management on the Company over a longer period.

We accept this principle as theoretically sound, but the historical element, associated to the stability and the practice that has been followed successfully for years without the element of deferral, leads us to not adopt that option for the time being." The Company has not therefore accepted this recommendation, without prejudice to ensuring the substance which justifies it to an even greater extent than would result from compliance with it.

It should also be noted that Navigator's consolidated results for the financial year have repeatedly and consistently been very positive, demonstrating the sustainability of performance which the Recommendation seeks to safeguard. It follows from this background that the possible partial deferral for a period of no less than three years of the variable component of remuneration would have no impact on the right to the variable component for Navigator's directors. However, it should be clarified that Navigator is currently analysing the model for deferring payment of part of the variable remuneration with a view to its possible implementation.

VI.3.2. The committee for the appointment of members of corporate bodies includes a majority of independent directors.

The Company's Nominations and Evaluation Committee includes four non-executive directors, but only one is independent - Mariana Rita Antunes Marques dos Santos. In choosing the members of this Committee, preference was given to a diversity of profiles (age, gender, qualifications, experience and professional career), ensuring that all of them have full impartiality of analysis and decision, and demonstrated integrity of character.

The Company believes that this diversity of profiles, together with the fact that the Nominations and Evaluation Committee uses, whenever necessary, market studies and the analysis of comparable situations within the Group, is sufficient to guarantee that its analyses are in line with the best practices and strengthen independent and impartial decision-making.

Part III
Other Information

There are no other elements or additional information that are relevant to the understanding of the governance model and practices adopted.

ANNEX 1

1) DISCLOSURES REFERRED TO IN ARTICLE 447 OF THE COMPANIES' CODE (WITH REFERENCE TO 2024)

Securities issued by Company and held by company officers:

António José Pereira Redondo: 6000 shares

2) INFORMATION ON OWN SHARES (required by Articles 66 and 324 no. 2 of the Companies Code)

On 31 December 2024, Navigator did not hold any own shares.

ANNEX 2

REMUNERATION POLICY OF THE DIRECTORS AND THE AUDITORS OF THE NAVIGATOR COMPANY (2023 TO 2025)

The Remuneration Committee of The Navigator Company, S.A. (The Navigator Company) has analysed and reviewed the Remuneration Policy for its directors and auditors adopted at The Navigator Company's Annual General Meeting of 2021 to be in force from 2021 to 2024, in view of strengthening its alignment with sustainability and preserving Company's long-term interests in line with good market practices, having decided to replace the current Policy with a new Remuneration Policy to be in force from 2023 to 2025, in order to make its period of application coincide with the mandate of the governing bodies.

The remuneration policy is the exclusive responsibility of the Remuneration Committee, which has three members, all independent from the Board. According to the law, it must be approved by the General Meeting at least every four years and whenever a relevant change occurs.

In its work, namely in determining, reviewing and applying the Policy, the Remuneration Committee complies with applicable legislation and The Navigator Company's current policies and regulations, namely the regulation on Conflicts of Interest and Related Party Transactions, which sets out rules for preventing, identifying and resolving conflicts of interest between the Company and its managers.

1. General Principles

This Remuneration Policy is founded on the following general principles that guide the setting of the remuneration of the governing bodies:

(a) Duties performed.

The duties performed by each member of the governing bodies cover both the functions in a formal sense and the duties in the broader sense of the concrete level of responsibility of the position held, considering different criteria, such as the commitment and time dedicated, the nature, size, complexity, and skills required for the function, or the added value to the company that results from a specific intervention or institutional representation.

The fact that time is spent by the officer on duties performed in other controlled companies also cannot be taken out of the equation, due to the added responsibility this represents and to the existence of another source of income.

(b) The state of the Company's affairs.

The size of the company and the inevitable complexity of the related management responsibilities are clearly relevant aspects of the economic situation, understood in the broadest sense. These aspects have implications for the need to suitably remunerate directors holding high managerial duties, considering the size and complexity of the business models.

(c) Market criteria.

It is essential to be able to attract, develop and retain the best professionals. Consequently, the Remuneration Policy must competitive and appealing in order to ensure the legitimate interests of individuals are aligned with The Navigator Company's interests and the creation of sustainable value for shareholders.

Given its characteristics and size, the market criteria and practices to be taken into account are, in The Navigator Company 's case, both national and international. In order to keep up to date with these practices, The Navigator Company regularly uses market research and benchmarking.

In this context, the different components of the directors' remunerations are calculated at least based on the remuneration of the directors of the Portuguese companies listed on the PSI Index, while also taking into account, at each moment, the remuneration conditions applied in other companies with characteristics similar to those of The Navigator Company.

The remuneration system in place at The Navigator Company, in particular this Policy, contributes to the implementation of the business strategy of The Navigator Company and, in the long term, to the alignment of the interests of members of the management body with those

of the Company and its sustainability, in particular for the reasons set out below.

Firstly, because the remuneration is intended to be fair and equitable in the light of the principles set out, and secondly, because it lays down the evaluation criteria (indicators defined by the Remuneration Committee), which are aligned with the Company's own strategic objectives. Such indicators help to align the performance of the members of its corporate bodies with the long-term interests and sustainability of the Company.

The alignment between this Policy and the remuneration scheme and employment conditions of The Navigator Company employees is assured, given that both remuneration systems are based on the same General Principles set out in this Remuneration Policy, in particular the market conditions in the reference markets for the duties performed. Furthermore, the annual variation of the compensation paid individually by the Company to the members of the Board of Directors, as well as the average compensation of the company's full-time equivalent Employees is analysed.

Accordingly, this Policy aligns The Navigator Company with market best practices on remuneration, and with the recommendations of the IPCG Governance Code.

2. Board

2.1. Non-Executive Directors

The remuneration of non-executive directors shall comprise only a fixed component of an annual amount, paid 12 times per year, which may vary according to the piling on of added responsibilities,

e.g. committee and specialised committee members, or a fixed amount per Board meeting attended.

The remuneration of non-executive members of the Board of Directors does not include components dependent on the performance of the Company or on its value.

2.2. Executive Directors

The remuneration of the Executive Directors consists of two components: fixed and variable.

2.2.1. Fixed Remuneration

The remuneration of the executive Directors consists of a fixed component, corresponding to an annual amount payable 12 times per year.

2.2.2. Annual Variable Remuneration

The annual variable remuneration of the executive directors is contingent, and may amount, globally, to a percentage that does not exceed five per cent of the previous year's net profit, in accordance with the Company's articles of association.

The Remuneration Committee decides on this component, and the performance of each executive director is assessed following an internal process lead by the respective person in charge (i.e. the responsibility of the person who manages the team in the case of the members of the Executive Committee, and the responsibility of the Chairman of the Board of Directors in the case of the CEO) and with the participation of the non-executive directors that the person in charge deems pertinent to involve.

The Nomination and Assessment Committee is also involved in this process. It is responsible for monitoring the system for assessing management performance and distributing the remuneration and delivering its opinion on the proposals for individual performance assessment of the Executive Committee.

Finally, the Remuneration Committee must confirm that the factors have been met for the performance evaluation and ensure the overall consistency of the process by setting the variable remuneration.

The annual variable remuneration is based on the target amount applied to each director and is paid according to the individual's performance and performance of the Company that meet the expectations, and the criteria set previously. The target amount is weighted by the aforementioned general principles - market, specific functions, state of the Company -, in particular comparable market circumstances in equivalent functions. Another important factor taken into account when setting the targets is The Navigator Company's option not to provide any stock or stock option plans.

Actual performance compared to the expectations and goals, which determine target variations is weighed against a set of quantitative and qualitative KPIs of the company's performance (which consist of general business indicators weighing 65%) and of the relevant director performance (which consists of specific objectives weighing 20% and behavioural indicators that account for 15%).

Overall business indicators and their relative weights, which may be adjusted annually up to 5% in relative terms, are as follows:

- EBITDA, accounting for 35%
- Net results, accounting for 10%
- Cash flow, accounting for 10%, and
- Total Shareholder Return vs Peers, accounting for 10%.

The specific objectives always include ESG indicators, such as the findings of the annual Corporate environment survey, the reduction of CO2 emissions, the certified wood and the consumption of water, energy and wood.

On the other hand, within the behavioural indicator, the alignment of each executive director with the existing leadership model and the long-term interests of the Company is relevant.

The performance criteria mentioned in the previous paragraph are applied mathematically for their quantitative part - based on the values of the business plans approved by the Board of Directors, and at the end of each period these commitments are compared with the actual income - and using value assessments for the qualitative part.

In addition to the statutory limit on management's share of profits for the year, the Company also has mechanisms in place to limit variable compensation: (i) the variable remuneration is eliminated in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway, and (ii) the amount of the annual variable remuneration attributable has a cap corresponding to 1.8 times the target, to prevent good performance at one moment, with immediate remuneration benefits for the Board, from being achieved to the detriment of good performance in the future.

The annual variable remuneration is subject to reasonable adjustments related to exogenous factors and unforeseen economic decisions, as decided in advance by the Remuneration Committee.

The nature of the indicators, their weight in determining actual variable remuneration and the limits on the application of variable remuneration create a remuneration model based on recognising merit against the actual performance of the Company and discouraging excessive risk-taking, whilst helping to implement the strategy defined by The Navigator Company and ensuring that the interests of the executive directors are aligned with the Company's long-term interests.

3. Other benefits

In addition to the variable component that may be paid to the members of the management bodies, no other non-cash benefits are paid to directors and auditors, without prejudice to the means made available to them for the performance of their duties, a life insurance, a personal health insurance, and an accident insurance policy in line with market practices.

4. Other Considerations

There are no agreements, and no such provisions have been defined by this Committee, on payments by The Navigator Company relating to dismissal or termination of Directors' duties. This fact is the natural result of the particular situations existing in the Company, and not a position of principle taken by this Committee against the existence of agreements of this nature. Only the supplementary legal rule in this matter applies here, as established in the Companies Code, which governs the payment to the Directors of any amounts before the end of the mandate.

Similarly, there are no complementary or early retirement arrangements for directors currently in place in the company.

With regard to the obligation to return variable remuneration that has been paid, and without prejudice to the applicable legal provisions, if, by final court decision, The Navigator Company or the members of the Executive Committee of The Navigator Company are found liable for unlawful and wilful acts of misconduct resulting in the need to restate its financial statements or to record reductions in the value of assets unfavourable to The Navigator Company, the Remuneration Committee may, at its discretion and by means of a resolution, demand from the executive directors the refund of the variable remuneration in respect of the period when such depreciation of the assets occurred or another period deemed relevant, in order to compensate The Navigator Company for the damage caused.

5. Audit Board

The remuneration of the members of the Audit Board shall consist only of a fixed component, i.e. a fixed annual amount, payable 12 times a year; the remuneration of the Chairman of the Audit Board is higher than that of the other board members, taking into account the special functions performed by him/her.

There are no agreements, and no such provisions have been defined by this Committee, on payments by The Navigator Company relating to dismissal or termination of duties by the Members of the Audit Board.

6. General Meeting

The remuneration of the officers of the General Meeting shall consist of a fixed amount only (as decided) for each meeting held, whereas the remuneration of the second and subsequent meetings held in the same year shall be lower than that of the first general meeting. The remuneration of the Chairman of the General Meeting shall be higher than that of the Secretary, taking into account the greater responsibility of the duties performed.

Lisbon, 24 April 2023

The Remuneration Committee

ANNEX 3

CODE OF ETHICS AND CONDUCT

I. General Objectives and Values

1. The Code of Ethics and Conduct as the basis of the culture of The Navigator Group

The pursuit of the objectives, respect for the values and compliance with the rules of conduct set out in this Code of Ethics and Conduct constitute the ethical culture of The Navigator Company, S.A. (hereinafter "Navigator").

The Code of Ethics and Conduct is to be viewed as setting standards of conduct interpreted as a benchmark for behaviour, which Navigator and all those who work for it should follow and respect.

2. Fundamental Mission and Objectives

The Navigator Group aspires to extend the leadership earned in the printing and writing paper business to other businesses, thereby asserting Portugal in the world, as a global company, renown for developing, in an innovative and sustainable manner, the forest and providing products and services which contribute to the prosperity of individuals.

The fundamental aims pursued by Navigator are based on the sustained creation of value and the protection of shareholders' interests, with an appropriate level of investor return, by offering the highest standards of quality in the supply of goods and services to customers, and through the recruitment, motivation and development of the most able and highly skilled professionals. Navigator will always promote a meritocratic culture which allows the personal and professional development of its Collaborators and, through their commitment, position Navigator's business at the forefront of the markets in which it operates, maintaining a policy on the sustainable management of natural resources, mitigation of environmental impacts and fostering social development in the areas in which it carries on its business operations.

Due to their being core principles and of a general nature, the matters governed in the Code of Ethics and Conduct may be detailed in internal guidelines, policies and procedures, or in specific codes of conduct.

3. Values

The principles and rules of conduct set out in the Code of Ethics and Conduct result from the establishment of values deemed to be fundamental to Navigator, and which should be permanently pursued within its corporate activity, in particular:

(a) Trust – We believe in people, we welcome everyone's contribution, we respect their identity, promoting development, cooperation and communication;

(b) Integrity – We are guided by principles of transparency, ethics and respect in our dealings amongst ourselves and with others;

(c) Entrepreneurship – We are passionate about what we do, we like to get out of our comfort zone, we have the courage to take decisions and to accept risks in a responsible way;

(d) Innovation – We seek to bring out everyone's skills and creative potential to do the impossible;

(e) Sustainability – Corporate, social and environmental sustainability is our business model;

(f) Excellence –In our work we focus on quality, efficiency, safety and getting it right.

II. Scope of Application and Interpretation

4. Scope of Application

The Code of Ethics and Conduct applies to all Collaborators of all entities in Navigator Group.

The rules set out herein should govern the ethical and professional conduct of all those working in The Navigator Group, in the pursuance of its corporate activity and in their relationships with third parties and are an essential tool of the corporate policy and culture followed and fostered by Navigator.

5. Interpretation

For the purposes of this Code of Ethics and Conduct, the following defined terms shall have the following meanings:

Collaborators – Any person who, irrespective of their position at Navigator, has a permanent or temporary employment relationship with Navigator, as well as any person with employment and/or regular employment

relationship with companies subcontracted by Navigator who, directly or indirectly, perform duties for Navigator (members of corporate bodies, employees, service providers, agents, auditors and consultants);

Clients – natural or legal persons to whom Navigator Group companies supply their products or provide their services;

Suppliers – natural or legal persons who supply products or provide services to any Navigator Group entity;

Group – the Navigator Group comprises all legal persons over which The Navigator Company exercises, directly or indirectly, a dominant influence, including, but not limited to, all companies in a control or group relationship with The Navigator Company;

Stakeholders – natural or legal persons with whom the Navigator Group companies relate in their business, institutional or social activities, including shareholders, members of governing bodies, Employees, Customers, Suppliers, business partners or members of the community with which the Navigator Group interacts.

III. Rules of Conduct

6. Compliance with Legislation and Regulation

The activities of Navigator and its employees shall be guided by strict compliance with the legal, statutory and regulatory rules applicable to the Navigator Group's business and companies in the jurisdictions in which they operate, as well as strict compliance with the internal instruments it has implemented.

7. Public Authorities

Navigator's conduct and that of its Employees shall be guided by ongoing cooperation with the public authorities, in particular the regulatory authorities, complying with requests legitimately addressed to them and within their reach, and adopting behaviour that enables them to exercise the powers entrusted to those authorities.

8. Integrity

Any practice of corruption and bribery, in all its active and passive forms, whether through acts and omissions or through the creation and maintenance of favourable or irregular situations, as well as the adoption of behaviour that may create expectations of favouritism in interlocutors in their relations with Navigator, as set out in the Policy for the Prevention of Corruption and Related Offences.

9. Transparency

Navigator is committed to report its performance in a transparent way, taking into consideration applicable legal duties and good practices of the capital and financial markets.

10. Confidentiality

10.1. Collaborators must keep the confidentiality of all information concerning The Navigator Group, other Collaborators, Clients, Suppliers or Stakeholders, of which they have knowledge by virtue of carrying out their duties and which is not publicly known or notorious. Such information is restricted and only for internal use in The Navigator Group.

10.2. Collaborators must maintain confidential the information mentioned in the previous paragraph, even after termination of their functions in Navigator and regardless of the cause of such termination.

10.3. Confidential information may only be disclosed to third parties in accordance with legal requirements or provided disclosure thereof is previously authorized, in writing, by the Board of Directors.

11. Business information, insider information and Securities Transactions

11.1. Employees must not use business information obtained in the course of their duties at Navigator to take advantage of illicit business opportunities.

11.2. Employees in possession of specific and concrete information concerning The Navigator Company that has not been made public, but which, if made public, would be likely to have a significant influence on
The Navigator Company's share price, may not, during the period prior to its disclosure, trade in securities of Navigator, strategic partners or companies involved in transactions or relations with Navigator, nor disclose such information to third parties.

11.3. Types of inside information include estimates of results, decisions regarding acquisitions, sales or significant partnerships and the acquisition or loss of relevant contracts.

12. Conflicts of Interest

12.1. Navigator undertakes to adopt measures to ensure that it is exempt from acting in decision-making processes in cases of potential conflict of interest involving Navigator or its Employees. For the purposes of this Code, an Employee shall be in conflict whenever he/she has a personal or private interest in a particular business relationship or activity carried out, which may constitute an advantage for him/herself or for a third party related to him/her, in particular to whom he/she is linked by kinship, proximity or influence.

12.2. Employees may not pursue private objectives in competition with Navigator, and are also prevented from obtaining personal benefits, advantages or favours by virtue of the position held or duties performed.

12.3. Employees must immediately report to their superior any situation that may constitute a conflict of interest as soon as they become aware of it, particularly if, in the course of their duties, they are called upon to intervene in proceedings or decisions involving, directly or indirectly, organisations, entities or persons with whom they collaborate or have collaborated, or to whom they are linked by ties of kinship, proximity or influence. In addition to these, in any other cases where their impartiality may be questioned, they must make that communication, as detailed in the Policy for the Prevention of Corruption and Related Offences and in the Regulation on Conflicts of Interest and Related Party Transactions.

13. Shareholder relations and governance

13.1. Navigator's primary objective is to protect the interests of shareholders and investors, and to seek to create value for shareholders.

13.2. Navigator undertakes to respect the principle of equal treatment of shareholders, taking into account their proportions in the share capital of The Navigator Company, namely by ensuring that information is made available in a timely manner, in compliance with applicable legal duties.

13.3. Navigator discloses annually in its corporate governance report the governance practices applied and incorporates national and international best practices in this area.

14. Competition

The competition practices of Navigator shall comply strictly with applicable competition laws, in accordance with market rules and criteria, and with a view to promoting fair competition.

15. Intellectual and Industrial Property

Navigator and its Collaborators must respect Intellectual and Industrial Property of Suppliers, Clients and Stakeholders.

16. Relations with Clients, Suppliers, Services Providers and Third Parties

16.1. Navigator shall ensure that the terms and conditions for the sale of products to its Customers are clearly defined, and Group companies and their Employees shall ensure that they are complied with.

16.2. Navigator's Suppliers and service providers shall be selected on the basis of objective criteria, taking into account the conditions proposed, the guarantees actually given and the overall optimisation of benefits for Navigator.

16.3. Navigator's Suppliers and service providers shall comply with the provisions of The Navigator Company's Code of Conduct for Suppliers.

16.4. Navigator and its Employees shall at all times negotiate in compliance with the principles of good faith and the applicable legal obligations and best practices.

16.5. In order to ensure that Customers, Suppliers, Service Providers and other third parties pursue legitimate activities, whose sources of income are lawful and which do not represent a direct or indirect risk of criminal practices, the relations established with them must comply with the provisions of the applicable internal policies and procedures.

17. Relations with Political Parties and Movements

17.1. Navigator's and its Employees' relations with political movements or parties, where they exist, shall be conducted in compliance with the legal provisions and internal instruments in force.

17.2. If Navigator's Employees make contributions of the nature described in their personal capacity, they must take into account any conflict of interest with their professional responsibility and refrain from invoking their relationship with Navigator.

18. Social Responsibility and Sustainable Development

18.1. Navigator accepts its social responsibility to the communities in which it carries on its business activities, as a means of contributing to their advancement and well-being.

18.2. Navigator undertakes to adopt, comply with and promote a Policy on sustainability and environment protection.

19. Safety and Working Conditions

19.1. Navigator will never employ child or forced labour, nor will it ever collude with such practices, and it shall adopt the measures deemed appropriate to combat such situations, notably by public denunciation, whenever they come to its attention.

19.2. The health and safety of its Collaborators is a priority for Navigator, and accordingly all Collaborators shall seek to know and comply with the legislation in force and with internal rules and recommendations on such matters.

19.3. Employees must immediately report any accident or situation that may compromise hygiene, safety and health in the workplace, in accordance with the applicable rules, and the preventive measures that prove necessary or recommendable must be adopted.

20. Professional development and progression

20.1. Navigator provides appropriate training activities to its Collaborators and fosters their continued training, as a driver of their motivation and improved performance, recognizing the added value of their professional and personal development.

20.2. Navigator values and holds responsible Collaborators in the performance of their functions, taking into consideration their individual merit, allowing them to assume the level of independence and responsibilities associated with their skills and commitment.

20.3. The selection, hiring, remuneration and professional development policies adopted are guided by merit criteria and market reference practices.

20.4 Navigator shall ensure equality of opportunities and respect for gender equality in recruitment, hiring and professional development, attaching value only to professional aspects. To that effect, all Collaborators shall adopt the measures deemed appropriate to combat and prevent any form of discrimination or differentiated treatment based on, notably, ethnic or social origin, religious beliefs, nationality, gender, marital status, sexual orientation or physical disability.

21. Respect

In their relations with other Collaborators and Suppliers, counterparts, Clients and Stakeholders, all Collaborators shall proactively act in a correct, respectful, loyal and civil manner.

22. Non-discrimination and harassment

22.1. Collaborators may not act in a discriminatory manner in relation to other Collaborators or other persons, notably based on race, religion, gender, sexual orientation, origin, age, language, territory of origin, political or ideological convictions, economic situation, social and economic situation or type of contract, and must foster respect for human dignity as one of the basic principles of the culture and policy of Navigator.

22.2. Any practice which may correspond to a form of harassment, notably through personal offence, mobbing, moral or sexual harassment or bullying is strictly forbidden, under the terms of the Whistleblowing Regulation and the Code of Good Conduct on Preventing and Combating Harassment at Work.

23. Use of Assets

23.1. Collaborators shall make sensible and reasonable use of the working resources at their disposal, avoiding waste and undue use.

23.2. Collaborators shall care for the property of Navigator and not behave wilfully or negligently in any manner which might undermine its state of repair.

24. Personal Data Protection

24.1. Navigator understands the key role of privacy and protection of personal data of its Clients, Stakeholders, Suppliers, Collaborators or any other natural persons or collaborators of any other entities. Accordingly, Navigator and its Collaborators undertake to use such information in a responsible manner, in strict compliance with laws and regulations governing the protection of personal data.

24.2 Collaborators must not collect personal data, create lists of personal data or process or transfer personal data without prior consultation and authorisation from the area which is responsible for data protection.

25. External Communication – Media and Advertising

Information provided by Navigator and its Collaborators to the media, including for advertising purposes, shall:

(a) Be released exclusively by management and departments authorised for that purpose and to act as representative or spokesman of Navigator;

(b) Comply with the principles of legality, accuracy, opportunity, objectivity, truthfulness and clarity;

(c) Protect the secrecy and confidentiality of the information, in order to protect the interests of Navigator;

(d) Respect cultural and ethical parameters of the community and human dignity;

(e) Contribute to an image of consistency, creation of value and dignity of Navigator, promoting its good name in society.

26. Communicating in social networks and media

Collaborators are fully aware that the new forms of communication, which are continually evolving, may have a strong impact on Navigator and its Collaborators and that the dissemination and distribution of information through those channels may easily represent loss of control over those contents.

Accordingly, Collaborators undertake as their commitment that, when using social networks and means of communication (both traditional and recent), they:

Shall act in an ethically responsible way, contributing to the creation of value and dignity of The Navigator Group and to reinforce its image in society;

Shall respect, comply with and reflect the principles, values and rules of conduct established in this Code of Ethics and Conduct;

Shall not post or otherwise disclose confidential or internal information of Navigator;

Shall not communicate, identifying themselves as Collaborators of Navigator, without authorization for that purpose.

IV. Supervision, Default and Communication

27. Non-compliance

Failure to comply with the rules of conduct established in this Code of Ethics and Conduct shall constitute serious misconduct, subject to disciplinary proceedings, in addition to any possible civil, administrative or criminal liability, in accordance with applicable laws and regulations.

28. Reporting

28.1. Collaborators should report the occurrence of any conduct which is not compatible with the rules set out in this Code of Ethics and Conduct, of which they are aware or justifiably suspicious, in a timely and efficient way, through the proper channels, in accordance with the internal rules of the Whistleblowing Regulation and the Code of Good Conduct for Preventing and Combating Harassment at Work.

28.2. Navigator guarantees the confidentiality of information conveyed in reports, in accordance with the internal rules of the Whistleblowing Regulation.

28.3. Navigator shall not retaliate, in any way, against a person who reports any non- compliance with the Code of Ethics and Conduct or another irregularity, shall ensure a fair treatment of the persons addressed therein and will not allow the resulting detrimental treatment where a Collaborator has acted in good faith, thoughtfully and diligently.

28.4 In accordance with the general terms of the law, misuse or abuse of the arrangements for reporting irregularities may render the author of a report liable to disciplinary measures and/or legal proceedings.

29. Criteria for action, doubts and questions

Employees must act in accordance with this Code of Ethics and Conduct and with good judgment, assessing the alignment of their conduct with the company's risk culture and policy, including from the point of view of reputational risk, and its appropriateness in the event of public disclosure.

Employees may submit doubts and questions regarding the interpretation or application of the Code of Ethics and Conduct to the Compliance Area, through the following email address compliance@thenavigatorcompany.com.

30. Reporting of Irregularities

Any non-compliance with the provisions of this Code must be reported in accordance with The Navigator Company's Whistleblowing Regulations.

31. Annual Report

31.1. The Ethics Committee shall draw up an annual report on compliance with the rules established in this Code of Ethics and Conduct, detailing all irregularities of which it is aware, and setting out the conclusions and follow-up proposals adopted in the different cases which it examined.

31.2. For the purposes of the preceding paragraph, the Risk Management and Compliance Area shall report to the Ethics Committee all relevant facts which come to their attention.

Communication

32. Communication of the Code of Ethics and Conduct

32.1. The Navigator Company's Code of Ethics and Conduct shall be disclosed on Navigator's digital internet platform and together with the annual financial statements, so that it may be known to Shareholders, Customers, Suppliers, Stakeholders, Investors and other entities with whom the Navigator relates.

32.2. Navigator shall make the Code of Ethics and Conduct available to all Collaborators and will promote its dissemination, widespread awareness and mandatory practice.

Lisbon, July 21, 2023

The Board of Directors,

Acknowledgments

We would like to express our special thanks to all the employees who contributed information for the preparation of this report, which is the result of a joint and shared effort by many people.

Opinion and contacts

We value your opinion.
For any clarification, please contact:

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