Towards Climate Neutrality. Emissions and progress towards Science Based Target Objectives. Year 2024

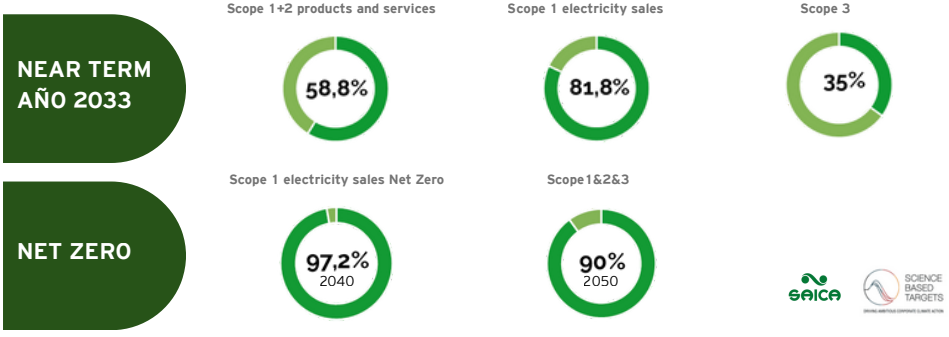
Our commitment to climate change

One of the biggest challenges facing the industry today is to decarbonise its processes. The paper industry is a sector with high thermal and electrical energy consumption which, despite investments in the most efficient technologies, continues to have a major impact on greenhouse gas emissions.

One of the priorities of the Saica Group's Strategic Plan, 'Saica 2025', is to "orient the business towards sustainable solutions that contribute to protecting the environment and combating climate change".

Our targets, which cover GHG (greenhouse gas) emissions from our operations and supply chain (scopes 1, 2 and 3), are consistent with the reduction needed to keep global warming below 1.5 °C and were approved by the Science Based Targets initiative (SBTi) in December 2024.

Based on our GHG emissions in 2022 (base year), SBTi has approved reduction targets for the next 10 years - short-term or "Near Term" targets - and long-term or "Net Zero" targets, which, depending on the activity, have been set for 2040 and 2050.

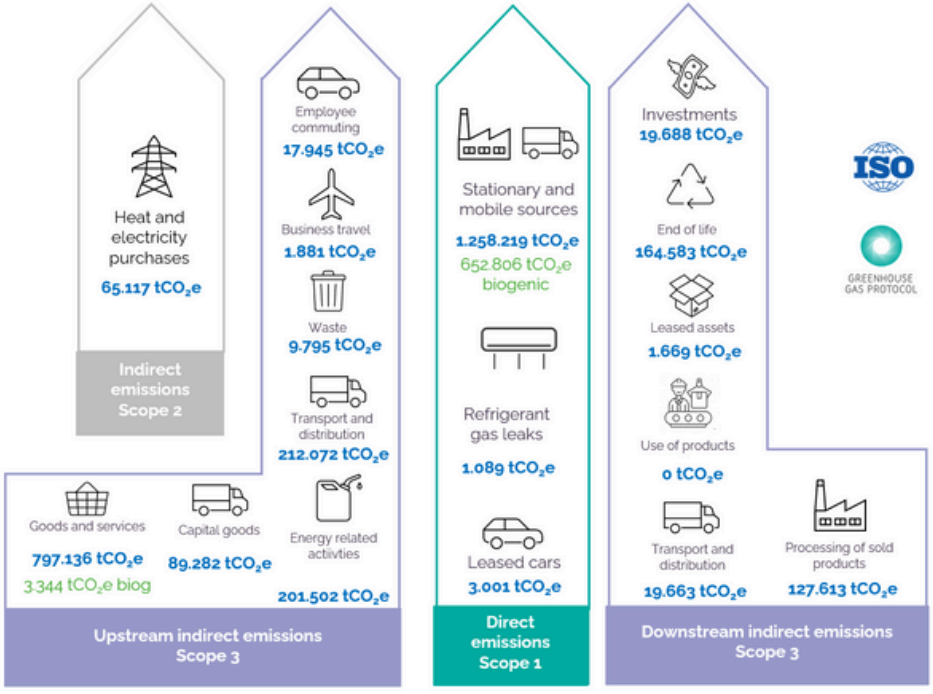


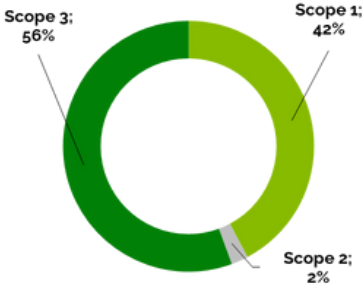
In 2021, Saica set up a Decarbonisation Working Group, whose main objective is to find technological solutions that improve process efficiency and meet the energy needs of the Group's sites, thereby achieving decarbonisation targets.

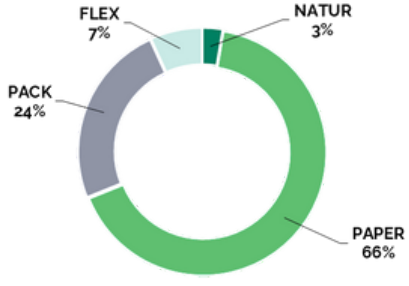
In recent years, Saica has developed energy efficiency improvement projects, promoted the use of renewable energy sources and initiated a dialogue with its main suppliers (goods and services, and transport) on decarbonisation.

Performance

Saica Group GHG inventory







The Saica Group's total emissions in 2024 were 2,990,254 tCO2e fossil and 656,150 tCO2e biogenic. Fossil CO_2e emissions from Scopes 1, 2 and 3 have been reduced by 2.5% compared to last year and by 5.3% compared to our 2022 base year, representing a decrease of more than 160,000 tonnes of CO_2e.

The Saica Group's annual greenhouse gas inventory is prepared in accordance with the structure, methodology and requirements set out in ISO 14064-1:2018. In addition to the aforementioned standard, the concepts and recommendations contained in the Corporate Accounting and Reporting Standard: GHG Protocol have been taken into account. The inventory is verified by LRQA in accordance with ISO14064-3:2018.

Organisational boundary: An operational control approach has been adopted for calculating the carbon footprint of the Saica Group.

Objetivos Near-Term

At the end of 2024, there was a 7% reduction in CO_2e emissions (scope 1+2) compared to the base year 2022, despite an increase in production in almost all areas.

This reduction was related to improvements in the efficiency of thermal energy use in manufacturing processes, thermal energy generation projects using renewable sources at the Paper Champblain and Paper Venizel plants in France, new photovoltaic generation facilities at Saica Pack and Natur, and the purchase of renewable energy certificates.

The Group's renewable energy consumption reached 26% in 2024, compared to 18% in the base year 2022.

In 2024, only the electricity sold from the Paper Venizel plant achieved the emission factor associated with the Near Term 2033 target.

Scope 3 emissions remained at the same level as the base year.

Next steps

The decarbonisation project in Nogent-sur-Seine (France) is scheduled for completion in 2025. With an investment of €56.5 million and the collaboration of ADEME (French Agency for Ecological Transition), the Department of L'Aube and the City Council of Nogent-sur-Seine, the new biomass boiler results in an estimated annual reduction in CO_2e emissions of 47,000 tonnes.

When this project is completed, the three paper mills in France will have biomass boilers that run on external biomass waste and internal waste as their main fuels, having replaced natural gas (fossil fuel) as the main fuel.

At the end of 2024, Grupo Saica approved a decarbonization project for the El Burgo de Ebro (Zaragoza, Spain) facility, which involves shutting down two 50 MWe cogeneration plants and installing a biomass boiler, which in this case is expected to operate using forest and agricultural biomass, known as the CeBio Project.

The commissioning of this facility will represent a new energy scenario at the plant, significantly reducing the use of natural gas (currently the main fuel used in existing cogeneration plants).

The project has received funding from the 1st PERTE (Strategic Projects for Economic Recovery and Transformation) decarbonisation programme, awarded by the Spanish Government's Ministry for Ecological Transition and Demographic Challenge.

In the Pack area, a work plan has been designed with the main objective of improving steam efficiency in the corrugator. An investment plan was approved to implement the necessary changes and improvements in the factories to optimise steam use, reducing the use of fossil fuels (mainly natural gas) used for its generation. Thanks to the €8.7 million investment, the ratio of natural gas consumption per square metre produced has been reduced by 9% in 2024 compared to 2022.

On the other hand, in 2024, 325,929 MWh of renewable electricity was consumed across all business areas (Paper, Pack, Natur and Flex), resulting in a reduction in Scope 2 emissions of more than 63,000 tonnes of CO_2e.

Following the acquisition of four new plants in Poland, work is underway to integrate their emissions into the Group's annual inventory. Given that the increase in emissions is expected to exceed 5% of the Group's total, it is necessary to recalculate the base year 2022 and request a review of the targets from the Science Based Target initiative.

With the aim of understanding the decarbonisation plans and objectives of the suppliers with the greatest impact on Scope 3 emissions (logistics, starch, inks, paper supplied by third parties and film), working groups were set up with the supply chain and purchasing departments. In 2025, work will continue on both consolidating the information received and defining strategies to advance the decarbonisation of the goods and services supplied to the Group.

Saica Paper Venizel biomass boiler