



Sustainability Master Plan 2024-2028

2. Sustainability Master Plan 2024-2028

The SMP 2024-2028 proposal consists of **4 strategic pillars and a cross-cutting axis**. Each pillar, contains different lines that aim to improve Ence's performance, management and positioning in terms of sustainability.



Eco-Efficient Operation

This strategic pillar includes lines that **pursue the operational excellence of our industrial and forestry activities** in environmental and safety terms.



Bioproducts and ecosystem services

This strategic pillar includes lines aimed at **diversifying and boosting Ence's portfolio of value-added products and services**.



Responsible Supply Chain

This strategic pillar includes lines that seek to **improve the management** of the main ESG aspects **throughout the supply chain**.



Positive social impact

This strategic pillar brings together those lines aimed at **leaving a positive social footprint both internally (Ence staff) and in the local communities** where we operate.



System governance

Este eje This cross-cutting axis includes the **governance of the system** and the strengthening of the **ethics and compliance function**

2. Sustainability Master Plan 2024-2028



Eco-Efficient Operation

1. Strengthen **Health & Safety** programs to reduce impacts on people
2. Maintain the **social license to operate (Odour, Noise & Dust – OND)**
3. Securing **water supply** and **reducing** water consumption
4. Reduce **CO₂ emissions**
5. Managing **climate risks and opportunities**
6. Developing a **Biodiversity Strategy** in Ence's forest assets



Bioproducts and ecosystem services

1. Increase market penetration of the **Ence Advanced product portfolio**
2. Kick-start the production of **molded pulp**
3. Kick-start the production of **recovered pulp**
4. Boosting the **circular economy** by developing **secondary raw materials**
5. Develop **ecosystem services and CO₂ sequestration** in Ence's forest assets and forests of third parties
6. Develop **improved plant material**
7. Implement **pipeline biomethane plants**
8. Develop **renewable industrial heat pipeline**
9. Define and process permits for biogenic **CO₂ capture**



Responsible Supply Chain

1. Ensuring **the sustainability of wood** through FSC/PEFC certification
2. Establish a **Due Diligence process in the value chain**



Positive social impact

1. Promote **equality, development and retention of talent**
2. Boosting **professional development** in local communities
3. Develop an Ence Impact **Social Investment Plan**
4. Develop and implement a **Stakeholder Relationship Model**



System governance

- A. Climate Change Policy
- B. Biodiversity protection policy
- C. Environmental Policy

Cross-cutting objectives:

Strengthen **governance in every business area**
Strengthen the **ethics and compliance function**

- A. Stakeholder Relations Policy

2.1 Eco-efficient operation



Eco-Efficient Operation

1. Strengthen Health & Safety programs to reduce impacts on people	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line aims to obtain the best performance results, deploying a corporate culture of excellence in Health & Safety that reaches all levels of the organization.	<u>Frequency Index</u>	-	2,48 (2024-2028)	9,44 (2024-2028)	2,97 (2024-2028)	-	-
	<u>Severity Index</u>	-	0,142 (2024-2028)	0,489 (2024-2028)	0,07 (2024-2028)	-	-
2. Maintain Social License to Operate (Odour, Noise & Dust - OND)	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
To maintain a good reputation in the communities where we operate, Ence must set annual quantitative targets to achieve a minimum impact of odour, noise and dust emissions .	<u>Noise level reduction</u>	-	Values depending on each installation	-	Values depending on each installation	-	-
	Minutes of <u>Odour</u> reduction	-	<60 min/year (2024-2028)	-	-	-	-
	<u>Dust</u> Reduction	-	-	-	Values depending on each installation	-	-
	<u>Number of complaints</u>	-	6/year (2028)	-	2/year (2028)	-	-

2.1 Eco-efficient operation



Eco-Efficient Operation

3. Secure water supply and reduce water consumption	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>This line will reduce the demand for water from surface sources, reducing the environmental impact on aquatic systems and offering greater stability and operational safety.</p>	Monitoring of measures for <u>access to water availability</u>	-	-	-	-	-	-
	Navia: Improvement of capacity for collection and storage, treatment and recirculation of discharge	-	Qualitative: degree of progress	-	-	-	-
	Pontevedra: treatment and recirculation of discharge	-	Qualitative: degree of progress	-	-	-	-
	Pontevedra: recirculation of municipal sewage treatment plant	-	Qualitative: degree of progress	-	-	-	-
	<u>Specific Water Consumption Reduction Targets</u>	-	24 m ³ /tAD (2028)	-	Update of the water risk map and action plan per plant (2024). HU: -8% LL: -2% PU: -4% ME: -6% m ³ production/MWh (2028)		0 m ³ /GWh

2.1 Eco-efficient operation



Eco-Efficient Operation

4. Reduce CO ₂ emissions	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line will define the decarbonisation strategy in Ence's direct and indirect operations, reinforcing the ambition and commitment to the energy transition .	Development of a <u>Decarbonization Plan</u> that includes specific emission reduction measures and reduction targets	Decarbonization Plan (2024) + Reduction target	Decarbonization Plan (2024) + Reduction target	-	Decarbonization Plan (2024) + Reduction target	-	-

5. Manage climate risks and opportunities	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line will make it possible to identify and evaluate the climate risks and opportunities to which Ence is exposed and to define mitigation measures that allow us to adapt to climate change .	Update the Climate Risk and Opportunity Analysis and, where appropriate, include new risk analysis models	Climate Risk and Opportunity Analysis updated 2024-2028	-	-	-	-	-

2.1 Eco-efficient operation





Eco-Efficient Operation

6. Develop a Biodiversity Strategy	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>This line will define the roadmap to achieve a positive impact on nature in the long term. The definition of specific and measurable targets will support ambition and commitment to the conservation and enhancement of biodiversity.</p>	<p><u>Preparation of a Strategic Biodiversity Plan</u></p>	-	-	Developed plan and KPIs (2024)	-	-	-
	<p><u>Analysis and potential adoption of TNFD recommendations (Taskforce on Nature-related Financial Disclosures)</u></p>	Qualitative (2025)	-	Qualitative (2025)	-	-	-

2.1 Eco-efficient operation



Eco-Efficient Operation

 System governance		 Eco-efficient operation		Objectives						
				Measurement	Group	Cellulose	Forest	Ence Renovables		
								Magnon	Ence CO ₂	Biogas
		<u>Elaboration of Corporate Environmental Policy</u>	Policy Approved (2024)	-	-	-	-	-		
		<u>Elaboration of Biodiversity Protection Policy</u>	Policy Approved (2024)							
		<u>Climate Change Policy Development</u>	Policy Approved (2024)	-	-	-	-	-		

2.3 Bioproducts and ecosystem services



Bioproducts and ecosystem services

1. Increase the Ence Advanced product portfolio	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>This line will allow Ence to differentiate itself from the competition and increase its competitive advantage, as well as attract specific customer segments that are looking for distinctive value-added features in its products.</p>	<u>Increase market penetration of specialty products</u>	-	Reach 160 product approvals by 2028	-	-	-	-
	<u>Increased sales of specialty products and Fluff</u>	-	>50% by 2028	-	-	-	-

2. Kick-start molded pulp production	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>This line will expand the portfolio of solutions that Ence provides to replace plastic products</p>	<u>Implementation of actions for the production of molded pulp</u>	-	Qualitative (degree of progress)	-	-	-	-

2.3 Bioproducts and ecosystem services



Bioproducts and ecosystem services

3. Kick-start the production of recovered pulp	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line will expand Ence's portfolio of sustainable and circular products (As Pontes project)	<u>Implementation of actions for the production of recovered pulp</u>	-	Qualitative (degree of progress)	-	-	-	1010

4. Boosting the circular economy with the development of secondary raw materials	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
The development of new secondary raw materials derived from our production process will allow us to increase the range of products, diversify our customer portfolio and reinforce Ence's circular economy model.	Number of R+D projects for <u>the research and development</u> of new secondary raw materials	-	3 projects (2028)	-	2 projects (2028)	-	-
	<u>Increased sales of new secondary raw materials</u>	-	4,000 t (industrial waste and lignin)	-	-	-	-
	% of waste recovered + by-products for which we receive economic remuneration / total waste produced				Increase by 2% vs 2022, to reach 8%		

2.3 Bioproducts and ecosystem services



Bioproducts and ecosystem services

5. Develop ecosystem services	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>This line will make it possible to value all of Ence's natural capital by making available to the market new products linked to the management of the ecosystem services of Ence's forest assets and those of third parties.</p>	Promote the creation of <u>forest sinks</u> and increase the number of <u>voluntary absorption credits in third-party forest assets</u>	-	-	-	-	6000 ha recorded as forest sinks (2028)	-
	Promote and increase sales of <u>voluntary carbon credits</u>	-	-	-	-	150k t CO ₂ eq (2028)	-
	<u>Development of other ecosystem services</u> beyond carbon credits	-	-	-	-	Business Plan for New Ecosystem Services (2024-2025)	-

2.3 Bioproducts and ecosystem services



Bioproducts and ecosystem services

6. Develop Improved Plant Material	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
With this line, Ence will provide improved plant material adapted to climate change to be implanted in its forestry assets and sold to third parties	<u>Development and promotion of new plant material adapted to climate change</u>	-	-	6 new clones in commercial production (2028)	-	-	-

7. Implement pipeline biomethane plants	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
With this line, Ence will provide a renewable fuel that will promote the decarbonisation of sectors that are difficult to electrify, such as transport or industry	<u>Implementation of biomethane plant pipeline</u>	-	-	-	-	-	1 TWh (2028)

2.3 Bioproducts and ecosystem services



Bioproducts and ecosystem services

8. Develop renewable industrial heat pipeline	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
With this line, Ence will provide a renewable energy source that will promote the decarbonisation of sectors that are difficult to electrify, such as transport or industry	<u>Implementation of renewable industrial heat pipeline</u>	-	-	-	Installed generation by 2028: 600GWh	-	-

9. Define and process permits for biogenic CO ₂ capture	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line will allow Ence to make use of the biogenic CO ₂ emitted in its plants for subsequent use (e.g. In the manufacture of biofuels)	<u>Definition and processing of permits for the capture of biogenic CO₂</u>	-	-	-	Start project in 2028 to reach 1467 ktm capture by 2030	-	-

2.4 Responsible Supply Chain



1. Ensure the sustainability of wood through certification	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
A high level of supplier certification ensures that sustainability is fostered throughout the value chain.	<u>Increase</u> the percentage of FSC/PEFC certified wood	-	≥75% certified wood (2024-2028)	-	-	-	-
	<u>Increasing the area of FSC/PEFC certified forestry assets</u>	-	-	100% certifiable area (2028)	-	-	-

2.4 Responsible Supply Chain



Responsible Supply Chain

2. Establish a Due Diligence process in the value chain	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
<p>Establishing a sustainability due diligence process aligned with the proposal of the European Directive will allow Ence to develop responsible business behaviour thanks to the identification and design of measures to prevent and mitigate the negative effects of activities on the environment and human rights in the value chain.</p>	<u>Implement the Due Diligence Procedure in line with the Sustainability Due Diligence Policy across all supplier groups</u>	>90% of purchase volume analyzed (2028)	>90% of purchase volume analyzed (2028)	>90% of purchase volume analyzed (2028)	>90% of purchase volume analyzed (2028)	>90% of purchase volume analyzed (2028)	>90% of purchase volume analyzed (2028)
	Implement the environmental and human rights <u>customer evaluation system</u>	-	> 90% of customers (2028)	-	> 90% of customers (2028)	-	-
	<u>% of purchase volume from audited risk suppliers</u>	> 90% (2028)	> 90% (2028)	> 90% (2028)	> 90% (2028)	> 90% (2028)	> 90% (2028)
	Supplier Sustainability Assessment	Methodology developed (2025)					

2.5 Positive Social Impact



Positive social Impact

1. Promote equality, development and retention	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This line will allow us to continue making progress in Ence's commitment to equality, development and retention.	Increase the <u>percentage of women</u> in the workforce	32% (2028)	-	-	-	-	-
	<u>Increase the percentage of women managers (directors and managers)</u>	32% by 2028	-	-	-	-	-
	Bridging the <u>pay gap</u>	Qualitative (2024-2025) Gap <2% (2024-2028)	-	-	-	-	-
	<u>Promote internal promotion (number of vacancies filled by internal promotions / number of new recruits)*</u>	30% per annum (2024-2028)	-	-	-	-	-
	<u>Turnover rate in key positions (number of voluntary departures of Key Persons / total number of Key Persons)</u>	<2%	-	-	-	-	-

(*): except for temporary staff to cover vacations and sick leave, and coverage of positions that are carried out through the Succession Plan

2.5 Positive Social Impact



Positive social Impact

2. Boost professional development in local communities	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO2	Biogas
Professional development brings significant value to local communities by providing skills and knowledge that enhance employability .	Continue with the <u>training of drivers for forest harvesting</u>	-	-	>30 beneficiaries/year (2024-2028)	-	-	-
	Advice to owners through the <u>Management Improvement Team</u>	-	-	>350 owners/year (2024-2028)	-	-	-
	% of people from local communities hired/total contracts	35%(*)	-	-	-	-	-
	<u>Talent Program</u>	Incorporation of >4 interns per year (2024-2028)					

(*) People from local communities: of origin or resident at the time of hiring in the Autonomous Community where the workplace is located

2.5 Positive Social Impact



Positive social Impact

3. Develop an impact Social Investment Plan for Ence	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
The objective of this line is to define the target areas, measure, evaluate and communicate the contribution of Ence to the local community.	Update of <u>Socioeconomic Impact Reports</u>	-	Updated Reports (2024)	-	Impact measurement plan (2024)	-	-

4. Develop and implement a Stakeholder Relationship Model	Measurement	Objectives					
		Corporate	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This model will make it possible to systematize the relationship with stakeholders, understand their expectations and integrate this knowledge into the company's strategy.	Review the collaboration agreements with the city councils and the Social Plan (SP) of Pontevedra to align them with the policy of relations with stakeholders.	Revised Pontevedra Agreements and SP (2024-2028)	-	-	-	-	-
	Develop social impact KPIs (SROI, etc.)	Developed KPIs (2024-2028)	-	-	-	-	-

2.5 Positive Social Impact



Positive social Impact

System Governance	Positive Social Impact	Measurement	Objetives					
			Group	Cellulose	Forest	Ence Renovables		
						Magnon	Ence CO ²	Biogas
		Elaboration of <u>Stakeholder Relations Policy</u>	Policy Approved (2024)	-	-	-	-	-

2.6 System Governance



System Governance

1. Strengthen the ethics and compliance function	Measurement	Objectives					
		Group	Cellulose	Forest	Ence Renovables		
					Magnon	Ence CO ₂	Biogas
This measure will increase the degree of control, reduce risk levels and promote awareness of compliance processes.	<u>Acceptance of the Code of Conduct</u> by Ence employees	100% of employees with acceptance of the code of conduct (2024-2028)	-	-	-	-	-
	Ethics & Compliance Training	≥90% of employees trained in ethics and compliance (2024-2028)	-	-	-	-	-
	Implementation of ISO 37001 certification of Anti-Bribery Management System	ISO 37001 certified (2025)	-	-	-	-	-

Thank you

