

# THE IBERPAPEL GROUP'S

# CLIMATE CHANGE POLICY

**2023-2027**

## INTRODUCTION:

The Board of Directors of IBERPAPEL GESTIÓN, S.A. (Iberpapel or the Company) is responsible for determining general business policies and strategies, and corporate governance policies. The Company has made a pledge to the environment, in general, and to the fight against climate change, in particular.

Climate change is one of the most important challenges that must be faced by humanity in the XXI century. The use of fossil fuels has caused a considerable increase in greenhouse gases that have accelerated global warming.

By means of the Paris Agreement, the international community has agreed to limit the average temperature rise to 1.5°C above the temperature during the pre-industrial era. The Intergovernmental Panel on Climate Change (IPCC) has stated that human influence has caused rapid and widespread temperature changes in the atmosphere, oceans, cryosphere and biosphere. This can already be observed today in the form of longer heat waves and warm seasons, and shorter cold seasons, combined with increased flooding in coastal and river areas and more extreme weather events.

European and national regulations include ambitious targets and regulatory frameworks to achieve climate neutrality by 2050.

The European Union has announced the “Fit for 55” package to cut greenhouse gas emissions by at least 55% by 2030 (compared to 1990 levels). Spain's Climate Change and Energy Transition Law commits to zero net emissions, i.e. Spain must achieve climate neutrality by 2050, when its electricity system must be based solely on renewable energy sources.

We are now working together to build a low-carbon economy that uses resources efficiently while being socially respectful in terms of both consumption patterns and related benefits. It must be based on the use and circularity of renewable energy and raw material sources, on cooperation in the efficient use of resources and on solidarity.

Iberpapel and its Group companies recognise the gravity of the threat posed by climate change, which must necessarily be confronted in a joint and coordinated way by governments, multilateral bodies, the private sector and society as a whole.

Iberpapel supplies society with products made from renewable materials that require less fossil energy during their life cycle than those of most other industries, are highly recyclable and also store carbon.

The timber used as our raw material is sourced from plantations that are continuously regenerated and replanted, besides meeting custody chain system requirements. Our plant is energy-intensive, but a large portion of this energy is obtained from renewable sources such as biomass, which do not add CO<sub>2</sub> to the atmosphere. We use this energy in a highly efficient way by means of cogeneration to produce both thermal energy and power.

This climate change policy is designed to coordinate and disseminate the Group's climate change pledge.

## **ACTION AREAS:**

Iberpapel and the other Group companies will be active in the following areas in order to implement our climate change commitment:

- ❖ We will calculate our carbon footprint annually and ensure that greenhouse gas (GHG) emissions are accurately, consistently and transparently monitored.
- ❖ The Group pledges to gradually bring down GHG emissions so as to contribute towards the 2050 global climate neutrality goal. This will be achieved by setting future reduction targets.
- ❖ We also commit to the voluntary offsetting of GHG emissions as a transitional tool for climate neutrality.
- ❖ We will continue to develop CO<sub>2</sub> sinks in our forest plantations. These emission reduction mechanisms will be audited independently.
- ❖ We will support the use of timber, a renewable raw material having less of an impact on climate change, as compared with other less sustainable raw materials.
- ❖ We will promote sustainable management of our forest resources and the third-party resources that we access in the market.
- ❖ We will promote the preservation of biodiversity and the responsible use of natural heritage. Iberpapel is aware that biodiversity is in itself an essential business resource and we believe that biodiversity valorisation, protection and repair are necessary conditions to do business.
- ❖ We will promote renewable energies in the production process, or fossil fuels having less of an impact on climate change, such as natural gas. Bioenergy will be prioritised.
- ❖ We will apply highly efficient cogeneration as the most effective means to generate heat and electricity. We will also work steadfastly to drive energy saving and improve energy consumption and efficiency by means of R&D&i projects.
- ❖ We will stimulate research and development for innovation in products related to the bioeconomy. These products will in the future replace others currently made using fossil fuels.
- ❖ We will foster the circular economy as the most efficient way to use resources. We will promote the use of process waste as a substitute for raw materials in our production process or in other industries.
- ❖ Iberpapel recognises that water is a limited resource and manages consumption taking account of future availability, resource protection, potential pollution and the balance of ecosystems from which it is extracted and into which it is discharged.
- ❖ We will actively encourage a culture that promotes the efficient and responsible use of energy and behaviours that favour this approach, involving the Company's stakeholders in the process.
- ❖ Iberpapel pledges to assess how climate change risks will impact our business by analysing physical and transition risks, as well as risk mitigation opportunities.
- ❖ The Group will cooperate with other private sector companies, public entities, community organisations and other stakeholders to combat climate change.
- ❖ We will raise awareness and educate our employees and other stakeholders by encouraging cooperation to mitigate climate change.
- ❖ Iberpapel will comply with prevailing climate change legislation in all the territories where we have operations.
- ❖ Climate change might influence Iberpapel's business model and is therefore an important item on the Board of Directors' agenda.

**Board of Directors**

**IBERPAPEL GROUP**

**19/12/2022**