



making  
our world  
**renewable**

S U S T A I N A B I L I T Y  
R E P O R T





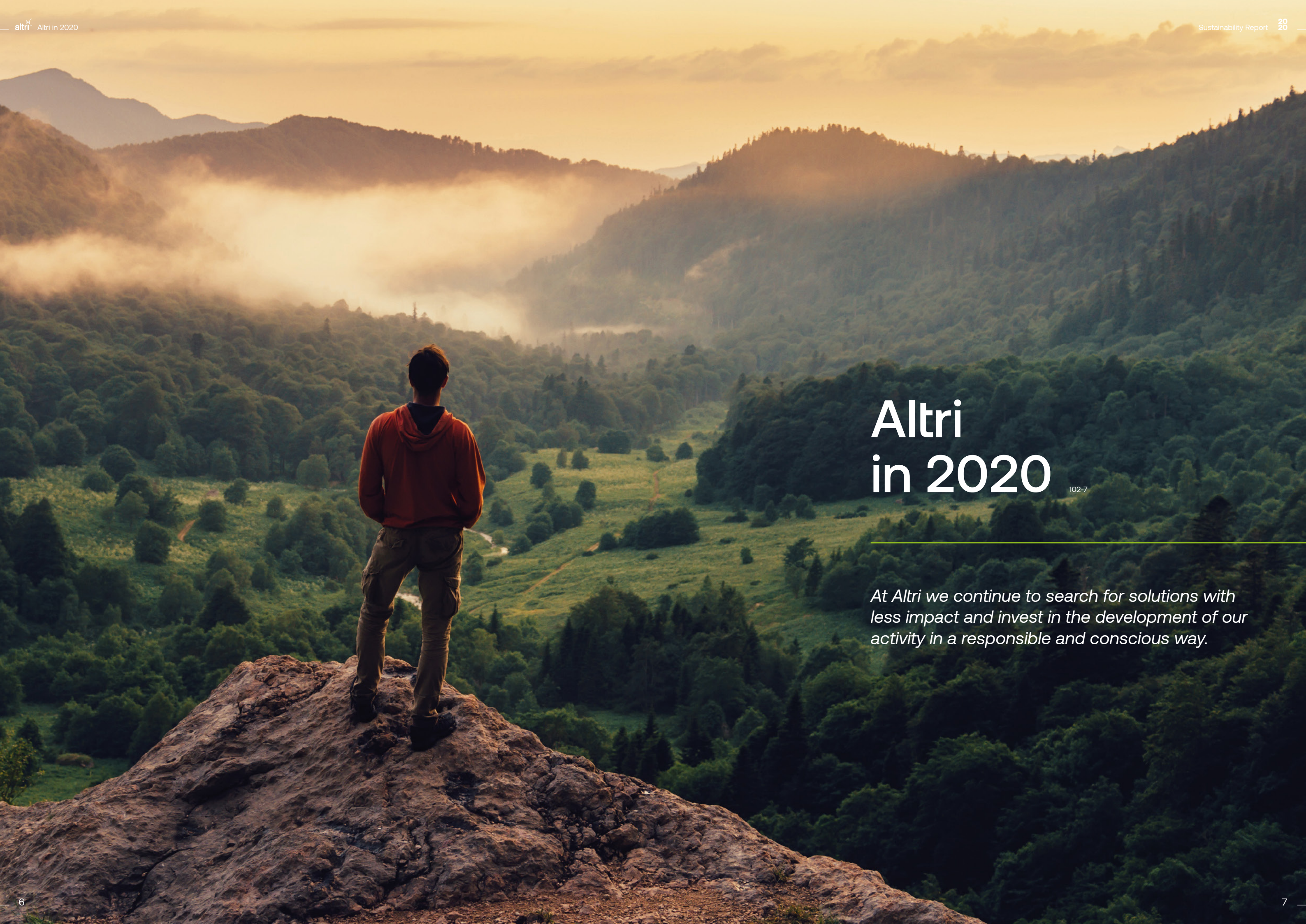
Making our world  
**renewable** is our purpose



# Table of Contents

<b>Altri in 2020</b>	<b>7</b>	<b>How We Create Value</b>	<b>83</b>
<b>Statement from the Chairman of the Board</b>	<b>11</b>	In the Management of our Natural Capital	86
<b>Statement from the Chairman of the Executive Committee</b>	<b>15</b>	On Our Product's Delivery	100
<b>Materiality Matrix</b>	<b>21</b>	In The Sustainability of Our Product	102
<b>About Us</b>	<b>25</b>	<b>Economic Agenda</b>	<b>113</b>
Main Events	26	Our Suppliers	114
Our Business	32	Our Clients	118
Product and Market	38	Altri's Tax Strategy	120
Mission, Vision And Values	46	<b>Environmental Agenda</b>	<b>123</b>
Governance, Ethics And Group Policies	48	Circular Economy	126
Risk Management	54	Environmental Management	130
Certifications	56	Tackling Climate Change	148
<b>Our Strategy</b>	<b>59</b>	Green Bonds	156
Strategic Vision of the Altri Group	60	<b>Social Agenda</b>	<b>159</b>
2030 Commitment	62	Our Response to Covid-19	162
Stakeholders Engagement	66	Our People	164
Continuous Improvement Culture	68	Our Community	181
Products and Processes Innovation	70	<b>About this Report</b>	<b>193</b>
Memberships and Subscribed Commitments	80	<b>Annexes</b>	<b>197</b>
		GRI Table For The 'According' Option - Essential	198
		Compliance Table Regarding Requirements From Decree-Law No. 89/2017	228
		Green Bonds Report	232
		Verification Letter	244
		Methodological Notes - Carbon Footprint 2020	248





# Altri in 2020

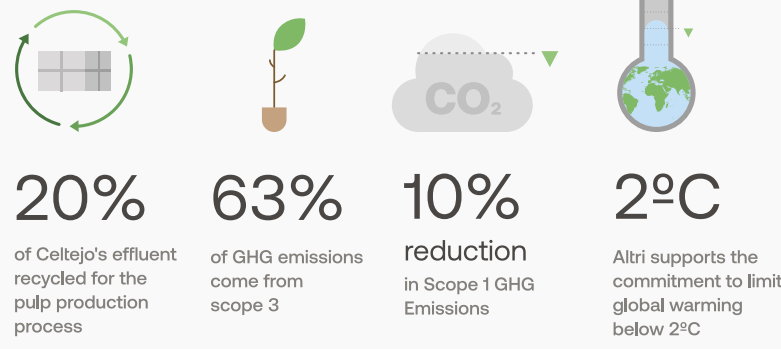
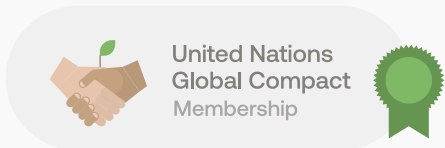
102-7

*At Altri we continue to search for solutions with less impact and invest in the development of our activity in a responsible and conscious way.*

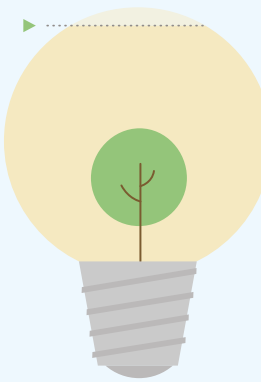


# CDP Climate Change 2020

Distinguished with level B performance



# Leader in Leader in the forest-based renewable energy sector



91% Around 91% of the energy sources for the manufacturing process are non-fossil

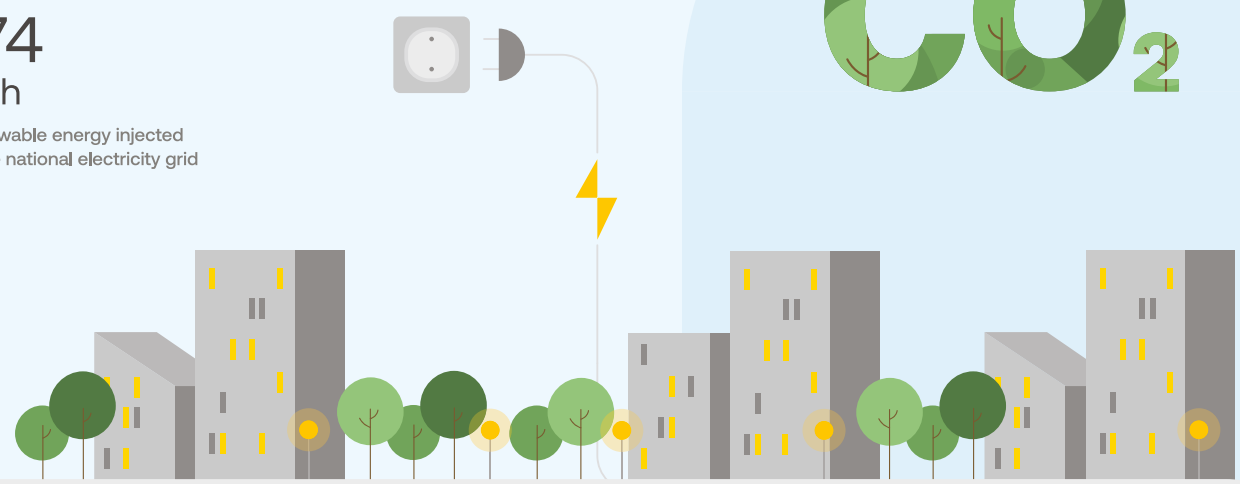
174 thousand tonnes

of avoided CO2 emissions (location-based)

974 GWh

of renewable energy injected into the national electricity grid

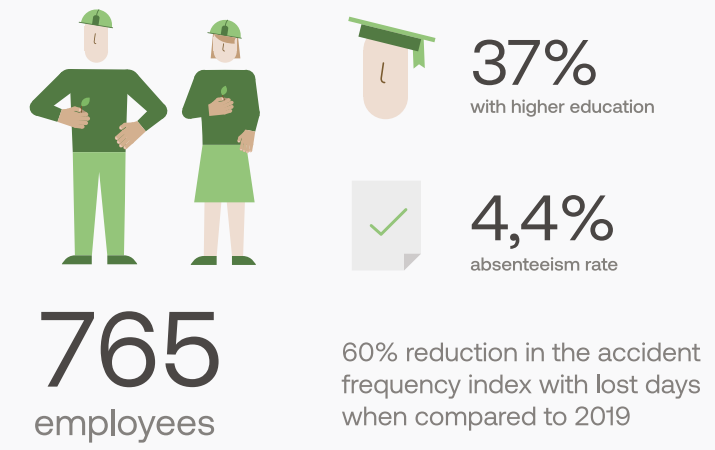
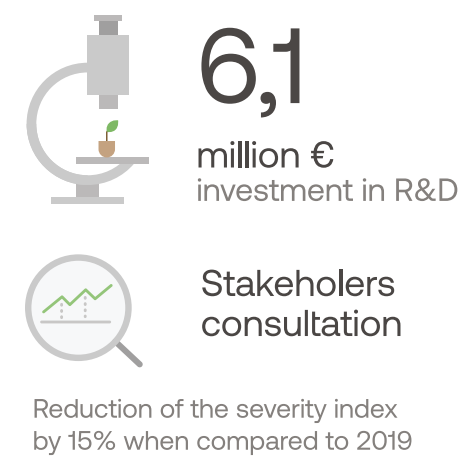
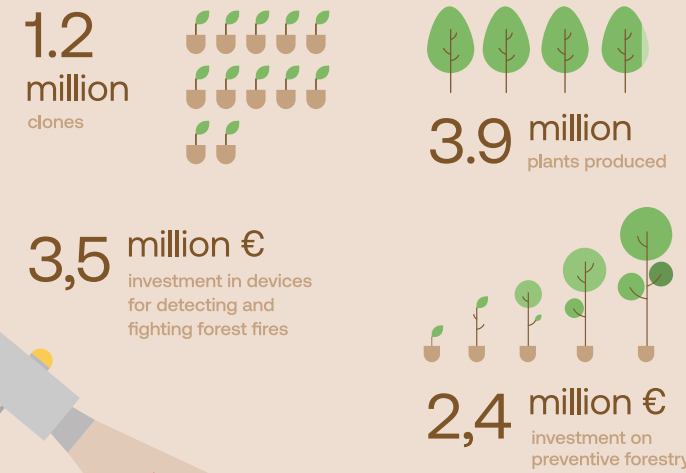
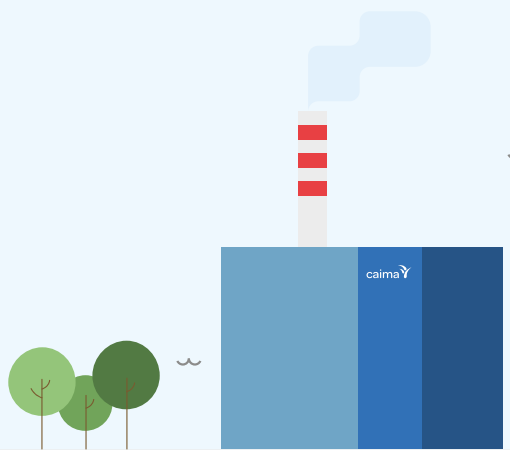
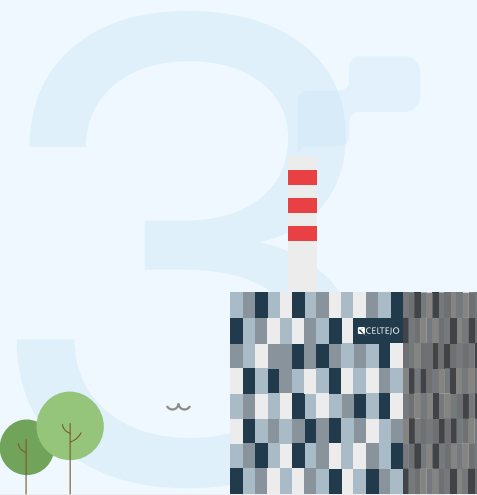
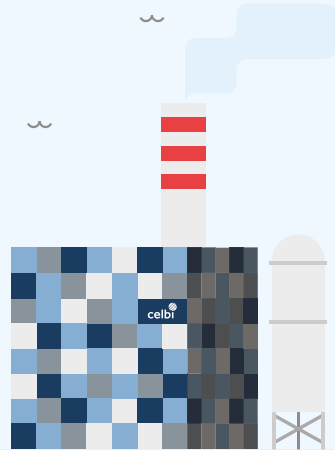
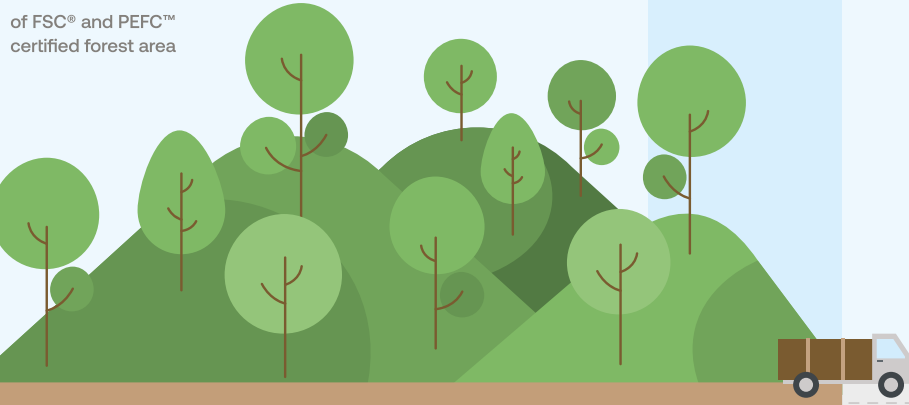
CO<sub>2</sub>



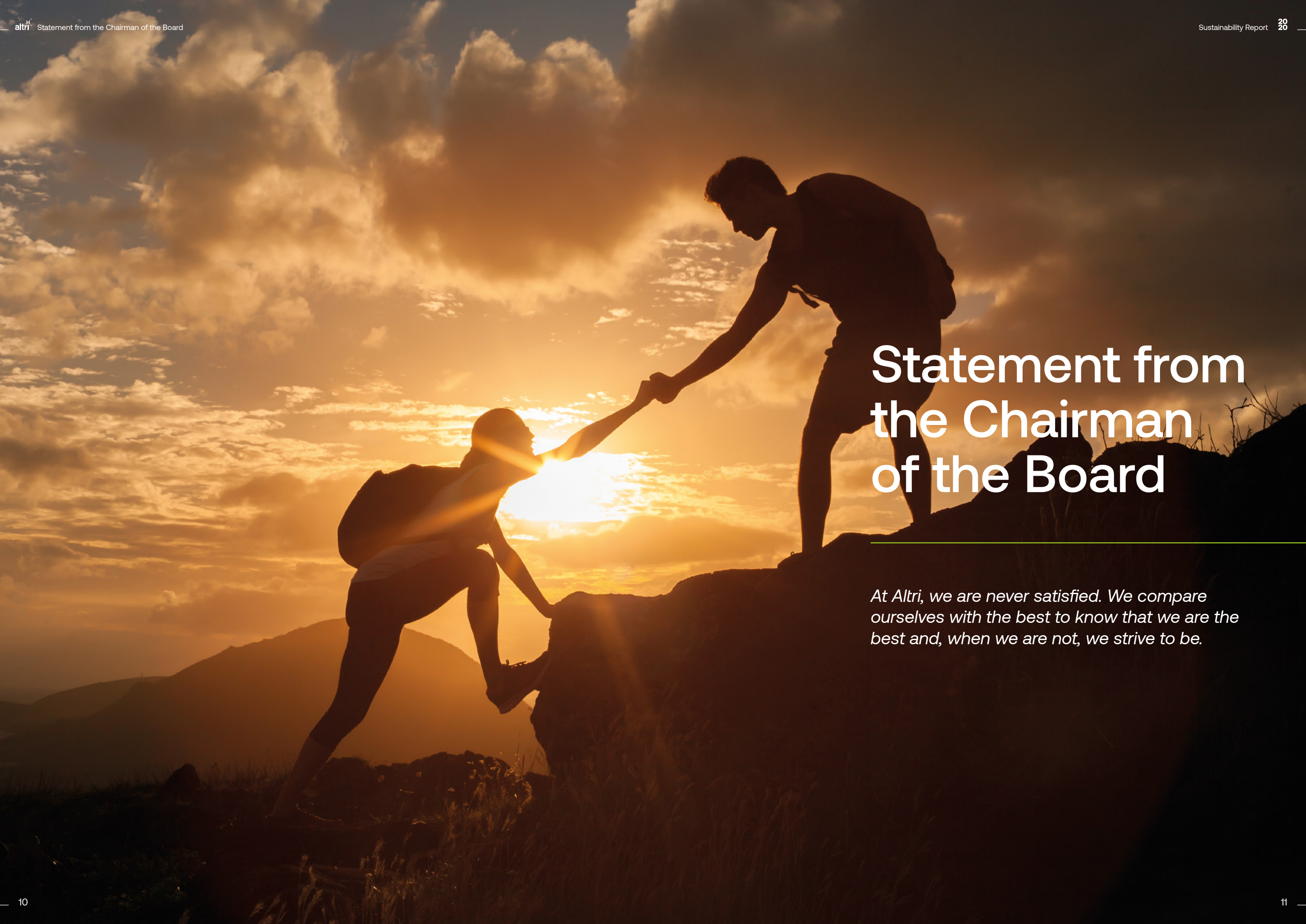
# Eucalyptus Forest Reference Producer

86,3 thousand hectares of FSC® and PEFC™ certified forest area

10% of the area under management are conservation areas







# Statement from the Chairman of the Board

*At Altri, we are never satisfied. We compare ourselves with the best to know that we are the best and, when we are not, we strive to be.*





Alberto Castro  
Chairman of the Board

In today's society, firms are perhaps our main communities. For this reason, I like the term "company" to designate them. To be worthy of that statute, companies must go beyond the routine role of being the base cell of the market economy. Sure, they are, but by being, they must be much more than a mere economic machine. In this broader perspective, companies constitute the central instance of organizing a system of economic and social relations that goes from suppliers to customers, through workers and including the environment in general. They are entities that do not live in isolation: they interact with other companies, but also with public and private bodies, national or international, within the scope of institutional frameworks, building a dynamic evolutionary system.

In the last few years, the idea that this evolution should be guided by a sense of sustainability, of having as an aim to be an ecosystem, has been taking shape. With rare exceptions, companies were not the protagonists of this process. They reacted, adjusted to the pressure that the evolution of uses and customs placed on them. There is no harm on that, especially if you learn and integrate practices and, especially, values, making them ours. As Fernando Pessoa, a Portuguese poet once said, in the slogan designed for Coca-Cola entrance in Portugal: "At first it is odd, then settles in".

At Altri, those practices and values certainly settled in, even if they were never thought as odd. It is not a matter of advertising or fashion, of greenwash, of trying to look like it, more than being it. If we can be accused of anything, it is that we are a "discreet champion": we let the facts speak for themselves, which, in a time of mass communication, can take time to be recognized. We know what social responsibility means: we strive to provide decent jobs, in which people are fulfilled, producing goods and services that contribute to improving the quality of life, safeguarding the financial sustainability that guarantees the sustainability of operations.

At Altri we do things the old-fashioned way: with work and effort and not with empty ads. As they say, "we put our wallet where our mouth is". We don't just say that we care about the environment. We invest. In reforestation and improving forest management. In the efficiency of operations, whether in the consumption of water or energy. In the reuse of waste. In green energy. We do not proclaim a commitment on creating better working conditions. We create safer and healthier contexts, with or without a pandemic. We penalize accidents, reward performance and a sense of belonging. We do not make "community" an empty word. We don't even give it a restricted meaning, internal to Altri. We share our knowledge and our culture with our suppliers, current

or potential, committed to showing that more sustainable practices are compatible with increased rewards. We do not believe that secrecy is the lifeblood of business. We accept that "seeing is believing" is, for many, the most certain incentive to believe that change is beneficial.

At Altri, we are never satisfied. We compare ourselves with the best to know that we are the best and, when we are not, we strive to be. We have adopted the 17 Sustainable Development Goals of the United Nations, analyzing their relevance and state of compliance in the plurality of dimensions of our activity. We do this with the ambition of attaining them, in the shortest possible time, in a demanding calendar in terms of people, practices and resources.

At Altri we believe that social responsibility in general and sustainability, in particular, are a matter of company culture, rather than the law. We know that the responsibility of companies is to conduct their activity in a socially responsible way. And that transparency is central to this process. As a result, we are accountable. This report is evidence of that.





# Statement from the Chairman of the Executive Committee

*The Future is Now*



2020 was an abnormal year. A year of extremes: pandemic, volatile markets, natural disasters, just to name a few. It was a year that forced us to reflect deeply on the world around us and what role we should play as economic actors with our customers, employees, suppliers, shareholders, regulators, as well as with the communities that host us.

We always like to aspire to a better world, but it is precisely in difficult circumstances that opportunities for renewal and growth arise, increasing our resilience and agility. We all gained an additional appreciation of the world around us and the fragile balance of nature, in all its dimensions. We cannot change the course of events from last year, but we can decide to build on the most positive aspects. That's what Altri did.

The evolution of the great trends of the current world requires us to focus more and more on the development of a sustainable bioeconomy. Europe leads this movement, with businesses and consumers increasingly aware of the need to transition from a linear to a circular economy. The transition from an economy based on materials of fossil origin and finite raw materials, to materials of renewable and recyclable origin, and, in particular, carbon neutral. Altri is uniquely positioned to take advantage of this development. Our products originate from sustainable production forests that are continually renewed, using the best silvicultural techniques. The forest absorbs and stores carbon dioxide, and gives rise to products that are easily recycled, generating a circular bioeconomy.

In 2020, Altri's financial performance particularly reflected its commitment to efficiency and operational excellence, as well as the growth of the energy segment. In a market with pulp prices (BHKP) at the lowest of the last 6 years, Altri managed to reduce its operating costs by 10% in the pulp segment and 7% in the energy segment, thus mitigating the negative impact of the market. 2020 was also marked by a record in the volume of sales and production in the two business segments, and in particular in energy, with the full operation of the second biomass energy generation unit (SBM) in Figueira da Foz.

***The past year was also a year of transition in Altri's governance model, making it possible to reinforce the Group's intention to prepare for the future and to make a qualitative leap in its corporate organization.***

Altri has defined four strategic development vectors that focus its activity and future investments. In 2020, we deliberately advanced in all of them in order to create the conditions for the next stage of growth.



## Develop and Enhance the Forest

**The forest is closely linked to everything we do.**

Our raw materials result from it and our activity depends on it was well, but also the activity of thousands of employees and external service providers. The forest contributes unequivocally to carbon neutrality, but also to territorial cohesion and the dynamism of the rural economy like no other activity in the country. It is important to preserve and enhance it through an integrated vision, where the production, conservation and protection forests are strategic and integral components in their development. The preservation and protection of biodiversity is also an ingrained principle and a structuring element of the activities inherent to forest management.

In 2020, and with the objective of developing a more sustainable, more diverse and more resilient forest, Altri invested in multiple partnerships with non-governmental organizations and industry partners to establish pilot programs for sustainable forest development and improvement of forestry practices.

## Pursuing Operational Excellence and Technological Innovation

***Operational excellence continues to focus the group's investment priorities and effort.***

In this vector, progress in the circular and digital economy is transversal to all the Group's economic activities and is therefore of particular importance. Likewise, we continue to strive to maintain efficient operations focused on the needs of the markets where we operate.

In 2020, we reinforced our efforts towards the sustainable development of operations at Caima, focused on the DWP pulp market for the textile industry, through investments in the re-qualification of the washing and bleaching process, as well as the conclusion of the anaerobic treatment. Investment was also approved for the installation of a new biomass boiler that will replace one of the existing units and will transform Caima into the first factory in the Iberian Peninsula, and one of the first in Europe, free of fossil fuels.

The remaining industrial operations also continued to be the focus of significant investments, which included a new finishing line and a system for collecting and valuing diffuse emissions at Celbi, as well as process improvements at Celtejo.





José Soares de Pina  
CEO

## Valuing People

*In 2020, due to the pandemic situation, the organization's top priority could not fail to be the health and safety of everyone.*

From an early stage in the evolution of the pandemic, the Altri Group moved quickly to provide protective equipment and establish work protocols that would minimize risk, including regular testing of all employees. Our teams worked tirelessly to create the right conditions to reduce the potential for contagion within the perimeter of our facilities, as well as to avoid operational disruptions. The very positive results of these measures have made it possible to avoid emergency situations and to maintain our operations without unscheduled stops.

The past year was also important in the implementation of actions to enhance the diversity of talent in the organization. In effect, the Board of Directors approved the Equality Plan, which defines a strategy to improve not only our diversity index, but also the development and promotion of female talent in leadership positions, which already represent 20% of the total.

## Sustainability as a Competitiveness Factor

*The Altri Group has always identified the importance of sustainability (environmental sustainability, in particular) as a fundamental element of its culture and way of operating.*

In fact, we already have a long history of significant investments associated with the continuous improvement of our environmental performance, which have produced extraordinary results.

In 2020, we created the Sustainability Advisory Group, chaired by the CEO, which includes a set of leaders from the various operational and functional areas, as well as board members, with the objective of supporting Altri's Board of Directors in defining and monitoring our sustainability strategy.

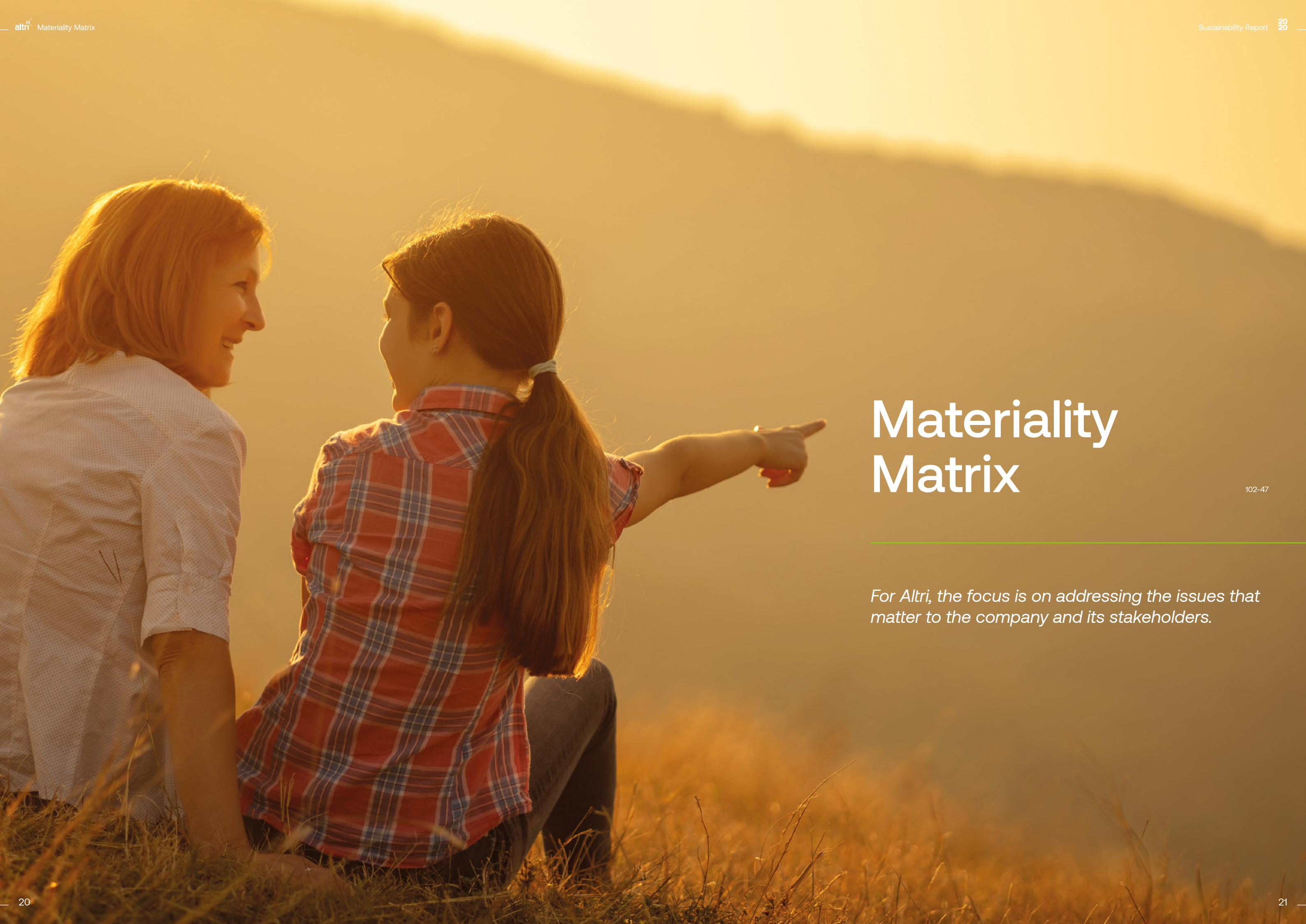
At the same time, Altri joined the United Nations Global Compact with a commitment to align its strategy and reflect the ten fundamental Principles in its culture and daily operations. We are equally committed to contributing to the Sustainable Development Goals (SDG) defined in the 2030 World Agenda, identifying those that have the greatest positive impact through our operations, products and solutions, as well as those where we intend to minimize any negative impact.

This was the basis that led us to the development of our 2030 Commitment. This is a fundamental milestone for Altri that identifies the main objectives in terms of sustainability, in line with the most relevant SDG for the Group. This Commitment represents the public reaffirmation of our promise to all Stakeholders to invest in Sustainability as a factor of competitiveness and differentiation of our value proposition.

Finally, I also want to express my deep appreciation to my predecessors, the founders and co-CEOs of Altri, Paulo Fernandes and João Borges de Oliveira, who have diligently managed to lead the Group to a higher stage of performance and value creation, and on which we lean to look the future with increased confidence.

*Undoubtedly, the results obtained in 2020 were only possible with the effort and dedication of the entire Altri organization. On behalf of the Executive Committee, I would like to express our gratitude, and the commitment to continue to affirm Altri as a reference in the international markets where it operates.*



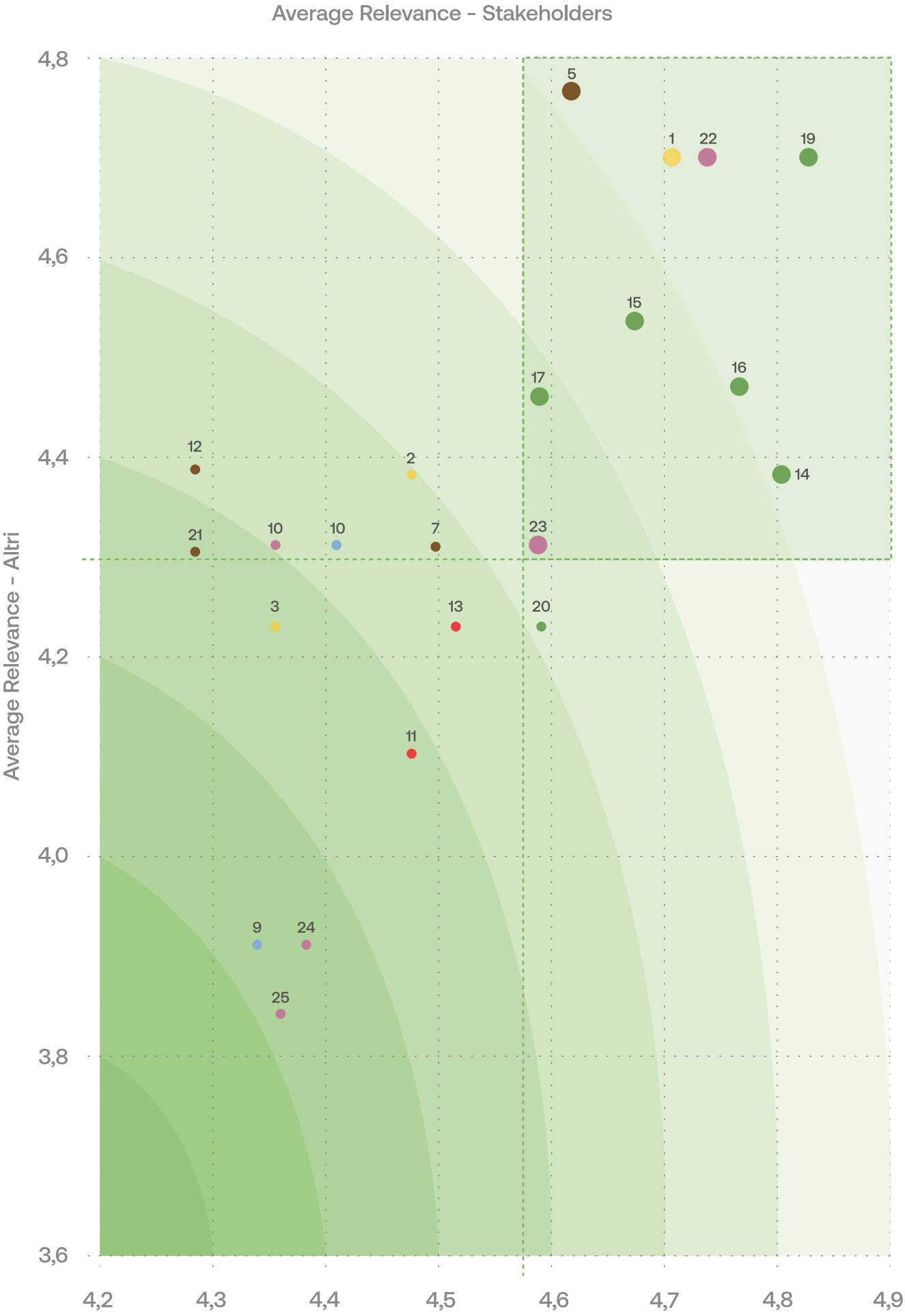


# Materiality Matrix

102-47

*For Altri, the focus is on addressing the issues that matter to the company and its stakeholders.*





- Governance
  - Economic
  - Stakeholder Engagement
  - Operational
  - Environmental
  - Social
- 1. Ethics, anti-corruption practices and anti-competitive behavior
  - 2. Transparency
  - 3. Corporate governance
  - 5. Economic performance
  - 7. Responsible tax practices
  - 9. Investment and support for local communities
  - 10. Relationship with stakeholders
  - 11. Product Safety
  - 12. Innovation and digitalization
  - 13. Responsible supply chain
  - 14. Climate change and GHG emissions
  - 15. Energy efficiency
  - 16. Forest management and Biodiversity protection
  - 17. Waste management
  - 19. Water management
  - 20. Socioeconomic and environmental compliance
  - 21. People management, development and attraction
  - 22. Employee health, safety and well-being
  - 23. Human rights (e.g. equal opportunities, diversity, non-discrimination)
  - 24. Labor rights (e.g. freedom of association and collective bargaining)
  - 25. Customer privacy and information security

*In 2020, Altri carried out a consultation with its stakeholders, in order to understand their sustainability concerns and expectations. The following materiality matrix results from the crossing of the opinions of stakeholders and Altri on the most relevant topics.*





# About Us

---

*Being an industry leader is something that Altri intends to achieve through changing processes and new and innovative approaches that benefit the environment, society and the economy.*



# Main Events

## Altri distinguished with an award by Euronext Lisbon in the finance for the future category

Winner of the 2020 edition of the Euronext Lisbon Awards in the “Finance for the Future” category with the first issue of Green Bonds admitted to trading in Portugal with the Mondego Bioelectric Project.

## Altri distinguished with Rating B by CDP

Altri was distinguished with B rating by CDP, under the Climate Change program. Altri obtained the maximum score in the initiatives for monitoring and reducing emissions. The rating obtained is higher than the average for the pulp and paper sector and also the average rating in Europe.

## Membership to the United Nations Global Compact

It was still in the year 2020 that Altri started the process of joining the Global Compact, a United Nations corporate citizenship initiative, having formalized Altri's adhesion in January 2021, demonstrating the public commitment to integrate in its activities, policies and strategies, the fundamental principles of human rights, labor practices, environmental protection and anti-corruption and the Sustainable Development Goals.

The Ten Principles are based on universally accepted declarations, namely the Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights and the Rio Declaration on Environment and Development.

## Integrated Landscape Management Program

The Alvares integrated landscape management program was launched in the municipality of Góis, involving an intervention area of 1.233 hectares and established through close collaboration with eight municipal and national organizations.

## Altri SGPS governance model

At the Annual General Meeting held on April 30th, 2020, new members were elected to join the governing bodies for a new term.



## 1st Altri continuous improvement convention

In order to motivate teams for continuous improvement, with the sharing of knowledge and creating a healthy spirit of competition between them.



## Celtejo with Open Doors

Celtejo invited several stakeholders to attend the presentation of Altri's sustainability strategy and measures to reduce negative impacts on the environment.

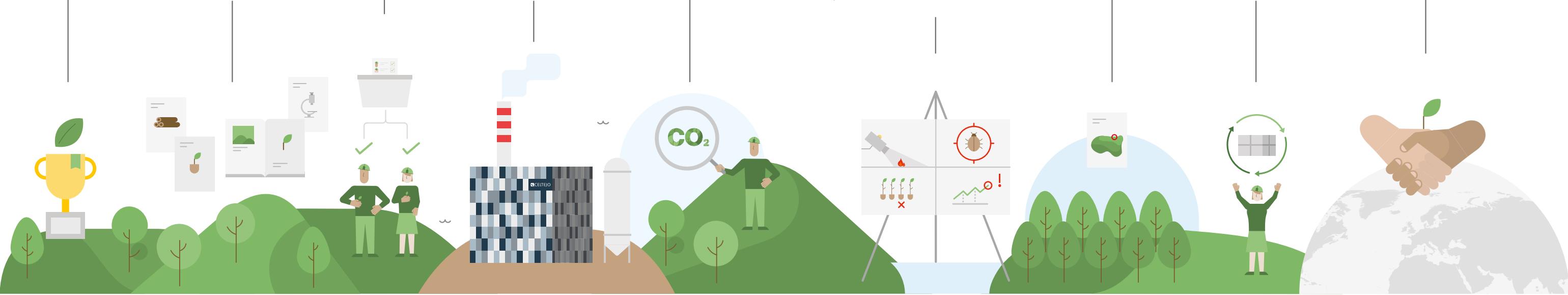


## Afocelca 2.0 Project

Launch of The Afocelca 2.0 project, which now incorporates the following activities: risk management, operationalization of the controlled fire plan, coordination of pest and disease protection activities and coordination of invasive species control activities.

## Advisory Group for Sustainability

Creation of the Advisory Group for Sustainability, responsible for supporting the creation and monitoring of Altri's Sustainability Strategy.







*“It is absolutely essential for companies to commit themselves to the universal principles that should guide the activities of all organizations. This commitment is not only due to the respect for the stated principles, but also for its regular measurement and evaluation of the achievement of the goals to which we propose. As an international reference company in its sector, Altri has the obligation to also constitute itself as a reference in social, environmental and economic sustainability”*

José Soares de Pina  
CEO



# The 10 Principles of UN Global Compact

## Human Rights



- Principle 1:**  
Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2:**  
Make sure that they are not complicit in human rights abuses.

## Environment



- Principle 7:**  
Businesses should support a precautionary approach to environmental challenges;
- Principle 8:**  
Undertake initiatives to promote greater environmental responsibility;
- Principle 9:**  
Encourage the development and diffusion of environmentally friendly technologies.

## Labour



- Principle 3:**  
Businesses should uphold freedom of association and effective recognition of the right to collective bargaining;
- Principle 4:**  
The elimination of all forms of forced and compulsory labor;
- Principle 5:**  
The effective abolition of child labor;
- Principle 6:**  
The elimination of discrimination in respect of employment and occupation.

## Anti-Corruption



- Principle 10:**  
Businesses should work against corruption in all its forms, including extortion and bribery.



# Covid-19 Pandemic Management

Portugal, Europe and the world are dealing with a public health crisis of which there is no memory. A situation that is triggering a major economic recession. We currently live unique and exceptional moments.

*To fight this massive challenge, Altri implemented a Contingency Plan, structured in different phases, with prevention, control and surveillance measures of infection by Covid-19, following the guidelines of the Directorate-General for Health.*

This Plan foresaw the constitution of a Crisis Office, coordinated by the occupational health physician, made up of several professionals from different areas and companies of the group, which, meeting regularly, guaranteed consistency, rigor, multidisciplinary and

constant adaptation, to the different phases of the pandemic in the Country and in the regions where the different companies are integrated, to the development of scientific knowledge and to the recommendations of the competent entities.

Since the beginning of the pandemic, the Altri Group has implemented a set of protocols, prevention, control and surveillance measures, in order to respond to the requirements arising from the Covid-19 pandemic and, in particular, to ensure permanent well-being of all employees, their families and the community. Noteworthy is the regular testing of workers and the strengthening of the nursing service in the different medical posts of companies, among others, which allowed the adoption of dynamic lines of intervention, based on the evolution of the epidemiological situation and the advancement of scientific knowledge.



# Our Business

102-2 102-4 102-6

*Altri has been guiding its strategy towards creating value through its development based on the three pillars of sustainability and is therefore considered a European reference company in the production of cellulose pulp, in sustainable forest management and in the production of renewable energy.*



## Replacing materials of fossil origin

Currently, Altri has 3 mills, two of pulp (Celbi and Celtejo) and another of dissolving pulp (Caima) that essentially produces for the textile market to replace synthetic fibers of fossil origin.

We produce more than one million tons of cellulose pulp for the market.

## Promote sustainable forest management

We are responsible for the management of approximately 86.3 thousand hectares of forest in the national territory, balancing in this area production forest (essential for our activity) and conservation forest with preservation of the existing natural values. This area is certified according to international reference standards (FSC<sup>1</sup> e PEFC<sup>2</sup>).

## Produce renewable energy

We are leaders in the sector of forest-based renewable energies and inject renewable electricity into the national electricity grid, avoiding approximately 174 thousand tons of CO<sub>2</sub> emissions (location based).

About 91% of the energy sources for the manufacturing process are non-fossil.

## Use renewable and sustainable materials

The opportunities for our sector are numerous, since the raw material we use - wood - is produced in a sustainable, renewable and non-fossil origin.

We produce alternative products to those that use non-renewable raw materials and, in this field, Altri has been investing heavily in research and development in the search for sustainable products with high added value.

96% of the raw materials we use are renewable.

## Promote efficiency in the use of resources

Our industry takes an integrated approach to the forest, uses fiber to produce cellulosic pulp, the lignin that is the glue of fibers and residual forest biomass (bark, remains of branches and leaves) for energy production in conditions that do not compromise the sustainability of the soils.

## Promote circular economy and decarbonisation

We integrate the sector that is part of the solution to achieve the goal of carbon neutrality with the sequester capacity of our forest and with our renewable products that contribute to a circular economy.

<sup>1</sup> FSC – Licence Code : FSC-C104460 (Chain of Custody) ; FSC-C004615 (Forest Management)  
<sup>2</sup> PEFC–Licence Code : PEFC/13-32-025 (Chain of Custody) ; PEFC/13-23-002 (Forest Management)



# Our business units

## Pulp Production

1,1

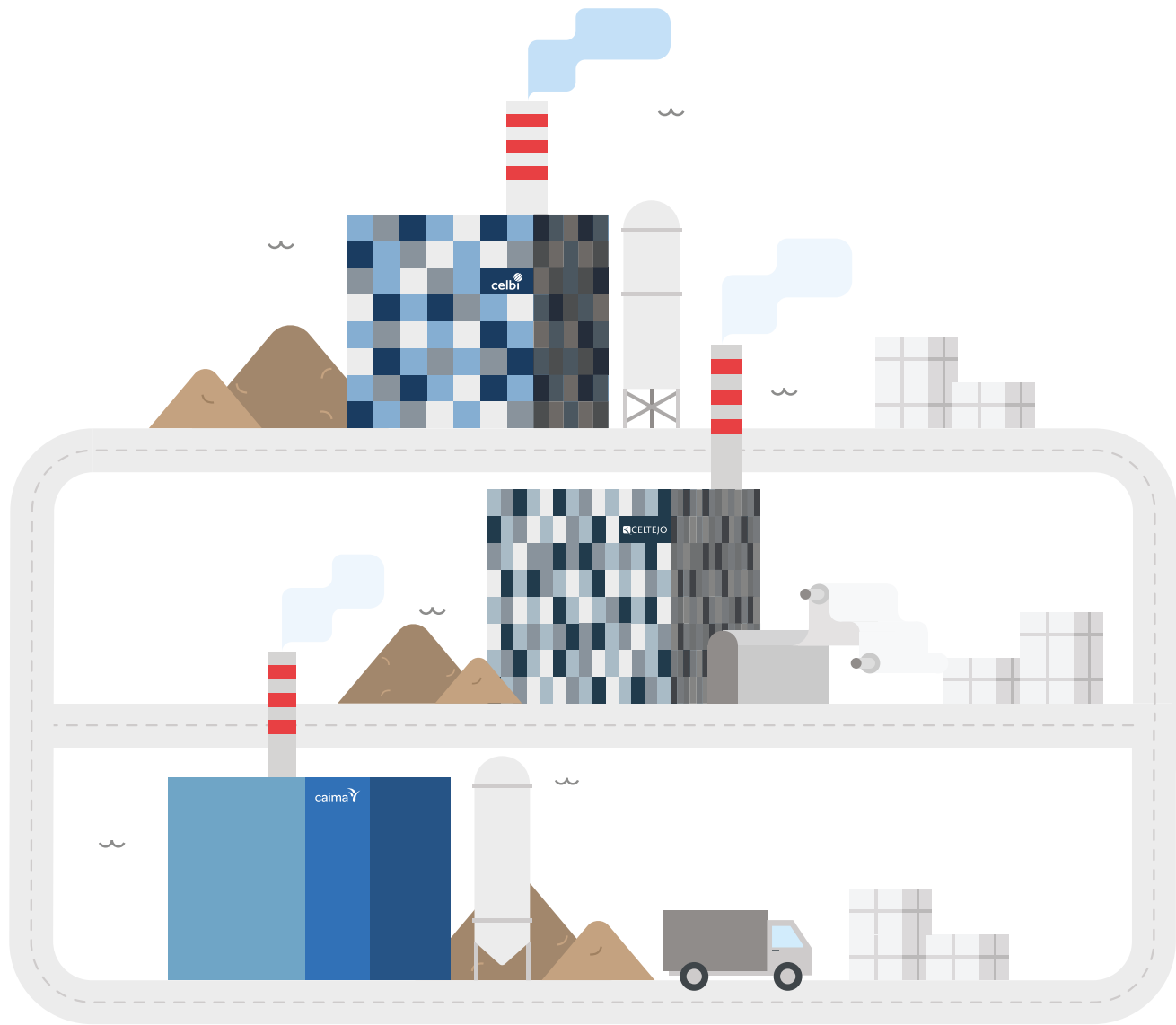
million  
tons of pulp



Production of bleached eucalyptus pulp (BEKP).  
Main market: European paper manufacturers that produce from specialties paper to tissue paper.



Production of dissolving pulp (DWP) from Eucalyptus.  
Main market: textile industry



## Sustainable Forest-based Production

Self-supply level of 20% of needs.

86,3

thousand hectares  
of FSC® and PEFC™ certified  
forests in national territory



## Renewable Energy Production

GREENVOLT –  
Energias Renováveis, S.A.  
(previously called Bioelétrica da Foz, S.A.)

733  
GWh

electric power from renewable  
sources injected into the national  
electricity grid

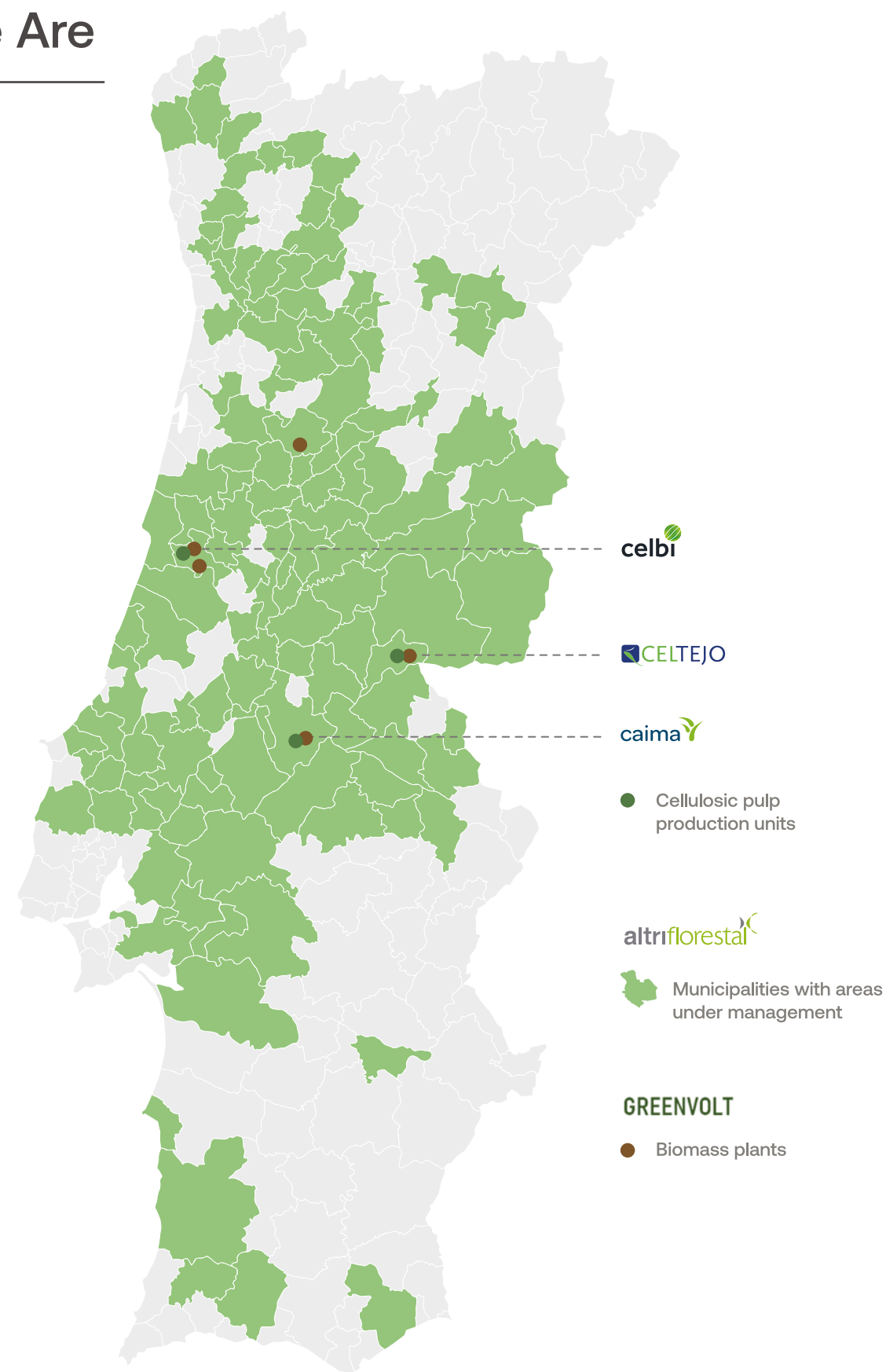
97  
MW of installed  
capacity

Five thermoelectric power plants  
for energy production from forest  
biomass





# Where We Are





# Product and Market

102-2 102-6

*We serve the global market with cellulose pulp of excellent quality produced from eucalyptus in a sustainable way and suitable for the most diverse end-uses.*

The production of paper and dissolving pulp and the production of renewable electric energy are the main activities of the Group. The production of cellulose pulp together with forest management, enhances the production of renewable energy, namely through cogeneration and the energy recovery of biomass.

Altri's performance in the renewable energy sector was quickly recognized in the national context, made possible by the culture of innovation, development and research that characterize Altri.



## Products

### Cellulosic pulp

#### Paper pulp

Used mainly for the production of paper for domestic use and printing and writing paper;

#### Dissolving pulp

Used mainly in the production of textiles.

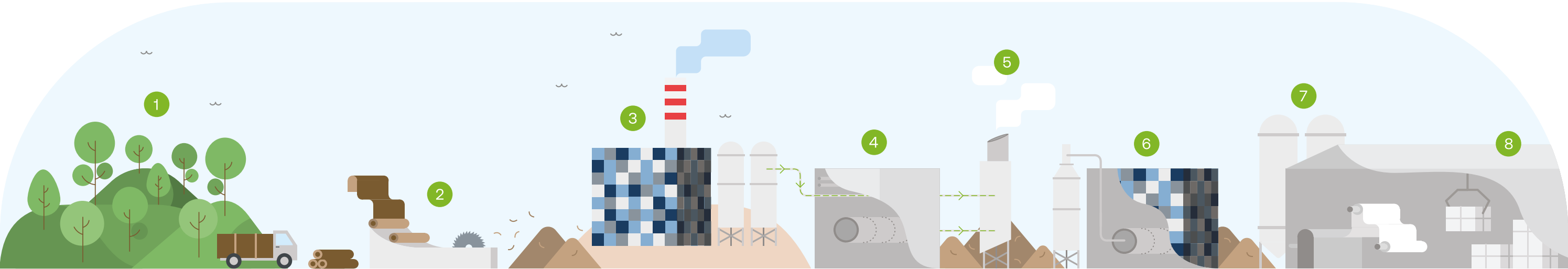
*1.1 million tons of pulp produced, of which about 10% was dissolving pulp.*

The paper pulps produced are approved by Nordic Ecolabelling of Paper Products and European Ecolabel. These certifications allow the use of pulp in products that intend to use these environmental labels.



# Our Process

## From Forest to Pulp



1

### Wood

Altri's production units produce paper pulp using eucalyptus wood. The wood arrives to the production units as logs with bark, logs without bark and chips.

3

### Cooking

In Celbi's and Celtejo's case, after a screening process, the chips are fed together with chemicals composed by caustic soda and sodium sulfide to a boiler.

The chemicals dissolve the lignin which is responsible for the bonding of fibers. With the fibers released, the so called raw pulp is created. Far said cases, the alkaline Kraft process is used. Caima uses magnesium sulphite.

2

### Debarking and Chipping

The logs with bark are peeled and paired with the barkless logs, then shredded into chips that are stored in piles.

4

### Washing

The raw pulp resulting from the digestion process is washed to remove residual byproducts, both organic and inorganic also resulting from the digestion process and submitted to a screening process to remove unprocessed particles and other impurities

5

### Chemical recovery and energy production

At Celbi and Celtejo, the raw pulp is submitted to a delignification process with oxygen resulting in a yellow pulp that is sent to the bleaching facility. At Caima the pulp is directly fed to the bleaching process. The chemical recovery process and energy production varies on the type of pulp produced which is why Celbi and Celtejo use a different process compared to Caima, that is described next.

7

### Pulp drying

Subsequently, the pulp is pressed and dried in a compact drying system with hot air or vapor.

6

### Pulp bleaching

Entering the bleaching facility the pulp contains residual components which are mostly removed through chemical reactions, with bleaching chemicals until the pulp becomes a white thickened suspension

8

### Pulp bales

The final sheet is cut into smaller pieces, which are then piled in bundles that proceed to storage.



*The pulps are integrated into the production process of many products for daily use, which go beyond paper, having a wide range of applications.*



# Renewable energy production

## Energy production through renewable fuels: black liquor and biomass.

### Black liquor

It is a by-product of the pulp production process. It is used in the energy production process through cogeneration. The electric energy produced through black liquor is used to supply the needs of the mills and the surplus is injected into the national electricity grid.

### Forest biomass

It results from the activity of forest management, it is produced through the bark of trees (most of it), branches and leaves. The electric energy produced through biomass is fully integrated into the national electricity grid.



*974 GWh of renewable energy injected into the national electricity grid, of which 733 GWh come from biomass power plants of Greenvolt.*



# Market

The different destinations of Altri's products

3

Continents

20

Countries

Altri's main market for paper pulp is Europe, with China being the main destination for dissolving pulp.

The main customers of the Altri Group are manufacturing industries, placing the Group in the B2B (Business to Business) segment. These industries purchase the pulp and dissolving pulp to integrate into their own production processes as a raw material.

## America

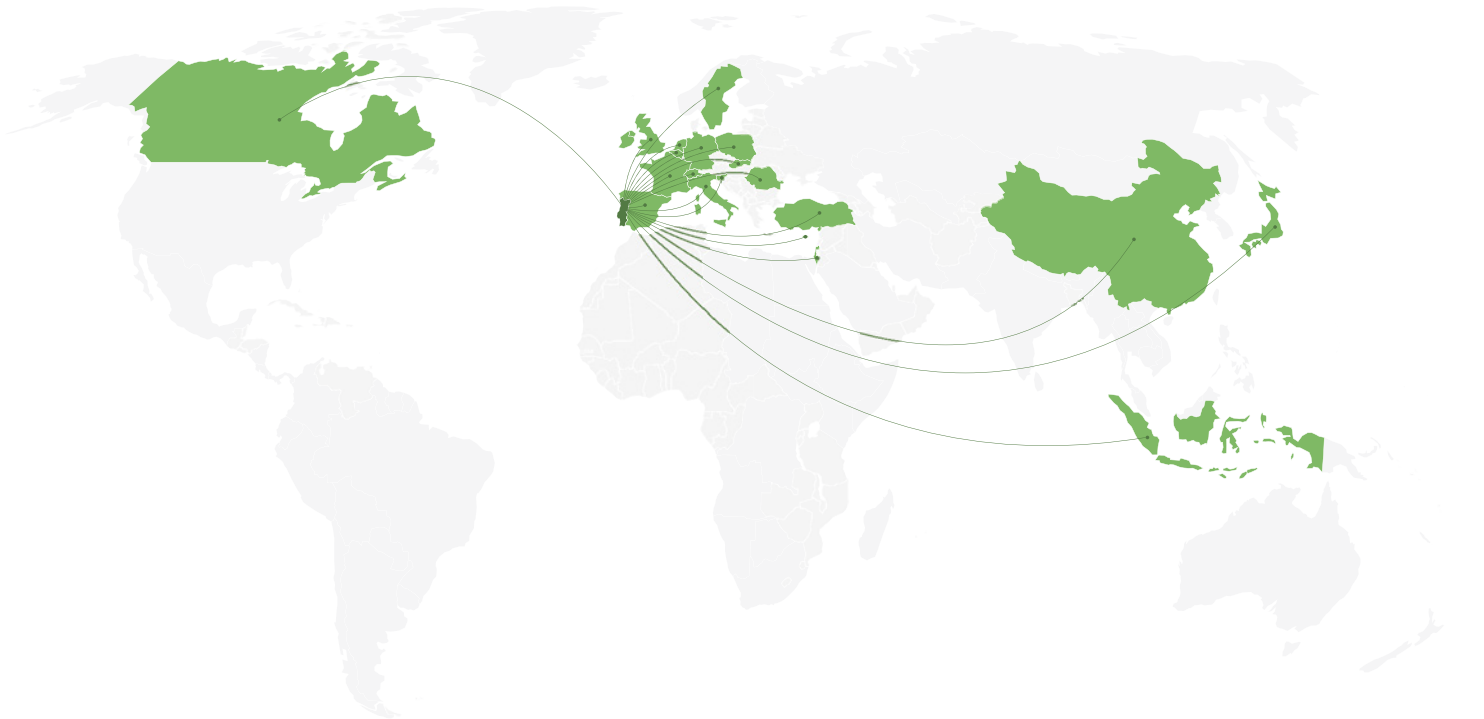
Canada

## Europe

Spain  
United Kingdom  
Germany  
France  
Italy  
Sweden  
Slovakia  
Switzerland  
Slovenia  
Romania  
Belgium  
Netherlands  
Cyprus  
Poland

## Asia

Turkey  
Israel  
China  
Japan  
Indonesia



*Altri represents 5% of the world production of cellulosic pulp from eucalyptus wood.*

In geographic terms, consumption of hardwood pulp in Europe (Western Europe and Eastern Europe) decreased by 2.2% while demand from China grew by 14.4%.

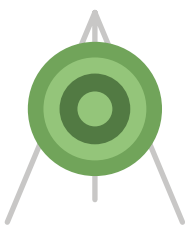
Pulp and Paper Products Council (PPPC), World Chemical Market Pulp Global 100 Report, June 2020.





# Mission, Vision And Values

102-16



## Mission

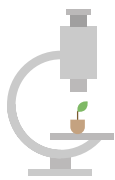
Produce eucalyptus pulp in a sustainable way, satisfying the requirements and expectations of customers.



## Vision

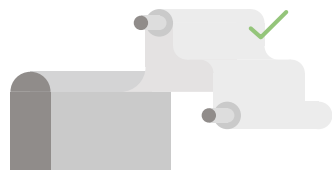
We aim to be a European reference company in the efficient production of eucalyptus pulp based on sustainable forest management.

## Values



1

Result and total quality-oriented



2

Focus on the needs and expectations of customers and stakeholders



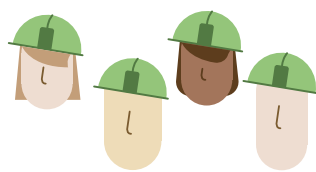
3

Commitment to sustainable development and the protection of biodiversity



4

Focus on continuous improvement



5

Enhance the organization's diversity, talent, skills and performance



6

Work safety priority



# Governance, Ethics And Group Policies

102-11 102-16 102-17 102-18 205-1 205-2 205-3

Altri has a governance structure composed of the following bodies<sup>1</sup>:

- General Assembly
- Board
- Supervisory Board
- Statutory Auditor

And by the following Commissions:

- Executive Committee
- Strategic and Operational Monitoring Committee
- Remuneration Committee
- Ethics Committee

*The Executive Committee ensures the management of Sustainability and Climate Change at Altri with the support of the Sustainability area.*

## Advisory Group on Sustainability

In 2020, Altri established the Sustainability Advisory Group, whose objective is to support Altri's Board of Directors in defining and monitoring the sustainability strategy. This Group, chaired by the President of the Executive Committee, is responsible for:

- Participate in the elaboration of the “2030 Commitment”;
- Regularly monitor the degree of compliance with the defined sustainability targets;
- Ensure the alignment of the “2030 Commitment” with Altri's strategic guidelines and with the best practices identified for the sector;
- Ensure the alignment of the “2030 Commitment” with the sustainable development goals defined in the United Nations agenda and with the stakeholders' consultation results;
- Identify and propose new challenges in these matters.

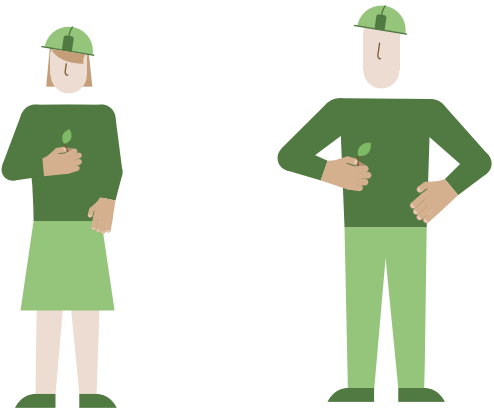
The Advisory Group consists of 11 members and additional elements, internal or external to Altri, may be invited to participate in the Group's meetings, if relevant. The Group meets whenever necessary, performing at least a biannual meeting frequency. This group includes the Chairman of the Board of Directors and a Non-Executive Director.

<sup>1</sup>For more information regarding the diversity within the Management Bodies and information on the functioning and regulations of the Management Bodies, for consultation on the company's website: [www.altri.pt](http://www.altri.pt)



# Board of Directors

12  
members



In the current mandate (2020/2022), the Board of Directors created an **Executive Committee** and a **Strategic and Operational Monitoring Committee**.

By resolution of the General Assembly, in compliance with the law and the Company's Articles of Association, ALTRI has a Remuneration Committee, which is responsible for approving the remuneration of the Board of Directors' members and other governing bodies in accordance with the remuneration policy, also approved by the General Assembly.

# Ethics

In terms of principles and rules that should guide the internal and external relations established between all the companies of the Altri Group and its stakeholders and the guidelines for the personal and professional conduct of all its employees, regardless of their position or function, so that are regulated by common ethical principles, set out in the Code of Ethics and Conduct, approved by the Board of Directors, widely disclosed in the organization and available for consultation on the Company's website. ([http://www.altri.pt/~media/Files/A/Altri-V2/documents/Codigo\\_Etica\\_Conduta.pdf](http://www.altri.pt/~media/Files/A/Altri-V2/documents/Codigo_Etica_Conduta.pdf)).

The Code applies to all the Group's employees, including the corporate bodies of all companies as well as to representatives, external auditors, customers, suppliers and other persons who provide services to them in any capacity (partners), whether permanently or occasionally<sup>2</sup>.

The Altri Ethics Committee is the structure responsible for monitoring the disclosure and compliance with the Code of Ethics and Conduct.

## Anticorruption, bribery and fair competition

Altri's Code of Ethics and Conduct is also the regulatory tool in matters of anti-corruption and bribery.

The Code establishes that any type of corruption is strictly forbidden in the exercise of its activity, establishing that its employees must act in an open and clear way, free from corruption, not paying bribes and not influencing the decisions of Business Partners in any way, which is not fully aligned with the legality and ethics in business that Altri, through this code, embraces.

It also establishes the conduct to be fostered regarding the acceptance of offers, which is forbidden whenever they go beyond mere courtesy or which may have a relevant commercial value and whose acceptance may create expectations of favouritism in its relations with the Group.

Regarding the conflict of interests, it establishes that employees cannot have any intervention in decision-making processes that directly or indirectly involve organizations with which they collaborate in other ways or have collaborated or that involve, in the same way, people or entities to whom are linked by kinship ties (family members up to 3rd degree) or to which they are or have been linked by relationships of affinity.

Regarding the competition aspect, Altri defines that fair competition is the basis of business development and innovation, so all market rules are respected and are not promoted and there is no involvement in activities that violate or threaten to violate elementary ethical, deontological or competitive rules and which aim to obtain illegal advantages over its competitors.

*In 2020, no communications or reports were made to the Supervisory Board related to suspected corruption.*

<sup>2</sup> Altri's code of ethics and conduct is available for consultation on the [website](#).



# Whistleblowing Report

The Code reflects on the conduct that employees and partners must adopt in certain matters and describes the process to be adopted for reporting irregularities, in line with the purposes of Recommendation number I.2.5 of the IPCG Corporate Governance Code.

*Grupo Altri also ensures that the reporting of irregularities by the Whistleblowing System made under good faith will not result in retaliation of any kind, either for the author or for other elements involved in the investigation.*



**All reports of irregularities must be addressed to the Supervisory Board**



Irregularities are violations of an ethical or legal nature with a significant impact in the areas of accounting, the fight against corruption and banking and financial crime



The report must be made by letter in a closed envelope with the mention of its confidentiality, to the following address:

Rua Manuel Pinto de Azevedo, 818 4100 - 320 Porto, Portugal

*Throughout the year 2020, no reports of irregularities were reported to the Supervisory Board.*



# Risk Management

102-11 102-15

Risk management at Altri is carried out on several fronts and using different methodologies in order to guarantee a structure and integration of risk in day-to-day management, across all areas.

In the strategic planning process, the Organization determines the risks and opportunities, considering the information resulting from the analysis of the Organization, its context and the needs and expectations of its stakeholders.

## Risk Analysis Process



Good reputation and good service to customers	Investment in the most technologically advanced equipment	Renewable raw material
Organization under renovation with many young employees	Decarbonisation of industry and prevention of the climate change effects	Energy self-sufficiency
Good delegation / acceptance of responsibilities	Forest heritage and its role in carbon sequestration	Operational reliability
Clear orientation towards objectives and targets	Quality of available infrastructure	Promotion of the circular economy
Continuous improvement project - Altri Operating System	Geographical proximity to the customer	Energy efficiency improvement
Innovation and development of products and processes	Relocation of production centers	Digital transformation





# Certifications

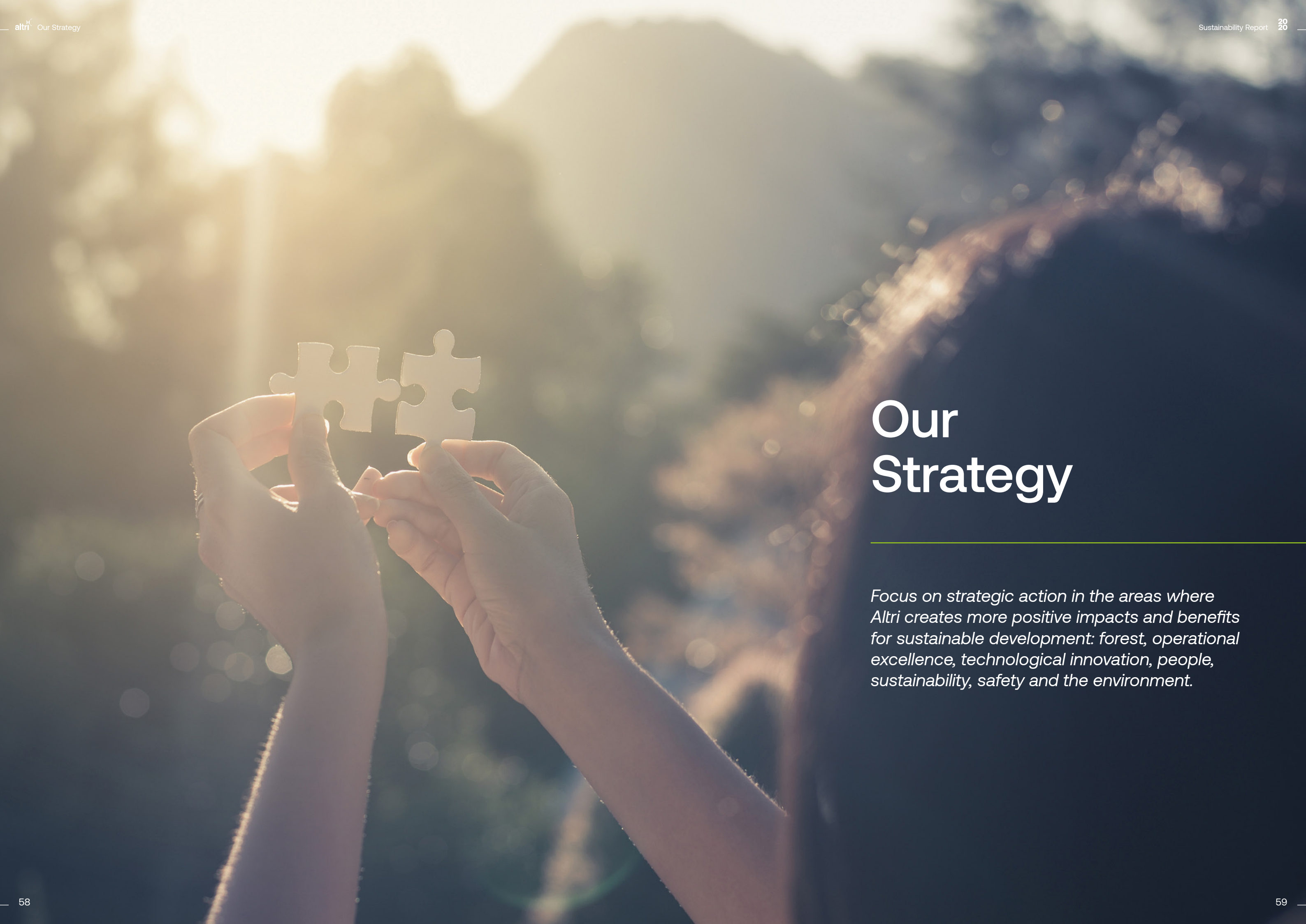
Aware of the importance of responsible and quality action, Altri and the companies that integrate it are committed to the certification of their activities, in order to promote continuous improvement and provide guarantees to their stakeholders.

FRAMEWORK	ALTRI
ISO 9001 - Quality Management System	All Group companies
ISO 14001 - Environmental Management System	All industrial units and GREENVOLT
OHSAS 18001 - Occupational Health and Safety Management System	All industrial units and GREENVOLT
ISO 45001 - Occupational Health and Safety Management System	
Norma ISO/IEC 17025 - General competence requirements for testing and calibration laboratories	Support laboratories to the process of all industrial units
ISO 50001 - Energy Management System	All industrial units
EMAS - European Union Eco-Management and Audit Scheme	Celbi and Caima
NP 4457 - Research, Development and Innovation Management System	Celtejo
FSC® - Forest Stewardship Council³	Altri Florestal and industrial units
PEFC™ - Programme for the Endorsement of Forest Certification⁴	



³ FSC – Licence Code : FSC-C104460 (Chain of Custody) ; FSC-C004615 (Forest Management)  
⁴ PEFC–Licence Code : PEFC/13-32-025 (Chain of Custody) ; PEFC/13-23-002 (Forest Management)





# Our Strategy

---

*Focus on strategic action in the areas where Altri creates more positive impacts and benefits for sustainable development: forest, operational excellence, technological innovation, people, sustainability, safety and the environment.*



# Strategic Vision of the Altri Group

102-15

## Sustainability Management

*Sustainability at Altri considers the environmental, social, economic and governance aspects of all operations. Altri's concern and effort is clear - to contribute to sustainable development and to settle strategic priorities on goals of continuous improvement, innovation and sustainability.*

For Altri it is essential to address the challenges of the future, namely those related to the sustainability of the planet, society and the economy. In this sense, Altri promotes the development and dynamization of strategies and initiatives based not only on sustainability but also on continuous improvement and innovation.

The Altri Group's long-term strategy places sustainability on its three axes - economic, environmental and social - at the center of its decisions.





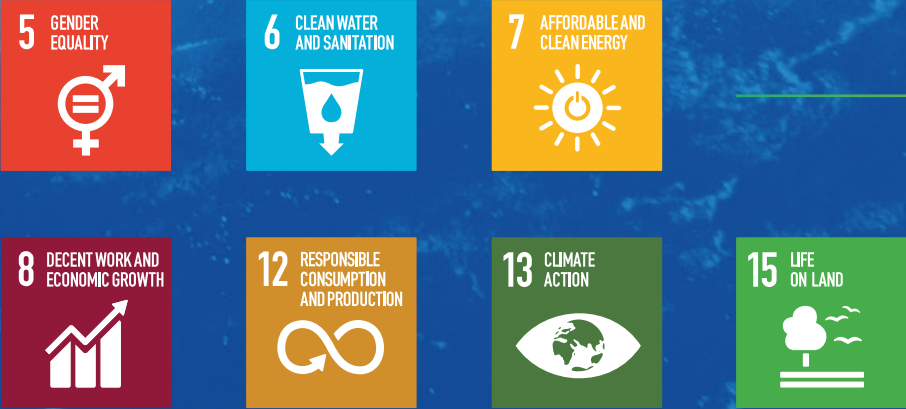
# 2030 COMMITMENT













and alignment with the sustainable development goals

We promote the United Nations Sustainable Development Goals (SDG) approved by the world leaders meeting at the UN General Assembly on September 25th, 2015, as a result of the collaboration of Governments and Citizens around the world to create a global governance model with the aim of ending poverty, protecting the environment and promoting prosperity and well-being for all by 2030.

2020 was marked by the consolidation of the Altri Group’s “Commitment 2030” with the establishment of very ambitious goals.

The most relevant SDG for Altri are:



	2030 COMMITMENT	2018	2030 GOAL
	<b>Reduce</b> the specific water use (m³ / ADTP) in Altri’s industrial units by <b>50%</b>	20	10
	<b>Reduce</b> the organic load (COD, kg O <sub>2</sub> / ADTP) in Altri’s industrial effluents by <b>60%</b>	11	4
	<b>Increase</b> by at least <b>60%</b> the amount of renewable electric energy injected into the National Electricity Network (GWh)	625	1000
	<b>100%</b> of the primary energy consumed at Altri’s industrial units is from <b>renewable sources</b>	83%	100%
	<b>Doubling</b> the number of women in leadership roles	19	38
	<b>100%</b> of process waste recovered or reused	77%	100%
	<b>Reduce</b> specific GHG emissions of scope 1 and 2 by <b>60%</b> (kgCO <sub>2</sub> /ADTP)	192	66
	<b>Reduce</b> scope 3 emissions by <b>30%</b> (kgCO <sub>2</sub> /ADTP)	292	202
	<b>Increase</b> the percentage of wood consumption with forest management certification by <b>40%</b>	57%	80%
	<b>Duplicate</b> the area under natural conservation management (ha)	7980	16000
	<b>Develop</b> 13 biodiversity stations and biospots	2	15
	Walk towards zero accidents with lost days*	Continuous improvement in order to achieve this goal	

\* More than 3 days lost



*It should also be noted that in the stakeholder consultation carried out in 2020, Altri included a question on SDG in order to understand the importance that its stakeholders attach to the SDGs and to validate those that are most relevant to Altri*

Top 6 SDG most mentioned by stakeholders



Throughout the report, information on Altri's contribution in relation to the SDG most valued by stakeholders is reported.

2030 COMMITMENT

and alignment with the sustainable development goals



# Stakeholders Engagement

102-40 102-42 102-43 102-44

## Altri’s stakeholders

Altri recognizes the importance of all its stakeholders as fundamental elements for the pursuit of its activities and for long-term success. For Altri, it is essential to maintain continuous interaction with its stakeholders. In this sense, the Group remains permanently attentive to them, being available to receive their communications or suggestions and to reply to requests addressed by them.

*The identification of Altri’s main stakeholders was carried out based on criteria of importance, relevance and influence of all those, people or institutions, that affect and / or may be affected by the Group’s activities and products.*



Academic Community



Employees



Clients



Suppliers



Shareholders



Official entities



Communities / Non-governmental Organizations

## What our stakeholders say

106 stakeholders consulted, 82 answers (77%) to the stakeholders’ consultation			
IMAGE	Economic axis: 85% of stakeholders consider Altri to be an active or very active organization in this field.		
	Social axis: 72% of stakeholders consider Altri to be an active or very active organization in this area.		
	Environmental axis: 80% of stakeholders considers Altri to be an active or very active organization in this field.		
TOPICS	The Top 10 most relevant topics for Altri’s stakeholders include:		
	Water management	Employee health, safety and well-being	Biodiversity protection and ecosystems restoration
	Climate change and greenhouse gas emissions	Ethics, anti-corruption practices and anti-competitive behavior	Energy efficiency
	Forest management	Business and sustainability strategy	Economic performance
	Customer satisfaction and product quality		
REPORT	79% of stakeholder classifies the quality of the content presented in the Sustainability Report as good and very good.		
	81% of stakeholders classifies the presentation format of the Sustainability Report as good and very good.		



# Continuous Improvement Culture

*Altri Operating System is today our way of working and represents our concept of continuous improvement.*

## Altri Operating System

In 2020, the first “Altri Continuous Improvement” Convention was held, an event that had about 140 participants, mostly employees from Altri Group companies and some guests. This initiative aimed to motivate teams to reinforce their awareness to continuous improvement, motivating leaders to support and boost continuous improvement and creating a healthy spirit of competition, as well as a sharing spirit between teams, with prizes awards.

Still in 2020, the implementation of the Kaizen methodology in the area of Information Technologies began.

Altri Florestal has also been adopting KAIZEN™ methodologies to develop its leadership skills and continuous improvement routines. This makes Altri Florestal the first Portuguese company to adopt this type of tools within the forest management context.

The implementation of the Daily KAIZEN™ model has deserved special mention, with the objective of developing teams in order to achieve the goals set, as well as control and improve results. This practice of continuous improvement has been complemented with projects (kobetsu) to improve some processes. In particular, projects to prevent, evaluate and diagnose plantation mortality, to improve logistical efficiency in various contexts or to optimize biomass consumption can be mentioned.





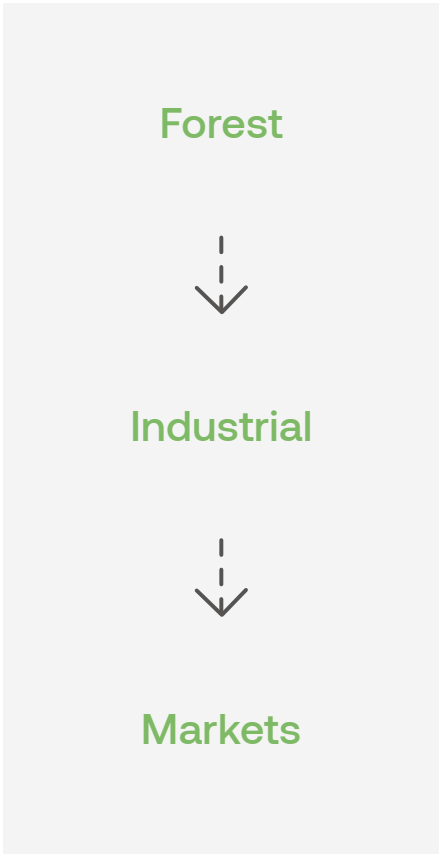
# Products and Processes Innovation

## Innovation value chain

Companies with a global presence such as Altri have the responsibility to tackle and adapt to an economy that is constantly and quickly changing, and it is in this way that Altri intends to assert itself as a leader of ongoing change processes in the sectors in which it operates .

Altri aims to adopt a proactive stance in tackling new challenges and in the development of new and better solutions, through the transformation of knowledge into a tradable asset, inducing the creation of value. We intend to develop new value chains, new products, new businesses, new processes and intellectual capital.

*In 2020, Altri's investment in R&D was **6.1 million euros**.*





# Forest

R&D activities at Altri have a history of more than 50 years, centered on aspects related to forest productivity, the efficiency of operations, the professional training and qualification of its employees and the sustainable management of forest areas.

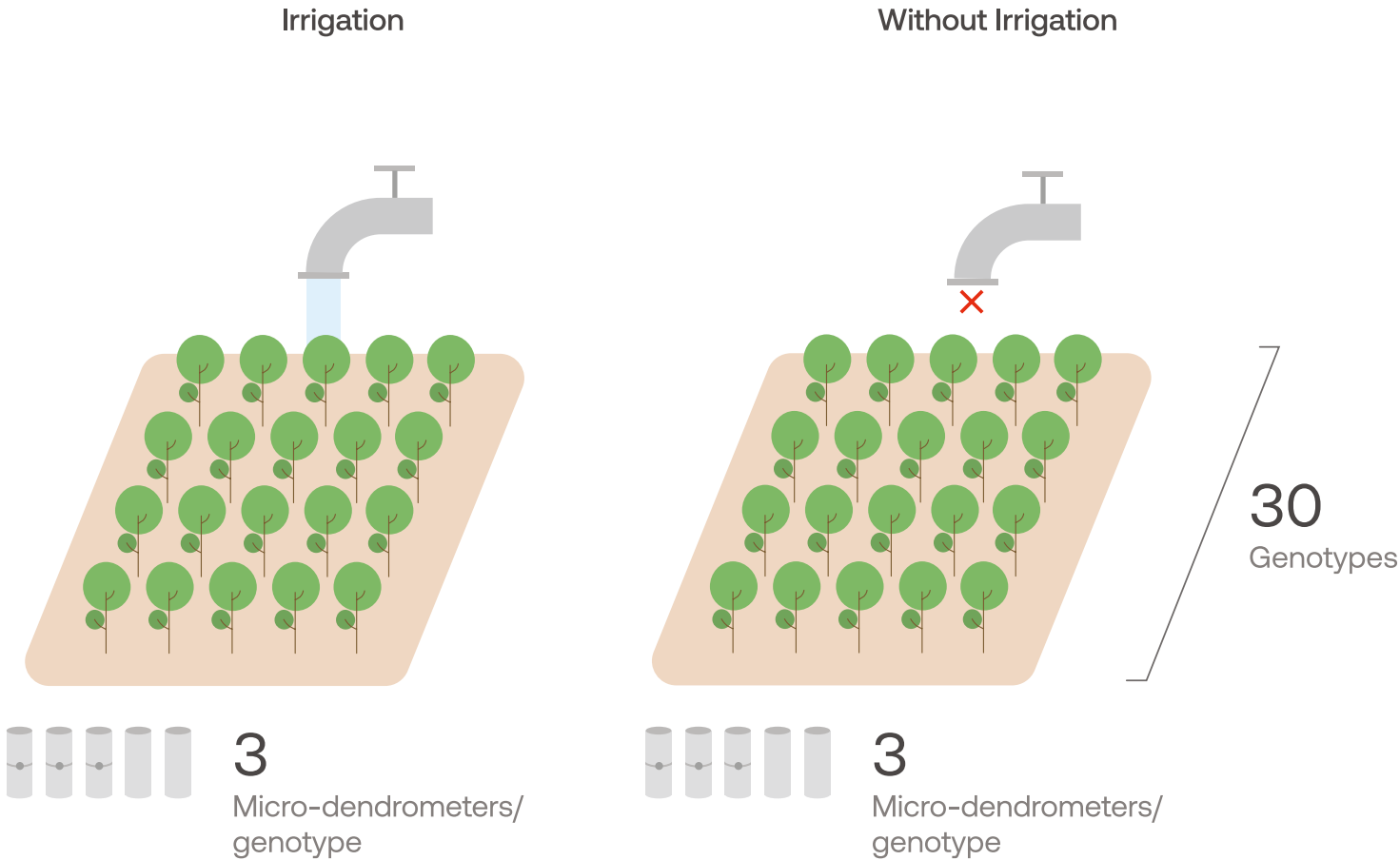
Altri is associated with the improvement of Eucalyptus globulus species, managing the oldest breeding program of these species in the world, making the rooting of its first cut, leading the most intense program of controlled pollination both for breeding and for industrial production and also, pioneering many nursery, forestry and forest management techniques.

Another relevant milestone is that Altri is proud of have extensive data series on eucalyptus production in different locations and subjected to different production techniques, which series have served for an extensive collaboration with several Universities and Research Institutions.

According to the Company’s business strategy, focused on operational research in the area of forest production, initiatives’ articulations aim for:

- Genetic improvement and development of vegetative material;
- Conducting and analyzing tests and experimentation;
- The resilience of its forests to biotic and abiotic factors.

One of the projects that Altri focused in 2020 was the B4EST project “Adaptive BREEDING for Productive, Sustainable and Resilient FORESTs under Climate Change” carried out along with 18 partners from 9 European countries.



The B4EST project intends to contribute to increased survival, health, resilience and productivity of forests under climate change by promoting a competitive bio-based economy.

Among other activities within the project’s extent, a set-up with 180 dendrometers (automatic tree diameter measurer) is installed in 30 different genotypes for measuring the daily variation of growth in diameter in which half of them are irrigated.



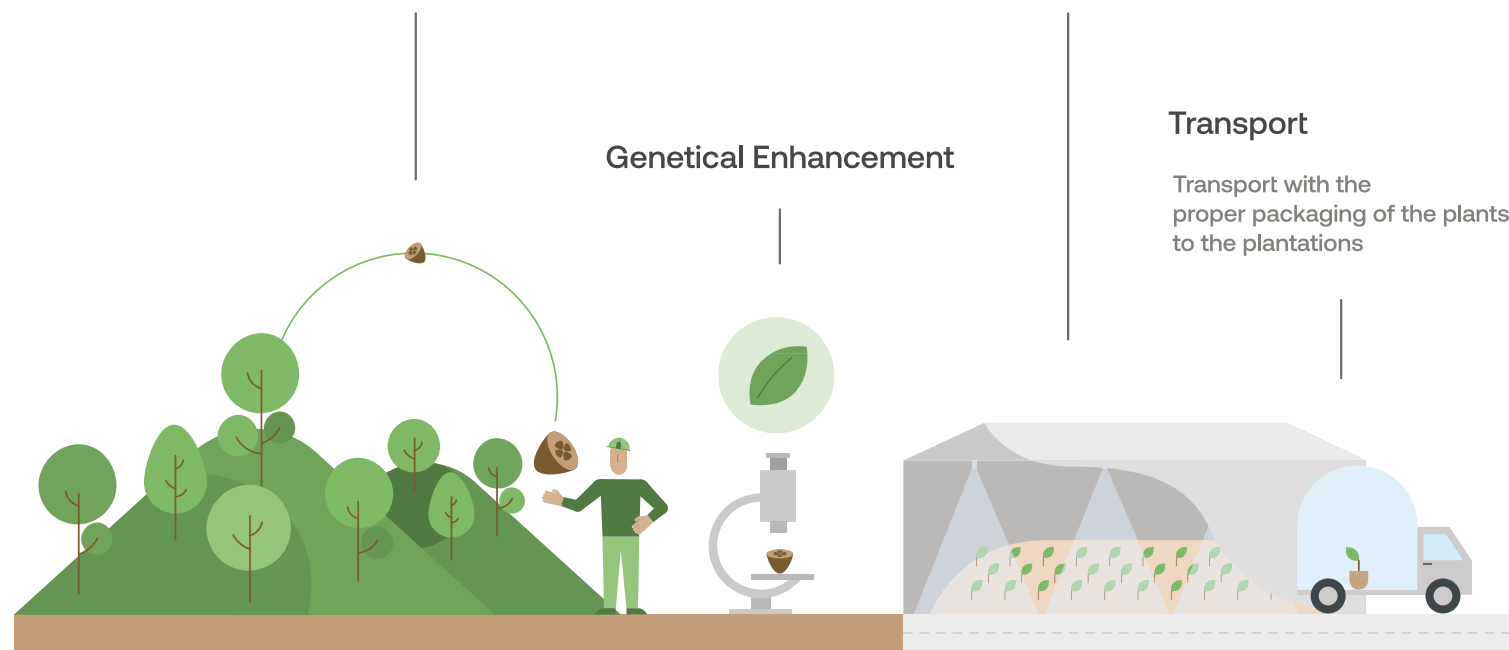
Plant Production



Seed Production



Furadouro's Nurseries



Seed production

Obtaining new families through the creation of new genetic combinations are tools that will provide greater productivity and will increase the adaptability of the species to areas with different conditions and in adapting to climate change. For this purpose, Altri has currently planted **two seed orchards, one with 1631 and the other with 1544 clones of 46 crosses between Eucalyptus globulus and other eucalyptus species.**

The genetically improved Eucalyptus globulus are produced seminally - seeds obtained through controlled pollination - and by vegetative propagation - via cloning. All other species are produced through seed that is selected according to their origin, ensuring a high adaptability to the places where they will be planted.

Genetical Enhancement

The company is currently involved in the Project “iPLANT - Innovation in the identification and production of improved eucalyptus plants to face current challenges”. The project aims to:

- Identify and make available new eucalyptus genetic materials that are productive, diverse, tolerant to adverse climatic factors and with wood properties, suitable for the production of pulp and paper, from improved clonal material.
- Develop an innovative system to produce tiny eucalyptus cuttings at the operational level, improving the productivity of the mother-plantation, the rooting of the cuttings and the plants’ quality.

The innovation proposed in this project will thus tackle a pressing need in the eucalyptus sector: the existence of diverse, productive plants tolerant to adverse climatic factors on the market and with suitable wood properties for the production of pulp and paper.

*In 2020, more than 632 thousand eucalyptus flowers were artificially pollinated.*





# Industrial

In order to spread new knowledge across all fields, a working group was created - Innovation Focus Group - which is transversal to the several Technical Departments of the Altri group and which aims to share information and develop ideas associated with innovation in the pulp and paper industry.

The creation of value by increasing the capacity of the mills requires access to a greater amount of raw material, so the most important thing is to reflect on how to derive more economic value from these units, without a significant increase in wood consumption.

In this way, new protocols and partnerships have been made with other institutions, in addition to those that already existed, of which, for example, the Universities of Aveiro, Coimbra and Beira Interior stand out. Besides educational institutions, there are also partnerships with the Center for Nanotechnology and Technical Materials (CeNTI) and with the Technological Center for Industries Textile Clothing Portugal (CITEVE). Finally, it has also focused on strategic cooperation with selected technology suppliers, both inside and outside the pulp and paper sector.

In addition, we seek to establish agreements with international institutions, such as the project developed in a European consortium, in which the production of textile fibers from cellulose using innovative technology (Project GRETE<sup>1</sup>). is an example. Another example of an innovation project that has cooperation focused on extracting value from the process is the CaimaChem Project<sup>2</sup>.

## Our focus

- Pulp Product Development and New Applications of Cellulosic Fibers;
- Development of special Chemicals from Cellulose;
- Valuation of Residual and Secondary Flows in the Pulp Production Process;
- New Processes and Technologies for Pulp Production.









<sup>1</sup> GRETE project from the Bio-Based Industries Joint Undertaking under the European Union's Horizon 2020 research and innovation programme under grant agreement No837527 – GRETE – H2020-BBI-JTI-2018 “Green chemicals and technologies for the wood-to-textile value chain”

<sup>2</sup> CaimaChem - Investigate and develop new techniques for the recovery of acetic and furfural acid from condensate streams from the evaporation of the dissolving pulp production process ”(POCI-01-0247-FEDER-045125), co-financed under the Incentives for Research and Technological Development System, within the COMPETE 2020, Portugal 2020 and the European Regional Development Fund (ERDF) scope, of the European Union.

# Digital transformation

Digital transformation is one of the strategic cornerstones for Altri's development. It is a process of transversal change in the Organization that will revolutionize the way we work and our way of being.

## What do we want with digital transformation processes?

	Taking the next step in the culture of Operational Excellence		Anticipate operational liabilities or relevant events
	Improve decision-making processes		Improve the identification of solutions
	Reduce unnecessary costs		Improve customer and employee satisfaction
	Identify improvements by handling big data		Improve sustainability Practices



# Relevant projects in 2020

PowerBI	Creation of more than 100 KPIs / Dashboards with relevant information from the various business areas: Industrial, Financial, Commercial / Logistics, Forestry
Electronic archive and digital invoice	Implementation of an e-invoice portal and digital archive to store and consult more than 50,000 invoices / year
Maintenance Digitalization	Implementation of several projects in the field of maintenance digitalization, with the installation of sensors that support predictive models of failures and malfunctions, aiming to increase the availability of mills
“Artificial Vision” Project	Resume the development of the “Artificial Vision” project for wood reception that will allow the identification of the species, the determination of the quantity and the quality assessment based on the diameter and measurement of the bark in the round wood delivered to the mills
Metris OPP	Continuation of the implementation of Metris OPP in partnership with Metris – Andritz Digital Solutions
Biomass moisture	Automatic biomass moisture recording system for energy recovery
GISagri	Geographic information system that allows the visualization and consultation of cartography and other information related to the areas of forest management in mobile equipment.
Intercompany	Transaction system between the various companies belonging to the Group. Allows automatic accounting of profit and cost.
Stock management	System that allows to unify the material codes in the warehouse in order to lowering stocks and optimizing the minimum quantities to trigger orders





# Memberships and Subscribed Commitments

102-12 102-13

Altri’s presence in the market is strengthened by its participation in associations and organizations in the sector and by the commitments it subscribes to.

## Main affiliations and participation in other organizations

- Member of the Business Council for Sustainable Development (BCSD Portugal)
- Member of the Business Association for Innovation (COTEC Portugal)
- Member of the Paper Industry Association (CELPA)
- Member of Tecnicelpa, participation in governing bodies
- European Confederation of Paper Industries (CEPI), participation in working groups
- Member of the Business & Biodiversity Initiative
- Member of FSC Portugal
- Member of AFOCELCA (group of companies for monitoring and fighting forest fires)
- Member of IUFRO - International Union of Forest Research Organizations
- Member of IEFC - European Institute for Cultivated Forest
- Member of the Pinus Center
- Member of ANEFA (through Furadouro’s Nurseries)
- Member of the Business Center of Santarém (NERSANT), participation in governing bodies
- Member of the Beira Baixa Business Association (AEBB), participation in governing bodies.
- Member of PEFCPortugal
- Member of IberLinx - Association for the Conservation of the Iberian Lynx
- Member of the Commercial and Industrial Association of Figueira da Foz

## Commitments subscribed by Altri

Altri subscribes, through its Code of Conduct, to the United Nations Universal Declaration of Human Rights. This guide is a call to action for WBCSD<sup>1</sup> partners, sharing a vision of how companies are fulfilling their corporate human rights responsibility, and sharing best business practices on this topic.

By joining the United Nations Global Compact, Altri is also committed to aligning its strategy and reflecting in its culture and daily operations the Ten fundamental Principles involving Human Rights, Labor Practices, Environmental Protection and Anti-Corruption Mechanisms.



<sup>1</sup>More information about the CEO Guide on Human Rights can be found [here](#).

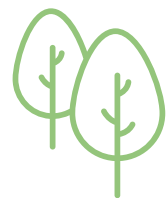




# How We Create Value

*Betting on the value creation through the management of natural capital, the sustainability of our products and the way we deliver to our customers.*





### In Natural Capital

considering present and future goals, Altri manages all its activities sustainably.

- 10% of the area under management corresponds to conservation areas
- 2.4 M € invested in preventive forestry



### On our product's delivery

through the search for greener solutions for the delivery of products.

- 67km distance between industrial sites and maritime hubs
- Encouraging partners to transition to solutions based on non-fossil fuels



### In our product's sustainability

through innovation and product development with less negative impacts on the environment and society.

- Development of new products
- Projects for the recovery of waste and secondary flows
- Development of new processes and technologies





# In the Management of our Natural Capital

102-7

## The Value of the Altri Forest

### Fixes CO<sub>2</sub> from the atmosphere

8 million tons of CO<sub>2</sub> stock in living biomass

### Sustainable Forest Production

Own certified production of eucalyptus wood, cork and pine wood. Long-term management of natural resources

### It is a non-fossil energy source

Residual forest biomass, extracted according to environmental criteria, is a source of renewable electric energy injected into the National Electricity Grid

### Fosters the local economy

About 100 forest service companies; More than 430 skilled workers

### Protection of rural areas

In 2020, only 0,08% of forest under management was affected by fires. The average of the last 10 years was below 1%, significantly lower than the national average.



*The quality of Altri Florestal results reflects a highly qualified team, which favors multidisciplinary work and continuous improvement.*

The Altri Forest is managed in a sustainable way, considering present and future goals, the balance between the economy, social and environment cornerstones.

With production criteria that combine profitability with sustainable management, Altri Florestal occupies a top place among Portuguese companies in its sector. Standing out for its responsible forest management, audited by the main certification systems, Altri Florestal's mission is to guarantee, in the present and in the future, the production and quality supply to the industrial units in a competitive and sustainable way.

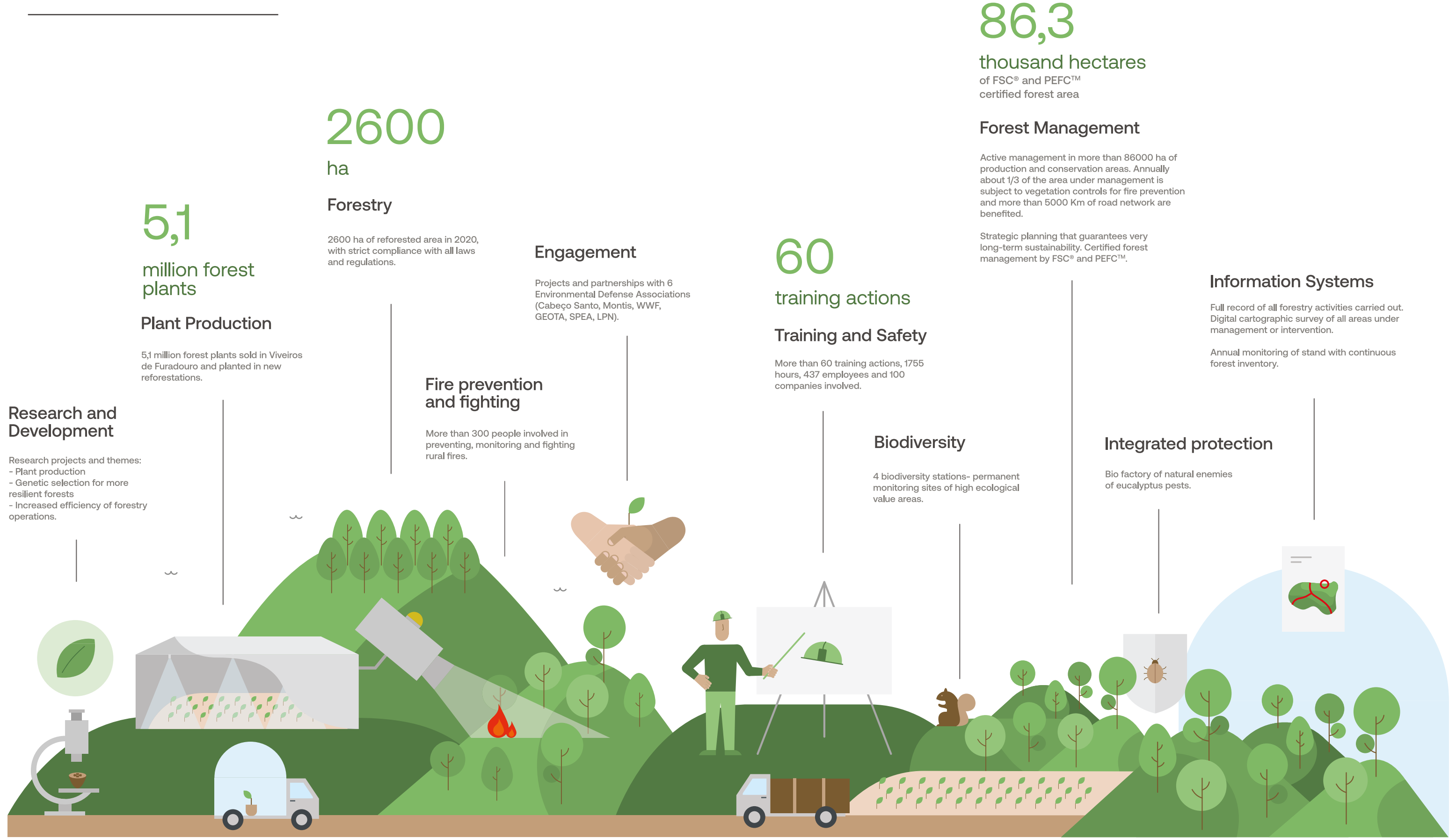
The area under management by Altri Florestal covers more than 86.3 thousand hectares. Three quarters of this area is occupied by eucalyptus forests, the source of the main raw material for the Group's industrial units. In the remaining area, other products are obtained, emphasizing cork from cork oak forests and the production of pine and poplar wood.

From the Altri Forest, there are also several other products and benefits not sold by Altri, but its production depends on the transfer of some of its spaces to third parties, such as honey, game, mushrooms, firewood, among others. Some areas under Altri's management are also commonly used for leisure activities. More than 10% of the area under management corresponds to conservation areas and about half of this area is classified as having some type of habitat. These areas are carefully managed in view of their priority functions and are often the subject of research studies and tests of conservation practices, carried out together with partners from scientific institutions or associations of nature conservation.

With the aim of improving the quality of wood and increasing its forest stands' productivity, Altri Florestal continuously seeks the genetic improvement of the plants used in its plantations, the improvement of forestry and nutrition techniques used.



# Natural Capital Management







# Forest Certification

Altri Florestal promotes the certification of forest management and chain of custody of its partners and raw material suppliers, providing the necessary technical support for the creation and operation of producer groups, and then acquires certified wood.

Altri Florestal actively engages in the construction of normative references for forest management, assuming its role as an integral member of the two national associations that represent PEFC™ and FSC®.

*In 2020, Altri Abastecimento de Madeira acquired 65% of FSC® and PEFC™ certified wood for the three Group’s industrial units.*



Increase the percentage of wood consumption with forest management certification by 40%

SDG referred by stakeholders in the scope of the consultation process carried out in 2020.

# Forestry Production

Altri’s forest management has extensive technical knowledge from several years of experience and close contact with the research and development area.

The planning activity is present before the execution of any forestry operation, being a transversal basis to all management. The planning of forestation and

maintenance activities is carried out in the short and medium term. In addition to these planning horizons, forestry is also planned and analyzed in the long term, considering periods of 24 years. Several strategic scenarios are tested, in order to try to foresee the future possibilities considered more realistic. National, regional and local policy instruments are

always considered, as well as other good practice recommendations to ensure the protection of soil and water. This planning seeks to obtain the best use of the natural resources available to the company, always considering a balance of economic, social and environmental benefits.

*Operational management is based on silviculture and exploration models recognized by specialists. This management can be divided into four main activities:*



Forestry



Maintenance



Exploration and Transportation



Infrastructures





## Forestry

After each cut, the decision to reforest is based on comparing the productivity and economic return of the next rotation in coppice and reforestation, respectively. Reforestation takes place when it meets the criteria for the expected increase of productivity and profitability. All forestations or reforestations, without exception, are carried out based on legally approved projects.

It begins with the preparation of the land, which normally consists of the shattering and localized incorporation of the existing woody material, followed by soil mobilization. Fertilization is prescribed based on soil analysis and planting is done with a density that can vary between 1000 and 1600 plants per hectare. All activity is monitored, both during and after planting is completed.

The plants used are produced from seeds obtained by controlled pollination, in the areas of seed production, or cuttings resulting from the company's genetic improvement program.

### Furadouro's Nurseries

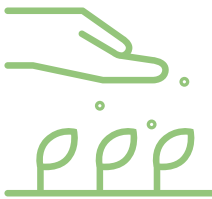
Furadouro's Nurseries guarantees Altri Florestal the plants supply used in its forests. Besides eucalyptus, millions of plants of other species have been produced, namely pines, cork oaks, holm oaks and other oaks, arbutus, riparian, and other native species. Furadouro's Nurseries also make all of these species available to external customers, namely owners, companies and forestry associations.

The seminal plants of *E. globulus* that are produced on a large scale in Furadouro's Nurseries belong to several families of controlled crosses, in which the two progenitors of the seeds are known, carefully selected in several field trials, integrating diverse genetic materials (grafts and pollen). They are the only nursery in the country to produce and commercialize genetically improved seminal *E. globulus* in high quantities.

Besides the seminal plants, cuttings of several clones are also produced, widely tested, with superior characteristics of productivity, wood quality, resistance to unfavorable environmental factors and to pests and diseases. Currently there is an area of mother-plantation with 6 clones considered operational, one of them being a hybrid of *E. globulus* with *E. cypellocarpa* with specific characteristics of greater resistance to frost and tolerant to waterlogging. Annually, 1.2 million cuttings suitable for planting are produced from these 6 clones. Finally, another 9 clones are being developed for operational scale, which may replace the existing ones, in a perspective of maintaining diversity in forested areas.



*1.2 million clones and  
3.9 million plants  
produced seminally*



## Maintenance

Throughout the rotation, two or three fertilizations are made, depending on the development of the population and its nutritional status. The conduction of eucalyptus stands is done in coppice, with the selection of stubble shoots carried out at two or three years, which should result in a number of stalks per hectare close to the initial planting density.

The maintenance also includes regular controls of vegetation, either inside the stands or in fuel management lanes, operations that prove to be extremely important in protecting against fires. At the same time, particular attention is paid to the appearing of woody invaders, pests and diseases, in order to carry out quick and effective actions.

### Alvares Integrated Landscape Management Area

Altri Florestal is a partner in the project to implement an Integrated Landscape Management Area, promoted by Góis' Association of Forest Producers. The project aims to adapt and transpose the reorganization study of the parish of Alvares, carried out by Instituto Superior de Agronomia and promoted by the publication "O Observador", after the great fire of 2017.

To this end, a pilot area of about 1200 ha was created, which was presented as the first AIGP to the General Directorate of the Territory in December 2020.

AIGP's general objective is to promote the enhancement and management of forest and landscape spaces, aiming to reducing the fire risk and the frequency of major fires, improving the safety of people, property and the forest and empowering the local economy.

*The start-up of the project  
is financed by CELPA.*





## Exploration and transportation

In most cases, the final cut of eucalyptus stands is carried out between 10 and 14 years of age. The activity begins with the elaboration of an exploration map that, in addition to several technical details, geographically locates environmental protection and safety considerations.

Whenever possible, fully mechanical means are preferred, which offer greater profitability and safety at work. The most common exploitation system is based on the combination of cutting and processing machines with a forwarder that performs the operation of filling up the wood piles. The wood piles are located in places carefully chosen to load and carry to the mills.

Altri has a plan to gradually replace diesel harvesters with hybrid harvesters, in the cutting operations carried out on its forest properties.

*These hybrid machines allow a 25% reduction in fuel consumption and a reduction in CO<sub>2</sub> emissions between 15 and 30%.*

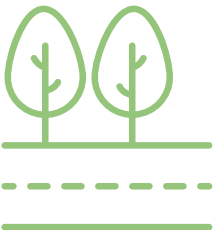


13 CLIMATE ACTION



Reduce scope 3 emissions by 30% (kgCO<sub>2</sub>e/ADTP)

SDG pointed by stakeholders within the scope of the consultation process carried out in 2020.



## Infrastructures

Altri Florestal constitutes and maintains its own road grid, which allows good accessibility to various locations within the properties, from the municipal or national road grid.

For better use, these infrastructures are internally classified based on the ease of movement of the types of forest vehicles or machines.

The paths are planned in order to minimize their quantity and to maximize the accessibility of the forest area, as well as to maintain the appropriate behavior and the quality of water downstream. The setup and maintenance of the road network is carried out based on a plan that considers all the relevant technical aspects (type of circulation, slopes) and the environmental aspects (drainage, crossing of water lines, soil characteristics, conservation areas).







# Fire prevention and fighting

Forest heritage preservation is one of Altri's major goals, namely the protection of the forest against fires. Some actions worthy of note are investments in preventive interventions, collaboration with other counterparts in the fight against fires and the effort and dedication of all staff in the systems for preventing and fighting fires.

Forests are always favored by an adequate road and divisional network, which allows the effective and efficient circulation of goods and services, as well as protection and accessibility against fires.

A huge investment is made every year to protect the forest against fires: **22.4 M € in preventive silviculture and 3.5 M € in AFOCELCA's devices for detecting and fighting forest fires.**

Preventive silviculture is largely based on the maintenance of a divisional network (firebreaks), fuel management lanes and the reduction of fuel amount inside the stands. The maintenance of ponds and water points allows water to be made available for fighting structures in the event of a fire.

*Annual vegetation control is carried out in, at least, one third of the management area.*

Altri Florestal has been part of AFOCELCA since its beginning, in 2001. It is a complementary group of companies, currently between Altri and The Navigator Company.

AFOCELCA's fighting strategy is based on a logic that the shorter the fire control time results in less losses for companies, and a philosophy that there are no acceptable fires or smokes, so all fires and / or smokes must be checked, followed and fought with the utmost promptness. AFOCELCA integrates and collaborates with the national structure for the Forest Protection against Fires.

AFOCELCA currently has about three hundred fighters, distributed over 17 Prevention and Surveillance Units, 29 Terrestrial Fighting Teams and 3 Helitransported Brigades. AFOCELCA has also contracted 3 helicopters to combat forest fires and 6 track machines.

# Biodiversity

The preservation of ecosystems and biodiversity is an ingrained principle of Altri's culture. The conservation of biodiversity is a priority in all areas with a relevant ecological value. In these areas, the development of these values is promoted through restoration projects.

Areas with a primary preservation function are managed based on assessments of their preservation status. On a case-by-case basis, the necessary interventions to preserve and improve ecological values are decided.

After characterizing the preservation areas, Altri Florestal implemented a management and monitoring program for these areas. Based on field visits, the status of the properties visited is assessed

and management measures that aim to protect or restore conservation values are identified .

Management measures for preservation areas are defined based on the values present in them (probable or proven) and the guidelines from sources such as the Sectoral Plan of the Natura 2000 Network, the Red Book of Vertebrates of Portugal, among others.

When elaborating larger forestry projects or with constraints (for example in the areas included in the National System of Classified Areas), the opportunity to establish new conservation areas, namely through discontinuity zones or ecological corridors, is evaluated.

*For each of the 22 Classified Areas as areas under management by Altri Florestal, Biodiversity Management Plans were prepared.*



Develop 13 biodiversity stations and biospots

SDG referred by stakeholders within the scope of the consultation process carried out in 2020



# Forest Information Systems

Forest growth is monitored through periodic measurements and collection of other data from the forest heritage. The Forest Inventory is a statistical work carried out with the purpose of getting quantitative and qualitative specifications of forest resources, such as production, density, phytosanitary status, characteristics of the sub-cover or existence of invasive species. Altri Florestal carries out forest inventories on a continuous basis, being one of the most important sources of information to support forest management.

The results of the forest inventories allow the analysis of the current productivity of the stands, as well as, using growth model allows the forecast of future production. These facts make this

information essential for decision making in strategic, tactical and operational planning. Besides that, the inventory results are also used in the control of forestry operations, in productive analysis of stands, in the planning of phytosanitary interventions and in the calculation of key performance indicators.

Geographic Information Systems (GIS) assume an important role as a support management tool. This system is based on a database designed just like the image of the managed forest heritage whose information generated is shared for consultation by employees, whether in the office or in the field. Geographical information is, to some extent, the basis of almost all forest management work.

The use of GIS can take many forms. As an information base, orthophoto or satellite image services are usually used, but also images internally collected using unmanned aerial vehicles (drones). The most common use is the production of thematic cartography and support for various uses, such as cadastral surveys, forestation and exploration projects, maps to support the forest inventory, identification of conservation values, among many others. However, geospatial analysis has also become an important support base for management. In this regard, the company has developed works to assess the risk of erosion, to study productivity and to analyze the stands' vitality.

*Orthophoto generated from the use of drones*



# Integrated protection

The protection of the forest against pests and diseases is done in an integrated protection perspective, always combining the best existing knowledge with the best control tools available. In addition, Altri Florestal, in partnership with several entities, collaborates in the investigation and development of control means that can be viable, effective and safe.

## Genetic struggle

The genetic struggle, through the search for plant genotypes that are more resilient to pests and diseases is a path in permanent development. Through field and laboratory tests, genotypes of eucalyptus that are more resilient to pests and diseases are sought,

*and the mechanisms that give plants a greater or lesser susceptibility are studied.*



## Biological pest control

Biological control consists on the use of specific natural foes of a specific pest that, by killing their host, naturally reduce the organism to be fought. Altri Florestal recognizes that this is a very important tool for the effective and safe control of pests in its stands.

In 2011, in partnership with RAIZ, studies were started to prospect natural enemies of the eucalyptus weevil, *Gonipterus platensis*. The eucalyptus weevil is a defoliating insect that feeds on eucalyptus leaves. Moderate to strong attacks lead to reduced tree growth.



The objective was to find specific pest parasitoids that would complement in the field the partial control obtained with the already established parasitoid *Anaphes nitens*. Among the organisms studied, the egg parasitoid *Anaphes inexpectatus* was selected. For mass production of this organism, a bio-factory was set up at Altri Florestal. Between 2012 and 2018, more than 460 thousand parasitoids of *Anaphes inexpectatus* were released, resulting from the production of Altri Florestal and RAIZ. Recent field monitoring indicates that this organism is established, although parasitism in the field is low and therefore has no effect on pest reduction.

Another pest that has caused damage in the field is the eucalyptus tanning bug (*Thaumastocoris peregrinus*), a sucking insect that sucks the cellular content of the leaves causing them to lose their photosynthetic capacity.

The natural enemy, named *Cleruchoides noackae*, parasites and kills the eggs of the pest, interrupting the life cycle of the host. This parasitoid has already been successfully tested in other countries where tanning bug causes severe damage, such as in Brazil. In Portugal, it was necessary to repeat laboratory studies of efficacy and specificity to obtain authorization for field releases.



# On Our Product's Delivery

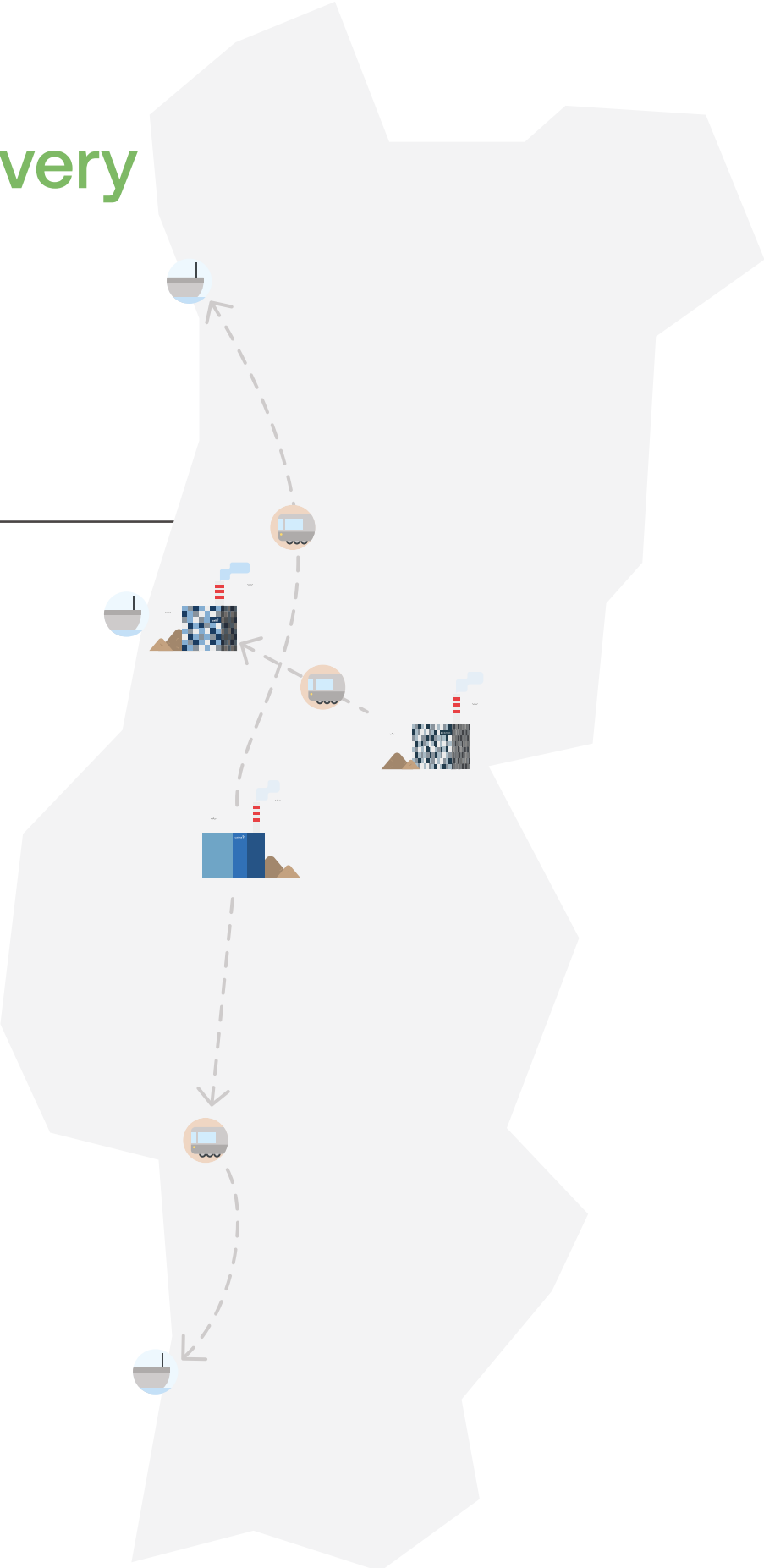
## Where it all begins

Our average distance to the market, which is around 4000 km, makes us responsible for the constant search for a mix of sustainable transport methods.

The geographical location of our industrial units, which, on average, are 67 km from their outbound hubs to sea mode, is undeniably an excellent starting point for our environmental performance regarding the downstream of our transport system.

But it is necessary to persist in good choices and maintain our 5 pillars of sustainability for the downstream of our transport chain.

67 kms separate our industrial sites from marine hubs



### Pillar 1

#### Betting on maritime transportation

Betting on maritime transportation, and on a network of 24 ports, namely in the short distance for our sales in Europe and in the whole Mediterranean basin, and in the deep-sea transport to the Far East.

Maritime transportation is, therefore, the main way of transportation of our sales (66%), reserving the road only for part of our deliveries in the Iberian Peninsula (18%).

When analyzing the distance covered by each way, the weight of sea transport rises to 93% of our total transport.

*The weight of maritime transport in the tkm<sup>1</sup> downstream of our transport system is 93%.*

### Pillar 2

#### Market solutions

Continuous effort to use market solutions, as opposed to dedicated services, due to the implications in terms of empty travel.

The two dedicated operations of our group are long-term solutions whose environmental impacts go beyond those provided by conventional market solutions, whether in the case of the connection between CELBI and Figueira da Foz' Harbour (T4T project), or in the almost daily railway connection, between CELTEJO and the same harbour.

### Pillar 4

#### Railway

Investment in the growth of rail transportation on a multi-client basis or on a block train to the Iberian Peninsula, an option that is clearly supported by our contractual practices that give an increase to proposals based on this way of transportation.

### Pillar 3

#### Figueira da Foz' Harbour

Centralization of harbour operations at Figueira da Foz' harbour, as a way of optimizing outbound and inbound transport, thus contributing for a balance between the ships' entrance and exit from that harbour.

We thus contribute decisively to the reduction of empty repositioning of ships: 70% of ships enter loaded and leave with cargo.

This pillar also represents a strong social commitment to the region.

### Pillar 5

#### Ecological transition

Encouraging our partners in the ecological transition, offering the possibility of long-term contracting and increasing proposals for solutions based on non-fossil fuels.

*With these five pillars as a guide for our future, we aim to contribute to a 30% reduction in our global level of emissions by 2030.*

2030 COMMITMENT

13 CLIMATE ACTION

Reduce scope 3 emissions by 30% (kgCO<sub>2</sub>e/ADTP)

SDG referred by stakeholders within the scope of the consultation process carried out in 2020.

<sup>1</sup> Measurement unit that is equivalent to the weight, in tonnes, of the transported load multiplied by the transport kilometers.



# In The Sustainability of Our Product

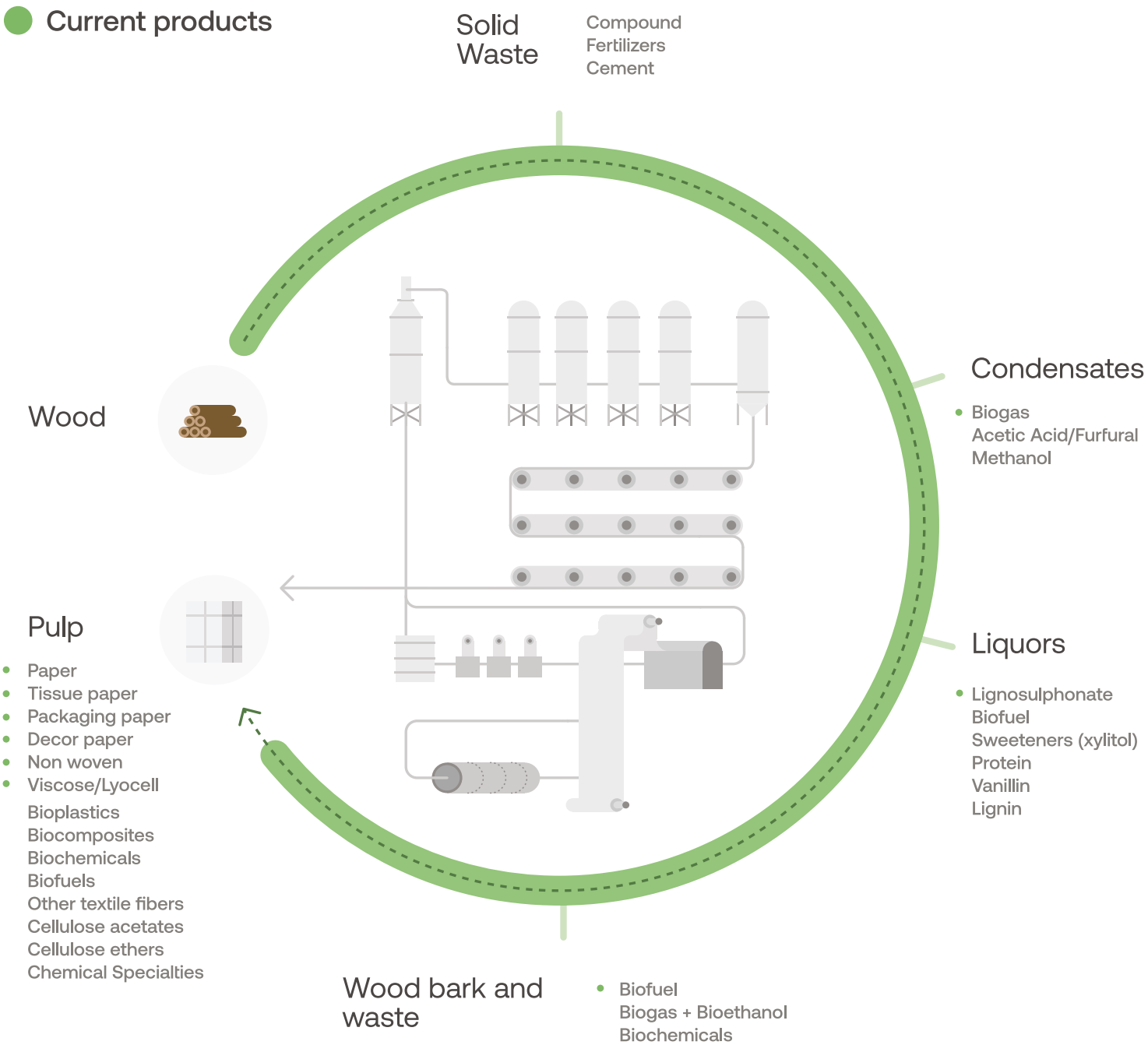


*Altri is strongly committed to increase its value through the production of new products derived from wood.*

Our industrial units must be seen as second generation biorefineries, with the potential to give products with high added value from renewable sources besides the traditional ones, such as pulp, paper and packaging.

Altri has been investing heavily in research and development regarding this field of study, in the search for sustainable products with high added value. This is the case of the Caima mill, which is the only one in Portugal, and one of the few in Europe, to produce dissolving pulp for application in the production of cellulosic-based textile fibers, which guarantees environmental advantages when compared to synthetic fibers of petrochemical origin and natural fibers like cotton. Cellulosic-based textile fibers are recyclable, biodegradable and come from sustainable forests with less water and nutrient consumption than cotton plantations.

## Altri's mills as 2nd Generation Biorefineries





*Altri's innovation projects have focused on creating economic value and intellectual capital in 4 strategic axes, in areas adjacent to the current business.*



SDG 9 - Industry, Innovation and Infrastructure is one of the goals that Altri's stakeholders give more importance to, so Altri keeps its focus on the development of new products and solutions.

Pulp and new fibrous products

New processes and technologies

Cellulose and chemical specialties

Waste recovery and valuation of secondary streams





Focus has been given to projects that can increase the knowledge capital of the Altri group in cellulosic-based textile fibers.

Examples of Ongoing Projects:

# New Products Pulp and Fiber



## GRETE H2020, May19 - Apr23<sup>1</sup>

- R&D study on new solvents dissolving and regenerating fibers
- Extend the raw material of textile fibers from the dissolving pulp to paper
- European project via BBI JU (consortium BBI and EU)

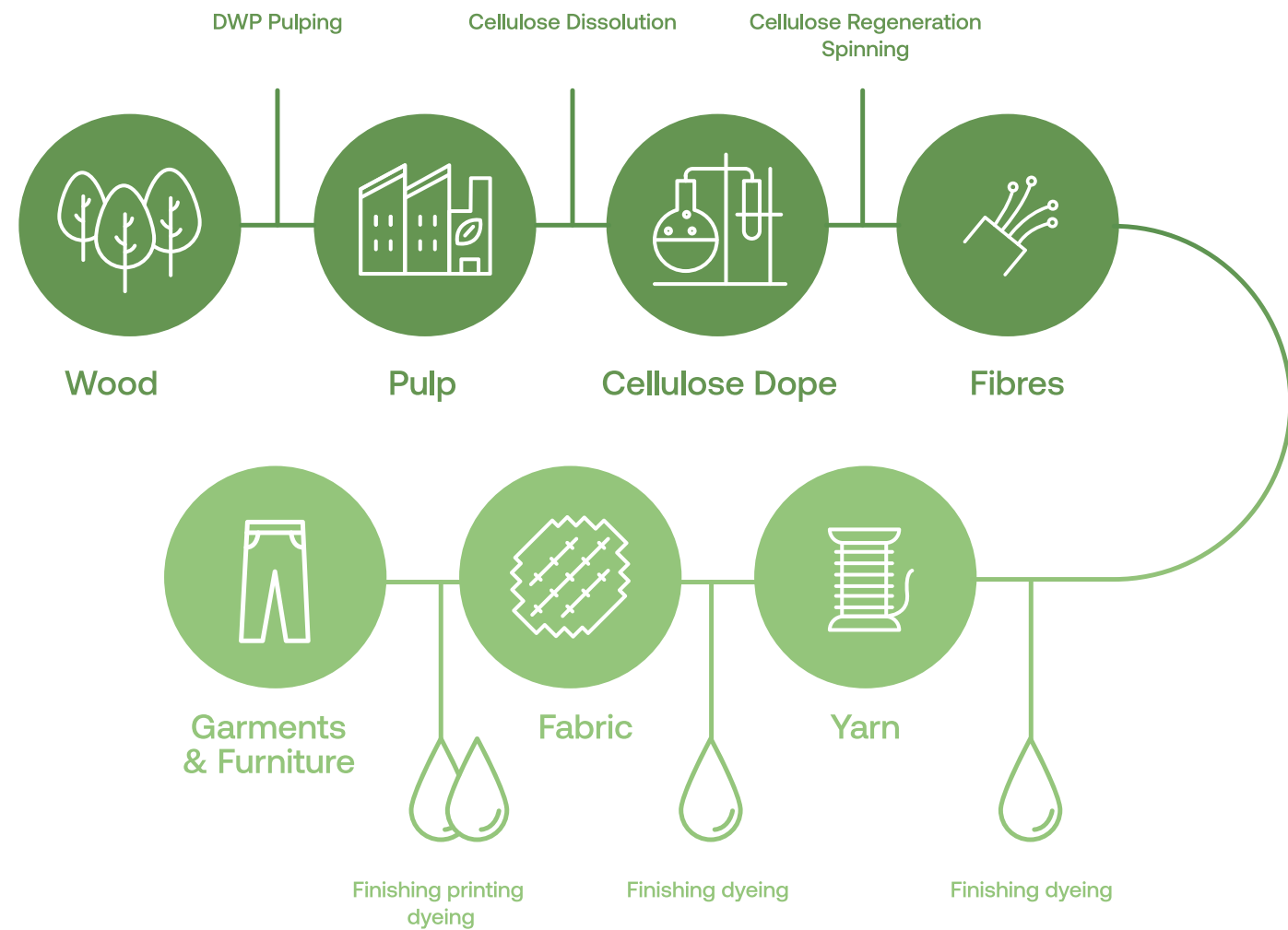
co-financed by:



## FIBRE4FIBRE PT2020, CENTI/CITEVE, May20 - Mar23<sup>2</sup>

- R&D study on Caima pulp for Viscose and Lyocell
- Functionalization of Textile Pulps and Fibers
- Partnership between CENTI, CITEVE and Altri

## Value Chain covered by the Projects (source: GRETE)



<sup>1</sup>GRETE project from the Bio-Based Industries Joint Undertaking under the European Union's Horizon 2020 research and innovation programme under grant agreement N°837527 - GRETE - H2020-BBI-JTI-2018 "Green chemicals and technologies for the wood-to-textile value chain.

<sup>2</sup>Projeto Fibre4Fibre (POCI-01-0247-FEDER-046948) - co-financed under the Incentive Scheme for Research and Technological Development, within the scope of Portugal 2020, through the Competitiveness and Internationalization Operational Program (COMPETE) and European Regional Development Fund - "Fiber4Fiber: Eucalyptus globulus' dissolving pulp for the development of new cellulosic-based processed fibers



# Valuation of Secondary Streams



CaimaChem PT2020, Altri/Caima, Mar19 - Sep21<sup>3</sup>

- R&D study on extraction and recovery of acetic acid and furfural in Caima
- Partnership with National Universities and international technological companies

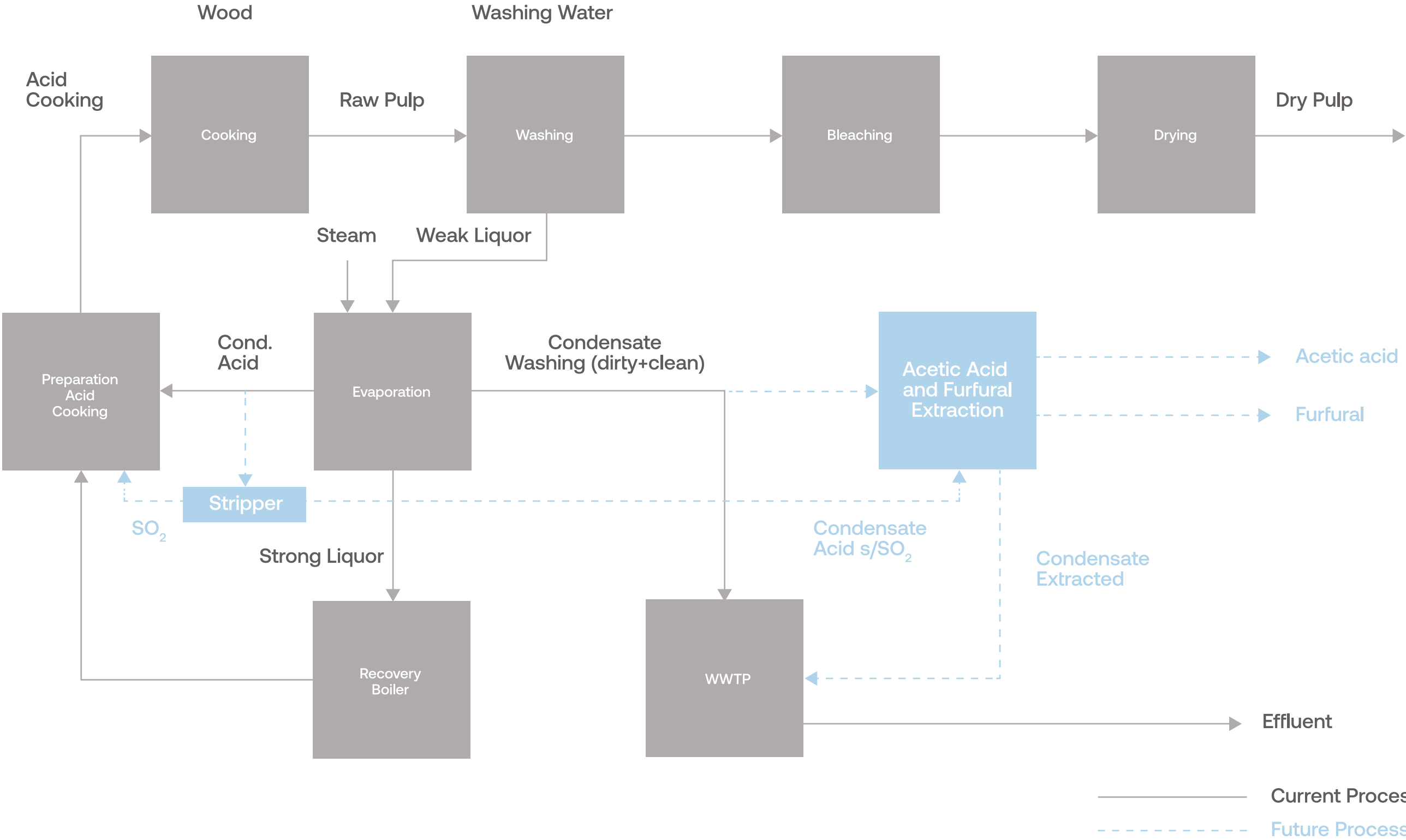
co-financed by:



<sup>3</sup> Projeto “CaimaChem - Investigate and develop new techniques for recovery of acetic acid and furfural from condensate streams from evaporation of the soluble pulp production process” (POCI-01-0247-FEDER-045125), co-financed under the Incentive Scheme for Research and Technological Development, within the scope of COMPETE 2020, Portugal 2020 and European Regional Development Fund, of the European Union



# Integrated Value Chain covered by the CaimaChem Project (source: Caima)







# Economic Agenda

Ensuring responsible supply chain management and customer satisfaction and involvement are essential elements for Altri's success.



# Our Suppliers

102-9 204-1 308-1 414-1

Altri recognizes the importance of promoting sustainability throughout its value chain, thus, it has implemented a supplier management process that covers not only the selection moment, but also the monitoring and evaluation, seeking to ensure a follow-up throughout the entire life cycle of the partnership.

This process applies to suppliers that provide services permanently, of resident essence or under an outsourcing contract. These suppliers must be in critical working areas that are fundamental to the company, such as materials, chemicals and packaging materials whose consumption is considered as volume costs, being subsidiary materials that are fundamental to the process.

## Supplier qualification and evaluation process

Filling of an assessment questionnaire on quality, environmental, social and OHS performance by the supplier



Filling of the selection survey, by the supplier



Evaluation of the response to the questionnaire (if minimum requirements are met) by the Quality, Environment and OHS department.

Impacts on Quality, Environment, energy performance and OHS are taken into account. If the necessary conditions are met the supplier becomes a pre-qualified supplier.



Special follow-up of the product (six months to a year) followed by an evaluation meeting that gives the supplier the attribute of qualified product supplier



Qualified suppliers of materials are submitted to an annual assessment. Aspects such as product compliance and certifications are assessed.

All material suppliers and service providers are evaluated based on economic, social (including energy performance of products) criteria.

In the event of a negative rating, suppliers are submitted to corrective actions.

*In order to promote the local and national economy, the origin of Altri's suppliers is an important criterion for their selection, and in 2020, 92% of the total expenses with suppliers were with national suppliers.*

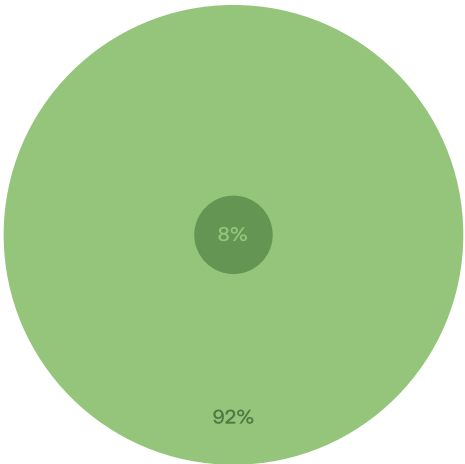
Selection is only the first step in supplier management, which is why we continuously seek to promote suppliers' training and awareness in several matters, such as in Environment and Safety, with a special focus on safe behaviors.

In 2020, the volume of training provided to external trainees was 3,718 hours, representing a 90% decrease when compared to 2019. This reduction

is justified by the restrictions imposed by the pandemic associated with the SARS-COV-2 virus, which prevented conducting training actions face-to-face.

In order to guarantee the quality of the service provided by our service providers, the Forest Service Providers Code of Conduct has been implemented since 2019, issuing guidelines on the values and expected conduct, guiding Altri's activity.

- Spendings with international suppliers
- Spendings with local suppliers





*The Forest Service Providers Code of Conduct<sup>1</sup> clarifies the expected conduct in relation to the following matters:*



Performance



Audits



Ethics



Subcontracting



Safety and Health



Labor



Environmental



Equality and Non-Discrimination



Confidentiality



<sup>1</sup>For more information on the Forest Service Providers Code of Conduct access: [http://www.altri.pt/~media/Files/A/Altri-V2/documents/Codigo\\_Conduta\\_Fornecedores\\_ALTRI\\_FLORESTAL.pdf](http://www.altri.pt/~media/Files/A/Altri-V2/documents/Codigo_Conduta_Fornecedores_ALTRI_FLORESTAL.pdf).



# Our Clients

## External customer perception

Altri's customers are a decisive group of stakeholders for the pursuit of the mission and compliance with sustainability goals, as well as an important driver for the design and implementation of new solutions.

*In 2020, no complaints were registered, but 11 improvement opportunities were identified in the course of the permanent contact we maintain with our customers.*

In order to collect suggestions and assess customers' perceptions of the company's performance, evaluation surveys are carried out every 2 years.

The results of the External Perception Assessment, which are presented below, are the top management's analysis target.



### Business Issues

42% consider that products are always competitive in terms of prices

71% consider that the payment terms are **always** fair, consistent and as good as those practiced by the best companies



### Distribution and delivery deadlines

54% consider that the products are always delivered in accordingly

65% consider that the shipping and delivery of products are **always** adequate



### Sales and technical assistance

94% believe that shipping documents and receipts are always adequate and accurate

70% consider that the sales team **always** visits their company whenever assistance is needed.

88% believe that the sales support area **always** has a quick response and deals with orders effectively

*According to the customers' perspective on Altri's performance in the last 12 months, in general, the categories under analysis have improved, with greater expression in terms of sales assistance and technical assistance provided.*



# Altri's Tax Strategy

207-1 207-2 207-3 207-4

## Altri's Tax Policy

Aligned with its values, Altri is committed to stakeholders, with total transparency in its process of creating economic value.

Altri, being a responsible and prudent taxpayer, is committed to ensure compliance with tax laws, rules and regulations. Seeking to ensure that its tax strategy is consistent with economic activity, business and commercial strategies, in the different locations where it carries out its business activities.

### Altri Group

- **Paid taxes are a natural reflection of our good financial performance**
- **We are committed to continuously improving our economic and social performance**
- **We believe that our businesses play a leading role in contributing to the development of society through paid taxes**

In order to ensure that this goal is met, Altri, supported by internal guidelines, in addition to strict compliance with local laws, also adopts international guidelines in terms of transfer pricing policies, thus allowing its fiscal policy to be aligned with the best market practices.

As with any other intrinsic expense related to the process of creating economic value, Altri has an obligation to treat tax expenditures as part of its financial responsibility to stakeholders. The tax is just one of the many factors that are considered in the decision-making process.

Based on duly reasonable and justified reasons, the Group, in its decision-making process in response to commercial activity, considers the possible effects of tax incentives and other benefits or exemptions granted by the State.

The commitment to fiscal transparency is also reflected in the relationship with the Tax Authorities and the State.

*The Altri Group guides its relationship with all tax authorities, in a transparent, proactive and receptive way, always with the objective of minimizing disputes and building bonds of trust and partnership.*

## Fiscal Conformity

Tax issues are managed by the tax team, and are complemented by the support of tax advisers, whose services aim to comply with local tax practices.

### Our Path

- Based on the principles defined in the Group's Code of Conduct, Altri's tax policy describes the main principles and guidelines of taxation at Altri
- Taxes are paid in accordance with applicable tax laws and regulations

The Executive Committee is responsible for the supervision and monitoring of these policies, as an intrinsic part of Altri's risk management processes.

*For all the above, Altri values the ongoing dialogue on tax issues with stakeholders.*





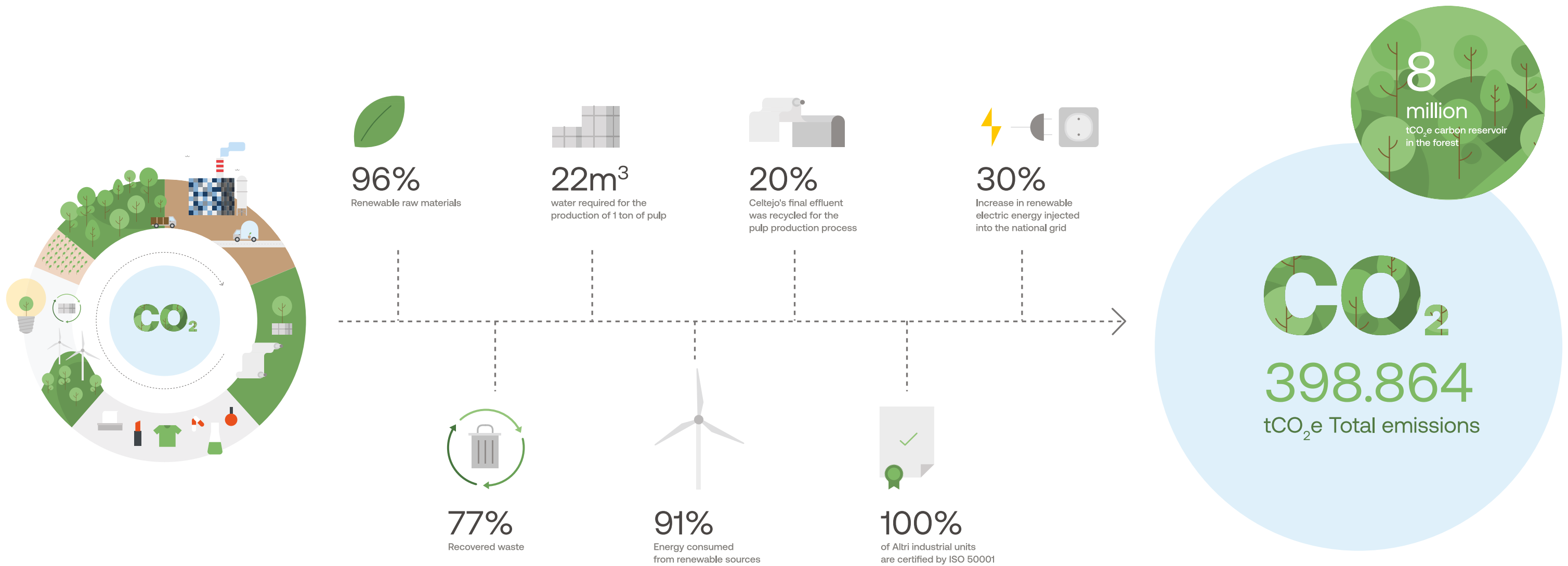
# Environmental Agenda

102-7

---

*Invest in efficient management of resources through circular economy projects, ensuring the conscious and responsible use and preservation of resources.*







# Circular Economy

*Reduce, reuse, recover and recycle materials or energy. This is one of the basic concepts of the circular economy that Altri is exploring in several areas of the Group.*

Altri, as a creator of renewable products, applies the circular economy throughout its value chain - from its sustainably managed forests, through the pulp production process to the way it reuses all by-products.

### 1. Renewable resources

Altri uses wood produced in sustainably managed forests. Residual forest biomass is energetically valued in biomass boilers.

### 2. Responsible operations

Altri works in order to obtain maximum operational efficiency in its industrial units, reducing its environmental and social impact.

### 3. Sustainable products

All its products are sustainable, renewable and biodegradable.

### 4. Product uses

### 5. Circularity at the end-of-life

When it is no longer possible to reuse or recycle, forest-based products are energetically recovered, replacing fossil fuels.





At Altri, around 96% of the raw materials used are renewable, and the Group's strategy is to make the most of all by-products resulting from its processes and activities.

*In this sense, the Group has defined an action plan that consists of two main lines of action:*

**Increase the operational efficiency of industrial units, in order to reduce the use of natural resources and waste production.**

**Production of outputs with higher added value:**

- Upcycle by-products and waste produced in its industrial units, as raw material for other industries;
- Fertilizer production from sludge that come from the treatment of effluents for application in the forest;
- Energy recovery of residual forest biomass in biomass thermoelectric plants.

# Environmental management at Altri's industrial units

Altri has been investing for several years in reducing consumption of raw materials, fossil fuels and water use, with the aim of improving its environmental performance, reducing its operating costs and increasing its competitiveness.

Altri has Environmental Management Systems in all its industrial units, implemented and certified in accordance with international reference standards. All environmental aspects are identified and evaluated in relation to impacts and associated risks, for all activities carried out, and the associated control and mitigation measures are also defined for those considered most significant.

For the improvement actions or investments considered relevant, an environmental, energy and safety balance is carried out, with the goal of evaluating their foreseeable effects on the Company's environmental, energy and safety performance, as well as predicting the impacts and proposing appropriate mitigation measures.

*All pulp and energy industrial units scrupulously comply with the limits defined in their Unique Environmental Titles (UET), in line with the recommendations in the Best Available Techniques (BAT), of the European Union reference documents.*



# Environmental Management

## Materials and Waste

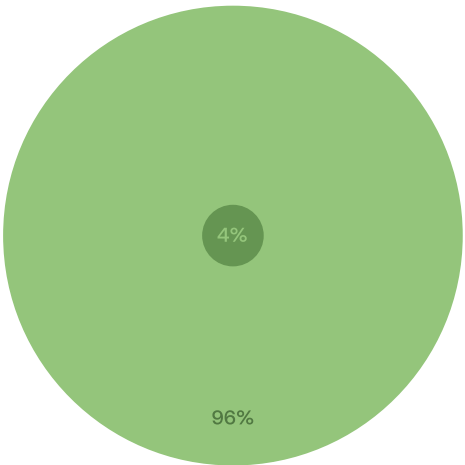
301-1 301-2

RELEVANT THEME:  
Waste Management

*At Altri, about 96% of the raw materials used are renewable*

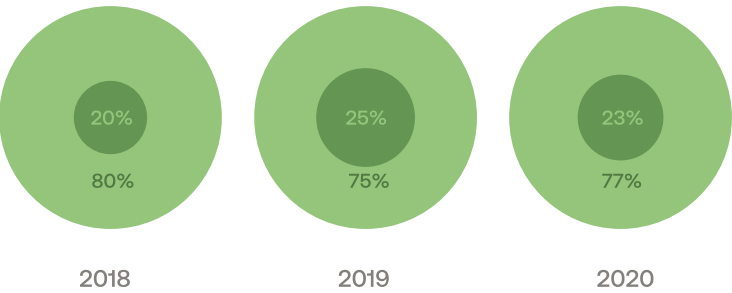
The main raw material used by Altri in the pulp and dissolving pulp manufacturing process is wood, which comes from sustainably managed plantations. The non-renewable materials used, which represent the remaining 4%, are chemicals such as caustic soda, hydrogen peroxide, sulfuric acid and sodium chlorate.

- % of non-renewable materials
- % of renewable materials

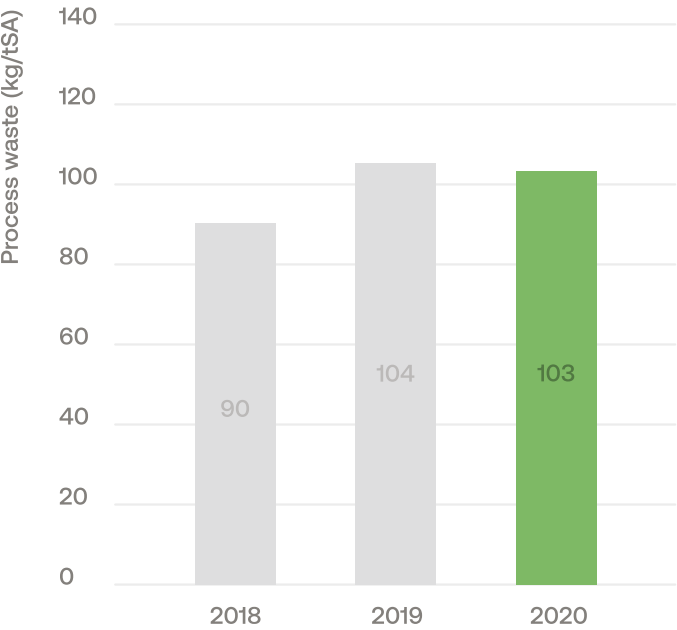


Destination of process waste produced in the pulp and energy production processes

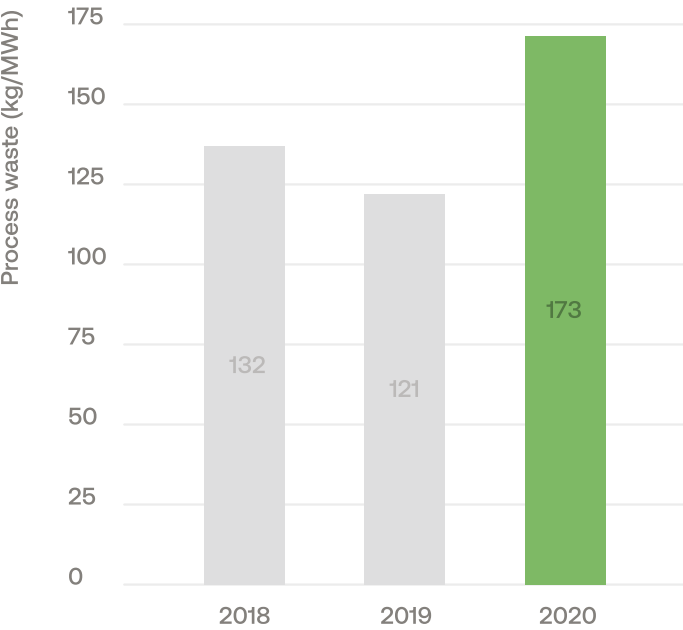
- Elimination – D
- Recovered – R



Pulp production



Energy production



*Waste production increase in the energy production activity at GREENVOLT is related to the start of operation in July 2019 of the Mondego Bioelectric Society plant.*



100% of process waste recovered or reused

SDG referred by stakeholders in the scope of the consultation process carried out in 2020.



## Main initiatives in 2020

### Declassification of waste (attributed by APA - Portuguese Environment Agency).

Within CELPA's (Association of the Paper Industry) scope, the processes of declassification of the main process residues waste are still ongoing, allowing them to be considered as by-products and used as raw materials by other industries.

The resulting Fluidized Bed Biomass Boiler Sands from the energy production process are considered as a by-product for use in Paving and Manufacture of construction materials (cement, mortars), since 2019.

- 15% of the sands produced in 2020 were sent to these destinations as a by-product

- In 2020, carbonate sludge was declassified for use as a raw material to produce lime for incorporation in the pulp production process

- In 2020, 3% of the carbonate sludge produced went to this destination

### Energy recovery

A large part of the waste produced in the pulp mills has the potential to be energetically recovered, namely the fibers and biological sludge resulting from the treatment of effluents. At Altri, part of this waste is recovered energetically either in the recovery boilers or in the biomass thermoelectric boilers.

- In 2020, about 22% of this waste was recovered internally for the production of energy

### New partners

In 2020, contacts with possible partners for the use of waste / by-products as raw materials for their production processes were intensified.

### New projects

"Return to the Origins" is a project under development that aims to return to the forest wood components that are not used in the pulp production process.



### Other ongoing projects

- Fertilizer production from secondary WWTP sludge with partner AGRISTARBIO

Altri Florestal started the pot tests with the fertilizer produced from the secondary sludge in an eucalyptus plantation, with the aim of checking the effectiveness of the fertilizers and adjusting their composition to the requirements of the forest land and the subsequent licensing of this product.

With the reuse of biological sludge in the fertilization of forest soils, the life cycle of organic matter originated in the forest itself is closed.



# Water and effluents

303-1 303-2 303-3 303-4 303-5

The pulp and paper sector is one of the best examples of circular economy, and water is one of several resources used in an efficient, responsible and cascading way by Altri.

At Altri, water has a high value function, both as a water resource in forests and as a production resource, namely in the transport of cellulose fibers, in its washing, in the pulp sheet formation and in heating and cooling circuits.

Being such an important resource, Altri is committed to preserving it and using it according to the best applicable practices.

In its Efficient Water Management Policy and its 2030 Commitment, Altri assumes the responsibility to reduce the specific use of water and recycle,

whenever possible, the wastewater treated in the industrial units.

Currently, and thanks to the water recovery circuits located in the different process stages, water can be recirculated about 10 times before being sent for treatment in the Wastewater Treatment Plants existing in the mills.

In 2021, Altri aims to report its performance in water management under the “Water Disclosure Project” (WDP), as a way of managing and measuring its water footprint.

The main pollutants discarded in the final effluents include phosphorus, nitrogen, chemical oxygen deficiency (COD) and adsorbable organochlorines (AOX<sup>2</sup>).



2030 COMMITMENT

Reduce the organic load (CQO, kg O<sub>2</sub>/ADTP) in Altri's industrial effluents by 60%

MATERIAL TOPIC:  
Water Management

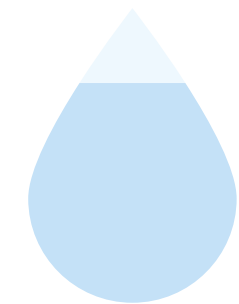
## Water

Since 2018, water's specific use has remained practically constant, i.e., the amount of water required for the production of one ton of pulp was 22 m<sup>3</sup>/ADTP, well below the IPPC Best Available Technologies (BAT) reference (Integrated Pollution Prevention and Control) and the IFP (International Financial Corporation) guidelines, which establish the range of 25 m<sup>3</sup>/ADTP to 50 m<sup>3</sup>/ADTP as global best water management practices for this activity.

83% of captured water is returned to the environment<sup>1</sup>

Approximately 83% of the water captured in the mills is returned to the environment after being properly treated, fulfilling all the requirements defined in the Unique Water Resources Titles of each industrial units. The remaining 17% accompany the final product or evaporate into the atmosphere.

The water returned to the environment by Altri is treated by the mills in their respective Wastewater Treatment Plants (WWTP), which are highly efficient and ensure that the effluents discharged to the receiving media are ecologically safe and comply with all regulatory requirements.



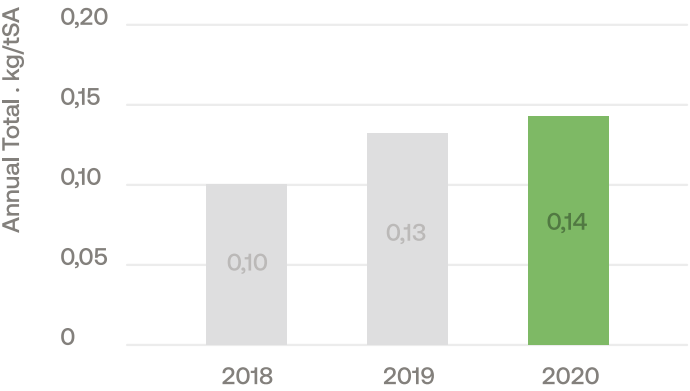
- Water collected and returned
- Water collected and consumed

2030 COMMITMENT

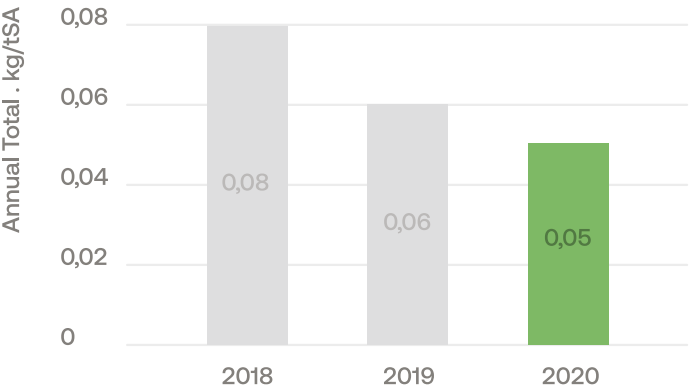


Reduce the water's specific use (m<sup>3</sup>/ADTP) in Altri's mills by 50%

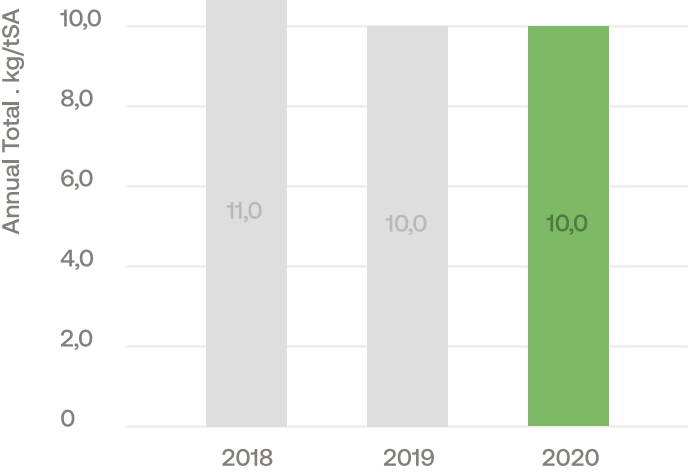
## Nitrogen



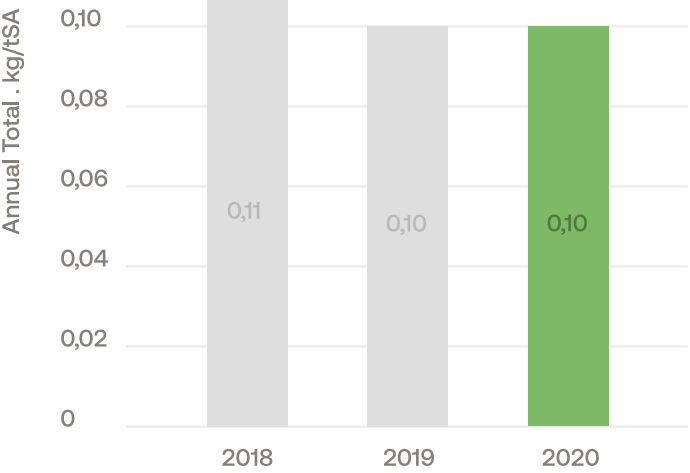
## Phosphorus



## Chemical Oxygen Demand (COD)



## Adsorbable organochlorines



<sup>1</sup> The value of captured water returned to the environment doesn't include Greenvolt.

<sup>2</sup> AOX concerns only Celbi, the only company in the Group that uses chlorine compounds in the pulp bleaching process



## Wastewater recycling

*Altri has been implementing measures that allow to discharge less effluent to the Tejo River*

The investments made in Celtejo make it possible to recover a considerable part of the effluent water and to use it again in the production of bleached pulp, which has very demanding requirements in terms of quality. This measure allows Celtejo to draw less water from the Tejo river and release less effluent into it.

*In 2020, 20% of Celtejo's final effluent was recycled for the pulp production process.*

In 2020, an independent study of the water quality of the Tejo River began with an independent laboratory associated with the University of Coimbra. The goal is to characterize the circumstances that lead to the occurrence of foam and color, especially in the Abrantes region.





# Air emissions

305-7

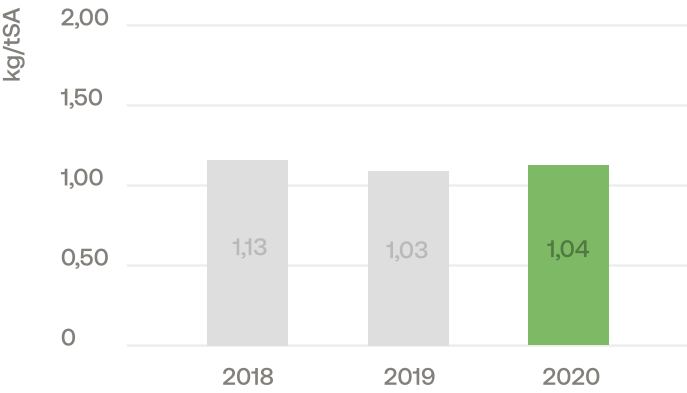
Gaseous emissions result mainly from combustion processes, including carbon dioxide (CO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NOx) and fine particles.

When not properly managed, CO<sub>2</sub> contributes to global warming while emissions of SO<sub>2</sub> and NOx affect air quality and can cause acid rain and acidification of the soil.

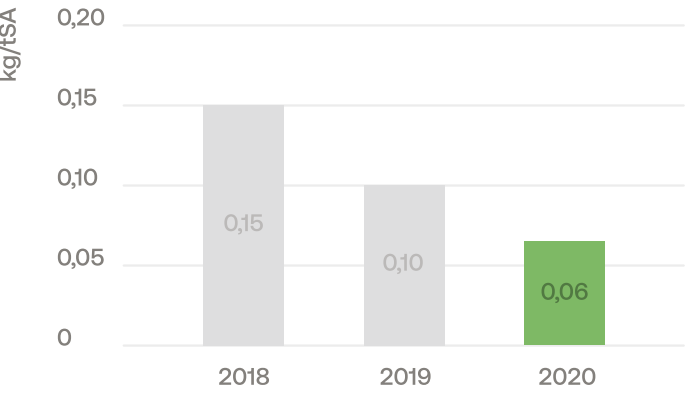
Altri works in order to decrease its atmospheric emissions using more renewable energies, improving energy efficiency, and betting on clean technologies such as gas washers and bag filters associated with advanced process control systems.

## Gaseous emissions from pulp production activity

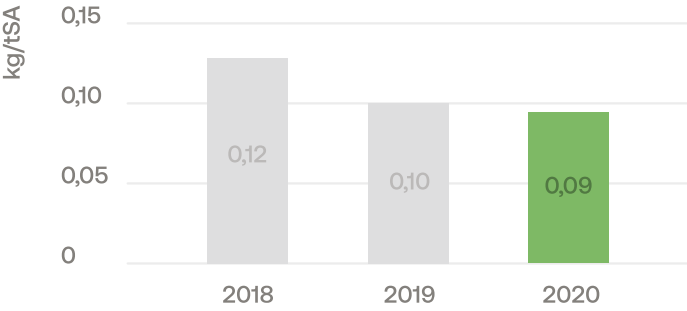
NOx Emissions



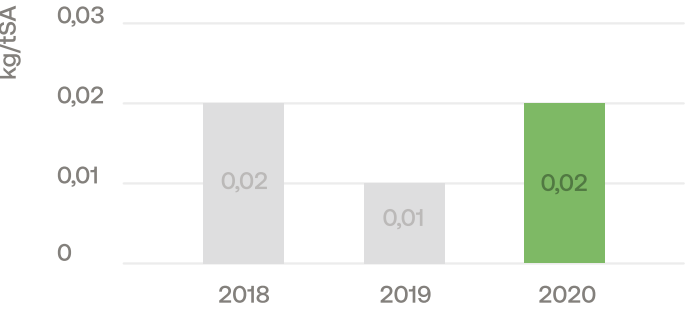
SO<sub>2</sub> Emissions



Particle Emissions

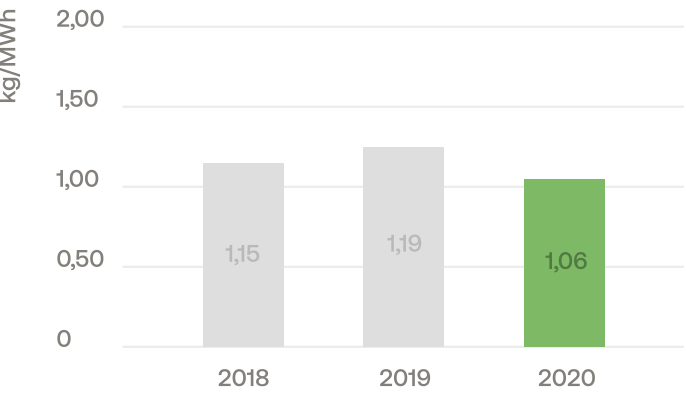


TRS Emissions

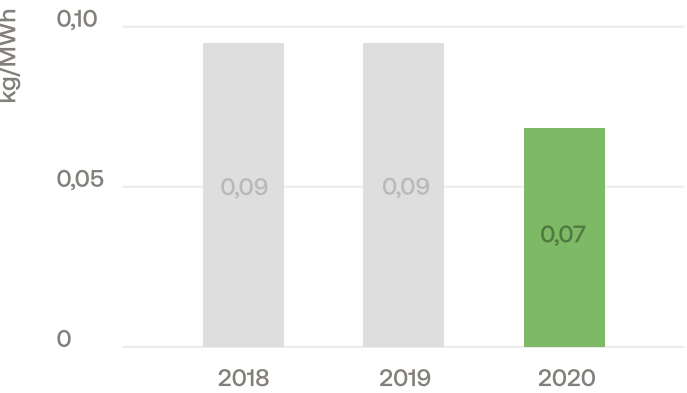


## Gaseous emissions from energy production activity (Greenvolt)

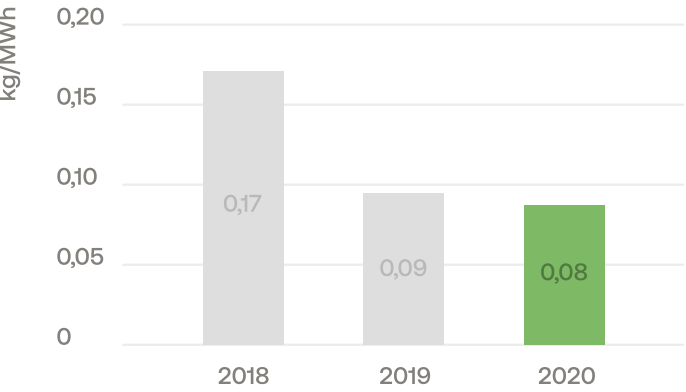
NOx Emissions



SO<sub>2</sub> Emissions



Particle Emissions





# Odors

413-2

Altri continues its journey in order to minimize the odor resulting from its mills' activities.

## Project to collect diffuse emissions in the pulp production sector

In 2020, a project was started at Celbi to collect diffuse emissions released in the industrial areas of the digester, washing, sieving, delignification with oxygen and bleaching. The collected gases will be chemically washed in suitable equipment and sent for burning in the Recovery Boiler.

With this project, Altri hopes to achieve a very significant reduction in the odor felt by the surrounding community, since the diffuse emissions from these areas currently represent 90% of these emissions. This operation is scheduled to start in March 2021.





# Energy

302-1 302-3 302-4

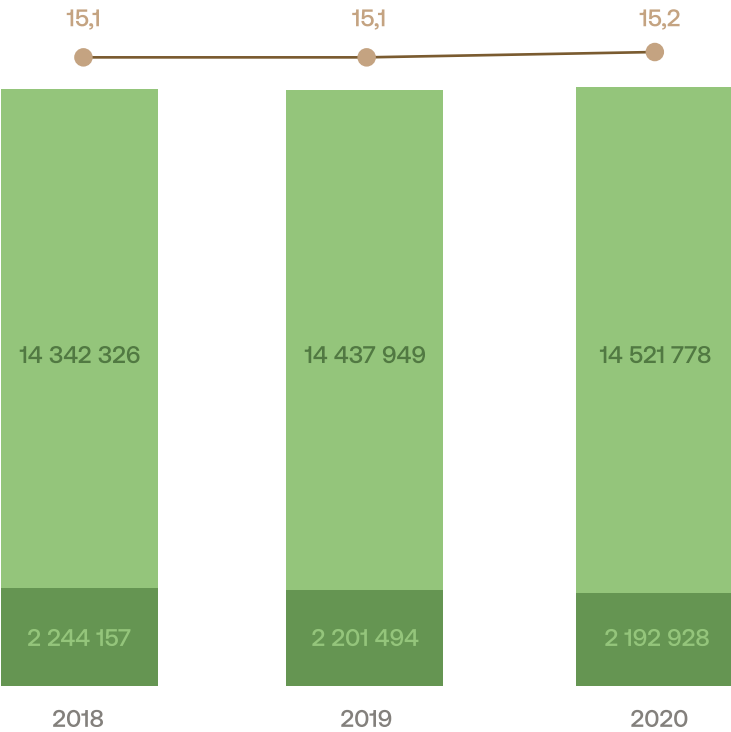
MATERIAL THEME:  
Energy Efficiency

Altri has implemented measures to ensure that the cellulose pulp production process, which is energy intensive, is carried out in the most efficient way possible, namely through the use of various wood derivatives whose carbon content is considered environmentally neutral.

Altri has been focusing on increasing the energy efficiency of its processes, reducing their costs. In this sense, the three industrial units, Celbi, Celtejo and Caima, have implemented and certified Energy Management Systems in accordance with the requirements of ISO 50001, which determine the definition and frequent implementation of specific energy optimization projects and programs.

## Energy Consumption - Pulp Production

- Total electric energy consumption (GJ)
- Total thermal energy consumption (GJ)
- Specific energy consumption (GJ/tSA)

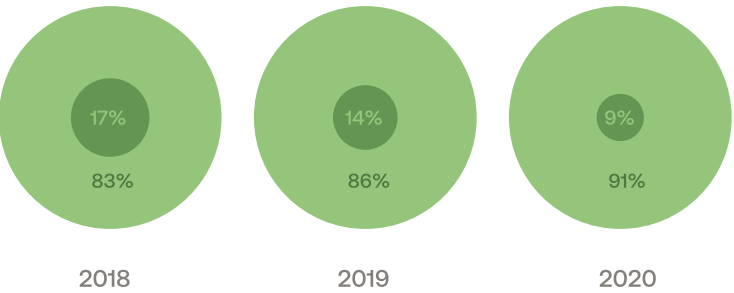


In 2020, there was a reduction of around 2% in the total energy consumption associated with the Pulp Production activity. This reduction is the result of several improvement actions implemented by the cellulose pulp mills with the aim of reducing their electricity consumption, resulting in a reduction of this consumption by about 19% compared to 2019.

The investment in new technologies and the bet on the best energy efficiency practices have been allowing the energy produced from the burning of biofuels to be more and more representative, with around 91% of the energy sources used in the manufacturing process being of non-fossil origin.

## Primary Energy Consumption

- Fossil
- Renewable



Note: Information related only to pulp production activity



100% of primary energy consumed at Altri's plants is from renewable sources

SDG referred by stakeholders in the scope of the consultation process carried out in 2020.

The investment in new technologies and the bet on the best energy efficiency practices have been allowing the energy produced from the burning of biofuels to be increasingly representative.



Initiatives in 2020



- Automation of warnings and pressure adjustments in the low-pressure steam network.
- Optimization of air, temperature and combustion air pressure ratios in the recovery boiler.
- Identification and repair planning for steam leaks and improvement of traps.
- Optimization of low pressure and medium pressure steam consumption.
- Optimization of the performance of one of the turbo generators, which reduced the purchase of energy.



- Reorganization of circuits and heat exchangers setup in order to allow the use of thermal energy from internal currents, reducing the consumption of steam.
- Reorganization of circuits aiming to make use of lost or recovered water, for reuse and thereby leading to a reduction in use of water.
- Speed variators setup in fan motors and pumps.
- Approval of an investment for the installation of a biomass boiler that will make possible to eliminate dependence on fossil fuels.



- Process pump operation optimization (frequency converters setup, reduction of pump operating speed and pressure, replacement of pumps and motors with greater efficiency and implementation of control logic associated with optimal operating conditions).
- Adjustment of the size of some equipment to the current process needs (pumps and engines of smaller size).
- Mitigation of ozone consumption in bleaching (consumption of electricity).
- Equipment improvement and creation of maintenance routines, aiming at the best equipment's energy performance.
- Increased availability of the wood preparation plant, allowing for an operation optimization, with less downtime, resulting in electricity consumption savings.
- Elimination of leaks in the steam collectors.
- Implementation of preventive maintenance routines in industrial compressed air networks.

- Implementation of chemical washing cycles with automatic controllers and timers.
- Reduction of thermal energy consumption, compared to 2019, as a result of procedural optimizations, with an impact on steam consumption in several areas of the plant and also in the specific steam generation of CR2.

Also noteworthy is the increase in the electricity grid capacity to inject into the National Electricity Grid.



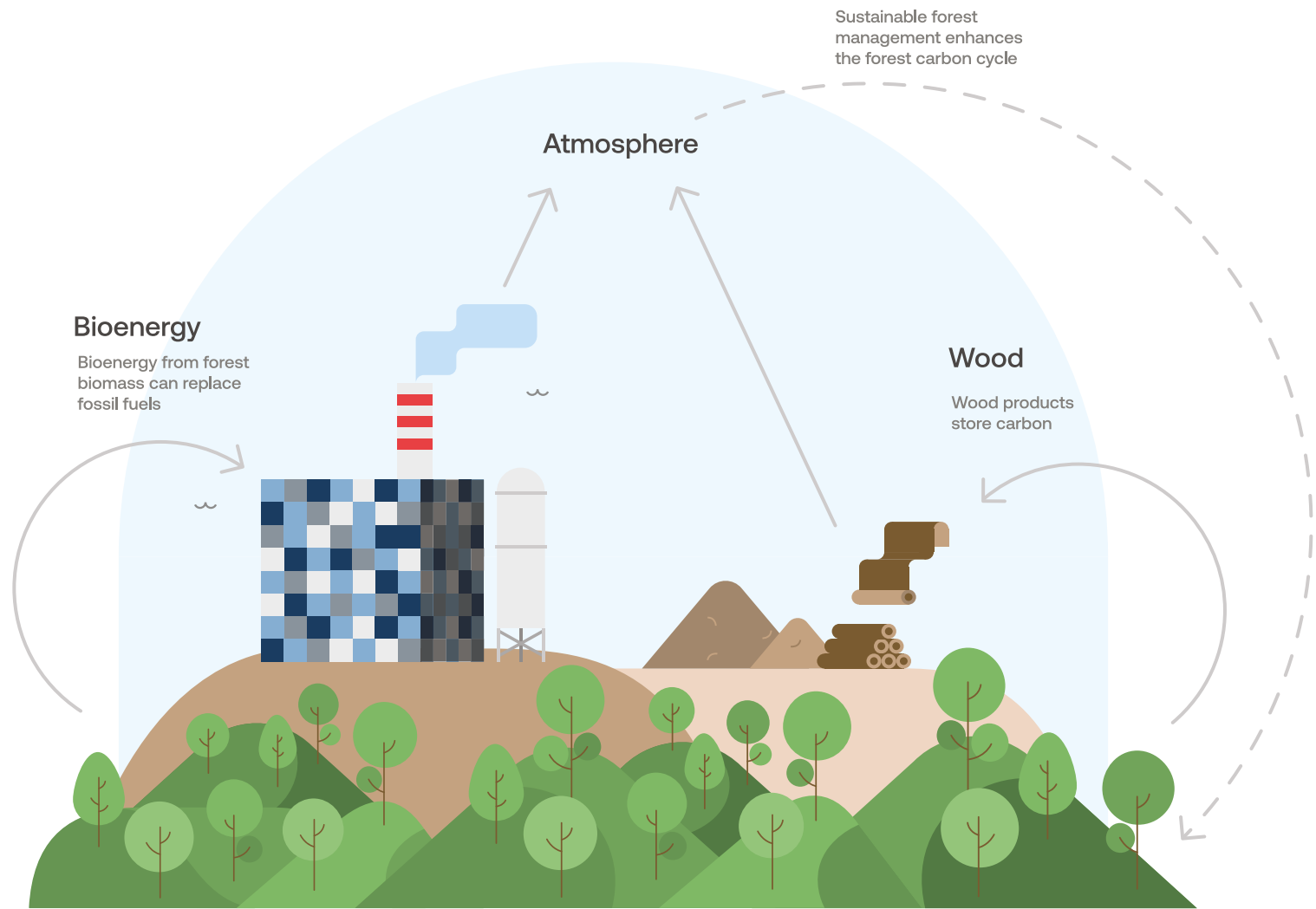
# Electricity production from renewable sources

The use of forest biomass for energy production is part of the carbon cycle that begins with photosynthesis, a process in which trees absorb carbon. The cycle continues with the use of wood, as a raw material, for products that store carbon until the end of its life. The cycle is then extended several times by recycling the product and reusing it to get other products. At the end of its life cycle, the product is energetically recovered by releasing carbon back into the atmosphere. This starts a new cycle.

In parallel with the residual biomass, which does not enter the production cycle, it is also energetically valued by releasing carbon into the atmosphere, and new trees grow by absorbing carbon.

The forest's carbon cycle does not add carbon to the atmosphere, unlike fossil fuels, which release geological carbon stored in underground deposits over millions of years.

Altri's commitment to produce energy from renewable sources is in line with national and European strategies for mitigating climate change, contributing to the decarbonization of the industry and the energy sector, with a positive impact on fossil CO<sub>2</sub> emissions at national and international levels and on fossil fuels dependency.



**Growing Forests**  
Growing forests absorb carbon and release oxygen

## Altri has been increasing energy production.

The start of the activity of the second renewable energy production unit of Figueira da Foz (Sociedade Bioelétrica do Mondego, SA), in the second half of 2019, contributed to increase Altri's energy production. This plant produces electricity from the energy recovery of residual forest biomass, having a thermal power of 135 MWt, which corresponds to a net production of 34.5 MWe to sell to the Public Electric System (PES) network.

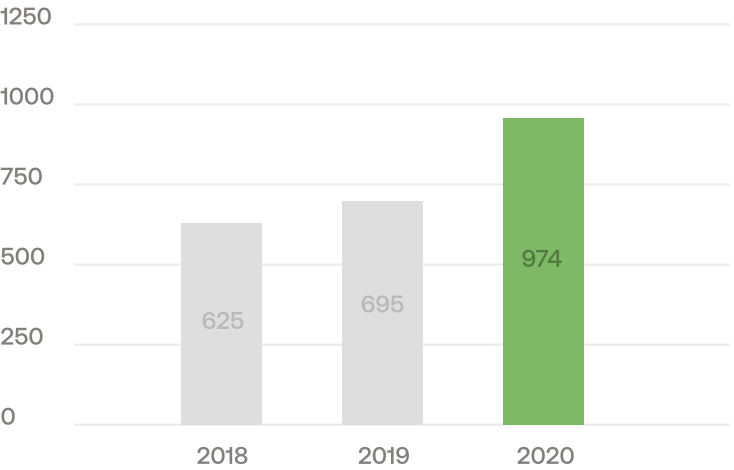


**2030**  
COMMITMENT

**Increase by, at least, 60% the amount of renewable electricity injected into the National Electricity Network (GWh)**

SDG referred by stakeholders within the scope of the consultation process carried out in 2020.

● Renewable electric energy injection (GWh)  
Pulp production and energy production activities (Greenvolt)





# Tackling Climate Change

305-1 305-2 305-3 305-4 305-5

MATERIAL TOPIC:  
Climate change and  
GHG emissions

In the last 150 years, the world average temperature has risen by approximately 0.8°C, while in Europe the increase registered is about 1°C. Southern Europe and the Iberian Peninsula are highlighted as one of the regions of Europe potentially most affected by climate change, facing a variety of potential impacts, namely rural fires, heat waves, droughts intensity and sudden floods, among others. The increase in temperature results from greenhouse gases (which promote the retention of infrared radiation emitted by the Earth). CO<sub>2</sub> is largely responsible for this effect, representing about 63% of global warming, according to the Special Report of the Intergovernmental Panel on Climate Change (IPCC).

According to the “The Global Risks Report 2020”, from the World Economic Forum, one of the main global risks, both in occurrence probability and in impact severity, are extreme weather events, weak climate action and loss of biodiversity.

In this sense, the efforts of governments and regulators to fight climate change are not new, but their preponderance has been gaining strength, namely through the definition of concrete goals. In 2016, Portugal made a commitment to be carbon neutral by 2050, being the first country submitting to this goal. Since then, at the national level, the National Energy and Climate Plan (PNEC), the Roadmap for Carbon Neutrality 2050 (RNC 2050) and the National Hydrogen Strategy (EN-H2) have been developed, among others. This commitment was also made at European level in 2018, with the subsequent publication of the European Green Deal, which aims to make Europe the first carbon neutral continent by 2050, with an emission reduction by 2030 of at least 55%.

Altri, aware that this is a current challenge and with significant impacts on the future and sustainable development, increasingly invests in strategies, processes and initiatives aimed at eco-efficiency and tackling climate change, as well as the effective management of processes in relation to its potential impact on the environment and also on society.

## Altri supports the commitment to limit global warming below 2°C

Altri is committed to establish goals for reducing GHG emissions in line with science (Science-Based Targets), according to the criteria of the Science Based Targets Initiative (SBTi). These mitigation targets, with the target year 2030, are part of the “2030 Commitment”, and are aimed precisely at combating climate change.

This commitment is based on 2018 figures and reinforces Altri’s engagement in being a company that believes in adopting urgent measures to confront climate change and its impacts, in line with SDG 13 – Climate action. The goals’ layout is being worked on so that they can be officially approved by SBTi.

## In 2020, Altri was distinguished with “Rating B” in the CDP Climate Change

Altri fulfilled for the first time in 2020 the CDP Climate Change Questionnaire. This exercise made it possible to reflect on the risks to which the Group is exposed, as well as the opportunities to be explored in order to tackle climate change. This exercise will also allow to develop a greater alignment of Altri’s reporting with the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).



Reduce specific GHG emissions in scopes 1 and 2 by 60% (kgCO<sub>2</sub>e/ADTP)

Reduce scope 3 emissions by 30% (kgCO<sub>2</sub>e/ADTP)

SDG referred by stakeholders within the scope of the consultation process carried out in 2020.



# Task Force on Climate-Related Financial Disclosure

As climate change and GHG emissions are one of Altri's material topics, the Company is committed to start aligning its reporting with the TCFD recommendations, responding to market needs and stakeholder expectations. This is a logical step for Altri, which continues the Group's effort to fight climate change and promote transparency in this area, and also reinforces its commitments to the Sustainable Development Goals, namely the SDG 7 Affordable and Clean Energy and the SDG 13 Climate Action.

Lined up with the exercise carried out under the CDP and following the TCFD recommendations, Altri monitors the risks and opportunities associated with climate change, identifying the following main types of risk:

## Transition risks,

such as regulatory, technological, market and/or reputation risks. Regarding regulatory risks, European emissions trading (CELE, EU-ETS) and energy regulation and subsidies for renewable energy have a major impact on Altri's strategy and investment decisions. The monitoring of current and emerging regulatory risks is essential for Altri, as these may cause less competitive conditions for the sale of energy, higher costs to address new environmental requirements, or even change the price of wood fiber, especially considering energy and carbon policies from the EU. Additionally, the acquisition of certified wood may be less accessible due to unforeseen changes in forest certification schemes. Reputational issues may also affect Altri, since the activities of the pulp and paper sector may be misunderstood, as being unsustainable activities, which may affect Altri's brand reputation and value. In this sense, Altri guarantees sustainable forest management and promotes forest certification with international standards such as FSC® and PEFC™.

## Physical risks,

both acute and chronic. Regarding acute physical risks, considering that wood supply is Altri's most important raw material, climate change can result in large financial losses, which can negatively impact the growth conditions of forests or cause floods and fires.

These risks can affect the normal functioning of forest properties and the efficiency of production according to their intensity. Concerning chronic physical risks, they can be related to long-term changes in weather patterns that can cause sea level rise or chronic heat waves, negatively affecting industrial and forest assets.

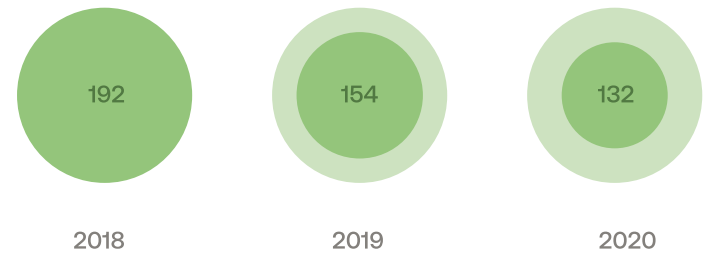
*The probability of the occurrence of the different risks associated with climate change and its impact intensity, including financial impact, as well as management and mitigation and adaptation measures, are analyzed by Altri as an integral part of its risk assessment processes.*

# Total and specific GHG emissions

Regarding its performance, Altri considers essential to proceed the work that has been carried out over the past few years to reduce total emissions and the specific emissions of its own activities.

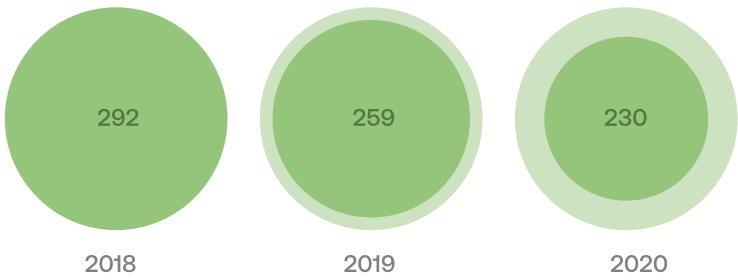
## Specific emissions of fossil CO<sub>2</sub>e Scope 1 and 2

kgCO<sub>2</sub>e /tSA



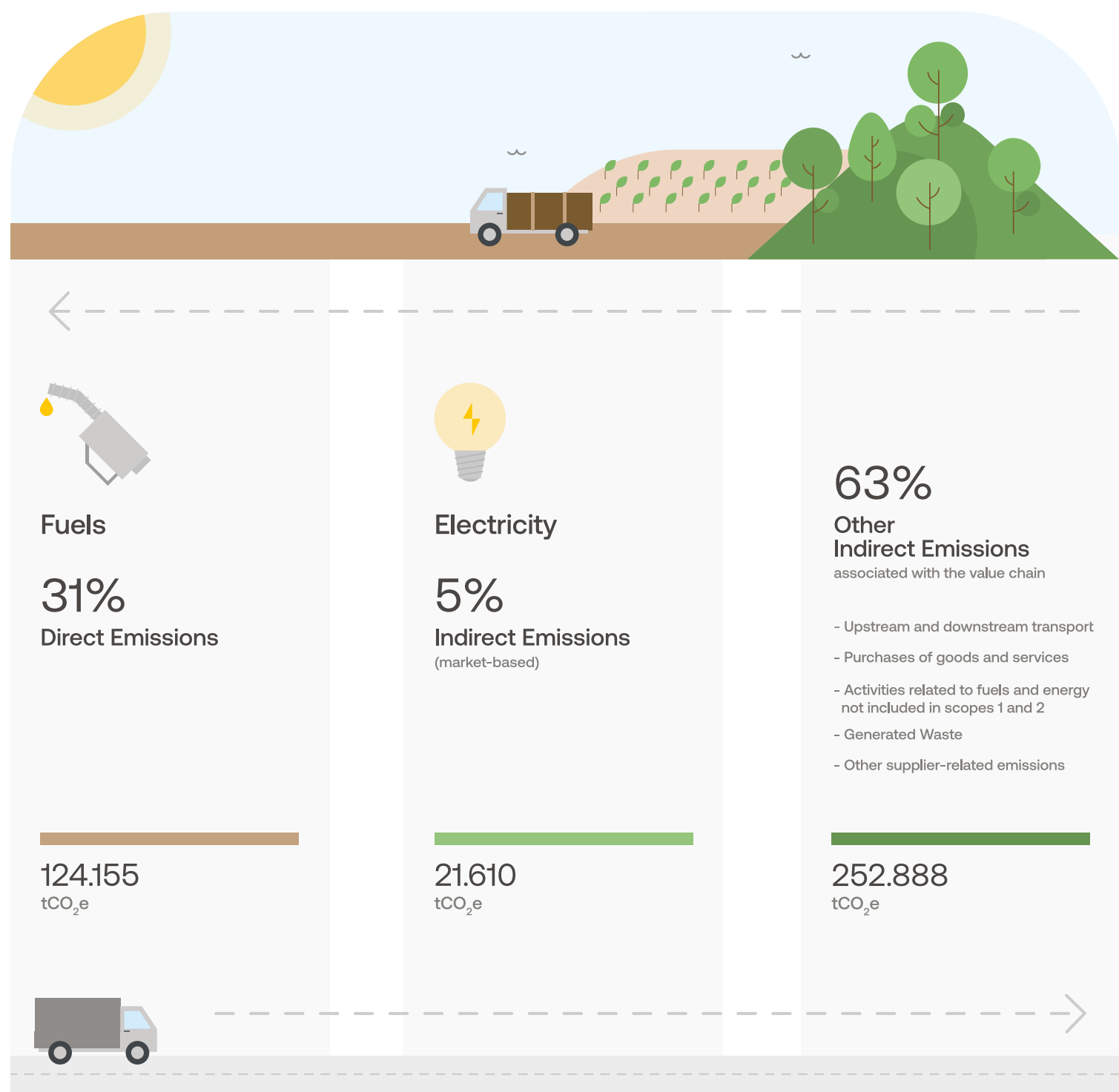
## Specific emissions of fossil CO<sub>2</sub>e Scope 3

kgCO<sub>2</sub>e /tSA





# Altri's carbon footprint



- Direct emissions (scope 1)
- Indirect emissions (scope 2)
- Other indirect emissions (scope 3)

2019-2020 CARBON FOOTPRINT	tCO <sub>2</sub> e	
	2019	2020
Scope 1 GHG Emissions - Direct Emissions		
Direct emissions from operations	137.524	124.155
Scope 2 GHG Emissions - Indirect Emissions		
Indirect emissions - emissions associated with the purchase of electricity (market-based)	36.885	21.670
Indirect emissions - emissions associated with the purchase of electricity (location-based)	44.252	23.923
Scope 3 GHG Emissions - Other Emissions		
Upstream transport (wood and chemicals)	80.272	54.917
Downstream transport (product)	53.120	45.266
Purchases of goods and services	119.468	119.668
Activities related to fuels and energy not included in scopes 1 and 2	22.228	16.130
Waste generated from operations, including transportation	2.860	2.014
Other supplier-related emissions	20.008	15.044
Total - Scope 1 GHG Emissions	137.524	124.155
Total - Scope 2 GHG Emissions (market-based)	36.885	21.670
Total - Scope 2 GHG Emissions (location-based)	44.252	23.923
Total - Scope 3 GHG Emissions	297.956	253.039
Total - Scope 1, 2 (market-based) and 3 GHG Emissions	459.285	398.864
Others - Avoided emissions associated with electricity selling	(186.555)	(154.961)
Others - Carbon reservoir in the forest	8.044.739*	
Others - Biogenic emissions from combustion of non-fossil fuels	1.622.467	2.750.172

\* The value of carbon reservoir in the forest was determined based on the values of 2019.

### Direct emissions (scope 1)

Altri's direct emissions refer mostly to emissions from stationary natural gas equipment, from sources owned or controlled by Altri. Noteworthy is the reduction in emissions in 2020 compared to 2019, of 10% in emissions in this scope.

### Indirect emissions (scope 2)

Altri's indirect emissions are associated with the production of electricity acquired by the Group for the development of its activities. In 2020, there was a 41% decrease in emissions in this scope compared to the previous year, mainly due to the decrease in electricity consumed and the energy efficiency measures implemented.

### Other indirect emissions, associated with the value chain (scope 3)<sup>3</sup>

Indirect emissions, related to Altri's value chain, are the most significant part of the group's total emissions, representing around 63%.

<sup>3</sup> Scope 3 emissions do not include Greenvolt's bioelectric plants.  
Scope 1 and 2 emissions include Greenvolt's biomass thermoelectric plants.



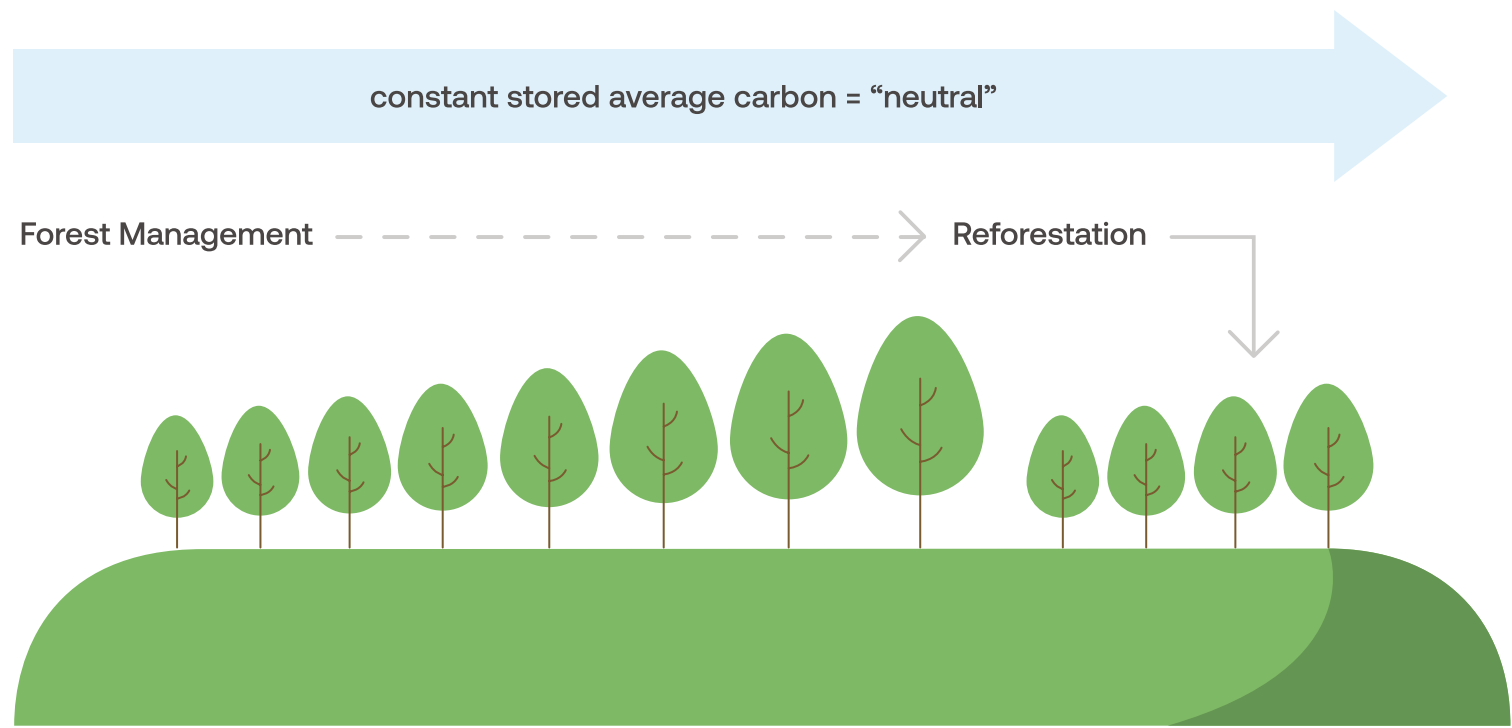
# Contribution from our forest

8  
8 million tCO<sub>2</sub>e  
carbon reservoir  
Forests managed by Altri

Regarding climate change, forests are seen as part of the solution, due to their role as carbon sinks.

Forests accumulate carbon as they grow. In this process, CO<sub>2</sub> is removed from the atmosphere.

Sustainably managed forests have a constant average biomass over time, and, under these conditions, are neutral to climate change.



## Biomass as an energy source

Through GREENVOLT, Altri increasingly contributes to the production of electricity from renewable sources. This green energy, directly injected into the grid, helps to turn the national grid's energy mix less carbon intensive and more diversified.

The use of biomass, instead of fossil fuels, represents an effective way to mitigate the impact on climate change. Biomass is globally considered to be intrinsically carbon neutral (eg WBCSD (2015) - Recommendations on Biomass Carbon Neutrality), since the return of biogenic carbon to the atmosphere is compensated by the removal of CO<sub>2</sub> from the growing biomass, closing the cycle in a balanced way.



# Green Bonds

Altri’s dedication to sustainable development is reinforced by the inclusion of sustainable financing in its long-term vision. Aware of the future challenges and needs of its several stakeholders, namely shareholders and investors, Altri launched, in 2019, through its subsidiary Sociedade Bioelétrica do Mondego, SA (SBM), the first “green” bond issue admitted to trading in Portugal on the unregulated Euronext Access Lisbon market.

Through sustainable financing, Altri promotes investment in projects that improve its environmental performance, a framework for the production of clean and renewable energy and strengthens integrated pollution prevention and control.

## SBM Green Bond

To finance its investments, the SBM Green Bond Framework was developed, which served as the basis for the issuance of its SBM 2019-2029 Green Bond (“green bond loan”), by private subscription, in the amount of Euro 50,000,000 (fifty million euros), with a coupon rate of 1.90%.

*The use of resources was allocated exclusively to the financing of the 34.5 MW biomass thermoelectric plant, located within Celbi’s industrial perimeter.*

The Issue is in line with the conditions established by the Green Bond Principles published by the International Capital Market Association, having obtained a positive Second Party Opinion (“SPO”) from the ESG ratings company and specialized independent research Sustainalytics.





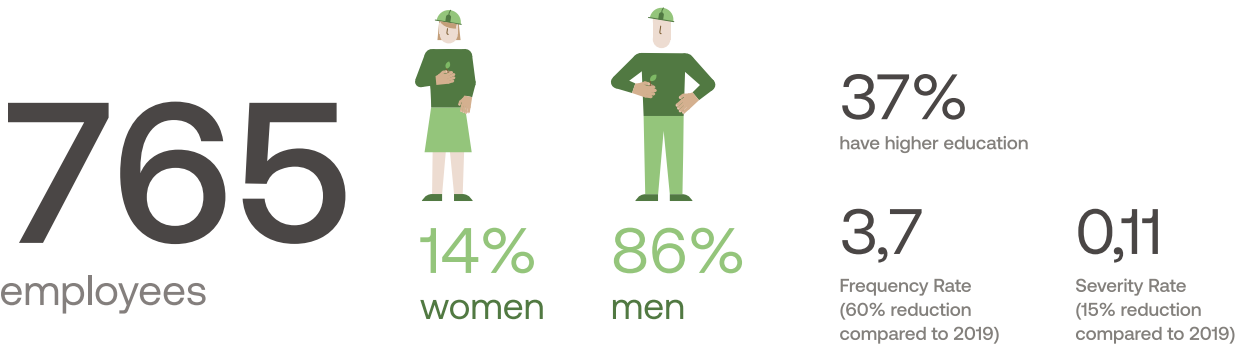


# Social Agenda

*For Altri, it is important to guarantee the well-being of employees and a positive performance in the communities in which it operates.*



Our  
People



Our  
Community





# Our Response to Covid-19

*The Covid-19 pandemic is an unavoidable theme when it comes to the year 2020, and in this sense, Altri recognizes the importance of addressing it, as well as the strategy of the pandemic management and its impacts.*



The pandemic took everyone by surprise, and, for Altri, the most important thing was to seek an accurate response and mitigation strategy for the impacts on workers, suppliers, customers and communities in which it operates.

Thus, and at first, Altri implemented a Contingency Plan, structured in different phases, with measures for prevention, control and surveillance of Covid-19 infection, following the guidelines of the Directorate-General for Health, to **ensure workers' health and safety**.

The Group worked from the first moment to prevent the potential occurrence of infection cases that could affect the industrial and forestry units' operation. The aim was to direct the focus towards operational resilience, creating more redundant processes in terms of production, the circulation of people and the way we operate. Basic mitigation measures were adopted to tackle the spread of the virus, such as the mandatory mask use and spaces' disinfection, but also teleworking whenever possible and different schedule, as well as prevention and screening protocols and performing quick tests.

Naturally, observing the impacts of the pandemic, Altri could not remain indifferent, and in this sense and with the purpose of **promoting the well-being of the community**, some actions were carried out, of which the offer of digital radiology equipment to the District Hospital of Figueira da Foz stands out, which reduces the time of diagnosis and the risk of infection, elevated in patients with the new coronavirus and the donation of portable computers to students in Constância and Torres Novas, tools that became extremely important for the effective continuity of studies in times of pandemic.

*“Although we live in a time of enormous complexity, unprecedented, the high level of competence, effort and commitment of the people who work at Altri allows us to face the future with increased confidence. A business group with Altri’s size and presence knows what its responsibilities are and will always place the sustainability of operations, the safety and health of its workers, as well as the well-being of the communities where it operates, in top priorities.”*

José Soares de Pina  
CEO

The pandemic had a high impact on the foreign market as lockdown and circulation restrictions caused paper consumption to drop substantially, however, all measures were taken in order to **comply with the business commitments**.



# Our People

102-7 102-8 102-41 401-1 404-1 404-2 405-1

One of Altri’s main differentiating factors are people, and, as such, the company recognizes its employees as a factor of sustainable competitive advantage, guiding its performance through a human resources strategy based on the following guidelines:

Attract and retain the best professionals

Motivate employees to face future challenges

Develop employees’ skills, giving them greater versatility

Promote a culture of performance

The Altri Group had a total of 765 active employees as of December 31st, with an increase in the number of employees on a permanent contract and a decrease in the number of employees on a fixed-term contract, thus marking the tendency to reduce the precariousness of contractual ties at Altri, particularly relevant aspect in the context of instability that marked the year 2020.

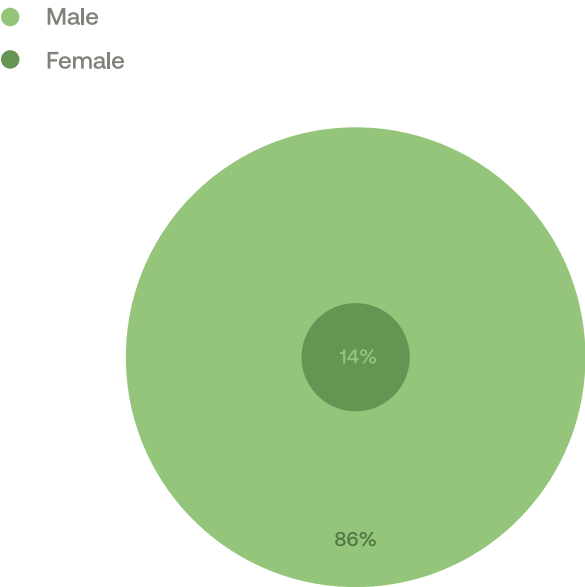
Recognizing that the industrial areas are marked by a greater presence of the male gender, Altri has continued its guidelines of trying to promote greater equality in gender distribution, in the company’s several functions, namely through recruitment.

## Employees by gender

In 2020, 14% of the total employees were female, maintaining the percentage in relation to 2019.

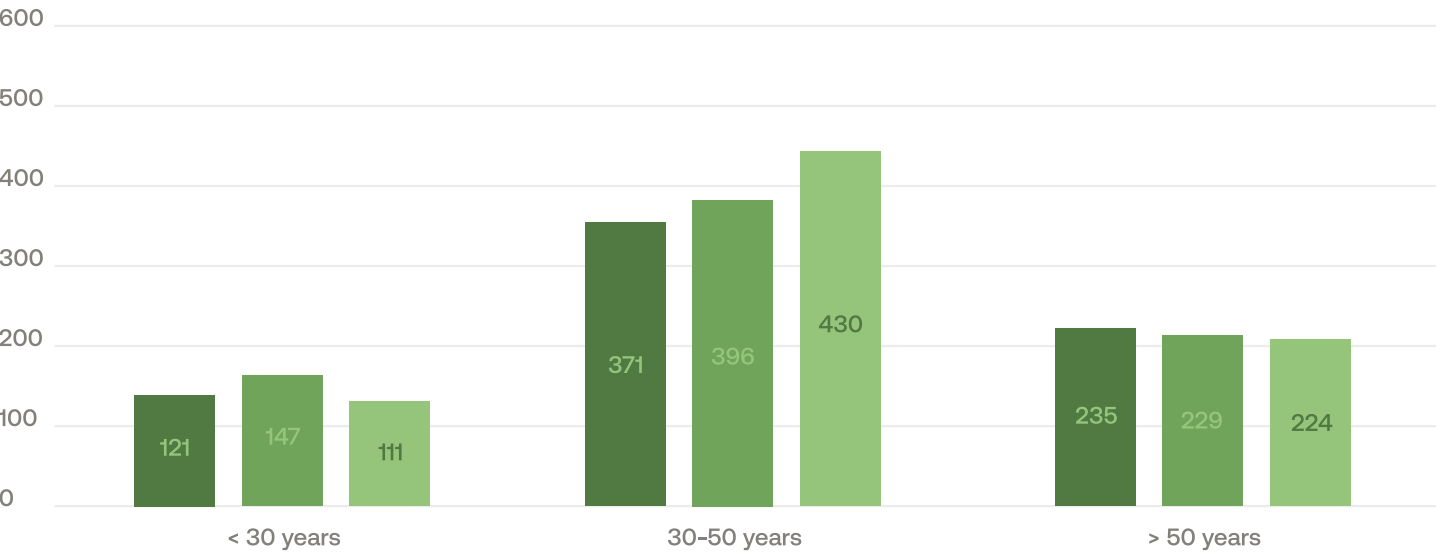
Regarding the age group, similarly to previous years, there is a predominance of employees aged between 30 and 50 years.

Regarding the decrease observed in the number of people under 30 years of age, this is not related to the number of employees’ departures, only nine departures of people under 30 years of age having been registered during the year 2020.



## Employees by age group

- 2018
- 2019
- 2020



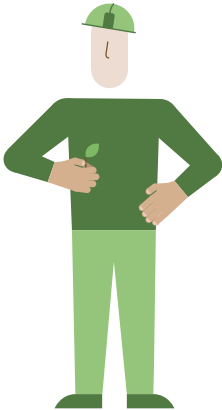


Regarding the percentage of employees with higher education, it appears that in 2020 the trend of increasing the percentage of employees with this level of qualification was maintained, also checking that the percentage of the total of women with this level of qualification is higher than the percentage of the total number of men, potentially justified by the type of functions they assume in the company.

*There was an increase of 6,4% in the percentage of employees with higher education compared to the year 2019, registering now that 37% of employees have higher education.*



**77%**  
of women  
have higher  
education qualifications



**30%**  
of men  
have higher  
education qualifications

Respect and promotion of the right of association and collective bargaining are taken with great seriousness by Altri, with a union membership rate of 32%, with greater expression in males, which represents 98% of the total unionized employees.

Altri has a set of benefits for its employees that are transversal to most of the companies in the group, with the aim of promoting employees' health and well-being, such as health insurance, life insurance and pension fund.

*The health insurance is extended to the companies' workers' household of the Altri group.*

# Gender equality

Altri's ALTRI 2021 Gender Equality Plan<sup>1</sup> has as a fundamental goal to contribute to achieve an effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting the reconciliation between personal, familiar and professional life<sup>2</sup>.

Within the scope of the legislation, Altri's legal obligations are:

- **Guarantee a 33% minimum rate of the underrepresented sex**
- **Elaborate annually the Gender Equality Plan**

The ALTRI 2021 Gender Equality Plan covers the following areas:



**Equality in access to employment**



**Equality in working conditions**



**Equal pay**



**Protection in parentality**



**Worklife balance**

*In 2020 Altri had 24 women in leadership roles.*

In 2020, from the total of 25 new hires, the percentage of the female gender in new hires rose from 24% in 2019 to 36% in 2020, a relevant number to fulfill Altri's commitments in terms of equality.

2030  
COMMITMENT

5 GENDER  
EQUALITY

**Double the number of women in leadership roles**

SDG referred by stakeholders in the scope of the consultation process carried out in 2020.

<sup>1</sup> The ALTRI 2021 Gender Equality Plan is available [here](#).  
<sup>2</sup> Under the terms and for the purposes set out in article 7, no. 1, of Law no. 62/2017, of August 1st.



# Skills Development

The search for development and innovation at Altri brings quick and frequent changes to the company's processes, so it is important to provide employees with adequate tools to be able to respond to challenges and support the creation of new solutions. In this sense, the training and qualification of employees has been privileged by Altri, although due to the constraints caused by the pandemic, it had less expression in 2020.

*“For any organization, in any industry, there are (...) factors that I consider essential (for success). The (...) context of the company and people. When an organization has talent, it is united, it has a good capacity to create value and it is competent, it will be a company capable of providing competitiveness and added value to its customers.”*

José Soares de Pina  
Altri's CEO



In 2020, 14,055 hours of training were provided to employees, totalizing an average of 18 hours per employee. There is a decrease in the training provided to employees, which is justified by the pandemic that was felt during 2020, although new training methods have been introduced, such as distance training, it was not possible in this period to provide all the training planned for employees.

The main fields of training were:



## Process

90 actions | 6500+ hours



## Behavioral management

64 actions | 1500+ hours



## Maintenance

24 actions | 800+ hours



## Safety and Environment

56 actions | 2000+ hours



# Talent attraction

Regarding the attraction of talent, due to the nature of Altri's activity, there are some challenges in hiring qualified young people, having granted 52 internships in 2020, of which 12 were integrated in the group's companies.

In order to promote the integration of qualified young people in the industry, Altri has established several protocols and partnerships with educational institutions, which take the form of professional or curricular internships and which enables, on one hand, to present the company to young people, as well as endow them with practical knowledge, essential for integration into the labor market.

## ALTRI partnership with Instituto Politécnico de Tomar

Aiming at promoting the qualification of young people and attracting future professionals to their companies, ALTRI joins along with Instituto Politécnico de Tomar (IPT) in the development and promotion of the Higher Professional Technical Course (CTeSP) of "Integrated Technologies for Industrial Production".

The IPT was the logical choice of the Altri group for the development of this course, due to the know-how in these fields, where there is a Professor that taught, for more than a decade, a bachelor's degree in Pulp and Paper Technology. Thus, the study plan of this CTeSP and the lectured contents were written together with staff from the Altri group, in order to guide the students' training in the production and maintenance areas. The name chosen for the course intends to integrate the areas of Chemical Technology, Mechanics, Electrotechnical and Information.

This level 5 course allows the continuation of studies to a degree and has a total duration of 2 years. It consists of 3 semesters of classes and 1 semester of internship that will take place in one of the Altri group's companies.

## Partnership with Coimbra Business School

There were 13 students who presented on July 11th, 2020, at Celbi's facilities, the final post-graduate work in "Economics and Industrial Management".

This project, which is already in its second edition, is coordinated by Eva Santiago and Mário Velindro and was born out of a partnership between ISCAC (Coimbra Business School-CBS), ISEC (Instituto Superior de Engenharia de Coimbra) and Altri (which involves Celbi, Caima and Celtejo), and also has the collaboration of other organizations, such as Figueira da Foz's harbor.

An initiative that culminated with the challenge layed to students to come up with "out of the box" ideas, develop the contents and generate added value with the solutions proposed to solve real problems of Altri group companies

The proximity between the academy and the companies is naturally one of the goals of this project, characterized by an almost unique networking in the country, through privileged contact between the various directors of the Altri group, who are tutors and students' teachers in some of the postgraduate modules.





# Safety Culture

403-1 403-2 403-5

The safety culture at Altri has its cornerstones based on the selection of safe equipment, the identification and signaling of risks, the compliance with operational and safety rules and procedures and, of course, the people who work in the organization, not only because the safety culture is developed with them in mind, but also because they are central to its maintenance and continuous improvement of the same.

At Altri, the various companies have their Occupational Health and Safety Management Systems certified<sup>3</sup>, which ensures that the processes adopted in

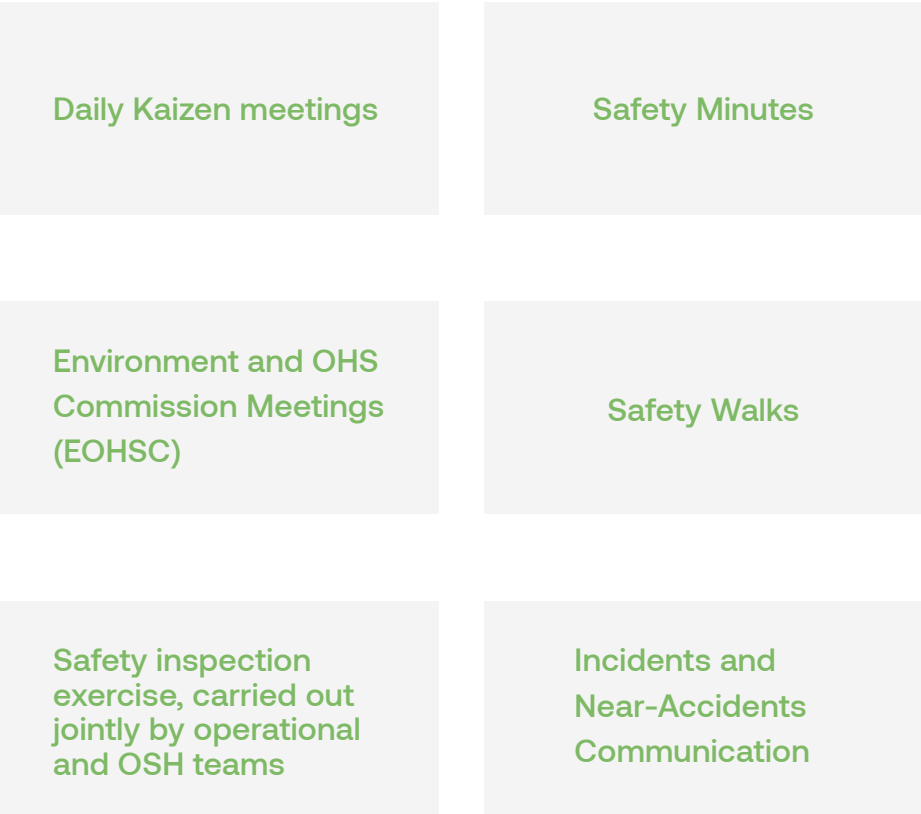
this subject are strictly planned, verified and provide for a properly consolidated process in terms of the health, safety and well-being of its internal and external employees.

There are mechanisms to identify work-related hazards, to assess them and to apply the hierarchy of controls. With the purpose of eliminating or mitigating risks, and, in order to guarantee the quality of these processes, Altri promotes several initiatives, such as training on the topic, audits, training and exercises of the Emergency Intervention Teams, among others.

Whenever an incident occurs, the hierarchical entities in coordination with the security teams are responsible for investigating the causes of the incident, whenever possible together with the injured party(s) in order to identify the preventive and corrective measures that eliminate the possibility of recurrence of the accident.

**In order to enable employees to comply with safety rules and to adopt safe and preventive behaviors, training is carried out in the following areas:**

Employees have several mechanisms to report hazards or dangerous situations:



- |                                                                                                                                                                                                                |                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>Dangers, risks and preventive measures for the various manufacturing facilities, forestry activities and logistical and shipping activities for their products</li></ul> | <ul style="list-style-type: none"><li>Safety and verification of machinery and work equipment</li></ul>       |
| <ul style="list-style-type: none"><li>Safety and Health in Forestry Work</li></ul>                                                                                                                             | <ul style="list-style-type: none"><li>Transport and storage of chemical substances (safety advisor)</li></ul> |
| <ul style="list-style-type: none"><li>Safety clicks - development of the individual capacity of operational teams' leaders for the safety risks' analysis in the planning and execution of works</li></ul>     | <ul style="list-style-type: none"><li>Industrial emergencies</li></ul>                                        |
| <ul style="list-style-type: none"><li>Workspace organization (6S)</li></ul>                                                                                                                                    | <ul style="list-style-type: none"><li>Use of the firefighting network and extinguishers</li></ul>             |
|                                                                                                                                                                                                                | <ul style="list-style-type: none"><li>First aid</li></ul>                                                     |

<sup>3</sup> For more information on the Management Systems implemented see: About Altri- Certifications



In order to promote the health and well-being of its employees, Altri monitors absenteeism data and its main causes, thus enabling a sustained diagnosis that allows us to act decisively on the aspects that influence results, mainly when they are justified due to illness or accidents.

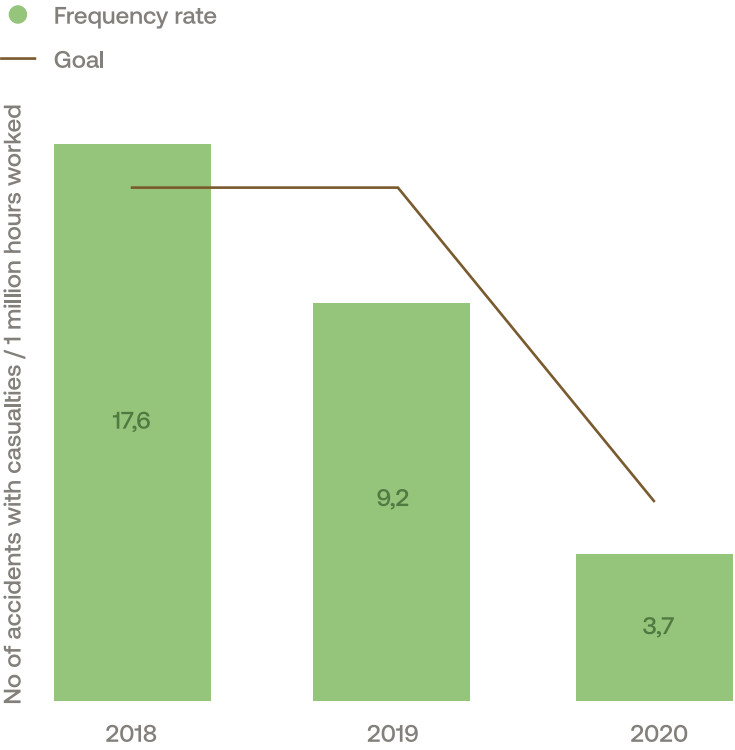
In 2020, the absenteeism rate reached a total value of 4.4%, with the percentage of the absenteeism rate attributable to work and illness incidents being fixed at 2.7%.

As for work incidents, the frequency and severity rates are also considered so that, similar to the absenteeism analysis, they allow informed action on the main causes and thus reach the goal of zero incidents with lost days of work.

In 2020, the accident frequency rate with casualties was 3.7 (“Good” according to the ILO<sup>4</sup>), corresponding to a 60% reduction compared to the 2019 index. As for the severity indexrate, it stood at 0.11 (“Good” according to the ILO<sup>5</sup>), also translating into a 15% reduction compared to 2019.

In terms of accident rates, 2020 was the year with the best performance ever at Altri, having achieved a decrease of fairly 37% in the total number of incidents involving internal and external workers, compared to the previous year and a 7% reduction in relation to the total number of work incidents in 2018.

Frequency Rate



Severity Rate



Walk towards zero accidents with lost days

SDG referred by stakeholders in the scope of the consultation process carried out in 2020.

<sup>4</sup> Frequency Rate (FR) Assessment according to the International Labor Organization (ILO): Fr: <20 Good | 20 - 50 Acceptable | 50 - 80 Insufficient | > 80 Bad  
<sup>5</sup> Severity Rate (SR) Assessment, according to the ILO: Sr: <0.5 Good | 0.5 - 1 Acceptable | 1 - 2 Insufficient | > 2 Bad



# Safe Behaviors Program

Assumed in ALTRI as a strategic program for obtaining zero incidents with lost days, the so-called **Safe Behaviors – Safety Steps program** resumed with the support of LTM, based on the following steps:

1

Steering and Management

Implementation of basic routines of the behavioral safety system (safety walks, safety minutes) and monitorization of critical processes (assignments and tasks in confined spaces).

Monthly meetings were also implemented in each factory and a monthly steering meeting at the level of ALTRI operational coordination group, where performance indicators for safety walks, safety minutes and critical processes, respective corrective measures and the current situation of implementing Safe Behaviors program are analyzed.

2

Safety Clicks

Intervention workshops with operational leaders, aiming on developing the individual capacity for analysis of security risks, at the beginning or distribution of tasks. Each leader must be able to establish risk assessment points and implement safety measures, prior to the execution of his team's activities. It is also intended that each leader can train his/her team in this act of prevention.

Also, in December 2020, the first set of workshops on the theme "Chemical Risks" was initiated. In 2021, workshops on other topics will be promoted.

3

Safe Behaviors Training

The Safe Behaviors training resulted in the launch of this program, which started in 2015 at Celbi.

Currently, there is a significant number of new human resources in organizations, as a result of employee rotation, so it was decided to reinforce this important behavioral training in safety for the new employees of ALTRI, to be carried out during the first half of 2021.

4

Safe Steps

Definition of five main rules that aim to reinforce safe behaviors and the co-responsibility of all workers for their compliance.

- It is mandatory to circulate on pedestrian paths.
- Safety Goggles are mandatory inside the industrial perimeter.
- The use of scaffold is only allowed after approval.
- Access to bounded areas is forbidden, except by authorized persons.
- It is forbidden to smoke outside authorized places.





## Training on Work Front

Within the scope of its forest management activities, Altri Florestal has a relationship with around 115 companies providing forest services scattered throughout the territory.

In order to promote and improve the health and safety conditions of all workers operating in the forests under the company's management, Altri Florestal has developed an active training program, carried out on the basis of its Forest Management System, which translates into the fulfillment of the requirements related to the most demanding international forest management standards.

Altri Florestal promotes the continuous training of its employees and suppliers, in order to maintain the appropriate skills to new developments and challenges in the forestry sector. The Training on the Work Front (TWF) program aims to ensure the effective transmission of work requirements through the performance of short training actions on the work front and with a high frequency of accomplishment. This training focuses on health and safety aspects, environmental and social impacts and the correct technical and work practices.

The TWF plans to carry out a training action at the beginning of all task, in which the general guidelines of the Forestry Practices Code and the particularities of the work in question are explained. In this way, employees receive detailed training on the work they will perform next, ensuring that they absorb the message concerning appropriate procedures, in a more immediate way. On the other hand, conducting training on the job site ensures that employees start their work more alerted.

After the training, the Altri Florestal "Training Card" is delivered specific to each of the functions. The main security procedures for the function in question are summarized on the back of the card, as well as the personal protective equipment to be used by the operator. They are also provided with another card with Altri Florestal's contacts and emergency contacts and procedures.

## Itinerant training

After almost two decades of training on the job front, updating content and adapting to forestry techniques, the improvement of training and the creation of better conditions led to the development of innovative methods for carrying out training in different workplaces.

Altri has developed a small itinerant training room, through the transformation of a light goods van. Then, a different and complementary training model was initiated, which makes it possible to transmit the message in an easier and more practical way to FSF employees scattered throughout Altri's forest territory. The vehicle is equipped with chairs and a video and sound system, which facilitates the presentation of content to employees.

The itinerant training van made it possible to dematerialize the training room, facilitating the exchange of experiences, since FSF employees remain at their workplace, becoming more comfortable and uninhibited, but also protected from rain, wind and sun, if necessary.





*The community where Altri operates is of the utmost importance for the organization's success.*

In this way, it actively seeks to be close to the communities in which it operates, through actions of different natures, in several organizations in the most different fields.

In 2020, in addition to the usual support and contributions to local institutions and organizations, Altri sought to involve the community in order to promote transparency, institutional dialogue and stimulate a lasting relationship.

One of the milestones of the year 2020 was the 'Celitejo de Portas Abertas' event that invited different stakeholders to 'enter' and get to know the company's activity and see their questions and concerns answered.

# Our Community

413-1 413-2



## Interview with the Mayor of Vila Velha de Ródão

In the last quarter of 2020, the magazine "Altri News" interviewed Luís Pereira, Mayor of Vila Velha de Ródão, one of the communities in which the Altri Group operates. This dialogue was about the future and sustainable development and reveals the proximity and concern for the Community that set the spirit of the company.

When asked about how the municipality sees the investments made by Celtejo, Luís Pereira replied:

"Job creation and the settling of families and young people in the municipality are among the priorities of the municipality of Vila Velha de Ródão.

We are pleased to see the investments made, especially as they address another of our major concerns: the guarantee of sustainable development, which considers respect for the environment and which contributes to the increase in the quality of life and well-being of the local community. Bearing in mind that the latest investments made by Celtejo are aimed at reducing dependence on the Tejo River and reducing the environmental impacts resulting from its activity, aiming at a more sustainable production, we can only look positively on the effort made by the company."





## Donation of Equipment to the District Hospital of Figueira da Foz

Altri and The Navigator Company donated digital radiology equipment to the District Hospital of Figueira da Foz, which will allow radiographs to be taken on infected patients, thus reducing the time for diagnosis and reducing the risk of infection, which is high in patients with Coronavirus.

This new equipment allows the District Hospital of Figueira da Foz to stop having to move infected patients to the radiology service, thus avoiding contamination that can cause infections.

The new X-ray, a state-of-the-art portable digital device, allows to reduce the repetitions of the exams, substantially lowering the radiation doses received by the patients, and immediately makes the images available to clinicians, contributing to a faster and more effective decision making, helping to reduce operating costs and provide better care to patients.



## Promoting Children's Well-Being And Comfort

Celbi, with this spirit of support that characterizes the entire Group, immediately accepted the request for help from the children's parents of Leirosa's Kindergarten to equip the classrooms with air conditioning, and, thus, promote the children's well-being.

This request led to a dialogue between several parties, namely Celbi, the Paião Schools Group (PSG) and the Figueira da Foz Town Hall (FCC). From this dialogue it was decided that Celbi's support would be necessary for the installation of three air conditioners.

*The community represents an element of everyday life that is given special attention throughout the Altri Group.*



# Support for Young People at Risk of Failure and School Abandonment



The Association of Entrepreneurs for Social Inclusion (AESI) has been providing additional incentives and support to promote the social inclusion of young people at risk of failure or dropping out of school. In order to tackle its purpose, AESI offers a set of social grants to reward good practices of social inclusion and academic merit



Caima, a company belonging to the Altri group, inspired by the initiative, during the academic year 2020/2021, will finance two merit grants for students in the municipality of Constância who have completed secondary education and continue their studies in higher education.

At the same time, and following the impacts of the pandemic, Caima participated in the campaign to donate computers and Internet access, a campaign through which it financed five laptops that were handed by students from Constância and Torres Novas, in an effort to promote digital inclusion of the most vulnerable students.

# Protocol with the Recreational and Cultural Sports Center



The protocol was signed between Vila Velha de Ródão Recreational and Cultural Center (RCC) and the Celtejo company. This protocol aims to provide financial support to the football academy of this association for a protocol period of three years.

With more than 60 young athletes attending the gym, the support provided by Celtejo is seen as essential to continue the path of sports development for young people in the municipality of Vila Velha de Ródão.

This protocol reinforces Celtejo's commitment to create and strengthen lasting relationships with the surrounding communities, through partnerships and support such as the protocol presented.



## 'Artes à Praia'



The Residents Association of Praia da Leirosa and the Association of Friendship and Galician Portuguese Arts developed the project 'Artes à Praia', which consists of the elaboration of paintings and the creation of tile panels in places selected by various artists at Leirosa's beach.

This initiative's goal is to honor the local people and their traditions, honoring the chosen place.



With the project approved by the Municipality of Figueira da Foz and by the Parish Council of Marinha das Ondas, Celbi decided to support the phased execution of several paintings and panels, given that it is an initiative that values and honors the local community, also contributing to improving the urban landscape of the village.



## Celtejo with Open Doors

In the last three years Celtejo has invested more than 130 million euros to improve its environmental performance and, in order to inform the community about the impacts and improvements in its performance, Celtejo promoted the event 'Celtejo de Portas Abertas'.

The event was attended by several Altri representatives, regional mayors, environmental associations and several media.

The main goal of this action was to answer and clarify all doubts related to the real impact of Vila Velha de Ródão in the Tejo river, reported in the media by the pollution in the river, generally aimed at the productive fabric of the municipality. The examples presented at the Celtejo de Portas Abertas event are a sample of the scope and complexity of the various measures implemented by Altri related to the circular economy and aligned with the United Nations' Sustainable Development Goals (SDG).

During the event, the projects and results of the various initiatives carried out to reduce the negative impacts of Celtejo's activity were presented, with time for questions. This was followed by a visit to the mill and the WWTP to allow participants to see how the company's activity is proceeding.

At the end of the event, the participants were informed about the various measures and actions developed by Celtejo, concluding that the quality of the effluent may exceed the quality of the Tagus water.



*This initiative was seen by the Mayor as: "very meritorious, which reveals maturity and a concern with transparency, which is very positive, (...). It gives an opportunity to those who generally do not have access to the company's facilities to get to know more about its operation and the investments that have been made."*

Pedro Baptista, when asked about the final balance of the initiative, considers that it was "a success and a turning point in Celtejo's relationship with the community and with the organizations that present themselves as protectors of the Tejo River".



## Support For Improving The Thermal Comfort Of Elderly People And Children



Santa Casa de Misericórdia of Vila Velha de Rodão was forced to reorganize its social responses as a result of the pandemic, which implied a great financial effort for the organization.



Thus, a protocol was established between the institution and Celtejo, within the scope of the Social Sector and Energy Efficiency Development, in order to reduce the negative impacts caused by the pandemic.

Its signature reinforces Celtejo's role as an important agent for the development of the social sector in the municipality, through social responsibility projects and the use of fuels, with positive impacts from an environmental point of view, but also to reduce costs supported by the institution.

Santa Casa da Misericórdia will benefit from the support in the acquisition of pellets, for the winter period (2020/2021), intended for boilers that integrate the air climatization system of the Residential Structure for the Elderly, Day Care Center and Day Care for Children, improving, thus, the conditions of thermal comfort of the institution users.

In addition, Celtejo also provided support for the testing of the SARS-COVID-2 virus to employees of Santa Casa da Misericórdia.

## Environmental Follow-Up Committee



In 2019, Celbi, together with The Navigator Company - Figueira da Foz Facility, created an Environmental Monitoring Commission (EMC).

This Commission was created with the goal of implementing a policy of opening and sharing the environmental performance of companies, as well as making it possible to share the concerns of the local community.

EMC is made up of a set of various stakeholders, including municipality representatives and local public and private organizations.

During 2020, no meetings were held due to the context of the pandemic experienced.

It is intended to continue with this initiative and that this is a communication channel with the local stakeholders, in order to guarantee an alignment of their needs and expectations, with the strategic targets of the companies.

Altri Florestal and Caima provided support for the acquisition of a state-of-the-art telescope for the Centro de Ciência Viva in Constância, with which they have an established protocol. Within the scope of this protocol, they also promote science dissemination actions at the Biodiversity station of Altri Florestal.

Celbi provided financial support for the Cáritas Inclusion Project, with which there is already a partnership established, through the acquisition of medication and essential goods to needy families in isolation in Praia da Leirosa.



# AltriFlorestal

## Dialogue with local communities

Altri is directly connected to local communities through dialogue with neighbors and representatives of local authorities (parishes, municipalities) who receive information about the forestry activities that are planned in their respective territories.

This dialogue makes it possible to identify and discuss the potential impacts of operations and to promote measures to prevent them. It also allows Altri to establish a communication network and alert about any occurrence or emergency.

### Communication actions

Altri responds enthusiastically to requests addressed to participate in events to disseminate/raise awareness of good forestry practices, research and development, conservation and biodiversity, safety in forestry work, etc.

It seeks to promote many initiatives in which invites interested parties to discuss relevant forest management issues. This participation allows an exchange of information between the different agents of the sector aiming at the transmission of knowledge about sustainable forest management.

### Community engagement

The engagement actions aim to stimulate the dialogue with interested parties and position ourselves as a reference in the development of the regions where we operate.

These partnerships aim to obtain recognition of the importance of our company as an agent of economic development and the construction of a relationship of trust between the different agents for the creation of value, both economic, environmental and social.

*The Plantar Água project is an ANP | WWF project with the support of the Coca-Cola Foundation and aims at the ecological restoration of burnt areas in the Serra do Caldeirão.*

It will run from 2019-2022 and seek to return all lost environmental services to the territory and its communities.

the replace of spontaneous flora and contribute to the improvement of the water and soil cycle.

Through specific Mediterranean ecological restoration techniques and best forest management practices, 100 ha of 6 plots affected by the 2012 forest fires will intervene at the Barranco da Corte / Ribeira da Foupana site, parish of Cachopo - municipality of Tavira.

In the Forest's replacement, the plantation of 50 thousand trees and shrubs stands out, benefiting, recovering and installing forest stands and adapting them to the impacts of climate change, in particular the risk of rural fire.

The prior goals of the intervention are the ecological restoration of the Foupana stream and its slopes, with a view to restore ecological functions and aspects,



*The intervention is expected to return 200-250 million liters of water per year to tributaries and aquifers, for all uses, a considerable benefit in a region suffering from water scarcity.*





# About this Report

102-1 102-46 102-48 102-49 102-50 102-53 102-54 102-56

*Altri, aware of the importance and its role in contributing to sustainable development in the three axes of the environment, society and the economy, is committed to incorporating sustainability and good practices in all its activities.*



This Sustainability Report, the fourth prepared by Altri, presents to all the Group’s stakeholders how Altri creates economic, social and environmental value for society. Contributing to sustainable development is Altri’s main target.

The information contained in the Report has been verified by PwC, which has prepared an independent report of limited assurance included in the Annexes.

Reporting period

The reporting period focuses on the activity of the Altri Group from January 1st, 2020, to December 31st, 2020. Whenever possible and to allow a comparative view of the evolution of the main indicators, previous years facts are referred.

Scope

The Report contains information on all the companies that are part of the consolidation perimeter of the Altri Group. Exceptions to this rule, if any, are noted next to the text.

Decree-Law No. 89/2017 of 28th of July and Global Reporting Initiative (GRI)

The Report intends to respond to Decree-Law No. 89/2017, which transposes Directive 2014/95 / EU, regarding the disclosure of non-financial information and information on diversity, which information is required to be disclosed to large companies and groups, such as the Altri Group. In compliance with the aforementioned legal diplomas, this Report presents data and information that make it possible to understand the evolution, performance, position and impact of the Group’s activities in environmental and social matters, but also in relation to its employees, equality between women and men and non-discrimination, as well as respect for human rights and the fight against corruption and bribery attempts (see Table of Correspondence with the requirements of Law Decree (DL) No. 89/2017).

This report was prepared in accordance with the GRI Standards for the option “In accordance” - Essential (see GRI Table).



Contacts

For further clarification on the information presented in this Sustainability Report, please consult the website or contact us via the following email: [sustentabilidade@altri.pt](mailto:sustentabilidade@altri.pt)





# Annexes

---



# GRI Table For The 'According' Option - Essential

Disclosures	Location/Omission	Audit	SDG
<b>ORGANIZATIONAL PROFILE</b>			
102-1	Name of the organization	About this report	✓
102-2	Activities, brands, products, and services	About us – Our business	✓
		About us – Product and Market	
102-3	Location of headquarters	Rua Manuel Pinto de Azevedo, 818 4100-320 Porto PORTUGAL	✓
102-4	Location of operations	About us – Our business	✓
102-5	Ownership and legal form	<a href="http://www.altri.pt/pt/about/overview">http://www.altri.pt/pt/about/overview</a>	✓
102-6	Markets served	About us – Our business	✓
		About us – Product and Market	
102-7	Scale of the organization	Altri in 2020	✓
		How we create value – In the Management of our Natural Capital	
		Social Agenda	
		Environmental Agenda	
102-8	Information on employees and other workers	Social Agenda – Our people Information regarding the indicator at the table below.	✓ 8

2020	Altri
<b>Type of contract by gender</b>	
Permanent contracts (no.)	708
Male	609
Female	99
Fixed-term contracts (no.)	57
Male	46
Female	11
<b>Type of employment by gender</b>	
Full time (no.)	765
Male	655
Female	110
Part time (no.)	0
Male	0
Female	0
Total employees	765

Disclosures		Location/Omission	Audit	SDG
102-9	Supply chain	Economic Agenda – Our suppliers	✓	
102-10	Significant changes to the organization and its supply chain	In 2020, there were no significant changes to register.	✓	
102-11	Precautionary Principle approach	About us - Governance, ethics and Group policies	✓	
		About us – Risk Management		
102-12	External initiatives	Our Strategy - Associations and external commitments	✓	
102-13	Membership associations	Our Strategy - Associations and external commitments	✓	
STRATEGY				
102-14	Statement from the Chairman	Statement from the Chairman of the Board	✓	
102-15	Key impacts, risk and opportunities	About us – Risk Management	✓	
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of conduct	About us - Mission, Vision and Values	✓	16
		About us - Governance, ethics and Group policies		
102-17	Counseling mechanisms and ethical concerns	About us - Governance, ethics and Group policies	✓	
		About us – Risk Management		
GOVERNANCE				
102-18	Governance structure	About us - Governance, ethics and Group policies	✓	
STAKEHOLDERS ENGAGEMENT				
102-40	List of stakeholders groups	Our Strategy – Stakeholders Engagement	✓	
102-41	Collective bargaining agreements	Social Agenda – Our people Information regarding the indicator at the table below.	✓	8

2020	Total
<b>Employees covered by collective bargaining agreements</b>	
Total employees (no.)	765
Total unionized employees (no.)	245
Male	240
Female	5
Percentage of unionized employees (%)	32%
Percentage of employees covered by collective bargaining agreements (%)	88%

**Legend:**  
 ✓ - Verified  
 SDG – Sustainable Development Goals



Disclosures		Location/Omission	Audit	SDG
102-42	Identifying and selecting stakeholders	Our Strategy – Stakeholders Engagement	✓	
102-43	Approach to stakeholder engagement	Our Strategy – Stakeholders Engagement	✓	
		Information regarding the indicator at the table below		

SHAREHOLDERS	<ul style="list-style-type: none"><li>Annual General Meeting;</li><li>Annual Report and Accounts, Corporate Governance Report and Sustainability Report, prepared by the management body and presented to the shareholders' scrutiny;</li><li>AltriNews - as a communication tool for the activities carried out by the Group every quarter.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>
CLIENTS	<ul style="list-style-type: none"><li>Visits;</li><li>Customer surveys;</li><li>Assessment the external perception of customers;</li><li>Strategic partnerships;</li><li>AltriNews - as a communication tool for the activities carried out by the Group each quarter;</li><li>Annual Report and Accounts, Corporate Governance Report and Sustainability Report.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>
EMPLOYEES	<ul style="list-style-type: none"><li>Daily and weekly meetings;</li><li>Intranet;</li><li>Management meetings to discuss and disclose company goals;</li><li>Training activities;</li><li>Meetings with union committees;</li><li>Environmental, health and safety committees;</li><li>Participation programs;</li><li>AltriNews – composes a communication tool that reports the company's activities developed by the Group every quarter;</li><li>MyCeltejoChannel.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>
ACADEMIC COMMUNITY	<ul style="list-style-type: none"><li>Cooperation protocols with universities;</li><li>Curricular and post curricular internships in cooperation with training centers, schools and universities;</li><li>Professional internships in cooperation with the Employment and Professional Training Institute;</li><li>Visits to the production units;</li><li>AltriNews – composes a communication tool that reports the company's activities developed by the Group every quarter.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>

COMMUNITIES/NGO	<ul style="list-style-type: none"><li>Financial donations;</li><li>Cooperation in supporting social solidarity institutions;</li><li>Volunteering activities;</li><li>Joint organization with fire brigades on drills and emergency situations;</li><li>Yielding of the training camps to fire brigades;</li><li>Yielding of IT equipment;</li><li>Support of varied school initiatives;</li><li>Program: Summer Academy;</li><li>AltriNews – composes a communication tool that reports the company's activities developed by the Group every quarter;</li><li>Sustainability Report.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>
OFFICIAL ENTITIES	<ul style="list-style-type: none"><li>Regular dispatch of statistics and reports of various natures (fiscal, work related, environmental, health and safety, professional training, etc.);</li><li>AltriNews – composes a communication tool that reports the company's activities developed by the Group every quarter;</li><li>Sustainability Report.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>
SUPPLIERS	<ul style="list-style-type: none"><li>Qualification and evaluation of services and raw materials suppliers;</li><li>Training actions for service providers, covering environmental and safety matters;</li><li>Partnerships with CELPA;</li><li>Environment and safety information sessions, aimed at the heads of service providers;</li><li>Participation of security technicians from external companies in actions;</li><li>Paper Industry Security Card (PISC);</li><li>Responsible behaviors program;</li><li>Training in the Forest Work Front;</li><li>AltriNews - as a communication tool for the activities carried out by the Group every quarter;</li><li>Sustainability report.</li><li>Altri's website <a href="http://www.altri.pt">www.altri.pt</a></li></ul>



Disclosures		Location/Omission	Audit	SDG
102-44	Key topics and concerns raised by Stakeholders	Our Strategy – Stakeholders Engagement	✓	
		Eight improvement suggestions were registered at Celbi, one at Celtejo and two at Caima.		
REPORTING PRACTICE				
102-45	Entities included in the statements	R&C 2020	✓	
102-46	Defining report content and topic boundaries	About this Report	✓	
102-47	List of material topics	Materiality Matrix	✓	
102-48	Reformulation of information	About this Report	✓	
102-49	Report changes	About this Report	✓	
102-50	Reporting period	About this Report - January 1st, 2020 to December 31st, 2020	✓	
102-51	Date of most recent report	2019	✓	
102-52	Reporting cycle	Annual	✓	
102-53	Contact for questions about the report	About this Report	✓	
102-54	Option “in accordance” with the GRI Standards	About this Report	✓	
102-55	GRI content index	Present table	✓	
102-56	External verification	About this Report	✓	

Disclosures		Location/Omission		Audit	SDG
GRI 200 - ECONOMIC DISCLOSURES					
GRI 201 - ECONOMIC PERFORMANCE					
Management Approach	103-1	Explanation of the material topic and its boundary	Altri's material themes were defined based on the methodology described in the Materiality Matrix chapter.	✓	
	103-2	The management approach and its components	With a direct relation to Economic Performance, the theme “Economic performance” was considered a topic of high materiality (see Materiality Matrix).	✓	
	103-3	Evaluation of the management approach	Altri discloses the management of economic performance through its Report and Accounts.	✓	
201-1		Direct economic value generated and distributed	Information regarding the indicator at the table below.	✓	5 7 8 9

2020	Total (thousands of euros)
DIRECT ECONOMIC VALUE GENERATED (€)	615.648.688
Income (1)	615.648.688
DISTRIBUTED ECONOMIC VALUE (€)	560.668.759
Operational Costs (2)	449.166.301
Employee Salaries and Benefits (3)	39.011.970
Investor Payments (4)	61.539.502
Payments to the State (5)	10.856.929
Donations and other investments in the community (6)	94.057
ACCUMULATED ECONOMIC VALUE (€)	54.979.929

- (1) Sales + Rendered services + Other income (excluding intra-group transactions)  
 (2) Cost of sales + Provision of external services + Other expenses (excluding intra-group transactions)  
 (3) Personnel costs (excluding intra-group transactions)  
 (4) Dividends distributed by Altri SGPS  
 (5) Collective Income Tax Payments  
 (6) Donations



Disclosures		Location/Omission	Audit	SDG
<b>GRI 204 – PROCUREMENT PRACTICES</b>				
204-1	Proportion of expenses with local suppliers	Economic Agenda – Our suppliers Note: the values presented in this disclosure refer to Altri's industrial units.	✓	12
<b>GRI 205 - ANTI-CORRUPTION</b>				
Management Approach	103-1	Explanation of the material topic and its boundary	✓	
	103-2	The management approach and its components	✓	
	103-3	Evaluation of the management approach	✓	
205-1	Operations assessed for corruption risk	About us - Governance, ethics and Group policies The Altri Group has a Code of Ethics and Conduct that establishes anti-corruption rules that are rooted in the organization. In the course of the 2020 financial year, no qualifying practices in the area of corruption were identified.	✓	16
205-2	Communication and training on anti-corruption policies and procedures	About us - Governance, ethics and Group policies	✓	16
Total governance bodies (No.)		4 - General Assembly, Board, Fiscal Council and ROC		
Total governance bodies to which anti-corruption policies and procedures have been communicated (No.)			100%	
Percentage of governance bodies to which anti-corruption policies and procedures were communicated (%)			100%	
Percentage of employees who were informed of anti-corruption policies and procedures (%)			100%	
Disclosures		Location/Omission	Audit	SDG
205-3	Confirmed corruption incidents and actions taken	About us - Governance, ethics and Group policies	✓	16

Total confirmed cases of corruption (No.)	0
Total cases that resulted in the dismissal of employees or disciplinary actions (No.)	0
Total number of cases of non-renewal of contracts with partners due to cases of corruption (No.)	0
Total number of legal actions against the organization or employees due to corruption cases (No.)	0

Disclosures		Location/Omission	Audit	SDG
<b>GRI 207 - TAXES</b>				
207-1	Tax approach		✓	
207-2	Government. Fiscal risk control and management	Economic Agenda - Altri's Tax Strategy Altri partially responds to what is required by the indicator, so it is committed to improving reporting in the next Report (2021).	✓	
207-3	Stakeholder engagement and its tax management concerns		✓	
207-4	Reporting by geography	Economic Agenda - Altri's Tax Strategy Altri Group's contribution through its activity to the State in tax matters, is detailed and analyzed in the notes attached to the Consolidated Report and Accounts.  Altri partially responds to what is required by the indicator, so it is committed to improving reporting in the next Report (2021).	✓	

## **GRI 300 - ENVIRONMENTAL DISCLOSURES**

### **GRI 301 - MATERIALS**

301-1	Materials used by weight or volume	Environmental Agenda - Environmental Management - Materials and waste Information regarding the indicator at the table below.  The material whose consumption is most significant is wood, representing 70% of the total consumption of materials	✓	8 12
2020				TOTAL
Renewable materials (t)				4.647.747
Non-renewable materials (t)				184.743
Renewable materials %				96%
Non-renewable materials %				4%



Disclosures		Location/Omission	Audit	SDG
301-2	Used materials from recycling	Information regarding the indicator at the table below.	✓	8 12

2020			TOTAL
Amount of renewable material used - wood (t)			4.647.747
Total material used (t)			4.832.490
Total percentage of renewable materials used			96%

Disclosures		Location/Omission	Audit	SDG
<b>GRI 302 – ENERGY</b>				
Management Approach	103-1	Explanation of the material topic and its boundary	Altri’s material themes were defined based on the methodology described in the Materiality Matrix chapter. With direct relation to Energy, the theme “Energy and climate change” was considered a subject of very high materiality (see Materiality Matrix).	✓
	103-2	The management approach and its components	Altri has promoted several initiatives related to Energy (see chapter 02. Environmental Agenda – Materials, water, energy and odors).	✓
	103-3	Evaluation of the management approach	A Atri realiza a medição e monitorização dos indicadores associados a este aspeto e reporta-os neste Relatório (vide capítulo 02. Agenda Ambiental - Materiais, água, energia e odores ).	✓
302-1	Consumo de energia dentro da organização	Environmental Agenda – Environmental Management	Information regarding the indicator at the table below.	✓
				7 8 12 13

2020		TOTAL
<b>FUELS CONSUMED WITHIN THE ORGANIZATION</b>		
<b>CELE FUELS (GJ)</b>		<b>13.980.425</b>
Natural Gas (GJ)		1.288.887
Fuel oil (GJ)		179.402
Diesel		160
Black liquor (GJ)		12.250.407
Non-condensable gases (GJ)		138.366
Methanol (GJ)		123.203

2020		TOTAL
<b>NON-CELE FUELS - STATIONARY EQUIPMENT (GJ)</b>		<b>14.447.523</b>
Diesel		99
Natural Gas (GJ)		68.783
Black liquor (GJ)		1.612.025
Biomass (GJ)		12.759.659
Others- Fuel Oil (GJ)		6.957
<b>NON-CELE FUELS - MOBILE EQUIPMENT (GJ)</b>		<b>14.192</b>
Diesel (GJ)		14.192
<b>Total fuel consumption (GJ)</b>		<b>28.442.140</b>
<b>Consumption of fuels from renewable sources (GJ)</b>		<b>26.883.660</b>
<b>Consumption of non-renewable fuels (GJ)</b>		<b>1.558.480</b>
<b>ENERGY CONSUMED WITHIN THE ORGANIZATION</b>		
Energy consumption (GJ)		16.945.375
Electric power (GJ)		2.423.597
Steam (GJ)		14.521.778
<b>ENERGY SOLD (GJ)</b>		
Energy sold (GJ)		3.504.614

Disclosures		Location/Omission	Audit	SDG
302-3	Energy intensity	Environmental Agenda – Environmental Management	Information regarding the indicator at the table below.	✓
				7 8 12 13

	Celbi	Celtejo	Caima	TOTAL
<b>ENERGY INTENSITY</b>				
Specific energy consumption (ADTP/MJ)	12,7	18,9	25	15,2

Note: For the ratio only electricity and steam are considered.



Disclosures	Location/Omission	Audit	SDG
302-4	Reduction of energy consumption	✓	7 8 12 13
<p>Environmental Agenda – Environmental Management</p> <p>At Celbi, the initiatives developed to improve energy efficiency were: Definition of the efficient operation of engines, Cleaning of engines, Optimization of engine, pump and valve assemblies, Installation of frequency converters, Installation of led lighting, Control system in the MOPS of motors with frequency inverters.</p> <p>At Celtejo, the initiatives developed to improve energy efficiency were: Reduction of pump operating speed and pressure, implementation of frequency converters for pump control and optimization, replacement of pumps and motors with greater efficiency and implementation of control logic associated with optimum operating conditions, improvement of equipment and creation of maintenance routines, elimination of leaks in steam collectors, implementation of chemical wash cycles with automatic controllers and timers and implementation of preventive maintenance routines in industrial compressed air networks.</p> <p>At Caima, the initiatives developed to improve energy efficiency were: Implementation of cascade control logic, installation of VSD for pump control and optimization, improvement of the availability of P. Madeiras (3C), 40% of the factory with LED lighting, installation of a venting of the condensate pot and recovery of flash energy, implementation of a chemical washing program, installation of the most appropriate packing thread and creation of maintenance routines.</p>			

	Celbi*	Celtejo	Caima
Quantification of reductions achieved (GJ/ADTP)	‘-0,33GJ/ADTP’	1,98 GJ/ADTP	2,08 GJ/ADTP

\* At Celbi there was an increase in consumption between 2019 and 2020.

Disclosures	Location/Omission	Audit	SDG
GRI 303 - WATER AND EFFLUENTS			
103-1	Explanation of the material topic and its boundary	✓	
103-2	The management approach and its components	✓	
103-4	Evaluation of the management approach	✓	

Disclosures	Location/Omission	Audit	SDG
303-1	Interactions with water as a shared resource	✓	6
<p>Altri, in the scope of responsible water management as a natural resource, mapped its operations according to the risk associated with the use of water, using the Aqueduct Water Tool, developed by WRI. According to this mapping, 100% of Altri's operations are in areas where water stress is low to medium. Celbi captures water in the Mondego River and in underground water holes for use in the pulp manufacturing process, along which there are several circuit closures in order to reduce the fresh water captured as much as possible. At the end of the process, the waters are treated and returned to the receiving environment, respecting the criteria defined for the quality of the final effluent. Celtejo captures water from the Tejo River for use in the pulp manufacturing process and also supplies treated water from ETA to the Navigator and Paper Prime mills. In the pulp production process, several actions were implemented, namely closing circuits, recycling effluent treated from Celtejo WWTP, given the high quality achieved, thus reducing water intake. At the end of the process, the waters are treated and returned to the receiving environment, respecting the criteria defined for the quality of the final effluent. Caima collects water from the Tejo River, for use in the pulp manufacturing process, along which there are several circuit closures in order to reduce the fresh water captured as much as possible. At the end of the process, waters are treated and returned to the receiving environment, respecting the criteria defined for the quality of the final effluent. At GREENVOLT - Energias Renováveis the water is taken from the reservoir of the Aguieira dam and follows the requirements established in the Water Resources Use License - Surface water abstraction.</p>			

	Celbi	Celtejo	Caima
2020 water use reduction target	16m³/ADTP	22m³/ADTP	40m³/ADTP

Disclosures	Location/Omission	Audit	SDG
303-2	Management of impacts related to water discharge	✓	
303-3	Water intake	✓	



Disclosures		Location/Omission	Audit	SDG
303-2	Management of impacts related to water discharge	The discharge point and the quality of the final effluent are defined in the wastewater rejection license. As guidelines for the quality of the effluent, the values identified in the sectorial BREF are also followed.	✓	
		Annual monitoring of the receiving environment is carried out according to the title of private use of the national maritime space and the definition of the VLE below are according to the period in question (drought, wet, exceptional).		
303-3	Water intake	Information regarding the indicator at the table below.	✓	
				TOTAL
WATER CATCHMENT				
Surface catchments (m³)			21.380.701	
Underground abstraction (m³)			3.478.000	
Total water use (m³)			24.858.701	
Disclosures		Location/Omission	Audit	SDG
303-4	Efluents	Information regarding the indicator at the table below	✓	
				TOTAL
TOTAL EFFLUENT BY DESTINATION				
TOTAL - Volume of effluent discharged (m³)			18.441.074	
Surface water (m³)			9.068.864	
Sea water (m³)			9.372.210	
TOTAL EFFLUENT BY CATEGORY				
Fresh water (m³)			9.068.864	
Other types of water (m³)			9.372.210	
Disclosures		Location/Omission	Audit	SDG
303-5	Water consumption	Information regarding the indicator at the table below.	✓	
				TOTAL
WATER CONSUMPTION				
Total water consumption of all areas in megaliters			6.294.842	

Disclosures		Location/Omission	Audit	SDG
GRI 304 - BIODIVERSITY				
Management Approach	103-1	Explanation of the material topic and its boundary	✓	
	103-2	The management approach and its components	✓	
	103-3	Evaluation of the management approach	✓	
	304-1	Operational facilities (owned, leased or managed) in areas adjacent to protected areas and areas with high biodiversity value outside protected areas	Information regarding the indicator at the table below.	✓
				6 14 15
Protected Area			Area (ha)	
Tejo Internacional Natural Park			1.905	
Serra de São Mamede Natural Park			1.075	
Protected Landscape Serra de Montejunto			342	
Serras de Aire e Candeeiros Natural Park			109	
Serra da Estrela Natural Park			7	
Porto Mountain Park			129	
Serra da Gardunha			410	
Total			3.977	



Disclosures		Location/Omission	Audit	SDG
304-2	Significant impacts of activities, products and services on biodiversity	How we creat value – In our Natural Capital Information regarding the indicator at the table below.	✓	6 14 15
Sítio de Importância Comunitária			Área (ha)	
São Mamede			1.901	
Monchique			2.093	
Nisa / Lage da Prata			794	
Serra de Montejunto			343	
Cabrela			284	
Malcata			284	
Serra da Lousã			267	
Serras da Freita e Arada			243	
Rio Paiva			210	
Serra da Gardunha			223	
Serras de Aire e Candeeiros			136	
Sicó / Alvaiázere			130	
Carregal do Sal			105	
Valongo			106	
Serra de Montemuro			87	
Cabeção			59	
Estuário do Tejo			28	
Alvão / Marão			11	
Estuário do Sado			8	
Serra da Estrela			7	
Caldeirão			1	
Total			7.320	

Disclosures		Location/Omission	Audit	SDG
304-3	Protected or restored habitats	Information regarding the indicator at the table below.	✓	6 14 15
Habitat	Name		Area	
3120	Oligotrophic waters with very little mineralization in generally sandy soils of the western Mediterranean with Isoetes spp		60	
3170	Mediterranean temporary ponds		2	
4020	Atlantic wet temperate heaths of Erica ciliaris and Erica tetralix		3	
4030	European dried moorland		559	
5210	Arboreal scrub of Juniperus spp		83	
5230	Laurus nobilis arborescent shrubs		4	
5330	Pre-desert thermo-Mediterranean scrub		877	
6310	Monted of Quercus spp. evergreen		1.693	
6420	Molinio’s Mediterranean wet grassy high grasslands - Holoschoenion		2	
8220	Siliceous rocky slopes with chasmophytic vegetation		25	
91B0	Thermophilic freixials of Fraxinus angustifolia		5	
91	Alluvial forests of Alnus glutinosa and Fraxinus excelsior (Alno-Padion, Alnion incanae, Salicion albae)		95	
91F0	Mixed forests of Quercus robur, Ulmus laevis, Ulmus minor, Fraxinus excelsior or Fraxinus angustifolia from the banks of large rivers (Ulmenion minoris)		1	
9230	Galician-Portuguese oak trees of Quercus robur and Quercus pyrenaica		21	
9240	Iberian oak trees of Quercus faginea and Quercus canariensis		4	
9260	Castanea sativa forests		8	
92A0	Forests-galleries of Salix alba and Populus alba		104	
92B0	Forest-galleries along intermittent Mediterranean water courses with Rhododendron ponticum, Salix and other species		1	
92D0	Southern riverside galleries and scrub (Nerio-Tamaricetea and Securinegion tinctoriae)		19	
9330	Forests of Quercus suber		94	
9340	Forests of Quercus ilex and Quercus rotundifolia		90	



Disclosures	Location/Omission		Audit	SDG
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Information regarding the indicator at the table below.	✓	6 14 15

Birds		Amphibians and Reptiles	
Red-necked Nighthawk - Caprimulgus ruficollis	VU	Portuguese Salamander - Chioglossa lusitanica	VU
Chasco-ruivo - Oenanthe hispanica	VU	Striated-Carapace Turtle - Emys orbicularis	EN
Black vulture - Aegypius monachus	CR	Webbed Newt - Triturus helveticus	VU
Golden Eagle - Aquila chrysaetos	EN	Mammals	
Black Stork - Ciconia nigra	VU	Fringe bat - Myotis nattereri	VU
Egyptian Vulture - Neophron percnopterus	EN	Iberian wolf - Canis lupus	EN
Açor - Accipiter gentilis	VU	Invertebrates	
Curllew - Burhinus oedicnemus	VU	Euphydryas aurinia	VU
Nabal owl - Asio flammeus	EN	Coenagrion mercuriale	VU
European Nightfall - Caprimulgus europaeus	VU	Fish	
Hunter tortoise - Circus pygargus	EN	River Lamprey - Lampetra fluviatilis	CR
Peregrine falcon - Falco peregrinus	VU	European eel - Anguilla anguilla	EN
Ógea - Falco subbuteo	VU	Arched-mouthed bogue - Iberohondrostoma lemmingii	EN
Spoonbill - Platalea leucorodia	VU	Portuguese bogue - Iberochondrostoma lusitanicum	CR
Imperial Eagle - Aquila adalberti	CR	Bordalo - Squalius alburnoides	VU
		South Scale - Squalius pyrenaicus	EN

Disclosures	Location/Omission	Audit	SDG
GRI 305 - EMISSIONS			

Management Approach	103-1	Explanation of the material topic and its boundary	Altri's material themes were defined based on the methodology described in the Materiality Matrix chapter. With a direct relationship with Emissions, the theme "Climate change and greenhouse gas emissions" was considered a topic of high materiality (see Materiality Matrix).	✓	
	103-2	The management approach and its components	Altri has promoted several initiatives related to Emissions (see Environmental Agenda - Tackling climate change).	✓	
	103-3	Evaluation of the management approach	Altri measures and monitors the indicators associated with this aspect and reports them in this Report (see Environmental Agenda - Tackling climate change).	✓	

305-1	Direct greenhouse gas emissions - GHG (Scope 1)	Environmental Agenda - Tackling climate change	✓	3 12 13 14 15
-------	-------------------------------------------------	------------------------------------------------	---	---------------------------

305-2	Indirect GHG emissions (Scope 2)	Environmental Agenda - Tackling climate change	✓	3 12 13 14 15
-------	----------------------------------	------------------------------------------------	---	---------------------------

305-3	Other indirect GHG emissions (Scope 3)	Environmental Agenda - Tackling climate change	✓	3 12 13 14 15
-------	----------------------------------------	------------------------------------------------	---	---------------------------

305-4	Intensity of GHG emissions	Environmental Agenda - Tackling climate change	✓	13 14 15
-------	----------------------------	------------------------------------------------	---	----------------

Intensity of GHG emissions from pulp mills (kgCO <sub>2</sub> e/ADTP) - Scope 1 and 2			132
Intensity of GHG emissions from pulp mills (kgCO <sub>2</sub> e/ADTP) - Scope 3			230

Disclosures	Location/Omission		Audit	SDG
305-5	Reduction of GHG emissions	Environmental Agenda - Tackling climate change	✓	

Emission reduction 2019-2020 (ktCO <sub>2</sub> e) in scope 1, 2 and 3			(74)
Avoided emissions associated with the sale of electricity (tCO <sub>2</sub> e) - includes Celbi and Bioelectric			(154.961)



Disclosures		Location/Omission	Audit	SDG
305-6	Ozone-depleting substances emissions	Information regarding the indicator at the table below.	✓	3 12 13
TOTAL				
OZONE-DEPLETING SUBSTANCES EMISSIONS				
Fluorinated gases (kgCO <sub>2</sub> e)			370	
Disclosures		Location/Omission	Audit	SDG
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions	Environmental Agenda – Environmental Management	✓	3 12 14 15
GRI 306 - WASTE				
Management approach	103-1	Explanation of the material topic and its boundary	Altri's material themes were defined based on the methodology described in the Materiality Matrix chapter. With a direct relationship with Waste, the theme "Waste Management" was considered a topic of high materiality (see Materiality Matrix).	✓
	103-2	The management approach and its components	Altri has promoted several initiatives related to waste management (see Environmental Agenda - Materials and Waste).	✓
	103-3	Evaluation of the management approach	Altri measures and monitors the indicators associated with this aspect and reports them in this Report (see Environmental Agenda - Materials and Waste).	✓
306-1	Waste generation and significant waste-related impacts	At Altri's industrial units, part of the primary and secondary sludge resulting from the mill's effluent treatment is sent to the biomass boiler, installed in the industrial complex, for energy recovery. Primary and secondary sludge and sieving waste are generated in the activity itself, in the pulp production process.	✓	3 6 12 14
306-2	Management of significant waste-related impacts	At Altri's industrial units, as part of the optimizations carried out, the secondary sludge resulting from the plant's effluent treatment is sent to the recovery boiler for energy recovery.	✓	3 6 12 14
306-3	Waste generated	Information regarding the indicator at the table below.	✓	3 6 12 14

WASTE PRODUCTION			TOTAL	
Total weight of waste generated (t)			240.460	
HAZARDOUS WASTE			281	
Valorization			71	
Elimination			210	
NON-HAZARDOUS WASTE			240.179	
Valorization			183.975	
Elimination			56.204	
Disclosures		Location/Omission	Audit	SDG
GRI 307 - ENVIRONMENTAL COMPLIANCE				
307-1	Non-compliance with environmental laws and regulations	In the course of 2020, none of Altri's companies was subject to any sanction (final / unappealable) in environmental matters.	✓	16
GRI 308 - ENVIRONMENTAL ASSESSMENT OF SUPPLIERS				
308-1	New suppliers that were selected based on environmental criteria	Economic Agenda - Our suppliers	✓	
GRI 400 - SOCIAL DISCLOSURES				
GRI 401 - EMPLOYMENT				
401-1	New employee hires and employee turnover	Social Agenda - Our people Information regarding the indicator at the table below.	✓	5 8



	TOTAL
<b>TOTAL EMPLOYEES</b>	<b>765</b>
<b>Age group (No)</b>	
< 30 years	111
From 30 to 50 years	430
> 50 years	224
<b>Gender (No)</b>	
Male	655
Female	110
<b>NEW HIRES</b>	<b>25</b>
<b>Age group (No)</b>	
< 30 years	9
From 30 to 50 years	15
> 50 years	1
<b>Gender (No)</b>	
Male	16
Female	9
<b>RATE OF NEW HIRES</b>	<b>3,27%</b>
<b>Age group (No)</b>	
< 30 years	1,18%
From 30 to 50 years	1,96%
> 50 years	0,13%
<b>Gender (No)</b>	
Male	2,09%
Female	1,18%
<b>EMPLOYEES LEAVING</b>	<b>33</b>
<b>Age group (No)</b>	
< 30 years	9
From 30 to 50 years	6
> 50 years	18
<b>Gender (No)</b>	
Male	20
Female	13
<b>TURNOVER RATE</b>	<b>4,31%</b>
<b>Age group (No)</b>	
< 30 years	1,18%
From 30 to 50 years	0,78%
> 50 years	2,35%
<b>Gender (No)</b>	
Male	2,61%
Female	1,70%

Disclosures		Location/Omission	Audit	SDG
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	The Pension Fund, Health Insurance and Life Insurance benefits are only applicable to permanent staff.  Information regarding the indicator at the table below.	✓	8

	Celbi	Celtejo	Caima	Altri Florestal	Viveiros	FlorestSul
<b>BENEFITS</b>						
Health insurance	X	X	X	X	X	X
Life insurance	X	X	X	X		X
Pension Fund	X	X	X	X		X
Payment of the first 3 days of check-out not covered by Social Security.	X	X		X		X
Complement of the cash-out allowance up to 90 days in order to maintain the net remuneration.	X	X	X	X		X
Childbirth allowance		X				

Disclosures		Location/Omission	Audit	SDG
<b>GRI 403 – OCCUPATIONAL HEALTH AND SAFETY</b>				
Management Approach	103-1	Explanation of the material topic and its boundary	Altri’s material themes were defined based on the methodology described in the Materiality Matrix chapter. With a direct relationship with Occupational Health and Safety, the theme “Health, safety and well-being of employees” was considered a high materiality theme (see Materiality Matrix).	✓
	103-2	The management approach and its components	Altri has promoted several initiatives related to Occupational Health and Safety (see Social agenda - Our people).	✓
	103-3	Evaluation of the management approach	Altri measures and monitors the indicators associated with this aspect and reports them in this Report (see Social agenda - Our people).	✓
403-1			Social Agenda- Our people – Safety Culture	
		Occupational health and safety management system	Altri has implemented a Health and Safety Management System (see About Us - Certifications) that covers all workplaces, in-house workers and service provider workers, with the exception of Altri Florestal, Altri, SL, Altri and FlorestSul (whose implemented references are the normative references PEFC and FSC®) that covers internal workers.	✓ 3 8



Disclosures		Location/Omission	Audit	SDG
403-2	Hazard identification, risk assessment and incident investigation	Social Agenda- Our people – Safety Culture		
		In order to guarantee the quality of the processes for identifying hazards, assessing risks and investigating accidents, Altri has implemented the OHS Management System, within which certification audits and internal audits are carried out, promotes training and disseminates information on the OHS norms and risks in the workplace, analyses incidents , promotes training and exercises for Emergency Intervention Teams, carries out inspections of workplaces and drills for 1st intervention teams and accidents in forestry work and has a fire brigade for emergencies. There are procedures in place that determine how to carry investigations of occupational incidents, in order to investigate, discuss and implement the necessary measures to minimize the occurrence of occupational incidents, the “5 whys methodology” is used, incident reporting is carried out and disseminated throughout the organization. The evaluation and improvement of the OHS Management System is guaranteed through the periodic review of the system itself, the establishment of OHS improvement objectives and plans and the updating of the risk assessment matrix.	✓	3 8
403-3	Occupational health services	At Altri, the Occupational Physician coordinates and guides the occupational health services, namely nursing activities, carries out periodic medical examinations to assess the aptitude of workers to perform their duties and collaborates with the security services in identifying risks for the health of workers, as well as in the analysis of the causes of accidents at work or the occurrence of occupational diseases. Additionally, we have a Security Technician, who executes, guides and coordinates the activities of the security service, namely with regard to the distribution, operation control and conservation of security material. It also carries out inspections of the safety conditions of the facilities or of the work of the staff and produces reports and statistical reports on accidents and collaborates in the processes of information and training of workers and other stakeholders in the workplace in the areas of prevention and safety, process through which ensures the quality of the service.	✓	3 8
403-4	Worker participation, consultation and communication on occupational health and safety	For the participation and consultation of employees in the OHS Management System, meetings are promoted by the Environment, Safety and Health Commission, which are attended by Workers' Representatives, top managers of Altri and the Occupational Physician. Workers are also consulted regarding the use of PPE and in the preparation of RIPARs.	✓	3 8

Disclosures		Location/Omission	Audit	SDG
403-5	Worker training on occupational health and safety	Social Agenda - Our people - Safety Culture	✓	3 8
403-6	Promotion of worker health	Altri promotes its workers' health through medical and nursing services at the medical post, appointments and prescription of medication, awareness campaigns on health and well-being, recommendations by the occupational physician warning for risks on the worker health (ex : tobacco, overweight ...) and absences for medical appointments, considered justified and with remuneration.	✓	3 8
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Altri distributes information leaflets, provides Security documentation (RIPAR, Procedures, Standards), disseminates OHS videos on internal TV circuits, displays Security signs and discloses of Incident and Near Incident Communications.	✓	3 8
403-8	Workers covered by an occupational health and safety management system	In the case of Altri's industrial units, internal and external workers, who work on site, are covered by the OHS System, which is audited internally and externally. Regarding Altri Florestal, Altri SL and FlorestSul, in which the normative references PEFC and FSC® are implemented, whose review includes the analysis of OHS performance and the definition of Improvement Plans at OHS level, 100% of internal workers are covered by the system.	✓	3 8
403-9	Work accidents	The main kind accidents at work with internal workers: Trauma, burns and minor injuries, pinches, eye irritation, excessive physical efforts and contact with sharp objects. With the external workers were: fractures, falls at a different level and at the same level, trauma, excessive physical efforts, burns, nicks and contact with sharp objects, falling from height, eye irritations To identify the dangers related to the risks of a serious work accident or to eliminate / mitigate them, Altri has Plans, procedures and safety standards, hazard identification and risk assessment records, safety signs, RIPARs, Form Safety Data, Monitoring of exposure to physical and chemical agents, OHS inspections, implementation of collective protection measures, improvement of infrastructures and equipment.  The main hazards that contributed to serious work accidents were: work at height, work that requires the use of machines, use of chemical products, work in confined spaces, hot work, cleaning work on mobile equipment, felling and transportation of wood, exposure to adverse weather conditions.  Information regarding the indicator at the table below.	✓	3 8



	TOTAL
<b>ABSOLUTE VALUES FOR EMPLOYEES</b>	
Deaths resulting from occupational accidents	0
Serious occupational accidents (excluding deaths)	1
Mandatory reporting occupational accidents	43
<b>Number of hours worked</b>	1.278.909
<b>RATIO FOR EMPLOYEES</b>	
Deaths resulting from occupational accidents	0
Serious occupational accidents (excluding deaths)	0,8
Mandatory reporting occupational accidents	33,6
<b>ABSOLUTE VALUES FOR EXTERNAL EMPLOYEES</b>	
Deaths resulting from occupational accidents	1
Serious occupational accidents (excluding deaths)	4
Mandatory reporting occupational accidents	82

Note 1: It was not possible to collect data related to external employees in order to calculate ratios for the period under analysis, however, mechanisms are being implemented to allow the reporting of this information for the next year.

Note 2: The data presented refers to the companies: Celbi, Caima, Celtejo and Altri Florestal.

Disclosures	Location/Omission	Audit	SDG
403-10	Work-related ill health	✓	3 8

Disclosures	Location/Omission		Audit	SDG
GRI 404 – TRAINING AND EDUCATION				
404-1	Average training hours per year and per employee	Social Agenda - Our people Information regarding the indicator at the table below.	✓	4 5 8
2020				
TOTAL EMPLOYEES BY CATEGORY AND FUNCTION		MALE	FEMALE	TOTAL
Senior staff and technicians (n °)		94	24	118
Middle management and direct managers (n °)		95	10	105
Other workers (n °)		466	76	542
Total (no.)		655	110	765
TOTAL TRAINING HOURS (H)		MALE	FEMALE	TOTAL
Senior staff and technicians (n °)		1.806	619	2.425
Middle management and direct managers (n °)		1.491	632	2.123
Other workers (n °)		7.078	2.428	9.506
Total (no.)		10.375	3.679	14.054
AVERAGE HOURS OF TRAINING PER CATEGORY (H / EMPLOYEE)		MALE	FEMALE	TOTAL
Senior staff and technicians (n °)		19	26	21
Middle management and direct managers (n °)		16	63	20
Other workers (n °)		15	32	18

Note: The data presented does not include Altri Sales employees.



Disclosures	Location/Omission	Audit	SDG
404-2	Programs for upgrading employee skills and transition assistance programs	Social Agenda - Our people Information regarding the indicator at the table below.	✓ 8
Programs for skills management and lifelong learning		TOTAL	
		Actions	Hours
Process		90	6.806
Management and Behavioral		64	1.581
Maintenance		24	841
Safety and Environment		56	2.021
(Other)		128	2.807
<b>TOTAL</b>		<b>362</b>	<b>14.054</b>

Disclosures	Location/Omission	Audit	SDG
404-3	Percentage of employees receiving regular performance and career development assessments	Altri group companies do not have a formal system of performance evaluation or career development, in an assumed way. The development of a Succession Plan for Holders of Critical Functions is underway, and a formal system should be built in 2021 to allow feedback on the performance of employees.	✓ 8

#### GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY

405-1	Diversity of governance bodies and employees	Social Agenda - Our people Information regarding the indicator at the table below.	✓ 5 8
-------	----------------------------------------------	---------------------------------------------------------------------------------------	----------

2020	AGE GROUP	MALE	FEMALE	TOTAL
Senior staff and technicians (No)	< 30 years	4	—	4
	From 30 to 50 years	54	18	72
	> 50 years	36	6	42
	TOTAL	94	24	118
Senior staff and technicians (%)	< 30 years	3.4%	0.0%	3,4%
	From 30 to 50 years	45.8%	15.3%	61,0%
	> 50 years	30.5%	5.1%	35,6%
	TOTAL	79,7%	20,3%	

Middle management and direct managers (No)	< 30 years	2	3	5
	From 30 to 50 years	50	4	54
	> 50 years	43	3	46
	TOTAL	95	10	105
Middle management and direct managers (%)	< 30 years	1,9%	2,9%	4,8%
	From 30 to 50 years	47,6%	3,8%	51,4%
	> 50 years	41,0%	2,9%	43,8%
	TOTAL	90,5%	9,5%	
Remaining workers (No)	< 30 years	76	26	102
	From 30 to 50 years	271	33	304
	> 50 years	119	17	136
	TOTAL	466	76	542
Remaining workers (%)	< 30 years	14,0%	5,0%	18,8%
	From 30 to 50 years	50,0%	6,0%	56,1%
	> 50 years	22,0%	3,0%	25,1%
	TOTAL	86,0%	14,0%	
<b>TOTAL (NO)</b>		<b>655</b>	<b>110</b>	<b>765</b>

EMPLOYEES WITH HIGHER EDUCATION	MALE	FEMALE	TOTAL
No. of employees with higher education (No.)	195	85	280
Rate of employees with higher education (%)	29,8%	77,3%	36,6%

GOVERNANCE BODIES BY FUNCTIONAL CATEGORY, AGE GROUP AND GENDER				
	AGE GROUP	MALE	FEMALE	TOTAL
Governance bodies (No.)	< 30 years	0	0	0
	From 30 to 50 years	0	0	0
	> 50 years	8	4	12
	TOTAL	8	4	12
Governance bodies (%)	< 30 years	0%	0%	0%
	From 30 to 50 years	0%	0%	0%
	> 50 years	66,7%	33,33%	100%
	TOTAL	66,7%	33,33%	



Disclosures	Location/Omission	Audit	SDG
405-2	Ratio between base salary and remuneration of women and men Information regarding the indicator at the table below.	✓	5 8 10
BASIC REMUNERATION BY FUNCTIONAL CATEGORY AND GENDER (€)		RATIO F/M	
Top Board and First line Managers		0,79	
Middle Board and Direct Managers		0,85	
Remaining workers		0,90	
Total		0,92	
TOTAL REMUNERATION BY FUNCTIONAL CATEGORY AND BY GENDER (€)		RATIO F/M	
Top Board and First line Managers		0,75	
Middle Board and Direct Managers		0,82	
Remaining workers		0,71	
Total		0,79	

Note: The data presented does not include Altri Sales employees.

Disclosures	Location/Omission	Audit	SDG
GRI 406 - NON-DISCRIMINATION			
406-1	Discrimination cases and measures taken	There was no record, during the financial year of 2020, of any report of discriminatory situations that required the taking of concrete measures to tackle such situations. ✓	5 8 16
LOCAL COMMUNITIES			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Agenda – Our community ✓	
413-2	Operations with significant actual and potential negative impacts on local communities	Social Agenda – Our community Environmental Agenda - Environmental Management – Odors ✓	1 2
GRI 414 - SUPPLIER SOCIAL ASSESSMENT			
414-1	New suppliers that were selected based on social criteria	Economic Agenda- Our suppliers ✓	
GRI 417 - MARKETING AND LABELING			
417-1	Information and labeling requirements for products and services	Altri complies with Regulation (EU) No. 453/2010 of 20 May 2010, having available for all products a safety data sheet with a description of the main characteristics, applications and rules of use and recycling. Pulps for use in paper products are approved by Nordic Ecolabelling of Paper Products and European Ecolabel, and thus can be used in products that wish to use this environmental label. ✓	12 16
GRI 419 – SOCIOECONOMIC COMPLIANCE			
419-1	Non-compliance with social and economic laws and regulations	In 2020, a fine of an amount equivalent to 22,500 euros was applied to the subsidiary Sociedade Bioelétrica do Mondego S.A. related to economic issues. In addition to the above, no fines / monetary or non-monetary sanctions were applied to any of the companies of the Altri Group, for non-compliance with laws and / or regulations in the social and economic area. For all companies of the Altri Group, there was no non-compliance with laws and / or regulations in the social and economic area. ✓	16



# Compliance Table Regarding Requirements From Decree-Law No. 89/2017

Requirement	Answer
BUSINESS MODEL	
Decree-law no. 89/2017 - Article no. 3 (Refers to no. 2 of Article no. 508- G of CSC) - Directive 2014/95/EU- Art. 19a (1)(a)	
Company’s business model	About Us
	Our Strategy
	About Us - Group governance, ethics and policies
DIVERSITY IN GOVERNMENT BODIES	
DL 89/2017 - Artº4º (Refers to Artº 245.º- No. 1 r) and No.2 do CVM) - Directive 2014/95/UE - Art. 20 (1)(g)	
Diversity policy applied by the company in relation to its management and supervisory bodies	About Us - Group governance, ethics and policies
	Social Agenda- Our people
ENVIRONMENTAL ISSUES	
DL no. 89/2017 – no. 2 of Article no. 3 (Refers to no. º2 of Article no. 508 of CSC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to environmental issues	About Us - Group governance, ethics and policies
	About Us- Certifications
	Environmental Agenda
Results of policy implementation	How we create value
	Environmental Agenda
Main associated risks and the way these risks are managed	About Us- Risk Management
Key performance indicators	Environmental Agenda
	How we create value

SOCIAL AND EMPLOYEE RELATED ISSUES	
DL 89/2017 - Nº2 do Artº3º (Remetido para o Nº2 do Artº508º do CSC) - Diretiva 2014/95/UE - Art. 19a (1) (a-e)	
Specific policies related to social issues and related to workers	About Us - Group governance, ethics and policies
	Social Agenda- Our people
Results of policy implementation	About Us - Group governance, ethics and policies
	Social Agenda- Our people
Main associated risks and the way these risks are managed	About Us - Group governance, ethics and policies
	Social Agenda- Our people
	About Us- Risk Management
Key performance indicators	Social Agenda- Our people



GENDER EQUALITY AND NON-DISCRIMINATION

DL no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) – Directive 2014/95/EU – Art. 19a (1)(a-e)

Specific policies related to issues of gender equality and non-discrimination	About Us - Group governance, ethics and policies
	Social Agenda- Our people
	“The Altri Group’s labor practices and procedures repudiate discrimination and any differentiated treatment based on race, gender, ethnic or social origin, sexual orientation, political or union association or religious conviction” in Altri’s Code of Ethics and Conduct
Results of policy implementation	About Us - Group governance, ethics and policies
	Social Agenda- Our people
Main associated risks and the way these risks are managed	Social Agenda- Our people
	About Us- Risk Management
Key performance indicators	About Us - Group governance, ethics and policies
	Social Agenda- Our people

RESPECT FOR HUMAN RIGHTS

Nº2 do Artº3º do DL 89/2017 (Remetido para o Nº2 do Artº508º do CSC) – Diretiva 2014/95/UE – Art. 19a (1)(a-e)

Specific policies related to respect for human rights	About Us - Group governance, ethics and policies
	The Altri Group’s Code of Ethics and Conduct establishes that: The Altri Group respects and promotes human rights, as enshrined in the United Nations Universal Declaration of Human Rights and guides its activities considering equal opportunities.
Results of policy implementation	In addition to what is established in the document that guides the employees’ conduct, Altri guides its performance by fully complying with all applicable human rights legislation, considering that national and European laws immediately safeguard fundamental rights.
Main associated risks and the way these risks are managed	Considering the above, Altri promotes equal opportunities, respect for Human Rights and absolutely rejects any use of child and forced labor, recognizing these matters as principles that are part of the Group’s DNA.

FIGHTING CORRUPTION AND BRIBERY ATTEMPTS

DL no. 89/2017 – no. 2 of Article no. 3 (Refers to no. 2 of Article no. 508 of CSC) – Directive 2014/95/EU – Art. 19a (1)(a-e)

Specific policies related to combating corruption and bribery attempts	About Us - Group governance, ethics and policies
Results of policy implementation	About Us - Group governance, ethics and policies
Main associated risks and the way these risks are managed	About Us - Group governance, ethics and policies
	About Us- Risk Management



# Green Bonds Report

## 2020 Allocation and Impact Report

### Introduction

Altri Group, through its subsidiary Sociedade Bioelétrica do Mondego, S.A. (“SBM”), and Banco BPI, SA (“BPI”) launched the first green bond issue admitted to trading in Portugal in the unregulated market Euronext Access Lisbon, in February 2019.

Sociedade Bioelétrica do Mondego, S.A. is a Portuguese company, 100% owned by Altri Group, dedicated to construction, operation and maintenance of a 34.5 MW capacity biomass power plant, located in Figueira da Foz.

To finance its investments, SBM developed an SBM Green Bond Framework, which served as the basis for the issuance of its SBM 2019-2029 Green Bond, by private placement, in the amount of Euro 50,000,000 (fifty million euros), with a coupon rate of 1.90%.

The use of proceeds was allocated exclusively to the financing of the 34.5 MW biomass power plant, located in Celbi’s manufacturing perimeter, although in the initial project there were advances of own funds made by SBM’s parent company..

The SBM Green Bond Framework is in line with the conditions established by the Green Bond Principles published by the International Capital Market Association, having obtained a positive Second Party Opinion (“SPO”) from the ESG ratings company and specialized independent research Sustainalytics.

This document presents, as defined in the SBM Green Bond Framework, the annual report to investors regarding the investment allocation, including relevant information on the application of funds and on the resulting environmental benefits. The information included here is available on the Altri website, at <http://www.altri.pt/pt/investors/green-funding/green-bond>.






### Project description

The operation was intended to finance the investments of Sociedade Bioelétrica do Mondego, S.A., in the construction of a new biomass thermoelectric power plant of the Altri Group, located in Figueira da Foz, contributing to the pursuit of a structural policy in the energy field, which allows reduction of external dependency and of the greenhouse effect resulting from the use of fossil fuels. The use of forest biomass, on the other hand, in addition to contribute to job creation and forest management, allows to reduce fire risks, promoting a clean and renewable energy environment, thus reinforcing the sustainability commitment of the Altri Group.

This investment by SBM contributed to the diversification of the energy sources of the Altri Group and is part of the strategy defined for the national energy policy, through the construction of a central for production of electricity from non-conventional sources (namely, the energy recovery of forest biomass).

The Biomass Plant started operating in July 2019, having produced a total of 285.974 MWh in 2020.

### SBM Green Bond Framework Summary:

	<b>Use of proceeds</b>	<p>The main goal of this Green Bond is the utilisation of the proceeds for Green Projects, which should provide clear environmental benefits. The eligible Green Projects that SBM is considering the financing are:</p> <ol style="list-style-type: none"><li>1. Renewable and clean energy production</li><li>2. Integrated Pollution Prevention and Control</li></ol>
	<b>Positive impacts</b>	<ul style="list-style-type: none"><li>• Energy efficiency.</li><li>• National energy bill decrease.</li><li>• Job creation and economic growth.</li><li>• Reduction of forest fire risk / Sustainable Forest Management</li><li>• Enhance circular economy.</li></ul>
	<b>Project evaluation and selection</b>	<ul style="list-style-type: none"><li>• SBM's projects are proposed to the Investment Working Group, which is formed by SBM directors. This group manages and reviews all proposed projects.</li><li>• Eligible Green projects are selected from the various eligible sectors and result from the application of the eligibility criteria, under the responsibility of the Green Bond Committee.</li><li>• Only projects approved by both Investment Working Group and Green Bond Committee will be considered for Green Bond financing.</li><li>• Eligible Green Projects are monitored and subjected to reporting in an annual basis.</li></ul>
	<b>Management of proceeds</b>	<ul style="list-style-type: none"><li>• The net proceeds of green bonds issued will be managed on a single project / single company basis.</li><li>• The Finance Department will guarantee the allocation of net proceeds by following an internal management system that aims to define the destination of cash flows, set reserved accounts for not invested funds and adjust periodically the net proceeds.</li><li>• Proceeds not immediately disbursed will be held and not invested in non-green projects, GHG intensive activities, nor controversial activities: proceeds not disbursed shall be invested according to SBM’s liquidity and/or liability management activities, following the market best practices.</li></ul>
	<b>Reporting</b>	<ul style="list-style-type: none"><li>• SBM will provide an annual update on the use of proceeds related to its Green Bonds issuance.</li><li>• The report should disclose a description of the remaining proceeds and the amount of allocated and unallocated proceeds.</li><li>• The information disclosed must include performance indicators to allow access to the environmental impact of eligible green projects.</li><li>• Examples of products and impact indicators considered.</li></ul> <ol style="list-style-type: none"><li><b>1. Renewable and clean energy:</b><ul style="list-style-type: none"><li>• Installed renewable energy capacity (MW)</li><li>• Expected annual renewable energy generation (MWh)</li><li>• Estimated annual GHG emission avoided or reduced (tCO<sub>2</sub>e)</li></ul></li><li><b>2. Integrated Pollution Prevention and Control</b><ul style="list-style-type: none"><li>• Reduction of biomass waste in the forest</li><li>• Estimated annual GHG emission avoided or reduced (tCO<sub>2</sub>e)</li></ul></li></ol>



Green Bond Allocation Report

The proceeds' allocation was fully made in 2019 (this information can be seen in greater detail in the [2019 Green Bonds Report](#), which was reviewed by both Sustainalytics and Deloitte).

Eligible Green Project (1)	Signed amount (€) (2)	Proceeds allocation project (3)	Allocated amount (€) (4)	Weight in assets total value (%) (5)	Percentage of proceeds allocated (%) (6)
1. Renewable and Clean Energy 2. Integrated Pollution Prevention and Control	50.000.000	Biomass Power Plant	50.000.000	60,28%	100%
TOTAL	50.000.000		50.000.000		

- (1) Categories of eligible projects  
(2) Total Green Bond amount  
(3) Project to which proceeds were allocated  
(4) Amount allocated to the project  
(5) Weight of Green Bond proceeds in the total value of the project  
(6) Percentage of use of Green Bond proceeds

Green Bond Impact Report  
(data from January to December 2020)

Eligible Green Project (1)	Signed amount (€) (2)	Weight in total Green Bond (%) (3)	Eligible value (%) (4)	Installed capacity (MW) (5)	Renewable energy annual generationl (MWh) (6)	CO <sub>2</sub> emissions avoided (tonCO <sub>2</sub> e) (7)	Reduction of biomass waste in the forest (ton) (8)
Biomass Power Plant	50.000.000	100%	100%	34,5	285.974	60.912	416.576 (50% wet)
TOTAL	50				285.974	60.912	416.576

- (1) Identification of projects falling under the eligible categories: 1. Renewable and Clean Energy and 2. Integrated Pollution Prevention and Control  
(2) Total Green Bond amount  
(3) Weight of the project in total Green Bond proceeds  
(4) Eligible value  
(5) Installed renewable energy capacity  
(6) Renewable energy generation by project in the reference period, between January and December 2020  
(7) Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national network <https://www.apren.pt/contents/publicationsreportcarditems/boletim-energias-renovaveis-dezembro-2019-vf.pdf>  
(8) Biomass used by the Biomass Power Plant





Deloitte & Associados, SROC S.A.  
Registo na OROC nº 43  
Registo na CMVM nº 20161389  
Av. Eng. Duarte Pacheco, 7  
1070-100 Lisboa  
Portugal

Tel: +(351) 210 427 500  
www.deloitte.pt

INDEPENDENT LIMITED ASSURANCE REPORT

(Free translation of a report originally issued in Portuguese language: in case of doubt the Portuguese version will always prevail)

To the Board of Directors of  
Sociedade Bioelétrica do Mondego, S.A.

Introduction

We have performed a limited assurance engagement in order to report on the Green Bonds Allocation and Impact Report (“Green Bonds Report”) of Sociedade Bioelétrica do Mondego, S.A. (“Company” or “SBM”), included in the 2020 Sustainability Report of Altri Group, which was prepared by the Company’s Board of Directors in accordance with SBM Green Bond Framework (“Framework”).

Responsibilities

The Board of Directors is responsible for the preparation and content of the Green Bond Report, included in the 2020 Sustainability Report of Altri Group in accordance with the Framework, as for designing and maintaining an appropriate internal control system to enable the preparation of the information.

Our responsibility is to issue an independent and professional limited assurance report based on the procedures performed and specified in the “Scope” section.

Scope

Our work was performed in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Those standards require that we plan and perform the review to obtain limited assurance about whether the information included in the Green Bonds Report is free from material misstatement.

The procedures performed are dependent on our professional judgment, considering our understanding of the Company, the use of the proceeds of the Green Bonds and other circumstances relevant to our work. Our work included:

- i) interviewing Altri Group employees involved in the preparation of the Green Bonds Report so to understand the projects financed or refinanced, the management internal procedures and systems in place, as well as the associated control environment;



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more.

Type: Public Limited Company | Tax and CRC Registration no.: 501776311 | Share capital: € 500,000 | Head offices: Av. Eng. Duarte Pacheco, 7, 1070-100 Lisboa | Porto Office: Bom Sucesso Trade Center, Praça do Bom Sucesso, 61 - 13º, 4150-146 Porto

© 2021. For information, contact Deloitte & Associados, SROC S.A



IS 668746



Deloitte & Associados, SROC S.A.  
Registo na OROC nº 43  
Registo na CMVM nº 20161389

- ii) analyzing the procedures used for obtaining the information and data presented on the Green Bonds Report;
- iii) validating that the information disclosed is in accordance with the reporting requirements established on the Framework;
- iv) verifying, on a sample basis, the information related with indicators included on the Green Bonds Report, as well as verifying that they were appropriately compiled from the data provided by the Company’s information sources.

The procedures performed on a limited assurance engagement are substantially less in scope than a reasonable assurance engagement and, consequently, a lower level of assurance than in a reasonable assurance engagement, is obtained. Accordingly, we do not express an opinion on the Green Bonds Report. We consider that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence and quality control

We conducted our work in compliance with the ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professional behavior.

We applied the International Standards on Quality Control 1. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the information included on Green Bonds Allocation and Impact Report, included in the Sustainability Report of Altri Group, has not been prepared, in all material respects, in accordance with reporting criteria disclosed in the Green Bonds Report and in the Framework.

Restriction of use

This report is intend solely for the purposes of reporting on the performance and activities related with the issuance and use of Green Bonds proceeds as requested by the Board of Directors of the Company. We will not assume any responsibility for our work and our conclusion to third parties other than the Company. Our report should not be used for any other purpose and should not be published in other document besides 2020 Sustainability Report of Altri Group.

Lisbon, 25 March 2021

Deloitte & Associados, SROC S.A.  
Represented by Luís Miguel Baptista da Costa, ROC





# Sociedade Bioelétrica do Mondego

**Type of Engagement:** Annual Review  
**Date:** March 25, 2021  
**Engagement Team:**  
Evan Bruner, [evan.bruner@sustainalytics.com](mailto:evan.bruner@sustainalytics.com), (+31) 20 205 0027  
Zhenyi LV, [zhenyi.lv@sustainalytics.com](mailto:zhenyi.lv@sustainalytics.com), (+1) 416 861 0403

## Introduction

In 2019, Sociedade Bioelétrica do Mondego (“SBM”) issued green bonds aimed at financing the 34.5 MW biomass power plant, located in the manufacturing area of Figueira da Foz in central Portugal. In 2021, SBM engaged Sustainalytics to review the projects funded through the issued green bonds and to provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the SBM Green Bond Framework.

## Evaluation Criteria

Sustainalytics evaluated the projects and assets funded in 2019 based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the SBM Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the SBM Green Bonds Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable and Clean Energy	Loans to finance the construction of a new biomass power plant located in Figueira da Foz <ul style="list-style-type: none"><li>Endogenous renewable energy source (biomass), thereby avoiding greenhouse gas emissions;</li><li>Energy production from biomass from Altri Group’s<sup>1</sup> own operations and external sources to supply to the national grid.</li></ul>	<ul style="list-style-type: none"><li>Installed renewable energy capacity (MW)</li><li>Expected annual renewable energy generation (MWh)</li><li>Estimated annual GHG emission avoided or reduced (tCO2e)</li></ul>
Intergrated Pollution Prevention and Control	Loans to finance the implementation of the Best Available Techniques released by the EU for the energy production sector <sup>2</sup> to reduce air emission and greenhouse gas reduction of the biomass power plant <ul style="list-style-type: none"><li>Reduction of air emissions and greenhouse gas reduction.</li><li>Contribution to decreased GHG emissions.</li><li>Design and operation of biomass power plant according to the Best Available Techniques reference document (BREF) published by the</li></ul>	<ul style="list-style-type: none"><li>Reduction of biomass waste in the forest</li><li>Estimated annual GHG emission avoided or reduced (tCO2e)</li><li>Emissions of dust, nitrogen oxides (NOx), sulphur dioxide (SO2) and hydrochloric acid and hydrofluoric acid (HCL and HF)</li></ul>

<sup>1</sup> Sociedade Bioelétrica do Mondego, S.A. is a Portuguese company, wholly-owned by the Altri Group.  
<sup>2</sup> EU, “Best Available Techniques (BAT) for Large Combustion Plants”, (2010), at: <https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/best-available-techniques-bat-reference-document-large-combustion-plants-industrial>



# Annual Review Sociedade Bioelétrica do Mondego

	European Union for the energy production sector.	
--	--------------------------------------------------	--

## Issuing Entity’s Responsibility

SBM is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

## Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of SBM’s Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from SBM employees and review of documentation to confirm the conformance with the SBM Green Bonds Framework.

Sustainalytics has relied on the information and the facts presented by SBM with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by SBM.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

## Conclusion

Based on the limited assurance procedures conducted,<sup>3</sup> nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of SBM’s Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the SBM Green Bonds Framework. SBM has disclosed to Sustainalytics that the proceeds of the green bond were fully allocated as of December 2019.

## Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2019 to determine if projects aligned with the Use of Proceeds Criteria outlined in the SBM Green Bonds Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2019 to determine if impact of projects was reported in line with the KPIs outlined in the SBM Green Bonds Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

<sup>3</sup> Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.





## Appendix

### Appendix 1: Allocation and Impact Reporting by Eligibility Criteria

#### Green Bond Allocation Report

The proceeds' allocation was made in full in 2019 (this information can be seen in more detail in the [2019 Green Bonds Report](#), which was reviewed by both Sustainalytics and Deloitte).

Eligible Green Project (1)	Signed amount (€) (2)	Proceeds allocation project (3)	Allocated amount (€) (4)	Weight in assets total value (%) (5)	Percentage of proceeds allocated (%) (6)
1. Renewable and Clean Energy	50,000,000	Biomass Power Plant	50,000,000	60.28%	100%
2. Integrated Pollution Prevention and Control					
<b>Total</b>	<b>50,000,000</b>		<b>50,000,000</b>		

- (1) Categories of eligible projects
- (2) Total Green Bond amount
- (3) Project to which proceeds were allocated
- (4) Amount allocated to the project
- (5) Weight of Green Bond proceeds in the total value of the project
- (6) Percentage of use of Green Bond proceeds

#### Green Bond Impact Report (data from January to December 2020, inclusive)

Eligible Green Project (1)	Weight in total Green Bond (%) (2)	Eligible value (%) (3)	Installed capacity (MW) (4)	Renewable energy annual generation (MWh) (5)	CO <sub>2</sub> emissions avoided (tonCO <sub>2</sub> e) (6)	Reduction of biomass waste in the forest (ton) (7)
Biomass Power Plant	100%	100%	34.5	285,974	60,912	416,576 (50% wet)
<b>Total</b>				<b>285,974</b>	<b>60,912</b>	<b>416,576</b>

- (1) Identification of projects falling under the eligible categories: 1. Renewable and Clean Energy and 2. Integrated Pollution Prevention and Control
- (2) Weight of the project in total Green Bond proceeds
- (3) Eligible value
- (4) Installed renewable energy capacity
- (5) Renewable energy generation by project in the reference period, between January and December 2020
- (6) Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national network  
<https://www.apren.pt/contents/publicationsreportcarditems/boletim-energias-renovaveis-dezembro-2019-vf.pdf>
- (7) Biomass used by the Biomass Power Plant



## Disclaimer

Copyright ©2021 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.



## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).





# Verification Letter



**Independent Limited Assurance Report**

**(Free translation from the original in Portuguese)**

To the Board of Directors of Altri, S.G.P.S., S.A.,

**Introduction**

We were engaged by the Board of Directors of Altri, S.G.P.S., S.A. (“Altri” or “Company”) to perform a limited assurance engagement on the indicators identified below in the section “Responsibilities of the auditor”, which integrate the sustainability information included in the Sustainability Report 2020 (“Report”), for the year ended in December 31, 2020, prepared by the Company for the purpose of communicating its annual sustainability performance.

**Responsibilities of the Board of Directors**

It is the responsibility of the Board of Directors to prepare the indicators identified below in the section “Responsibilities of the auditor”, included in the Sustainability Report 2020, in accordance with the sustainability reporting guidelines Global Reporting Initiative, GRI Standards, for the option “In accordance – Core” and with the instructions and criteria disclosed in the Sustainability Report 2020, as well as for the maintenance of an appropriate internal control system that enables the adequately preparation of the mentioned information.

**Responsibilities of the auditor**

Our responsibility is to issue a limited assurance report, which is professional and independent, based on the procedures performed and specified in the paragraph below.

Our work was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance engagements other than audits or reviews of historical financial information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and we have fulfilled other technical standards and recommendations issued by the Institute of Statutory Auditors. These standards require that we plan and perform our work to obtain limited assurance about whether the GRI Standards indicators, identified in the Sustainability Report 2020, are free from material misstatement.

Our limited assurance engagement also consisted in carrying out procedures with the objective of obtaining a limited level of assurance as to whether the Company applied, in the sustainability information included in the Sustainability Report 2020, the GRI Standards guidelines.

For this purpose the above mentioned work included:

- (i) Inquiries to management and senior officials responsible for areas under analysis, with the purpose of understanding how the information system is structured and their awareness of issues included in the report;
- (ii) Identification of the existence of internal management procedures leading to the implementation of economic, environmental and social policies;

**PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.**  
Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal  
Recepção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal  
Tel: +351 213 599 000, Fax: +351 213 599 999, [www.pwc.pt](http://www.pwc.pt)  
Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000  
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.



- (iii) Testing, on a sampling basis, the efficiency of processes and systems in place for collection, consolidation, validation and reporting of the performance information previously mentioned, through calculations and validation of reported data;
- (iv) Confirmation that operational units follow the instructions on collection, consolidation, validation and reporting of performance information;
- (v) Execution of substantive procedures, on a sampling basis, in order to collect evidence of the reported information;
- (vi) Comparison of financial and economic data included in the sustainability information with the data audited by the external auditor, in the scope of the audit of Altri's financial statements for the year ended in December 31, 2020;
- (vii) Analysis of the process for defining the materiality of the sustainability issues, based on the materiality principle of GRI Standards, according to methodology described by the Company in the Report;
- (viii) Verification that sustainability information included in the Report complies with the requirements of GRI Standards, for the option "In Accordance - Core".

The procedures performed were more limited than those used in an engagement to obtain reasonable assurance and, therefore, less assurance was obtained than in a reasonable assurance engagement.

We believe that the procedures performed provide an acceptable basis for our conclusion.

**Quality control and independence**

We apply the International Standard on Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and 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 Code) and of the ethics code of the Institute of Statutory Auditors.

**Conclusion**

Based on the work performed, nothing has come to our attention that causes us to believe that the indicators identified above in the section "Responsibilities of the auditor", included in the Sustainability Report 2020, relating to the year ended in December 31, 2020, were not prepared, in all material respects, in accordance with GRI Standards requirements and with the instructions and criteria disclosed in the Report and that the Company has not applied, in the sustainability information included in the Report, the GRI Standards guidelines, for the option "In accordance – Core".

**Restriction on use**

This report is issued solely for information and use of the Board of Directors of the Company for the purpose of communicating its annual sustainability performance in the Sustainability Report 2020 and should not be used for any other purpose. We will not assume any responsibility to third parties other than Altri by our work and the conclusions expressed in this report, which will be attached to the Company's Sustainability Report 2020.

April 7, 2021

PricewaterhouseCoopers & Associados  
- Sociedade de Revisores Oficiais de Contas, Lda.  
represented by:

António Brochado Correia, R.O.C.

**(This is a translation, not to be signed)**



## Methodological Notes – Carbon Footprint 2020

For Altri's carbon footprint calculation, the Celbi, Celtejo and Caima pulp mills and, in addition, Altri Florestal<sup>1</sup> were included. In 2019, Altri restructured and refined the carbon footprint calculation, in order to improve its alignment with several international frameworks and benchmarks, such as the GHG Protocol, CDP Climate Change and the Framework for Carbon Footprints for Paper and Board CEPI Products.

The reporting of the 2020 carbon footprint is in line with the GHG Protocol, according to the three reporting scopes. Other emissions are also reported independently, such as the forest's carbon stock; emissions avoided by the sale of electricity and biogenic emissions.

The following scopes were considered:

**Scope 1:** Referring to direct greenhouse gas (GHG) emissions from operations, by sources owned or controlled by Altri. It includes emissions within the scope of the CELE and other emissions such as other Caima fuels and the leakage of fluorinated gases. Scope 1 also included, in 2020, internal waste management.

**Scope 2:** referring to GHG emissions associated with the production of electricity acquired by Altri. These emissions were calculated according to the market-based and location-based methodologies.

**Scope 3:** referring to other indirect GHG emissions associated with Altri's value chain<sup>2</sup>. The categories calculated in this scope are:

- Upstream and downstream transport – the transport category was subdivided into two: upstream and downstream transport, that is, transport of wood and chemicals (upstream transport) and product transport (downstream transport);
- Purchase of goods and services – include the purchase of chemicals, external biomass, fertilizers and phytopharmaceuticals.
- Activities related to fuels and energy not included in scopes 1 and 2 – calculated based on the activity data present in scopes 1 and 2, such as emissions associated with the extraction, refining and transportation of fuels and losses in the network;
- Waste generated from operations (including transportation) – includes waste generated in pulp mills;
- Other emissions – suppliers, including information available from service providers and subcontractors for internal transport of wood and pulp at at pulp mills and Altri Florestal's subcontractors, namely forestry operations, exploration operations and DFCI operations.

### Other emissions:

- Forest carbon reservoir: within the scope of Altri Florestal, the carbon stock in the forest under its management was calculated. This stock refers to the forest's carbon reservoir at the end of 2020.
- Avoided emissions: the methodology for calculating avoided emissions was revised. For this purpose, the electric energy injected into the network by the pulp mills (only the mills surplus in electricity were considered in this calculation) and by the bioelectric power plants were considered.
- Biogenic emissions: the biogenic emissions associated with the consumption of fuels of non-fossil origin in the pulp mills were calculated. The main fuels of non-fossil origin are black liquor and biomass.

**Exclusions:** GHG emissions associated with the product's use and end-of-life are out of the reporting carbon footprint's scope, since Altri is a producer of pulp. Other scope 3 categories were considered to be not relevant or not applicable to Altri's activity.

<sup>1</sup> The value of the emissions associated with Altri Florestal in 2020 remains compared to 2019.

<sup>2</sup> Scope 3 emissions do not include Greenvolt biomass power plants.







