

# Wood recycling

Contributing to the creation of a sustainable future,  
with wood-based solutions





## I. Intro

Wood recycling is a significant ally in addressing the challenge of climate change. Through this process, we harness the potential of recycled wood, extending its life cycle and enhancing CO<sub>2</sub> retention, resulting in greater added value for both the business and the environment. Without this practice, wood residues would be either burned or sent to landfills.

We are upgrading, upskaling and increasing our capacity to incorporate wood recycling into our final products.

## 2. Sustainable Features

- Circular Economy: wood recycling is a clear example of circular economy, giving a new life to wood, producing new added value products and promoting sustainable consumption.
- Waste reduction: recycled wood diverts wood waste from landfills.
- Resource and Nature Conservation: wood recycling reduces the need for harvesting new timber, conserving natural resources and forests, supporting carbon sequestration and biodiversity.
- Carbon Sequestration: wood recycling continues to store carbon. Otherwise, carbon is lost by burning or landfilling.
- Lower Carbon Footprint: in the drying process, recycling wood requires less energy compared to virgin timber.

## 3. Figures

# 30%

Recycled wood in Sonae Arauco represents 30% of total wood consumption vs Wood Based Panel European industry average of 25%

# 46%

Wood circularity (wood residues & wood industrial byproducts) represents 46% of total wood consumption

# +70%

Amount of recycled wood currently incorporated in some of our product ranges, and we are committed to increase this up to 85% in some regions within the next 3 years

# 12

Wood recycling centers

# +800

Containers for wood residues collection

# 12,9M

Euros

Investment to upgrade wood residues collections and integration 2023-2026

# 0,8M

Euros

R&D investment to increase wood residues

## 4. Customer value

- Products (PB) with high level of recycled wood content
- Circular Economy (smart use of wood residues and avoiding burning or landfilling)
- Climate change (reducing Greenhouse Gas Emissions emissions, minimizing carbon footprints and enhancing carbon storage)
- Sustainable Consumption (avoiding unnecessary wood harvest)
- Compliance with Green Building Standards (as LEED® - Leadership in Energy and Environment Design certification)



## 5. Case Study

### Current consumption of recycled wood & Sum of investments

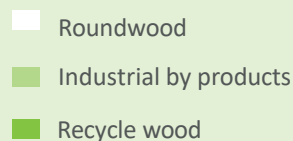
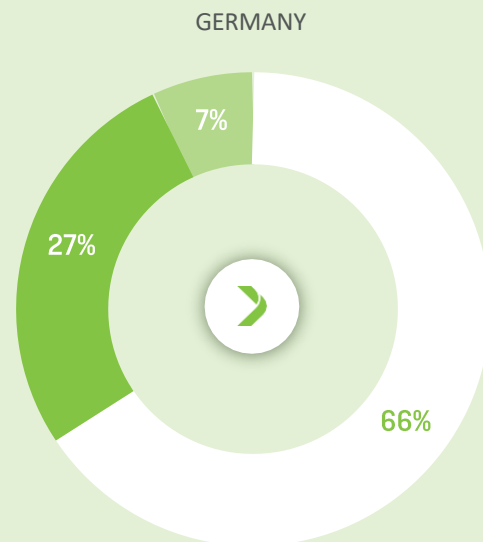
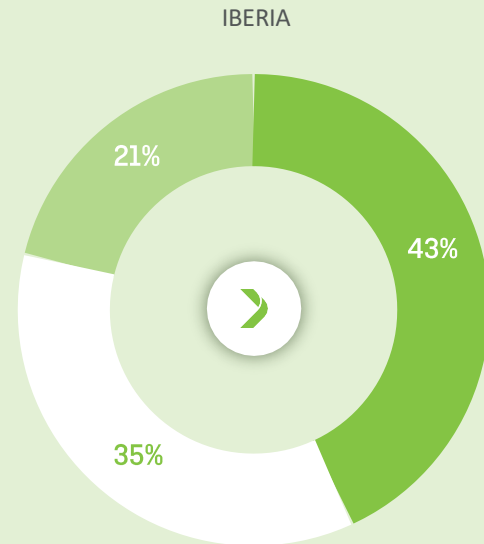
Our current consumption of recycled wood in Iberia represents 43% of the total wood consumption and in Germany it accounts for 27% of the total wood consumption.

Sonae Arauco's investments in 2023 related to wood recycling reached 10 million euros in Iberia (upgrade to Souselas recycling unit, upgrade of Linares recycled wood production line and the new recycled wood production line at Oliveira do Hospital). The new recycled wood production line at Oliveira do Hospital will allow the integration of a higher percentage of recycled material in the production process and will ensure a better particle quality, which in turn has an impact on the quality of the final product, allowing to reach 85% incorporation of recycled material in 2025 (currently, this figure stands at 70%).

In Germany, the investments accounted for a total of 35M in the last years, with the highlight on the Nettgau Recycling Cleaning Tower in 2015/2016.

Future investments (2024-2026) will reach 17 million euros to increase the use of recycled wood.

#### CURRENT CONSUMPTION OF RECYCLED WOOD IN SONAE ARAUCO PRODUCTION PROCESS



**SONAE**   
**ARAUCO**  
Taking wood further