

SONAE



ARRAUJO

Taking wood further





## **TAKING WOOD FURTHER**

**SONAE ARAUCO IS A WOOD-BASED ALLIANCE BETWEEN TWO STRONG BRANDS: SONAE INDÚSTRIA AND ARAUCO. BOTH SHARE THE SAME INTERNATIONAL GROWTH AMBITION AND LONG-TERM BUSINESS VISION. BOTH BELIEVE THAT EVERYTHING THEY DO IS ABOUT PEOPLE AND A BETTER PLANET. BOTH DREAM ABOUT A RENEWABLE AND SUSTAINABLE FUTURE.**

**SONAE ARAUCO WISHES TO SHARE ITS PROUD INDUSTRIAL SOUL WITH THE WORLD.**

**TOGETHER, WE TAKE WOOD FURTHER.**



Taking Wood Further ➤

In 2016 we announced the establishment of Sonae Arauco, created from a partnership between Sonae Indústria and Arauco. It has been a pleasure to lead our company into this new era of sustainable growth.

The overriding goal of Sonae Arauco is to be the benchmark brand and number one choice for our customers, employees and suppliers, in harmony with the communities.

We believe in sustainable partnerships in the world inspired by wood. We always strive for excellence and the best results, alongside our business partners in all the regions where we operate worldwide.

We aim to help our customers fulfil their ambitions, offering them a combination of industrial knowledge, functionality, quality, design and price.

Sonae Arauco makes every effort to create inspirational wood products for a better life, a better future and a better planet.

At Sonae Arauco we will always go further.

**We take wood further.**

Rui Correia

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CEO Sonae Arauco



## OUR SOUL

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## VISION

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### **OUR VISION IS TO CREATE WOOD-BASED SOLUTIONS FOR A BETTER LIFE AND PLANET.**

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We believe in the value of wood in people's lives. Our vision is to provide sustainable wood-based solutions that improve modern quality of life. Our aim is to be the wood brand choice of clients, employees, suppliers and communities. Sonae Arauco stands for its purpose of creating wood-based solutions for a better life, a better future and a better planet.



## MISSION

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**OUR MISSION IS TO  
OFFER WOOD-BASED  
PRODUCTS THAT  
IMPROVE PEOPLE'S  
LIVES.**

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We have an industrial soul and we believe in wood-lasting partnerships. We seek excellence and long-term profitability along with our business partners. Our everyday dream is to take our clients' ambitions further by offering an attractive combination of industrial expertise, functionality, sustainable quality, design and price.



## VALUES

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# PROUD INDUSTRIAL SOUL

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With a long-term business vision and a solid growth ambition, we are a company born with strong roots to last through generations. We have the courage to take risks and the financial strength to embrace them as new challenges, knowing that our knowledge and high quality standards will always take us further.

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> **WOOD-BASED  
EXPERTISE**

> **LONG-TERM  
BUSINESS  
VISION**

> **SOLID GROWTH  
AMBITION**

## WOOD-BASED LIFE IMPROVEMENT

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We take wood innovation further to be a leading international company in the sector. We create sustainable and renewable wood-based solutions for a better life and planet, moving beyond products to offer fit for purpose solutions that improve people's lives.

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> **SUSTAINABLE  
AND RENEWABLE**

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> **INNOVATIVE**

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> **FIT  
FOR PURPOSE**

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## WOOD-LASTING ALLIANCES

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We believe in teamwork, safe workplaces, cooperation and long-lasting partnerships. Ethics and transparency are rooted in our business integrity and commitment with our stakeholders. Respecting the environment and the communities around us is part of our nature and at the centre of our priorities.

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> **ETHICS AND  
TRANSPARENCY**

> **LONG-LASTING  
PARTNERSHIPS**

> **SAFETY AND GOOD  
CITIZENSHIP**



## OUR ROOTS

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## THE HISTORY OF TWO COMPANIES INSPIRING A NEW FUTURE HISTORY

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Sonae Indústria and Arauco  
have joined forces to create a stronger  
history to tell the world.



# SONAE

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## SONAE INDÚSTRIA

Founded in 1959, Sonae Indústria is a multinational company that produces wood-based panels. Rooted in the north of Portugal, it has sprouted to the world, developing products for the furniture, building and decoration industries that improve people's standard of living. Using wood as the raw material for everything it produces, from the very start Sonae Indústria has made a point of using the natural resources in a sustainable way and to keep the environmental impact of its activities to a minimum.

In 2016, it established a partnership with Arauco, one of the largest forestry product suppliers in the world, giving rise to Sonae Arauco. In addition to this strategic alliance, Sonae Indústria today has the largest particleboard industrial plant in North America, as well as plants for high-pressure laminates and components for furniture in Portugal and Germany.

# SONAE INDÚSTRIA

## TIMELINE

### 1959

#### FOUNDATION OF SONAE

SONAE was founded in Maia, where it has its head office, with the purpose of producing decorative high pressure laminates.

### 1971

The expansion and diversification of Sonae Indústria began in 1971, upon taking over Novopan, a particleboard factory located near Porto. At the same time, the first melamine coating line in Portugal was installed and production of components for the furniture and interior design industries began.

### 1993

#### PURCHASE OF TAFISA

Purchase of Tafisa in Canada, which is today one of the biggest particleboard factories in the world, plus new factories in Brazil (for particleboard and MDF panels) and in South Africa (particleboard).



## SONAE INDÚSTRIA

### 1963

LAMINITE was launched on the market and is today known worldwide as the Sonae Indústria decorative laminate.

### 1989

Sonae Indústria was the leader in the particleboard sector in Portugal and began its process of internationalisation and expansion through the acquisition of a particleboard company in the United Kingdom.

## 2001

Purchase of Sappi Novobord in South Africa. At the same time, Sonae Indústria began an ambitious diversification programme of its product range and modernisation of its technical assets, making major investments in France, Germany, Portugal, Spain, United Kingdom, Brazil and Canada.

## 2011

### INNOVUS®

Launch of the new Innovus® brand – Sonae Indústria's decorative products.



## 1998

Purchase of Glunz (Germany) and Isoroy (France).



## 2005-2006

Partnership with Tarkett (Germany) – 2005.  
Purchase of Hornitex (Germany) and Darbo (France) – 2006.

## 2016

Strategic partnership with Arauco.



# ARAUCO

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## ARAUCO

Founded in 1970 with the mission of producing and managing renewable forestry resources, Arauco is today an international benchmark in terms of forestry and industrial plants, efficiency, production standards, innovation, environmental responsibility and social commitment.

Originating in Chile, Arauco's reach has now spread to over 75 countries. Over almost 50 years, it has increased and enhanced its forestry plantations through permanent research and the application of best global practices in relation to sustainability and conservation of trees, soils and biodiversity of its forested areas for future generations.

# ARAUCO TIMELINE

## 1970



Construction of pulp mills Celulosa Arauco and Celulosa Constitución, in the Chilean regions of Maule and Biobío.

## 1990

The forestry research company Bioforest S.A. is created in 1990, as well as Arauco's Energy business, which aims to produce and sell electric energy from its pulp mills Arauco and Constitución.

## 1996

During this same decade the company begins its internationalization process with the acquisition, in 1996, of Alto Paraná assets in Argentina.

Celulosa Arauco and Celulosa Constitución merged to create the company Celulosa Arauco y Constitución S.A.

## 1979

Arauco's Panel business is created in 1995 with the construction of a plywood mill at the Horcones Complex, which began operating in 1998. This business then grew, and today it produces a wide variety of MDF, MDP, HB and plywood panels.



## 1995

## 2005



The company purchases the assets of French group Louis Dreyfus, transferring its investments to the Forestry business in Argentina and Brazil.

## 2009

Arauco announces a joint-venture with Stora Enso in Uruguay and begins the construction of the Montes del Plata Industrial Complex, which includes a pulp mill, a biomass based power plant and a port. These facilities began to operate in 2014.

## 2007

Arauco and Stora Enso establish an alliance in Brazil, which allows ARAUCO to continue to expand its presence in this market.

## 2012



The Panel business experienced significant growth when the MDP panel mill in Teno, Chile, began to operate; the acquisition of assets in Moncure, North Carolina, USA; and the acquisition of Flakeboard, a company based in the USA with five MDF and particleboard mills in this country and two in Canada.

## 2016

Strategic partnership with Sonae Indústria.

# SONAE ARAUCO WORLDWIDE PRESENCE

□ **2.993**  
EMPLOYEES  
IN 9 COUNTRIES

■ **75**  
COUNTRIES WHERE  
OUR PRODUCTS  
ARE SOLD

FRANCE  
NETHERLANDS  
MOROCCO  
UNITED KINGDOM  
AND SWITZERLAND

GERMANY

PORTUGAL  
AND SPAIN

## GERMANY

Eiweiler  
Beeskow  
Kaisersesch  
Meppen  
Nettgau  
Horn

## SOUTH AFRICA

Panbult  
White River  
Johannesburg

## SPAIN

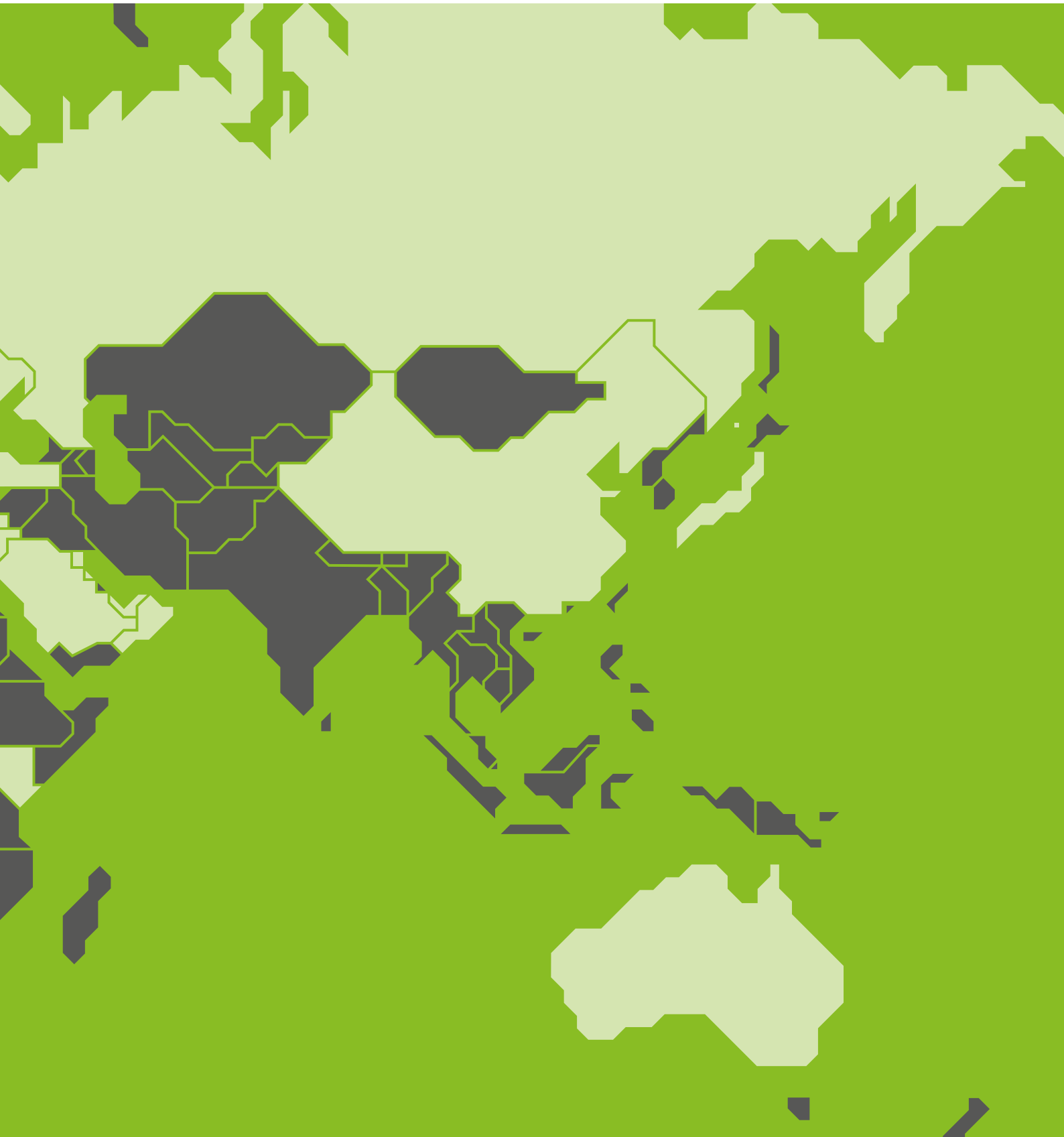
Madrid  
Linares  
Valladolid  
Cuellar  
València

## PORTUGAL

Maia  
Mangualde  
Oliveira Hospital  
Castelo Paiva  
Sines

FRANCE  
NETHERLANDS  
MOROCCO  
UNITED KINGDOM  
SWITZERLAND

SOUTH  
AFRICA



## ABOUT US

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**A PROUD  
INDUSTRIAL  
AND SUSTAINABLE  
SOUL**



**AN ALLIANCE THAT  
UNITES THE EXPERIENCE  
OF THE PAST WITH  
THE POTENTIAL  
OF THE FUTURE**

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With over 20 industrial and commercial units in 9 countries and 2 continents, and with circa 3000 employees, we are one of the largest wood-based panel producers in the world. Our products can be found in over 75 countries, taking our inspiration everywhere.

**WE TAKE WOOD  
FURTHER**

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Sonae Arauco is the result of a joint-venture between Sonae Indústria and Arauco. This partnership was born to create inspirational wood solutions for a better world and brighter future, and encompasses wood-based panelling, chemical and impregnated paper plants in Europe and South Africa.

## SONAE ARAUCO IN NUMBERS

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**2.993** EMPLOYEES

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**21** INDUSTRIAL  
AND COMMERCIAL  
UNITS

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**9** COUNTRIES  
PORTUGAL, SPAIN, GERMANY,  
SOUTH AFRICA, UNITED KINGDOM,  
FRANCE, NETHERLANDS,  
SWITZERLAND AND MOROCCO.

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**75** COUNTRIES  
WHERE OUR PRODUCTS  
ARE SOLD.

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**819** MILLION  
EUROS -  
TURNOVER.

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**4.185** MILLION  
M<sup>3</sup> - PRODUCTION  
CAPACITY.

# OUR PRODUCTS

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Innovus Coloured MDF

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## IN EACH PRODUCT, AN INNOVATIVE WOOD SOLUTION

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Our goal is to develop solutions inspired by wood that combine industrial knowledge, functionality, quality, design and price. More than creating wood-based products, we provide solutions that improve people's lives.

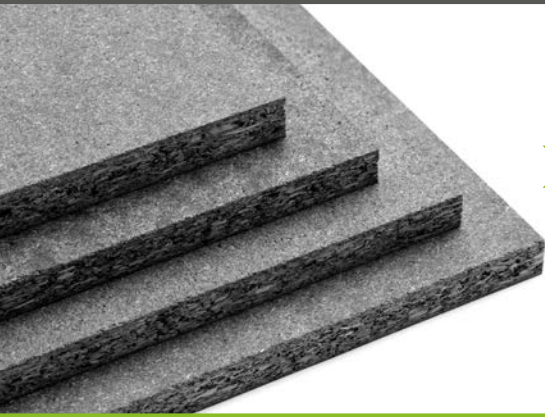
Wood-based panels are the basis of everything we do and the most a flexible, sustainable and functional alternative to solid wood.



They are a more efficient way to use resources and have a greater dimensional flexibility, allowing us to create solutions tailored to people's needs. We are proud to develop and produce alternatives to solid wood products for a growing number of applications, such as furniture for the home and office, kitchen and bathroom cabinets, doors, walls and decorative articles.

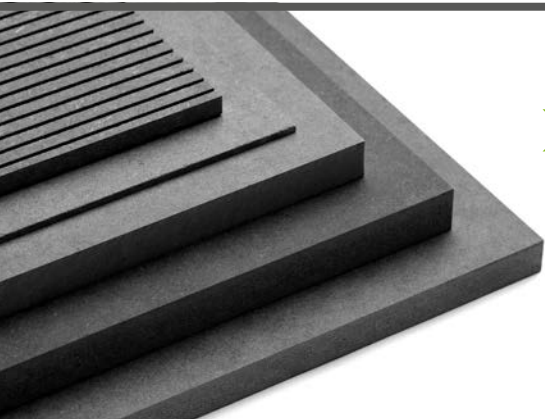
## OUR BASE PRODUCTS:

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### > PARTICLEBOARD (PB)

A versatile product recommended for the furniture and building industry



### > MEDIUM DENSITY FIBREBOARD (MDF)

An excellent alternative for solid wood and ideal for furniture, flooring and the building industry;



### > ORIENTED STRAND BOARD (OSB)

A highly durable product recommended for structural and non-structural applications in the building industry.

At Sonae Arauco, all the wood-based panels (PB and MDF) are available with additional properties, such as fire retardant (FR) and moisture resistance (MR), complying with the strictest environmental requirements in relation to formaldehyde emissions.

Both the Particleboard (PB) and the Medium Density Fibreboard (MDF) play a crucial role for Innovus®, a Sonae Arauco brand that provides a complete range of decorative products for interior design projects. From the decorative Melamine (MF), High Pressure Laminate (HPL) and Compact High Pressure Laminate (HPL C) to Innovus® Essence with the texture, look and feel of real wood in a melamine surfaced panel and Innovus® Coloured MDF.

Additionally, for constructions, refurbishments or extensions, the AGEPAN® SYSTEM solutions by Sonae Arauco are ideal for roofs, walls and floors.

Sonae Arauco's decorative flooring iberian brand – Poliface – has a wide range of aesthetic solutions for commercial and residential needs.

In South Africa, our products are sold under the brands Novolam™, Novogold™, Novowood™, Novolite™ and Lamited flooring.



# PEOPLE AND SUSTAINABILITY

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## OUR PEOPLE TAKE SONAE ARAUCO FURTHER

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We believe that our people take us further every day. The wellbeing and safety of our employees is our biggest priority. We support their personal and professional development to help them achieve their goals through constant training and encouragement and to take part in academic programmes.

We strive to attract exceptional people and we expect all our employees to contribute with ideas and to be strongly committed to our company's achievements. For us, each employee is unique. We believe that in their individuality lies the value of the entire workforce that comprises Sonae Arauco. We know that, together, we will go further.

## OCCUPATIONAL HEALTH AND SAFETY

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To guarantee the permanent comfort and safety of our employees, all the Sonae Arauco activities are subject to a preventive approach in relation to the management occupational health and safety, which includes:

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> **Risk reduction and control to prevent incidents, accidents, injuries and occupational diseases;**

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> **Safety in the factories and workplaces in general, including all equipment;**

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**Employee training and commitment to continuous improvement in all these processes.**

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## EDUCATION AND THE COMMUNITY

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We undertake to practise, encourage and promote social responsibility through the adoption of ethical behaviour, improving the standard of living of our employees and their families, as well as the communities where we are.

Given that our business is directly connected to the use of natural resources, we take our responsibility extremely seriously in relation to raising environmental awareness and conserving the environment.

## TO RESPECT THE ENVIRONMENT IS PART OF OUR NATURE

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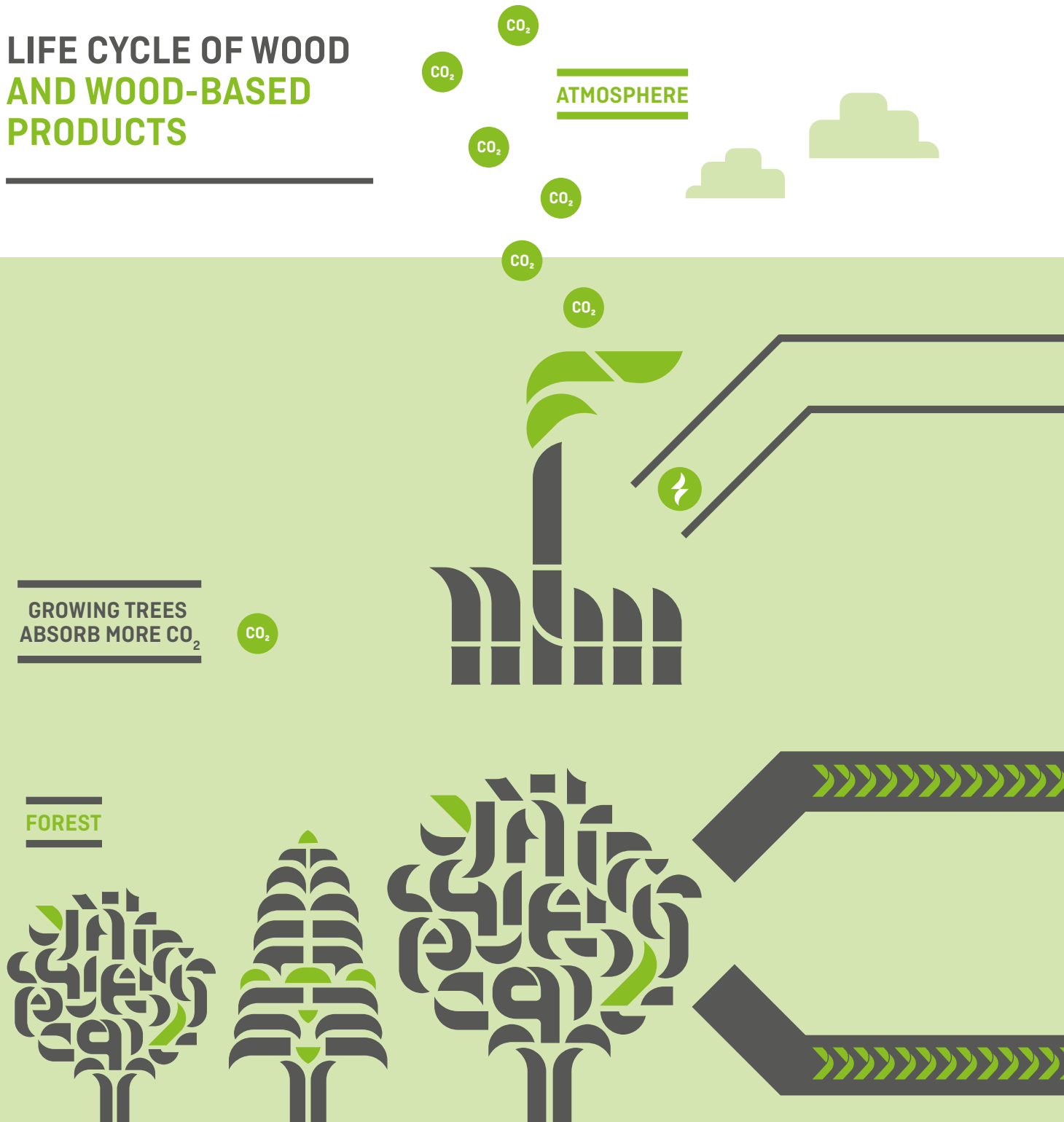
At Sonae Arauco we are committed to the concept of sustainable utilisation of the raw materials and we actively respect these principles in all our business practices.

We believe in efficient value chains able to stimulate investment and the active management of forests. Wood-based panels contribute to the sustainable use of forest resources. Some of the many advantages are:

- › They are a solid alternative to wood;
- › Their dimensional flexibility, allows made-to-measure products to be manufactured;
- › Compared to other building materials, like steel and concrete, it has considerably lower negative environmental impacts;
- › A positive effect on global warming due to improved energy efficiency;
- › When used for building purposes, they act as carbon storage, helping reduce CO<sub>2</sub> emissions;
- › At the end of their lifespan they can be recycled and transformed into new products in a continuous recycling process.



# LIFE CYCLE OF WOOD AND WOOD-BASED PRODUCTS

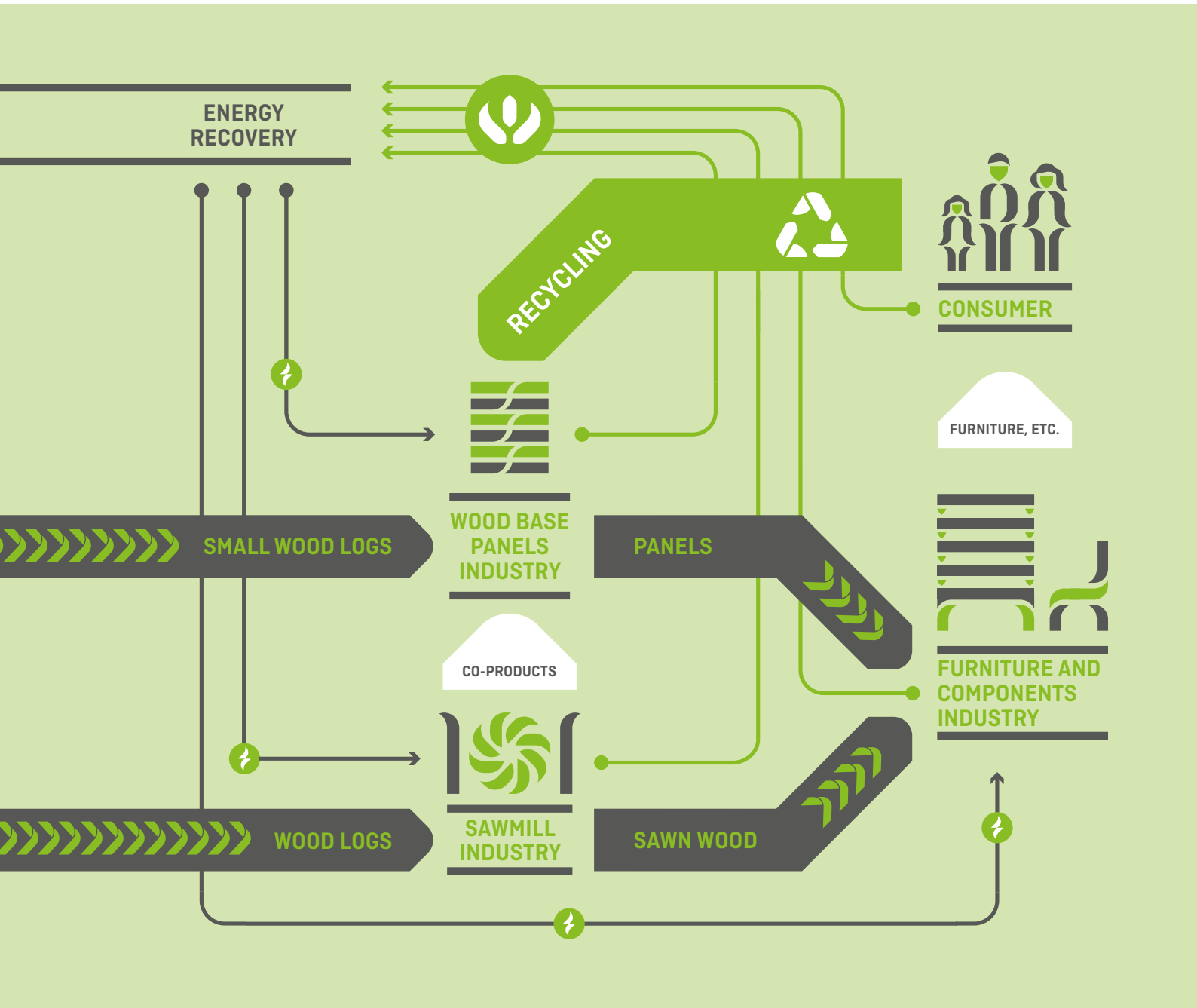




ONLY THE WOOD THAT CANNOT BE RECYCLED, SHOULD BE USED AS ENERGY SOURCE.



RECYCLING PROLONGS THE LIFE OF WOOD, ALLOWS THE CARBON TO REMAIN STORED AND PREVENTS ITS BURNING AND CONSEQUENT RELEASE OF CO<sub>2</sub> TO THE ATMOSPHERE.



## AWARDS AND CERTIFICATIONS

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## AWARDS

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**Best Big Data Business Initiative** in the Spanish edition of the IngenierosVA Awards. This distinction was the result of a project carried out to create a factory of the future, the development of Industry 4.0.



**Innovation in Construction Award** in the Materials and Products category with the new Innovus decorative product finishes: Stucco and Fusion.



**AVK Innovation Award** in the Innovative products/composites or applications category: 3D mouldable wood fibre composites, a product developed by Sonae Arauco and BASF.

## CERTIFICATIONS

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The wood we use at Sonae Arauco comes from sustainably managed sources, and as such we are certified through two of the largest forest management and responsibility chain certification systems: the PEFC™ (Programme for the Endorsement of Forest Certification Schemes) and the FSC® (Forest Stewardship Council®).

All our factories are certified for Environmental Management, Quality Management and Health and Safety at Work Management, in accordance with the ISO 9001, ISO 14001 and ISO 18001 international standards, and most of them are also certified for Energy Management, in accordance with the ISO 50001 international standard.

