

S/ report

Summary of
Sofidel 2022
Integrated Report



STRONG RELATIONSHIPS AND DIALOG

TO ADDRESS DIFFICULTIES AND PROMOTE
TRANSFORMATIVE CHANGE

PRODUCT, ENVIRONMENT, PEOPLE

THE THREE AREAS OF SOFIDEL'S COMMITMENT

MODEL OF PRODUCTION

ORIENTED TOWARD THE ECOLOGICAL TRANSITION

/ ESG RATING
AT THE CENTER OF SUSTAINABILITY POLICIES

/ INITIATIVES
IN FAVOR OF THE YOUNGER GENERATIONS

“CLEAN LIVING” IS OUR PURPOSE. IT IS OUR COMPANY’S REASON FOR BEING, AS IT DEFINES OUR ROLE IN SOCIETY AND THE BENEFITS WE WANT TO OFFER PEOPLE AND THE PLANET.

IT IS THE FOUNDATION OF OUR CONDUCT AND OUR ACTIONS. IT INSPIRES OUR PRODUCTION PROCESS AND THE PRODUCTS WE OFFER ON THE MARKET. IT IS REFLECTED IN OUR SUSTAINABLE BUSINESS MODEL AND CONSTANT COMMITMENT TO A “CLEANER” WORLD.

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THE FIGURES ON THE GROUP /

2022. A SNAPSHOT

The Sofidel Group, founded in 1966 with Italian capital, is a world leader in the production of tissue for sanitary and domestic use: toilet paper, kitchen roll, paper napkins, paper towels, paper handkerchiefs and tissue paper.

56
years in the business

1,440,000 t
annual production capacity

-38.2%
reduction in the use of virgin plastic
in packaging
(since 2013)

85%
excellent or sustainable
suppliers in ESG terms

59
countries in which we sell our products

100%
cellulose certified under
forestry certification schemes

6,893
employees

-15.7%
reduction in carbon intensity
(compared to 2018)*

2,801 million euro
Group net sales

7.3 l/kg paper
water consumption

* With participation in the international WWF Climate Savers program, the Sofidel Group had reduced its CO₂ emissions by 24% compared to 2009 by the year 2020.





OFFICES AND PLANTS /

SOFIDEL IN THE WORLD*



SOFIDEL ITALY

Lucca-Porcari IT | Services

SOFFASS ITALY

Lucca-Bagni di Lucca IT | Paper mill
Lucca-Borgo a Mozzano IT | Paper mill
Lucca-Capannori IT | Converting plant
Gorizia-Monfalcone IT | Integrated plant
Lucca-Porcari IT | Paper mill/Converting plant
Lucca-Porcari IT | Paper mill/Converting plant

SOFIDEL BELGIUM

Duffel BE | Integrated plant

SOFIDEL FRANCE

Frouard FR | Integrated plant
Ingrandes FR | Converting plant
Roanne FR | Integrated plant

SOFIDEL GERMANY

Arneburg (Plant A) DE | Integrated plant
Köln DE | Trading
Sofidel Germany Holding DE | Services
Wernshausen (Plant O, T, W) DE | Services/
Integrated plant

SOFIDEL GREECE

Katerini EL | Integrated plant

SOFIDEL HUNGARY

Lábatlan H | Converting plant

SOFIDEL IRELAND

Dublin IE | Services

SOFIDEL POLAND

Ciechanów PL | Integrated plant

SOFIDEL ROMANIA

Calarasi RO | Integrated plant

SOFIDEL SPAIN

Buñuel ES | Integrated plant

SOFIDEL SWEDEN

Kisa SE | Integrated plant

SOFIDEL UNITED KINGDOM

Baglan UK | Integrated plant
Lancaster UK | Paper mill
Leicester-Hamilton UK | Integrated plant
Leicester-Rothley Lodge UK | Converting plant

SOFIDEL UNITED STATES

Circleville OH | Integrated plant
Green Bay WI | Converting plant
Haines City FL | Integrated plant
Hattiesburg MS | Converting plant
Inola OK | Integrated plant
Las Vegas NV | Converting plant
Philadelphia PA | Services

* The Group also includes Intertissue Ltd, which sold its assets and business to Sofidel UK Ltd and began winding-up procedures on 1 June 2019.

STRONG RELATIONSHIPS AND DIALOG TO ADDRESS DIFFICULTIES AND PROMOTE TRANSFORMATIVE CHANGE

Interview with CEO Luigi Lazzareschi
about the Sofidel Group's strategy and future.

Mr. Lazzareschi, how would you judge the past year?

2022 has been a complex year characterized by uncertainty and having to deal with risks that we would have struggled to imagine just a year ago: the protracted Russian invasion of Ukraine; the extraordinary peaks reached by energy prices, especially in Europe; the risks of energy supply disruptions; gas prices, which also increased tenfold in August compared to 2019; the generalized rise in commodity prices, starting with pulp; and market volatility.

What has Sofidel done to address this situation?

The scale and interconnection of the problems – starting with the energy crisis – have demonstrated the importance of relying on strong relationships with our stakeholders to identify risks early, **proactively deal with difficulties**, and maximize the impact of interventions for safeguarding production efficiency, promoting people's well-being, and protecting the Planet. This is what the Group has committed to do, on different levels and looking at both the short and medium to long-term, during the year. In both Europe and the United States, we have constantly monitored the structure of production costs to ensure the quality of our products and safeguard the continuity of suppliers for our customers and for consumers. We have repeatedly taken action with our customers, in a transparent, responsible way, to adapt the sale price of our products to increased production costs, on the basis of increases in energy and commodities prices.

What results did you achieve in 2022?

Our international presence, the fact that the United States – where the rise in energy prices has been more restrained – has been confirmed as the Group's first market, in terms of turnover (26.7%), long-term energy supply contractual hedges, the actions put in place by governments to combat high energy prices, and the slow-down in energy commodity prices recorded in the final months of the year have allowed Sofidel to achieve positive economic results, with turnover rising to 2.8bil-

IN A COMPLICATED YEAR
AND A COMPLICATED TIME,
WE NEVER FORGET THAT
THE WORLD IS PLURAL.
A DENSE FABRIC OF THREADS
TO BE WOVEN TOGETHER.



lion euro. In markets, strong inflationary pressure has led consumers to implement defensive buying strategies, with a shift in focus toward products from retailers' house brands and growth of the discount channel. A situation that was reflected in sales performance, with the Brand line declining slightly and the Private Label line confirming last year's satisfactory levels. The Away-from-Home line, which is back to pre-Covid levels, and e-commerce also performed well. In terms of volume, we registered significant growth of sales in the United States, where the Private Label line is Sofidel's flagship line.

Let's talk about environmental and social responsibility:
what is Sofidel's commitment in this area?

On the sustainability front, work continued on ESG (Environmental, Social, Governance) ratings to assess and share externally the effective capacity to manage environmental, social and governance risks in an increasingly timely and transparent manner. In 2022, **we were awarded "Low Risk" status in Morningstar Sustainalytics' ESG rating**, putting our Group first in the industry world-wide. We were also awarded **Platinum status, the highest rating, by EcoVadis**, which ranked Sofidel among the top 1% among paper industries world-wide for our approach to sustainability. Lastly, we were included in the **Leadership area, with a ranking of A-, in the CDP Climate Change 2022 and CDP Forests 2022 reports**.

What have you done to combat climate change?

In terms of our commitment to reduce climate-altering emissions and increase the use of energy from renewable sources, in May 2022, one year after signing a contract with RWE Renewables for the long-term supply of energy from the Alcamo II wind farm in Sicily, 30,000 metric tons of paper were produced – the equivalent of 150 million Rotoloni Regina rolls – using clean energy only, saving 15,000 tons of CO₂ emissions into the atmosphere. And, at the end of the year, we signed two new contracts for renewable energy supplies (Power Purchase Agreement) for our plants in Spain and Greece for the decade to come.

What else can you tell us about the Group's strategy?

Overall, in 2022 Sofidel confirmed its ability to **implement its ecological, social and digital transition strategy**, which is being carried out through dialog and collaboration with all its stakeholders, and which sees the Group increasingly working as "a stakeholder company". In this context, the following long-term enabling factors are confirmed:

- **quality of assets, meaning availability of production plants that are, on average, newer and better performing than the industry average;**
- **geographical coverage, with the presence of plants close to their destination markets;**
- **sustainability, as a factor for cultural development and competitive growth;**
- **digitalization, from production processes to logistics, from the "customer experience" to cyber security.**

What do you see in the future?

The war in Ukraine, uncertainty over energy and commodity prices, the risk of possible gas supply disruptions, the struggle to control inflation, the banks' rising interest rates, widespread predictions of a generalized slowdown in economies, and the potential aftermath of the Covid-19 pandemic mean that people are looking at 2023 as a year which will still be characterized by uncertain and unstable conditions. Against this economic and social backdrop, Sofidel's attitude toward the future is one of caution and responsibility, with its objectives of substantial consolidation in Europe and confirmation of a stronger orientation toward production and market growth in the United States. Ever mindful that the world is plural, a dense fabric of threads to be woven together.

Key investments

Around 34% of the investments in the year were made by Sofidel United States, 22% by Sofidel UK and the balance by other Group companies. In line with Sofidel's strategy of growth and consolidation, all investments were aimed at reinforcing production processes. Specifically:

- in the United States the company invested in new produc-

tion lines and other improvements to its plants;

- in the United Kingdom we continued to invest in production lines and built a new electric substation;
- in Poland Sofidel completed the construction of an innovative automated warehouse in which all movement of products from the factory to the warehouse is performed by self-driving trucks.

Two big birthdays: Sofidel United States and Sofidel France

In 2022 we celebrated Sofidel United States' tenth birthday with six "Family Days" open to employees and their families in our US plants: Circleville (OH), Green Bay (WI), Inola (OK), Hattiesburg (MS), Las Vegas (NV) and Haines City

(FL). While Sofidel France celebrated its 25th birthday with three "Family Days" in the plants in Frouard, Roanne and Ingrandes, France. An excellent way of celebrating these milestones all together, feeling proud to be a part of Sofidel.

Sofidel manufacturing system, the DNA of our production process

As our international expansion proceeded, we wished to set down our experience in production and make it fully available and shareable to give ourselves an even more solid common foundation. The "Sofidel Manufacturing System" (SMS) is a program based on the concepts and practices of "Lean Production" to combat all forms of inefficiency and waste while

creating synergies and virtuous exchanges, reinforcing the culture of ongoing improvement. A job that took 10 years, in **17 of the Group's production plants in 9 European countries**, involving **130 converting lines** and training **more than 2,000 people**. Promoting ongoing dialog among the Group's production units, from individual workers to management.





OUR CONTRIBUTION TO THE WORLD TO COME /

CLEAN LIVING

“For everyday needs. For a healthier planet. For integrity and respect.”
Our purpose sums up the three concepts that inspire our way of doing business.

“Clean Living” is **our answer to the “call to action” for the future**. The mission that inspires all our behavior and actions, and informs our production processes and the products we offer. It defines our role in society and the benefits we want to offer people and the planet.

FOR EVERYDAY NEEDS – PRODUCT

“Clean Living” is a mission inspired by our products, which are devised and developed to contribute to people’s daily hygiene and well-being and the cleanliness of their homes, workplaces and public spaces. Disposable tissue paper products that have a vegetable origin (pulp) from a renewable raw material (wood) are easily recyclable and can be reintegrated into the natural life cycle.

FOR A HEALTHIER PLANET – ENVIRONMENT

Sofidel is committed to fostering the transition towards a low-carbon impact economy and reduced consumption of natural capital. A model of production that translates into responsible procurement of raw materials from our forests, prudent use of water resources, growing use of renewable energy, energy-efficient plants, reduction of waste and limitation of the use of conventional plastic in packaging for our products.

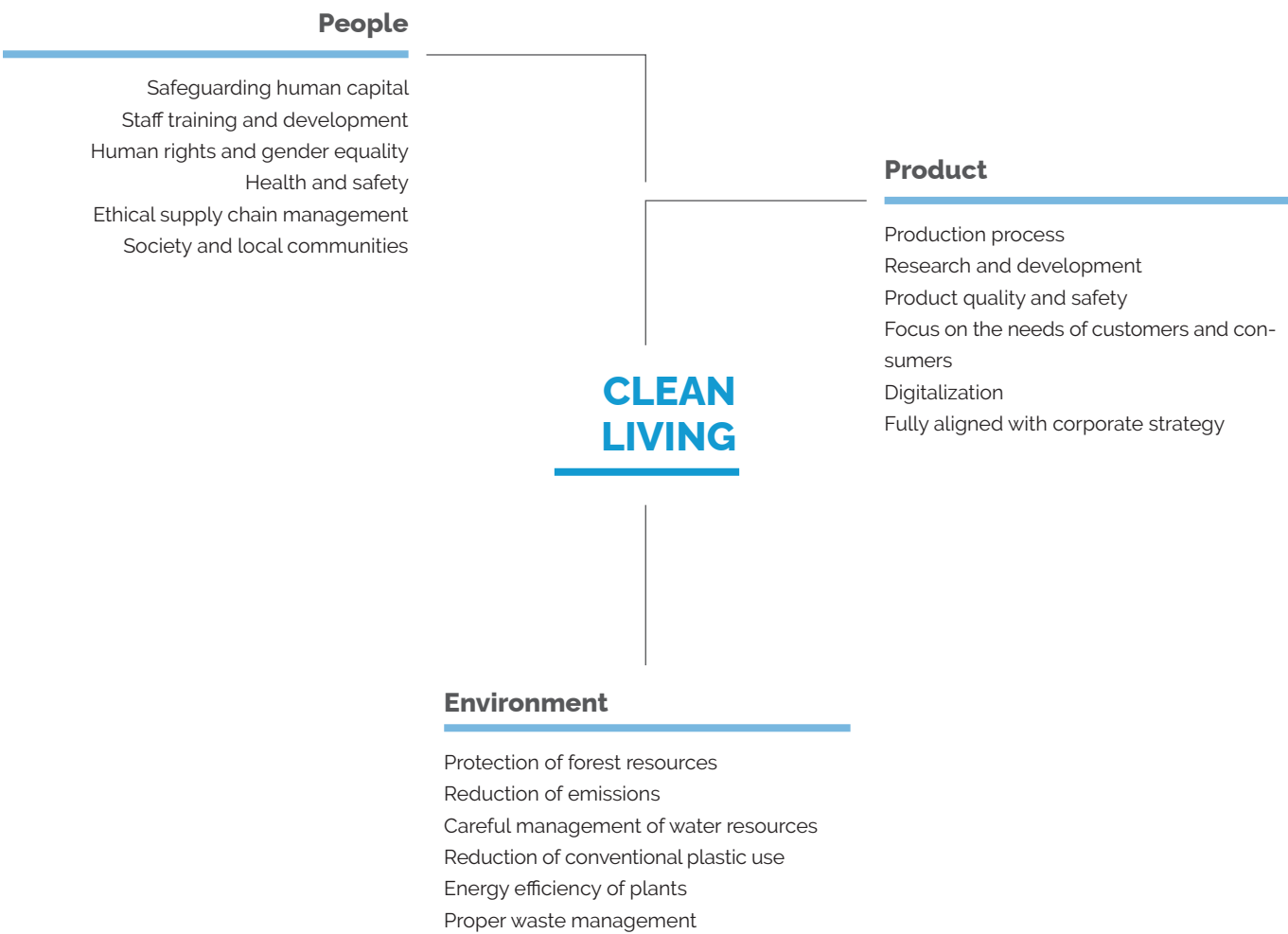
FOR INTEGRITY AND RESPECT – PEOPLE

To build a sustainable business culture it is important to be collaborative and respectful of the communities in which we operate. The relationships we develop with all our stakeholders are inspired by our respect for the values of professionalism, honesty, and transparency. We advocate for inclusiveness, participation, and accurate information. An approach based on integrity and reciprocal respect, to build a positive future for people and the planet.

These three pillars are the areas in which we will **play an essential role in creating the world of tomorrow**. To build a healthier, cleaner future and a fairer, more inclusive society, together. Finding new solutions that satisfy consumers and our business partners, while prioritizing safety, hygiene, and the well-being of people.

PEOPLE AND THEIR ACTIONS
ARE STRONGLY
INTERCONNECTED WITH
NATURAL ECOSYSTEMS.
WE DON'T SEE ENVIRONMENT
AND SOCIETY AS TWO
SEPARATE AREAS,
BUT AS A SINGLE SOCIO-
ENVIRONMENTAL CHALLENGE
TO WHICH WE NEED
TO CONTRIBUTE.

“Clean Living” is our answer to the “call to action” for the future.
It defines our role in society
and the benefits we want to offer people and the planet.



CREATING SHARED VALUE
WITH A STRATEGIC, GLOBAL,
MULTI-STAKEHOLDER APPROACH.

CLEAN LIVING

For everyday needs.
For a healthier planet.
For integrity and respect.





A SUSTAINABLE BUSINESS MODEL /

SUSTAINABILITY CREATES VALUE

Sustainability and innovation are two key levers guiding change, anticipating new opportunities on the market and generating shared value.

Sofidel sees sustainability as a strategic lever for development and growth. We aim to integrate it into all aspects of our business, to reduce the impact of our activities on natural capital and generate benefits for all our stakeholders.

We consider **sustainability to be closely linked to innovation**. This inseparable connection ensures the economic, social, and environmental sustainability of our business. From procurement of raw materials to production processes, from products to logistics, promotion of responsible consumption and accurate information. The capacity to innovate and look forward into the future allows us to lead the way in change, anticipating new opportunities for growth and development. This "mindset" compels us to continuously improve to make a positive contribution to society.

STEADY AND 'CLEAN' GROWTH

Sofidel's steady growth is the expression of a long-term strategy. It is based on an approach to management and operation built on a value system. Professionalism, concrete action, honesty, sustainability and transparency permeate everything the company does.

"Soft & Green" blog

In 2022, our blog addressed issues related to environmental and social sustainability, promoting the visibility of issues and projects whose approach and way of working we support. We try to do this in a simple, enjoyable way, helping create the value of shared knowledge. A concrete commitment to generating awareness and promoting change in the people's actions and choices.

Sofidel relies on four key levers to promote the company's responsible growth and sustainable development:

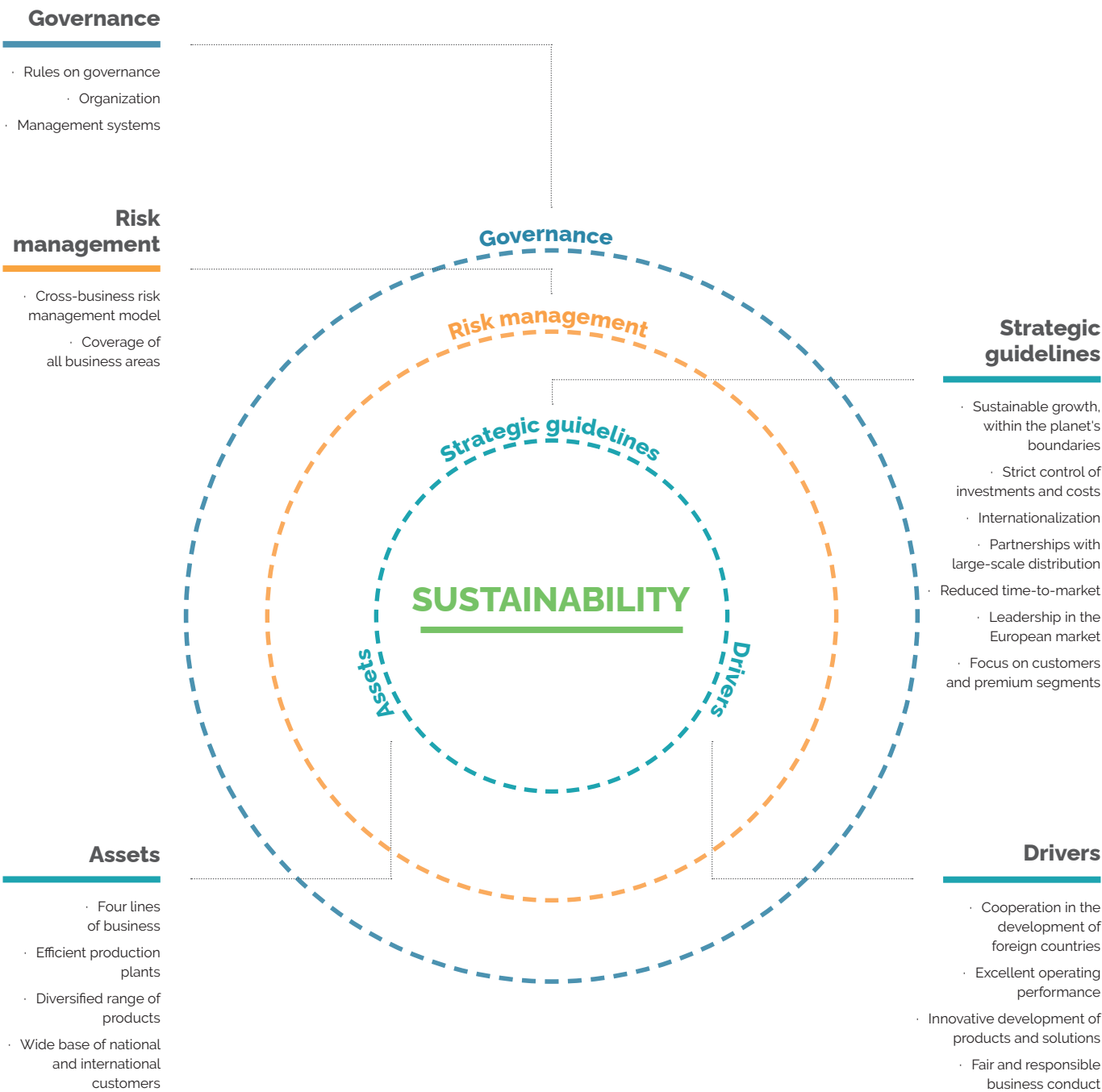
- Sustainability;
- Quality assets (production plants, machinery, technological assets);
- Geographical coverage and greenfield plants;
- Digitalization.

TOGETHER FOR SUSTAINABLE DEVELOPMENT

A company's environmental, social, and economic responsibility starts with the system of principles and values that guide its approach to business. Since 2010, Sofidel adheres to the **United Nations Global Compact**, the pact that binds businesses that have undertaken to contribute to the development of sustainable business and to build a better world. We embrace the ten principles of the United Nations Global Compact on **human rights, labor standards, environmental protection, and anti-corruption**. We are committed to integrating these principles into our strategies and our way of doing business, to create a corporate culture based on integrity and lay the foundations for long-term sustainable development.

BY INTEGRATING SUSTAINABILITY
AND INNOVATION INTO OUR ORGANIZATIONAL
CULTURE WE PURSUE TRULY RESPONSIBLE
DEVELOPMENT. WE LOOK TO THE FUTURE WITH
CONFIDENCE AND OPTIMISM.

Sustainability at the heart of the organizational model

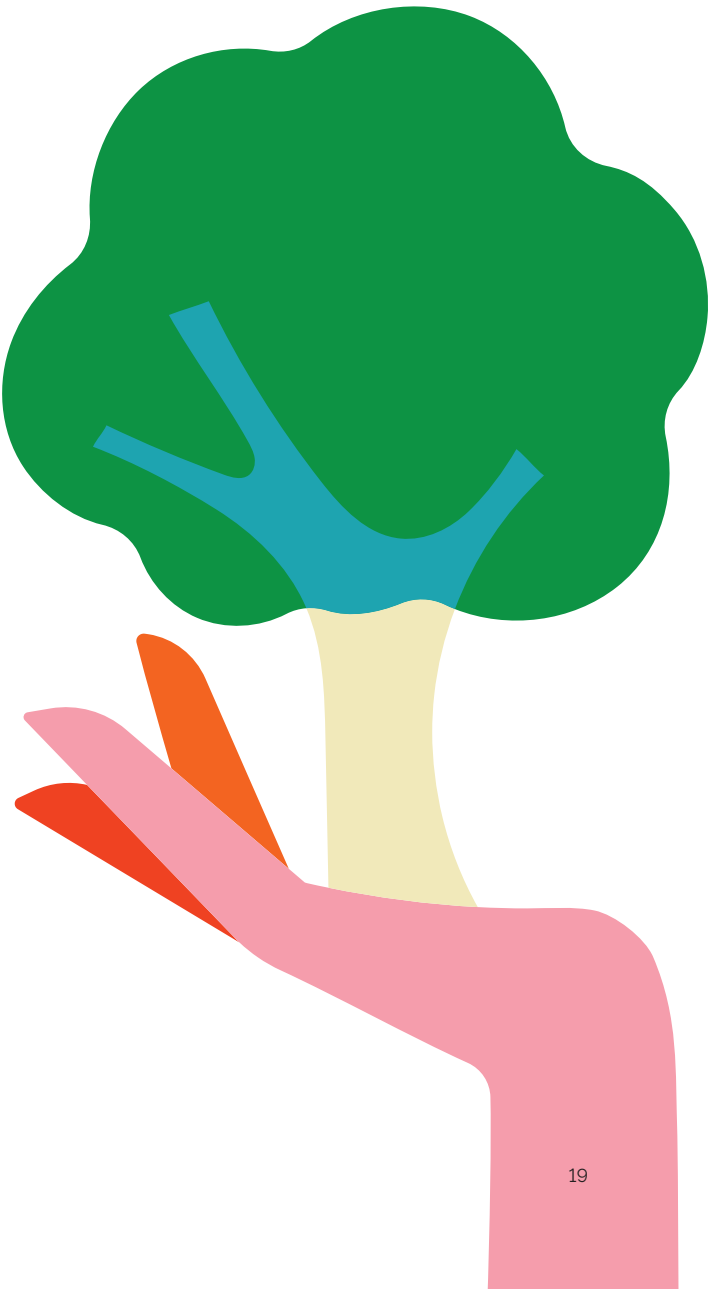


SOFIDEL AND THE UN 2030 AGENDA

Our growth strategy is fully in line with the UN's 2030 Agenda and its **17 Sustainable Development Goals (SDGs)** aimed at building an inclusive, sustainable and resilient future for people and the planet. While we recognize the importance of all these goals, we have identified eight of them as priorities as they relate directly to our sphere of influence. We will be focusing our efforts on these, to help generate a concrete, positive impact for people and the planet.



COMPANIES HAVE A SOCIAL AND ENVIRONMENTAL IMPACT BEYOND THE SCOPE OF THEIR BUSINESS. THIS IS WHY WE WANT TO COMMIT OURSELVES TO TRANSFORMING NOT ONLY THE WAY WE PRODUCE, BUT THE ENTIRE ECOSYSTEM IN WHICH WE ARE EMBEDDED.





FOCUS ON CONSUMERS AND BUSINESS PARTNERS /

PRODUCTS FOR HYGIENE AND WELL-BEING

We develop innovative products, solutions and services guaranteeing constant quality and complying with the strictest standards for the protection of health and safety.

A RESPONSIBLE APPROACH THAT LOOKS TO THE FUTURE

We want to create value for consumers and our business partners. This is why our Marketing and Research and Development departments are committed to developing **innovative products that make careful, efficient use of natural resources**. Products designed to improve comfort and hygiene in people's daily lives and satisfy their desire for well-being and cleanliness, inside and outside the home. Today, consumers and the large-scale retail trade demand a greater commitment that embraces the entire ecosystem in which the company's business is embedded. The public expects companies to commit to **environmental protection** and to promote virtuous behaviors that help reduce waste and renew resources. We want to be a part of the solution and make a contribution that goes beyond our products.

50% LESS PLASTIC ON THE SHELF BY 2030!

Sofidel has been working to fight plastic pollution by reducing use of virgin plastic from petrochemicals in its product packaging. The company decreased its use of plastic by 38.2% in 2022, and plans to reduce plastic use by 50% by the end of 2030. A commitment that has **saved over 11,700 tons of plastic**. We have worked in a number of ways to achieve this goal. In addition to cutting our consumption, our first step was to **reduce the thickness of plastic film**. Over the years, we then began to **introduce recycled plastics and bioplastics**. In 2022, with this activity alone, we have avoided the introduction of around 3,800 tons of virgin plastic onto the market.

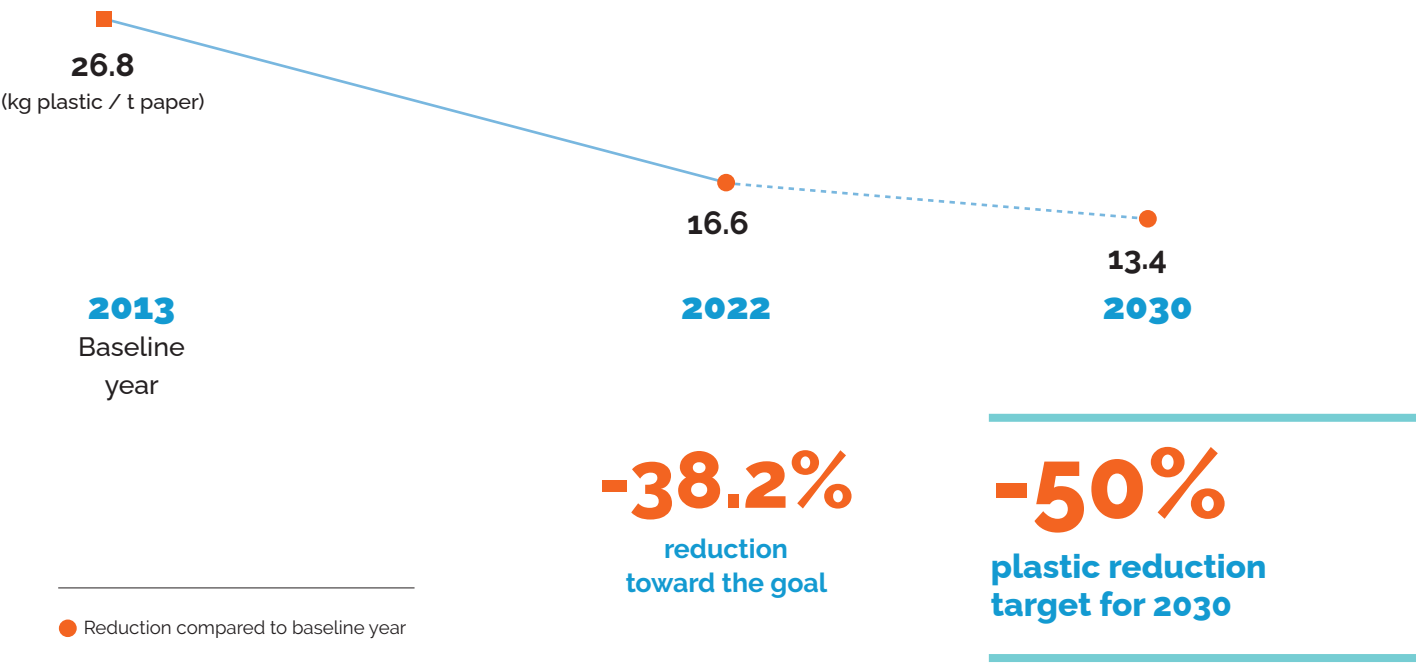
Our most recent innovation is introduction of paper packaging for many of our products. Paper is the most widely recycled material, it comes from a renewable resource and, if accidentally dispersed into the environment, it is biodegradable in two to three months. The search for alternative materials to standard polyethylene (PE) to make our products more sustainable is a practical response to the growing demand for care and attention for the environment among consumers. The commitment to reduce the use of virgin plastic is one of the many ways in which we contribute to building a sustainable economy that respects the limits of the planet and cares for nature.



PUTTING PEOPLE FIRST MEANS THINKING THE WAY OUR CUSTOMERS DO, IMMERSING OURSELVES IN THEIR WORLD, INTERCEPTING THEIR NEEDS AND INVENTING THINGS FOR THEM.

Plastic reduction 2013-2022

Incidence of plastic packaging per ton of paper produced (kg plastic/ton paper)



“Papernet HyTech Seas” dispensers win awards in the United States

In the United States, “Papernet HyTech Seas” toilet paper and paper towel dispensers made by **reusing plastic waste reclaimed from the oceans** won the “Environment and Sustainability Innovation Award” of the ISSA (International Sanitary Supply Association) as an example of sustainable product innovation.

RAW MATERIALS: WHAT ARE OUR ALTERNATIVES?

All pulp used in our plants is certified under the most stringent forest protection schemes. But to meet market demands and offer even higher environmental standards, in 2022 our Research and Development team worked with other business functions to **evaluate alternative solutions** and develop a range of products made with pulp not sourced from trees. Research on fibers from herbaceous species, or originating in the agricultural, textiles or food industries, confirms the company’s commitment to protecting forest assets.

Regina Soft Bamboo toilet paper and paper handkerchiefs

Early in 2023, Sofidel presented the first Regina brand products (toilet paper and paper handkerchiefs) made out from highly renewable natural bamboo fibers with FSC® certification in a number of European countries.



OUR PRIORITY IS TO BE COMPETENT AND RELIABLE ALLIES THAT CONSUMERS AND OUR BUSINESS PARTNERS CAN RELY ON. THIS INCLUDES THE SMALL NEEDS OF DAILY HYGIENE AND CLEANING, AS WELL AS BUILDING A CLEAN, FAIR AND RESPONSIBLE FUTURE.

INNOVATION AS A PART OF OUR PRODUCTS' HERITAGE

We have a single goal: the well-being of people and the environment. Innovation and sustainability inspire everything we do.

NEW PRODUCTS RESPONDING TO CONSUMERS' DEMANDS

In 2022, we once again unveiled several innovations to enhance consumers' experience and meet their daily hygiene and cleaning needs.

- **Regina Power** all-purpose paper towel. Its strength and versatility make it a highly efficient product responding to a great variety of needs in the home. Twice as long as a regular roll of paper towels, Regina Power is more sustainable, too, because its production process uses less cellulose and energy.
- **Regina XXL Absorb** kitchen towel. Using a more absorbent (50% more) type of paper with more sustainable packaging (made of 50% recycled plastic), the new product is an expression of the brand's work developing quality, innovative, efficient solutions for hygiene in the home.
- **Regina Paper Towels**. Disposable paper towels help reduce the spread of germs and bacteria and are more hygienic than ordinary fabric towels. The dispenser makes it easy to take one paper towel at a time, to avoid waste and protect the hygiene of every single paper towel.
- **Nicky**, the Group's biggest B-Brand, renewed its packaging with a simple, easily recognizable look. A picture tells a thousand words, with soft colors, simple shapes, iconic symbols and a light-hearted spirit.

Nicky continued updating its product packaging, replacing virgin plastic with new solutions made of **kraft paper** (a renewable and easily recyclable material of vegetable origin), **recycled plastic or bioplastic** in Italy, Spain, the UK and Ireland.

DIGITALIZATION AND E-COMMERCE

The Covid-19 pandemic accelerated the **digital transition** and e-commerce has registered yet another record year. To meet the needs of consumers who want to shop with complete freedom and convenience, we continued to reinforce our brands' presence on the main marketplaces and websites of large-scale retailers. We also improved the buying experience on our own e-commerce platform, SofidelShop, to encourage greater customer engagement and fidelity.

WE CONSIDER ATTENTION TO PERSONAL HYGIENE AND WELL-BEING AND CARE FOR THE HEALTH OF THE PLANET THE KEY POINTS OF OUR VALUE CREATION PROCESS. MORE THAN 85% OF OUR FINISHED PRODUCTS HAVE AT LEAST ONE ECO-LABEL.

Nicky on the U.S. market

In 2021 Sofidel launched its first **consumer brand in the United States**, in Wegmans stores and on Amazon. The two key products are **Nicky Elite paper towels and toilet paper**, premium quality

products with kraft paper packaging. The products were well-received on the market, and the brand strengthened its position in e-commerce, beginning to generate repeated purchases.

Record-breaking increases in the price of raw materials, energy and transportation

While we'll all remember 2020-2021 as the years of the pandemic and increased prices for raw materials, energy and transportation, 2022 will go down in history as the year in which **Europe was engulfed in the war between Russia and Ukraine, with serious effects on the global economy**. These have included a slowdown of growth, inflation, high logistics and pro-

curement costs, and record-breaking natural gas prices. Despite the difficult period, Sofidel has maintained a firm focus on creating value for all stakeholders. This commitment has been pursued through innovation to improve the comfort and quality of everyday life and satisfy the needs of customers and consumers better than ever.



NEW PERSPECTIVE IN RETAIL

How does sustainability affect consumer choices?



“COMPANIES WILL
NEED TO EARN
TRUST BY FIRSTLY
DOING WHAT THEY
SAY THAT THEY
ARE DOING WHEN
IT COMES TO
SUSTAINABILITY

REGAN LEGGETT
Foresight lead, NielsenIQ

What does taking care of consumers mean to you today?

Our role is to be the voice of the consumer or the voice of the shopper and to constantly remind industry players, how their lifestyles, their values, their attitudes are changing. And by being this constant reminder, we will guide organizations towards making better decisions around products and services and innovations. In fact, we guide them towards making sure that consumers make smarter and better choices.

What do you perceive as the major changes in sustainable consumer behaviors?

Sustainability continues to be more and more important for consumers. It becomes increasingly personal for a lot of people. Consumers understanding about how sustainability is improving, they see climate related pieces in the media all the time, and they feel like they have been personally impacted by extreme weather events like floods or heatwaves. So, nearly a third of consumers feel like that they have felt the effects of these extreme weather events. And this is really accelerating the importance of sustainable decisions and choices.

What are the biggest challenges that the retail sector will face in the future?

The biggest challenges in the retail sector will be keeping up with some of the mandated reporting requirements that are coming down from governments, because these main data requirements involve getting a really clear picture of the

entire value chain including the environmental impact across every stage from farm to shelf to recycling. So if you think about what's involved in getting visibility of how much water you use, how much electricity or gas or energy is being used in the production and the transport and the warehousing of these goods and services, that's going to be a really big challenge. And with the legislation only becoming more and more stringent, it is going to become more and more demanding and very tough for organizations to get ahead of.

What do you believe in the role of the large-scale distribution in intercepting consumer's needs? Accompanying consumers towards responsible choices?

Consumers are not very certain on how to make sustainable choices and sustainable decisions. And therefore, these are really big opportunities for organizations in our industry to help them do so. Consumers have told us in our recent research that the packaging and the communication is unclear or even misleading sometimes, so they don't understand which sustainable credentials add up. They think that there are not enough sustainable options or so. And often there is this perception that sustainable choices are more expensive than other options. So, the answer is to be absolutely clear and provide any evidence that you have, so that consumers feel confident that they are actually making choices that help the environment, help sustainability action and add up to a better world.



Watch the full interview



VIRTUOUS SUPPLIERS /

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Work, human rights, environment and anti-corruption are the issues at the center of our concept of sustainability. A vision we extend all along our supply chain.

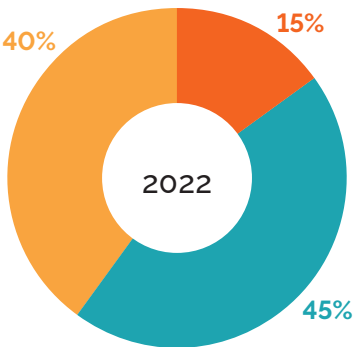
We face enormous environmental and social challenges in the coming years that necessitate a collective effort. This is why we work hard every day to ensure that we have an environmentally, socially and economically responsible supply chain. We measure our suppliers' sustainability, promote their progress and constantly monitor their performance. Sofidel was one of the first companies to adopt **ISO 20400 guidelines**, an international standard permitting integration of sustainability into procurement policy. Application of the guidelines allows us to manage risk all along the supply chain, mitigating the possibility of reputational and economic damage. Our goal is to improve the sustainability and resilience of the suppliers who work with us, because by working together, we can have a much bigger, stronger positive impact.

SUPPLIER EVALUATION

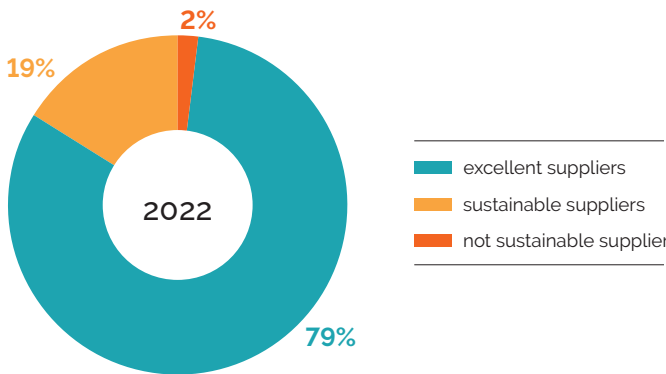
Sofidel has developed a system for evaluating the sustainability of its suppliers in collaboration with Global Compact Network Italia, of which it became a founding member in

2013. The system is referred to as "TenP Paper" because it is inspired by the **Ten Principles of the Global Compact** and permits evaluation of the supply chain in four areas: working conditions, human rights, environmental protection, and anti-corruption. Suppliers are divided into three categories on the basis of their score on the "TenP Paper" platform: "Excellent", those who have a high score in all areas; "Sustainable", if they have a good level of sustainability but still present areas for improvement; and "Not Sustainable", if they still have work to do to be in line with our principles. 2022 confirmed the merit profile of the Group's supplier portfolio. The percentage of suppliers belonging to the "Excellent" merit class remained unchanged, while the number of "Sustainable" suppliers increased by one percentage point over 2021, and the number of "Not Sustainable" suppliers decreased accordingly. We have been working hard to improve our suppliers' sustainability, and **98% of Sofidel's purchases are now made from "Excellent" or "Sustainable" suppliers.**

Breakdown of Sofidel suppliers by merit class



Quality of the expense monitored



Preference for local suppliers

Whenever possible, Sofidel prefers to choose local suppliers who can promote development in the area and have a positive impact on the local economy. Our evaluation

takes into account sustainability, competence and product category.

FUTURE CHALLENGES

Sofidel considers it essential to continue promoting sustainability all along the supply chain. In 2023 we concentrated on five challenges:

- Continuing to involve and motivate our Procurement team to choose ethical, responsible suppliers, linking a part of their year-end bonus to suppliers' sustainability performance.
- Extending the "TenP Paper" evaluation system to the second and third level in the supply chain, starting with cellulose suppliers.

- Beginning a process of conducting audits in the field to check up on the information supplied in the "TenP Paper" questionnaire.
- Promoting development of sustainability in small to mid-sized companies with training initiatives and sharing of best practices.
- Sharing the new Code of Conduct defining the requirements for working with Sofidel and managing any nonconformities with suppliers.

"Future" Magazine

We created "Future – Building a Better World Together", a digital and print magazine discussing best practices and telling stories about sustainability from all over the world, to promote awareness of sustainability and knowledge of ESG issues and build a better world together.

SOFIDEL ASKS ITS SUPPLIERS TO SIGN THE SUPPLIERS' CODE OF CONDUCT TO BEHAVE ETHICALLY AND RESPONSIBLY, WITH RESPECT FOR HUMAN RIGHTS AND LIFE ON EARTH.



3SAward

To motivate our supply chain, we established the "Sofidel Suppliers Sustainability Award" (3SAward), a prize rewarding suppliers who stand out for their commitment to social issues and the environment. The awards ceremony offers an

opportunity for discussion with our supply chain, with the participation of world-renowned experts to discuss the most urgent challenges facing humanity today.

THE BIO-ECONOMY PROJECT IN THE AMAZON RAINFOREST

With Suzano, our principal cellulose supplier in Brazil, we have developed a project for promotion of economic and social development of a region in the northern part of the Amazon Rainforest, near the Gurupi biodiversity corridor, in the states of Maranhão and Pará. In partnership with the Brazilian Institute for Development and Sustainability, beginning in 2023 we will work on a bioeconomy project to **restore 300**

hectares of forest and support the work of small local farmers, creating agroforestry management systems for honey production and cultivation of açai and babassu palms.

The goal is to allow indigenous populations to support themselves and live on the products of the forest while caring for the natural ecosystem of which they form a part.



MEASURABLE COMMITMENT TO THE PLANET /

CARE AND RESPECT FOR NATURE

Sofidel is committed to fostering the transition towards a low-carbon impact economy and reduced consumption of natural capital.



PROTECTION OF FORESTS

Nature and respect for life on Earth are the keys to our development policy. 100% of the cellulose we use in our products is certified by independent third parties on the basis of **chain of custody and good forest management schemes** allowing us to guarantee the origin of the fibers we use as our raw materials. In 2022 Sofidel purchased 1,190,571 tons of virgin fiber, primarily from Europe and South America. 84.39% of it is FSC® certified, a significant increase over the 2020 figure (74.27%), while the remainder is PEFC™ and FSC® Controlled Wood certified.

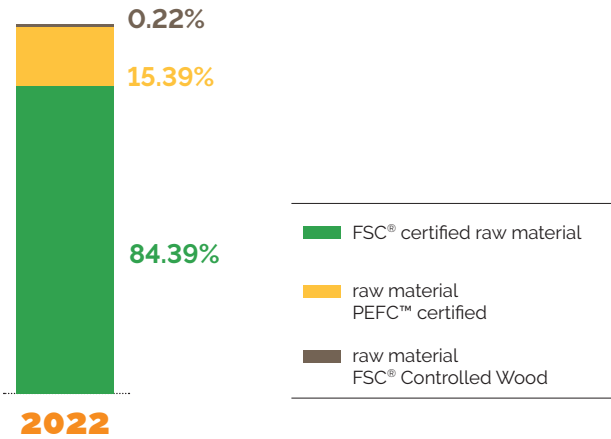
Our policy for purchasing raw materials originating from forestry was developed in collaboration with the WWF, on the basis of the guidelines of AFI (Accountability Framework

initiative), an initiative involving the world's principal organizations concerned with protection of forests, natural ecosystems and the rights of indigenous peoples.

The policy aims to achieve important goals such as:

- Having a supply chain that does not induce deforestation at any of its stages (**zero deforestation**);
- Developing a supply chain that does not cause or contribute to the conversion or environmental degradation of natural ecosystems;
- Making sure that suppliers comply with the Sofidel Supplier Code of Conduct and do not violate the human rights of indigenous communities or any of the stakeholders involved in procurement;
- Carrying out active checks in high-risk countries to ensure the legality of forestry operations, logging, processing and trade of timber and the resulting raw material.

Purchases of virgin fiber raw material by forest certification scheme



CDP Report – Forests

In 2022 Sofidel **obtained an A** rating in the prestigious “CDP Forests” rating assessing companies' commitment to combating deforestation and safeguarding biodiversity. The average for European companies was B-, while the average in the sector was B.

THE LOSS OF BIODIVERSITY AFFECTS US AS HUMAN BEINGS BECAUSE WE ARE A PART OF NATURE.



CLIMATE COMMITMENT

Sofidel is committed to **reducing climate-altering emissions** to help stop the rise in global temperatures and its dangerous consequences for life on Earth. Our commitment to the climate dates back to 2008, when Sofidel became Italy's first company, and the world's first tissue manufacturer, to join the

international **WWF Climate Savers program**. In just over 10 years the company has invested more than 100 million euro in plants for co-generation and generation of electricity from renewable sources, reducing CO₂ emissions by 24%. This important milestone has inspired us to work toward ambitious new goals for 2030, consistently with the reductions necessary to **limit global warming to below 2°C**, as required under the Paris Agreement.

Goals of the Science Based Targets initiative (SBTi) for 2030

-40%

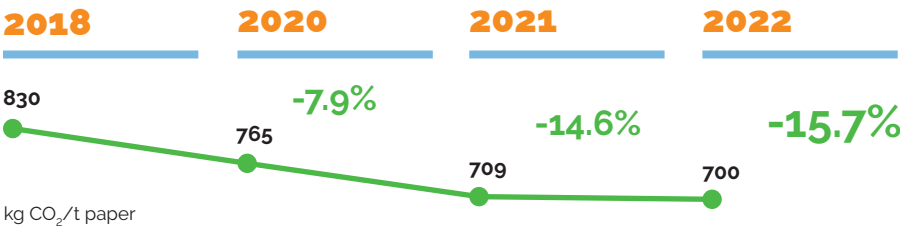
Reduction of CO₂ emissions per ton of paper by 2030, compared to 2018 (scope 1 and 2 emissions for our activities, and scope 3 for cellulose production by our suppliers)

-24%

Reduction of CO₂ emissions per ton of paper by 2030, compared to 2018 (scope 3 emissions for all our suppliers' other activities)



Reduction of CO₂ emissions (scope 1 and scope 2)



WE ARE GUIDED BY A SUSTAINABLE DEVELOPMENT PROJECT IN LINE WITH THE UNITED NATIONS 2030 AGENDA.

ACTIONS FOR REDUCING EMISSIONS

Renewable energy procurement

We are working to increase the amount of renewable electrical energy in our energy mix. In 2022 we used a significant amount of electrical energy certified with a guarantee of origin in our plants in the UK, Belgium and Spain, reaching **100% in the latter two plants**.

At the beginning of 2023, moreover, we signed:

- a **PPA** (Power Purchase Agreement) with **Acciona Energia**, which will supply our Buñuel plant in **Spain** with 100% renewable energy for the next 10 years. Under the agreement, the plant will receive 90 GWh annually, **preventing 25,600 tons of CO₂ emissions**¹.
- a second **PPA with RWE** (following the Italian one signed in 2021) for construction of a photovoltaic installation in **Greece** which, beginning in 2024, will supply 21 GWh a year, completely covering the electricity requirements of our Greek plant for the next 10 years.



Increase in energy efficiency

In collaboration with our supplier Valmet, we have made a major investment in the British plant in Baglan involving installation of ViscoNip and ReDry technologies. These two technologies **optimize the paper drying process** resulting in significant fuel savings, and will enable Sofidel to reduce its annual emissions by 2,600 tCO₂eq.

Reduction of emissions from combustion

The new **bio-syngas production plant** produced in collaboration with Meva Energy at our Kisa plant in Sweden is due to be completed in 2023. When in operation, it will completely replace the fossil fuels currently powering the plant, reducing annual CO₂ emissions by 8,500 tons.

CDP Report – Climate Change

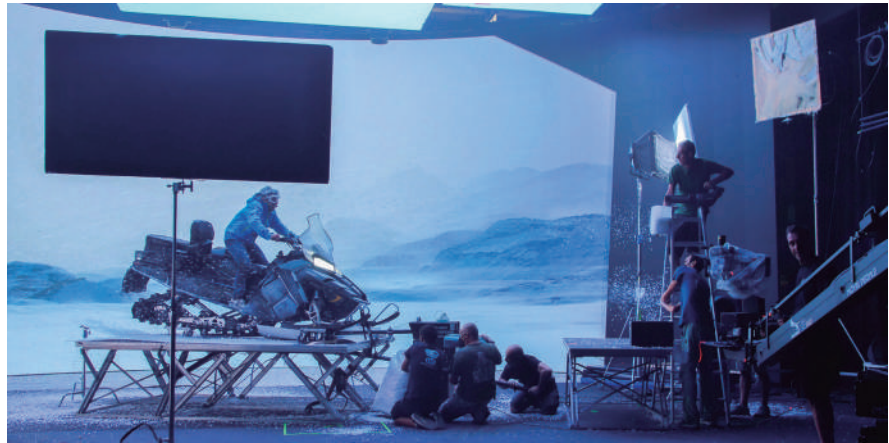
In 2022 Sofidel obtained CDP's **"A-" rating** for its commitment to climate change, placing the company above the average for European companies in general (B) and in the industry (B). The Group was also ranked among global leaders in terms

of ability to involve the supply chain in the fight against climate change, obtaining an **"A" ranking in the CDP "Supplier Engagement Rating Report 2022"**. The average for European companies was C while the average in the sector was C-.

¹Emissions are calculated using a Market Based Approach and the emission coefficients contained in the most up-to-date AIB European Residual Mix publication.

Sofidel used wind power to produce 30,000 tons of paper (May 2021 – May 2022), the equivalent of 150 million Rotoloni Regina rolls, using energy from the Alcamo II wind park Sicily created with RWE. This reduced emissions by more than 15,000 tCO₂e.

Sofidel also cuts emissions with the new Regina advertisement



The new Rotoloni Regina advertisement takes viewers from Monument Valley to the Great Wall of China, through the jungle and across the arctic landscape, without ever leaving the city of Milan. New-generation Virtual Set technology used in cinema overseas permits digital reconstruction of these scenarios, saving on travel and therefore CO₂ emissions.

RESPONSIBLE MANAGEMENT OF WATER RESOURCES

The world now consumes six times more water than it did a century ago, and our consumption continues to grow as a result of population growth and economic development². Moreover, climate change has led to a 29% increase in drought since the year 2000³. In this context, Sofidel is committed to reducing its water consumption to protect the environment and ensure continuity of production in countries experiencing **particularly high levels of water stress**.

We have cut water consumption in our plants by investing in improvement of management, rationalization of consumption and reuse of industrial wastewater.

We have, for example, created a system for collecting rainwater for use in our British plant in Baglan and a “Waste Water Reuse” system in our Italian paper mill in Via Lazzareschi, Porcari (Lucca).

Over the years, optimization of production cycles and careful design of industrial plants have allowed us to achieve levels of **water consumption well below the industry average**. In 2022, we consumed 7.3 liters of water per kg of paper produced, and the recycling rate for water in Sofidel paper mills was more than 96.3%.



WATER IS A FUNDAMENTAL RIGHT FOR ALL HUMAN BEINGS: THERE CAN BE NO FUTURE WITHOUT WATER. ACCESS TO WATER IS A COMMON GOAL. IT IS A CENTRAL ELEMENT IN THE SOCIAL, ECONOMIC AND POLITICAL FABRIC OF A COUNTRY. WATER IS DEMOCRACY.

² UN World Water Development Report 2021: Valuing water.
³ WMO State of Climate Services 2021: Water.



SOFIDEL PEOPLE /

THE VALUE OF PEOPLE

Making the most of human resources and integrating them into the company's organizational culture are essential for promoting innovation and flexibility and competing on today's global market.

People are the heart and strength of the company. **We appreciate their talents and encourage teamwork**, respect and reciprocal trust. We promote equal opportunities, diversity as a wealth to be cultivated, fair treatment of all the people who work with us, development of individual capabilities and life-long learning. Satisfaction is what motivates people, their commitment and their enterprising spirit. To ensure the company's solid, long-lasting development, it is essential to be able to count on satisfied workers who agree with the company's strategy and are proud to help build its future. This is why the **"Sofidel People"** project continued during the

year, focusing on three areas of intervention: improvement of internal communication flows, improved knowledge of company processes and procedures, and optimization of the management of human resources. We also continued to work on the "Welfare" initiative allowing employees to benefit from tax breaks on productivity bonuses and access a range of goods and services under particularly favorable conditions. Sofidel is also committed to promoting flexible organization of work and facilitating life/work balance. The company has introduced rules for "compensation" and development of know-how based on criteria of fairness and equal treatment to prevent gender-based pay differences.

"People & Paper" magazine



The print magazine "People & Paper", translated into 10 languages and distributed in 12 countries, is an in-house communication tool for sharing information and developing a sense of community and a shared culture. We want the people who work with us to share in the values, people, decisions and significant events that give substance to the life of the company.

SOFIDEL PEOPLE

6,893 people contributed to the Group's achievements during the year, 71.25% of whom are blue-collar workers, while 20.95% are white-collar workers and 7.80% are management. Sofidel people work in 13 different countries. This ensures we have first-hand knowledge of the markets we work in, and can count on a **multitude of different cultures and points of view**. The country with the most

employees is the United States (25.08%), followed by Italy (19.10%), the United Kingdom (11.59%) and Germany (10.98%). The majority of contracts are permanent (96.31%) and almost all employees work full-time (97.84%). The majority of the Sofidel population is between 30 and 50 years old (54.68%), but the Group intends to add to the number of young people, to bring in new energy and ideas.

**HUMAN RIGHTS, DIVERSITY, EQUAL OPPORTUNITIES
AND FAIR TREATMENT**

Sofidel has developed a human rights policy inspired by the United Nations guidelines and the principal international agreements. The Group promotes respect for diversity consistently with the principles and values set forth in the Code of Ethics, and is committed to encouraging a collaborative,

prejudice-free working environment open to everyone's contribution.

It is essential for us to overcome the barriers hindering full inclusion in the workplace, because diversity enriches and opens people up to new ideas, multiplying the possibilities for coming up with innovative solutions.

The “We, Sofidel” project



“We, Sofidel. Our Passions Fuel Our Future” is a project created to produce a **calendar for the year 2023 with the participation of the people who work with us**, those who enrich the life of the company every day with their talent and passion. Our colleagues in the Group were asked to submit photos and videos illustrating their passions, offering a source of inspiration for the new year. A panel of judges from outside the company was asked to select 13 passions to be reinterpreted by photographer Pietro Paolini. The photos were set in paper mills and converting plants, revealing the ties between people, their talents and commitment, and the concepts of responsible development and a positive, motivating workplace.

PERSONNEL TRAINING AND DEVELOPMENT

Sofidel invests in training and ongoing education to develop new skills, motivate people and encourage discussion and individual enterprising spirit. **73,547 hours of training** were provided in 2022, with in-house Sofidel instructors (42.03%) and with experts, university professors and other qualified instructors from outside the company (57.97%). 27,497 of

these hours were dedicated to **health and safety of workers**. Sofidel offered plenty more content for flexible, convenient consultation on its e-learning platform. These included training programs focusing on antitrust issues, Model 231, human rights, e-commerce and digital marketing, and digital transition in the supply chain.

The “Sofidel 2030” project

Sofidel 2030 is a project created in 2021 in collaboration with MIP Politecnico di Milano to **plan the future of the Group and promote creativity and capacity for innovation**. In 2022 the project involved a group of 20 people from various company departments who are to become ambassadors of a new way

of working together and innovating in the company's organization. Lessons involved in-person labs and online workshops for in-depth discussion, encouraging teamwork and the search for new significance in development of innovative products and services.

**OUR BUSINESS CULTURE ADOPTS ETHICAL, INCLUSIVE CONDUCT
GUARANTEEING AWARE, SAFE, FAIR PARTICIPATION
IN THE ORGANIZATION OF THE COMPANY.**

#OURBESTCARD /

YOUNG PEOPLE AND THE FUTURE

**Our commitment in favor of young generations
and a sustainable future.**

Key initiatives include:

**“SOFIDEL4TALENT”, A COURSE TRAINING
FORESTRY PROFESSIONALS**

Sofidel and WWF Italia held a free applied education program in conservation and forest management for young forestry professionals. With the support of the Network of Universities for Sustainable Development, “Sofidel4Talent” was held in May 2022 at the WWF Biodiversity Museum in Monticiano (Siena). 15 young undergraduates and recent graduates in scientific and naturalistic disciplines were selected to participate in the experience, out of more than 160 candidates who responded to the call for applications.

**“MI CURO DI TE”: “I TAKE CARE OF YOU”, WORKING WITH
SCHOOLS TO ACHIEVE THE 2030 AGENDA**

The environmental education program called “Mi Curo di Te”, meaning “I take care of you”, was once again promoted in Italian schools by WWF Italia and our Regina brand. The free educational program encourages love of the planet and awareness of the goals of the UN's 2030 Agenda among pupils. The ninth edition, held in the 2022/2023 academic year, focused on the issue of water and plastic pollution in our seas, oceans, rivers and lakes. More than 770,000 young people have participated in the initiative since 2014.

SOFIDEL AND WWF IN ITALIAN UNIVERSITIES

In 2022 Sofidel and WWF Italia participated in eight events held in various Italian universities testifying to the value of the partnership between for-profit and non-profit organizations. Sofidel also proposed project work to students in two university master's degree programs linked with the Group's sustainability initiatives in Italy.

LOCAL TRAINING AND KNOW-HOW

Sofidel has been working for many years with technical secondary school institutions and universities to explain how the theoretical notions included in the schools' curricula apply to the paper industry, providing students with skills of use for joining the world of work. As the effects of the pandemic eased off in 2022, students were once again able to participate in on-site apprenticeships as part of their secondary school program or in preparation for their university thesis. The experience of work/school alternation was also resumed on site under most projects in a program called “Percorsi per le Competenze Trasversali e per l'Orientamento” (PCTO), meaning “Paths for the development of cross-cutting skills and orientation”. Confindustria rewarded our commitment to training of the younger generations with two stamps of approval: the Stamp of Approval for Quality Work/School Alternation (BAQ) and the Stamp of Approval for Technical Secondary Education (BITS).



COMMITMENT TO SOCIETY

Dialog with stakeholders is based on the values of honesty, inclusion and accurate information. For a positive impact on people and the planet.

Key initiatives include:



15 YEARS WITH THE WWF

In 2022 Sofidel celebrated its 15-year partnership with WWF Italia. This collaboration has made us even stronger, and more aware of the importance of our role as a responsible enterprise. Stronger for protecting biodiversity and natural ecosystems, for fighting climate change and making young people aware of the importance of succeeding in the environmental challenges facing us. In 2022 we worked with the environmentalist organization on a series of initiatives supporting young people and promoting a sustainable future. These included the "Sofidel4Talent" training program, support for a project called "ReNature Italy. Regenerating nature in Italy", concerned with the protection and regeneration of Italy's natural capital and the "Oasi by Night" initiative, in which a series of events and tours were held, by day and at night, in the 15 WWF oases Sofidel supports with the Regina brand. We also conducted the "15 years to make nature smile" advertising campaign, renewing our commitment to a healthier, fairer, more sustainable world.



REINFORCING OUR COMMITMENT WITH THE UNITED NATIONS GLOBAL COMPACT

Sofidel participated in the preparation of the Position Paper entitled "Sustainable supply chain management: responsibilities and opportunities for businesses", presented at Sharm el-Sheikh during COP27, the United Nations Climate Conference. More than 30 companies representing Italy's key industries contributed to the preparation of the document, presenting "business-cases" illustrating their commitment to sustainable supply chain management.

SOFIDEL AS "MAIN SPONSOR" OF THE PIANETA TERRA FESTIVAL

Sofidel supported the first "Pianeta Terra Festival – A revolution for sustainability", an event organized by publishing house Editori Laterza and held in Lucca in the month of October. The multidisciplinary event aimed to generate awareness of the issues involved in the ecological and social transition and promote awareness of sustainability. We brought our testimony to two events: "Everything lives. Starting again with a new ecology of self", and "The energy transition. Challenges for businesses to overcome".



SOFIDEL AT THE "CSR AND SOCIAL INNOVATION FAIR"

Sofidel took part in two events during the tenth "Salone della CSR e dell'innovazione sociale", a CSR and social innovation fair that is one of Italy's most important events focusing on sustainability and Corporate Social Responsibility (CSR): "Resilient supply chains: comparing big and small businesses" and "From funding to co-design: experiences of partnership between businesses and the non-profit sector".

CONTINUING THE PARTNERSHIP WITH EU-OSHA

Sofidel participated in the two-year (2020–2022) campaign focusing on "Healthy workplaces lighten the load" conducted by the European Occupational Health and Safety Agency (EU-OSHA) to raise workers' awareness of work-related muscular and skeletal disorders.

SOFIDEL AND NICKY FOR TELETHON IN ITALY

Sofidel's Nicky brand has renewed its partnership with the Telethon Foundation, supporting research into rare genetic diseases, for the eleventh year in a row. Sofidel has supported the Foundation with an annual donation of its products and promotes its projects on the packaging of Nicky products since 2012.

SOFIDEL UNITED STATES CLEANS UP THE OCEANS WITH OCEAN CONSERVANCY

The partnership with US non-governmental organization Ocean Conservancy continued in 2022. Sofidel United States works with the association to help protect the oceans and the communities that rely on them for a living. In 2022, it sponsored two "Coastal Clean Ups" in the United States.

SOFIDEL AND NICKY SUPPORT THE WOODLAND TRUST IN THE UK

Under a multi-year partnership between Nicky and the Woodland Trust, an organization concerned with the preservation of woodlands in the United Kingdom, Sofidel funded the planting of 250,000 trees of native species and is committed to protecting 12.00 woodland areas in the United Kingdom.

OUR CONTRIBUTION
TO A BETTER FUTURE.



THE TERRITORY AND LOCAL COMMUNITIES

Projects, initiatives and support for territories. Focus on a number of the Group's activities.

In 2022 we continued our social initiatives in favor of the disadvantaged with the goal of supporting communities particularly affected by the Covid-19 emergency, extreme climatic events and the Russia-Ukraine war.

Key initiatives include:

DONATION OF PRODUCTS TO REFUGEES FROM THE RUSSIA-UKRAINE WAR

Sofidel responded to the humanitarian crisis caused by the war in Ukraine by donating its products to countries that have welcomed particularly large numbers of refugees, sheltering thousands of civilians fleeing the war. The initiative involved Sofidel Hungary (association involved: Nagycsaládok Országos Egyesülete - National Organization of Families), Sofidel Poland (associations involved: Red Cross Poland and Caritas Poland) and Sofidel Romania (association involved: Red Cross Romania). A total of about 130 thousand rolls of toilet paper were provided.

PROJECTS IN FAVOR OF ITALIAN COMMUNITIES

At Christmas, Sofidel donated 600 packages containing food to economically and socially disadvantaged families. The packages were distributed by volunteer organizations operating the areas where the Group has production facilities: Caritas in Lucca, Caritas in Pescia, the Green Cross in Porcari,

and the Misericordia in Borgo a Mozzano. At Easter, Sofidel made a donation to AIL Lucca, the local section of the Italian Association against Leukemias, Lymphomas and Mielomas, and purchased a thousand of traditional AIL chocolate Easter eggs. The eggs were given to children from economically and socially disadvantaged families. Lastly, on Mother's Day, Sofidel presented new mothers in the municipality of Porcari, where the Group's headquarters are located, with an azalea supporting the work of AIRC cancer researchers.

URBAN FORESTATION WITH TALEA

In 2022 Sofidel continued to support the "New Trees" project in collaboration with the Talea Association and the City of Lucca, with the goal of planting three thousand native trees by 2023, 750 of which will be financed by Sofidel. The Talea association was established by young people from Lucca to promote and organize events, projects and initiatives inspired by environmental education and sustainability in the area.

WE FOCUS ON THE NEEDS OF THE LOCAL
COMMUNITIES AND TERRITORIES
WHERE WE OPERATE.

ESG RATINGS

ESG ratings at the center of our sustainability policies.

In order to assess the quality and efficacy of risk and impact management, Sofidel submits itself to ESG ratings conducted by distinguished and independent external companies. These ratings are a litmus paper allowing us to assess Sofidel's strategic line and identify areas requiring improvement, on which the Group can focus its commitment and attention.

In 2022, **EcoVadis** confirmed Sofidel's '**Platinum**' rating (the top rating), already obtained in 2021, following analysis of sustainability risks and performance based on four macro-areas: environment, work and human rights, ethic and sustainable procurement. Sofidel once again ranked in the top 1% of the global paper industry.

Morningstar Sustainalytics ranked Sofidel in the "**Low Risk**" category (with a score of 13.6) for its strong ability to manage environmental, social and governance risks, the three spheres of corporate responsibility. We placed first among more than 120 companies assessed in our category: "Home products" (which includes not only tissue, but home cleaning and personal hygiene products). We also ranked in the top 10% of more than 15,000 enterprises all over the world assessed by Sustainalytics. The material themes in which Sofidel stood out in particular included: "Land Use - Biodiversity", "Business Ethics" and "Carbon - Own Operations".

With **CDP**, we obtained a rating of "A-" for our commitment to fighting climate change and a rating of "A-" for our leadership in **combating deforestation**. The research carried out in 2022 evaluated over 15,000 companies worldwide. With an "A" rating, we were included in the 'Leadership' category in the 'CDP Supplier Engagement Rating Report 2022' for our ability to involve our suppliers in the **fight against climate change**, through analysis of parameters such as governance, goals, scope 3 emissions and the value chain.



MEASURING THE ENVIRONMENTAL, SOCIAL AND ECONOMIC IMPACTS
OF WHAT WE DO IS AN OBJECTIVE, CLEAR, COMPARABLE WAY
OF DEMONSTRATING THE LONG-TERM BENEFITS
WE OFFER PEOPLE AND THE PLANET.

A WORD FROM OUR STAKEHOLDERS

THE NEW HORIZONS OF RETAIL

How sustainability influences consumers' choices



“WHEN IT COMES TO SUSTAINABILITY, COMPANIES WILL NEED TO EARN TRUST BY DOING WHAT THEY SAY THEY ARE DOING”.

REGAN LEGGETT
Foresight Lead
NielsenIQ



Watch the full interview

HUMAN RIGHTS AND CLIMATE ACTION

The challenges and opportunities of a responsible supply chain



“IT’S ESSENTIAL TO SHARE INDICATORS AND GOALS WITH SUPPLIERS AND PROMOTE A WIN-WIN APPROACH”.

DANIELA BERNACCHI
Secretary General
UN Global Compact Network Italy



Watch the full interview

CLIMATE AND NATURE ARE INTERCONNECTED CRISES

WWF's Living Planet report takes a snapshot of the health of the planet as of 2022



“THE LOSS OF BIODIVERSITY AFFECTS US AS HUMAN BEINGS BECAUSE WE ARE A PART OF NATURE.”

MARCO GALAVERNI
Program & Oases Director
WWF Italy



Watch the full interview

GENDER, POVERTY AND CLIMATE JUSTICE

Oxfam's commitment to combating inequality



“IF WE WANT TO WIN THE FIGHT AGAINST CLIMATE CHANGE, WE WILL NEED THE PARTICIPATION OF WOMEN IN ACTION FOR THE CLIMATE”.

ARETA SOBIERAJ
Global Citizenship Education Lead
Oxfam Italia

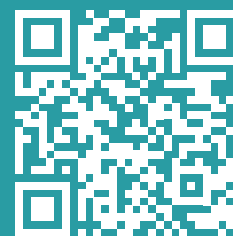


Watch the full interview



To read the complete 2022 Integrated Report,
go to the web site:

integrated-report.sofidel.com



If you have questions or would like more information, write to:

Elena Faccio, Sofidel Creative & Communication Director – elena.faccio@sofidel.com

Sofidel S.p.a.

Via Giuseppe Lazzareschi 23
55016 Porcari (LU)
t +39 0583.2681
www.sofidel.com

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SUSTAINABILITY, WITH RESPECT TO CULTURAL DEVELOPMENT AND COMPETITIVE GROWTH, PERVADES ALL ASPECTS OF OUR BUSINESS. IT HELPS US IMPROVE THE QUALITY OF LIFE FOR MANY PEOPLE AND THE COMMUNITIES IN WHICH WE OPERATE, WHILE REDUCING OUR CARBON FOOTPRINT. IT ALLOWS US TO MEET CUSTOMERS' AND CONSUMERS' NEEDS, AND DEVELOP STRONG RELATIONSHIPS WITH EMPLOYEES AND SUPPLIERS.

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