

20

SUSTAINABILITY REPORT

20

20

SUSTAINABILITY REPORT

20



LETTER TO THE STAKEHOLDERS



It is my great pleasure to share the **sixteenth edition** of the Lucart Group Sustainability Report with all of you.

We are still very much in the midst of a crisis brought about by the dramatic pandemic that is changing our lives, our work and our society, and we are still unsure when it will end. The recent events and a vaccination campaign that is showing the first results suggest us to be prudently optimistic that recovery will follow and we want to be among the leaders.

Crucially, the commitment to sustainability that has always been at the heart of Lucart's

promise to society and the future has not changed in this difficult year. We strongly feel the urgency of respecting the United Nations' Sustainable Development Goals for the year 2030 and for this reason **we have officially joined Global Compact Network Italy**, committing ourselves to the 10 principles promoted by the Network, including the respect for human rights, the abolition of forced and child labour, the elimination of all forms of discrimination, the fight against corruption and the active protection of the environment.

This Sustainability Report is also Lucart's first *Communication on Progress*, a fundamental tool for sharing results and objectives with the entire value chain of the Network within which we are working in synergy for a better future.

To underscore our decision to focus on **economic models based on circular economy and industrial symbiosis**, we have decided to **include this commitment directly in the company's Mission** that has been redefined in this perspective in 2020.

The excellent results that we have achieved in the environmental area – and which we are proud to present in this volume – are the result of our far-sighted choices, of the daily work of every Lucart employee and the success of our value proposition to customers and end consumers and touch all the relevant aspects for the company and our stakeholders.

In particular, since 2014, we have **reduced specific CO₂ emissions by 12.1%** and **NO_x emissions by a staggering 44.6%**, also as a consequence of the constant investments in new technologies. We **have cut specific energy consumption by 11.8%** compared to 2014 and **reduced waste** per tonne of paper produced **by 7.4%** compared to 2019. **Specific water consumption decreased by 18.1%** compared to 2013.

During 2021, we will be starting up a new energy production cogeneration plant at the Porcari plant and we expect to achieve a further reduction in specific energy consumptions and CO₂ and NO_x emissions.

The excellent environmental results achieved in 2020 were matched by the Group's equally promising financial results and, despite the extremely difficult and uncertain situation, we continued to pursue our internationalisation objective with the acquisition, completed in the first quarter of 2021, of **ESP Ltd., the leading independent manufacturer in the Away from Home market in the UK.**

I would like to take this opportunity to welcome our new British colleagues to the Lucart Group. I am sure they will make a fundamental contribution to the growth and success of the Group over the next few years.

Massimo Pasquini

President and CEO

A handwritten signature in black ink, appearing to read 'Massimo Pasquini', with a stylized flourish at the end.

METHODOLOGICAL NOTE



Lucart is publishing the Sustainability Report for the sixteenth year running. The objective is to disseminate economic, environmental and social information and to highlight the Company's improvement goals for all its stakeholders.

The Report refers to Lucart S.p.A. and the following subsidiaries: Lucart S.a.s., Lucart Tissue & Soap S.L.U., Lucart Deutschland GmbH, Lucart Kft. and Lucart 3.0 S.r.l.

Reference is made in the Report to **all the companies** as the **Group** or the Lucart Group.

The analysed reporting period goes from **1 January 2020 to 31 December 2020**.

On 1 March 2021, Lucart S.p.A. acquired 100% of **Esp Ltd** and, consequently, this company is not included in this Report.

Facts referring to the Group or to one or more Companies which are part of Lucart are appropriately highlighted in the text.

The data comparison, where applicable, refers to the two previous years.

The 2020 Sustainability Report was drawn up in compliance with the "**GRI Sustainability Reporting Standards**" published in 2016 by the Global Reporting Initiative, as amended, in compliance with the "core" option regarding the information in the GRI Content Index included in this statement.

Lucart S.p.A. joined the United Nations **Global Compact Network Italy** in 2020 and this document is also the "Communication on Progress" required from members.

To ensure data reliability, **the use of estimates was restricted** and wherever present is appropriately indicated.

One of the important aspects of this Sustainability Report refers to the **refinements made to the process of involving stakeholders in the Group's Materiality Analysis**. The concerned activities, which are described in detail in the respective Chapter, aimed at updating and defining the new Materiality Matrix.

This document was drawn up by the Corporate Communications Team collecting the reported data by involving all the relevant executive roles.

For further information about the data, please contact us at:
communication@lucartgroup.com

Two summary tables of the main analysed GRI Standard indicators are provided at the end of the document.

The Sustainability Report is drafted once a year.

TABLE OF CONTENTS

| | |
|----------------------------------|---|
| Letter to the stakeholders | 2 |
| Methodological note | 4 |

THE GROUP

| | |
|--|----|
| 1.1 Lucart Group, the history | 8 |
| Lucart at a glance 2020 | 16 |
| 1.2 Plants of the Group | 18 |
| 1.3 Types of paper made and production capacity | 20 |
| 1.4 Production process and product life cycle of Tissue product | 22 |
| Production process of Cosmetic product | 24 |
| 1.5 Organisation | 26 |
| 1.6 Business Areas | 28 |
| 1.7 Vision e Mission | 32 |
| 1.8 Objectives | 33 |
| 1.9 Sustainable Development Goals | 34 |
| 1.10 Value chain | 36 |
| 1.11 Stakeholder mapping and materiality analysis | 38 |
| 1.12 Certifications | 46 |
| 1.13 Risk management | 48 |
| 1.14 Circularity and sustainability as strategic business levers | 52 |

THE PEOPLE

| | |
|---|----|
| 2.1 Code of ethics | 58 |
| 2.2 Principles | 59 |
| 2.3 Organisational model | 60 |
| 2.4 Lucart personnel structure | 61 |
| 2.5 Occupational Health and Safety | 65 |
| 2.6 Relationships with stakeholders | 67 |

THE ENVIRONMENT

| | |
|--|-----|
| 3.1 Environmental Impact Assessment | 82 |
| 3.2 Environmental Product Declaration (EPD®) | 83 |
| 3.3 Raw Materials | 88 |
| 3.4 Water Resources | 91 |
| 3.5 Energy Resources | 94 |
| 3.6 Logistics and Packaging | 98 |
| 3.7 Atmospheric Emission | 100 |
| 3.8 Waste Management | 102 |
| 3.9 Final quantity balance sheet | 105 |

MARKETING AND COMMUNICATIONS

| | |
|---|-----|
| 4.1 Corporate communication activities | 108 |
| 4.2 Away from Home marketing and communication activities | 114 |
| 4.3 Consumer marketing and communication activities | 120 |
| 4.4 Participations in conferences | 126 |
| 4.5 Web communication | 128 |
| 4.6 Trade fairs and events | 129 |

| | |
|-------------------------------------|-----|
| GRI indicators summary tables | 130 |
|-------------------------------------|-----|

01

THE GROUP

We take care of people with global hygiene and product protection solutions.

We are committed to an ethical and effective governance model because we want to be a reference point on sustainability issues.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)





1.1

LUCART GROUP, THE HISTORY

Innovation has been the distinctive feature of the Group since its origins and, as a result, today we can offer cutting-edge products by developing innovative solutions for a better future, and address new market challenges.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS





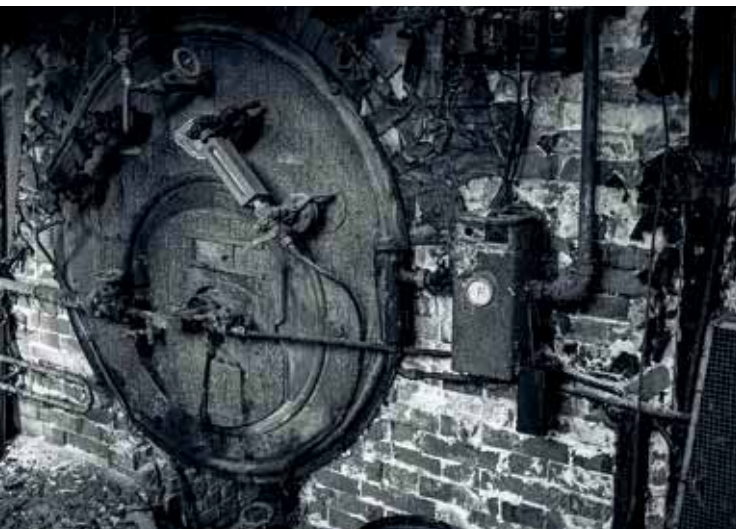
1953

The Pasquini brothers' Cartiera Lucchese

The Pasquini family has been officially making paper since 1953, when brothers Alessandro, Eliseo, Fernando, Raffaello and Tarcisio founded the "Cartiera Lucchese dei F.lli Pasquini" in a small village on the hills around Lucca called Villa Basilica, though they had already been making paper since the 1930s. The story of the Pasquini family and Lucart is interwoven with that of the local area; as in Villa Basilica, between 1830 and 1840, the pharmacist Stefano Franchi invented a technique to make paper from straw, a material found locally and available in large amounts.

The production of straw paper and packaging paper, which started in the first factory of the Pasquini brothers in Botticino and then continued in the small paper mill in the area of Biecina di Villa Basilica, was then fine-tuned at the Lucca plant, located in the town centre, where the force of water that moved the millstones exemplified the fascinating production process of the time.

Nowadays, we would call this circular economy, because agricultural waste was used as a raw material for the manufacturing industry. This is precisely why, even if today we no longer use straw but employ pure cellulose or paper for recycling, a very strong district developed in the province of Lucca, operating both in the production of paper for packaging and paper for hygienic and sanitary use.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



1966

The first PM1 paper machine

The need for growth and investment led the Pasquini brothers to move production from the city to the plain of Lucca, where the Porcari plant was built, and is still today the Group's headquarter, in 1966. The new plant allowed the installation of the first paper machine (PM1) that marked the first major technological leap of the Company. The plant, dedicated to the production of jumbo reels for flexible packaging allowed the company to increase productivity tenfold and expand the offer with high grammage papers.

In 1976, the growing worldwide demand for flexible packaging paper convinced the family to invest again in the Porcari site with the installation of a second paper machine (PM2). The line would remain operational until 2018.

1976

The second PM2 paper machine



1983

The third PM3 paper machine

The third paper machine (PM3) for the production of tissue paper was started in Porcari in 1983. It is still up and running very successfully today garnering a high level of interest in Italy and abroad. With the installation of this machine, Cartiera Lucchese became the European leader in the production of MG papers and flexible packaging papers.

The time had come to diversify production by looking at the promising sector of paper for hygienic uses and the fourth paper machine (PM4) was launched in Porcari in 1987. The group thus entered the tissue paper market.

1987

Tissue paper production was kicked off



1988 was a key year for the development of the company. After purchasing a plot of land of more than 240,000 m², the Group could think big and design a completely integrated site dedicated to the tissue paper market, from the production of paper to the conversion into a finished product for both the Consumer and the Away from Home markets, with modern paper technology. The Lucart brand was established.

1988
1989

The Diecimo plant and the Lucart brand are established



1990
1991

Installation of two new paper machines

The tissue paper market was developing rapidly and the company started up two more paper machines at its new site in Diecimo almost at the same time. The PM5 and the PM6 machines were powered by a new methane gas cogeneration turbine, carrying over the technology already successfully tested at the Porcari plant.

Cartiera Lucchese France was founded in 1993. It was a commercial company that, in addition to managing the acquired customers, was tasked to prepare the ground for the production of paper beyond the Alps.

1993

Cartiera Lucchese France paper mill



1996

Deinking plant and PM7 in Diecimo

In 1996, the Group decided to differentiate its tissue paper offering from the competition and, taking advantage of the technology and knowledge acquired through the processing of flexible packaging papers from selected waste paper, and set up an array of systems designed specifically for deinking waste paper, producing high-quality recycled tissue paper and purifying process waste water. The new PM7 paper machine was capable of producing 60,000 tons of recycled and regenerated paper a year.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



1997

EcoLucart was established

The new plants allowed the Group to launch EcoLucart on the Italian market. This absolutely innovative and ecological product line used recycled and regenerated paper as a raw material and Mater-Bi (a biodegradable corn starch material) as a packaging. Lucart was the first company in the world to replace plastic packaging with a completely biodegradable renewable material developed by Novamont.

1998 marked an important moment for the Group at a European level. It was the year in which Lucart Ibérica S.L.U., a commercial company for the management of Iberian customers, and Lucart France S.a.s. are established, followed by the construction of the Troyes plant in France, with the production and converting of pure virgin cellulose tissue paper for the Consumer sector.

1998

Consolidation in Europe



2006

EMAS environmental certification

Committed to bolstering and improving its environmental efficiency, the Diecimo plant requires and obtains EMAS environmental certification for environmental performance management. Hygienius Toilet, the first automatic cutting toilet paper dispenser, was launched the same year.

To complete the offer on the market, in 2007 the Group acquired Fato, the landmark brand for the Italian Ho.Re.Ca. market, and the two production plants in the province of Treviso and Venice. The Torre di Mosto plant concentrates the production of decorated, coloured and customised tablecloths and napkins made of tissue, airlaid and MG paper.

2007

Lucart enters the Ho.Re.Ca. market



The growing interest in the foreign market led the Group to acquire a second plant in France in 2008, in Laval sur Vologne - today Lucart S.a.s. - taking over the tissue business of Novacare S.a.s., a French company with a production capacity of 46,000 t/year of tissue paper. The plant's production is perfectly integrated with the Group's business model, being dedicated to the production of recycled and regenerated tissue paper.

2008

New acquisition in France



THE GROUP



2009

Lucart Group was established

In 2009, the name of Cartiera Lucchese Group was changed to Lucart Group, to identify all the companies belonging to Cartiera Lucchese S.p.A.

THE PEOPLE

In 2010 a new plant - the only one of its kind in Italy - was built in Diecimo for the production of 100% ecological paper deriving from the recovery of cellulose fibres from Tetra Pak® beverage cartons. The ecological raw material that forms these new products was called Fiberpack®. With this project, Lucart consolidated its commitment to increasing environmental sustainability and protecting the environment, through innovative and exclusive production from a technological point of view.

2010

Fiberpack®: let's go!



THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

2011

New brands and certifications



Following the great success in Italy of the system that uses Tetra Pak® beverage cartons, a similar one was set up in France at the Laval sur Vologne plant in 2011. In the same year, the Group obtained the BS OHSAS 18001 certification which concerns the occupational health and safety management system. The EcoNatural, for the Away from Home market, and Grazie Natural, for the Consumer market, were launched also in 2011.



All the Italian companies of the group merged into a single company called Lucart S.p.A. in 2013. The Tenderly and Tutto brands were relaunched the same year.



As part of a plan to improve the logistics efficiency of the entire Group, Lucart acquired an area of approximately 24,000 m² of covered warehouses not far from the Altopascio motorway junction.

A futuristic Logistics Centre dedicated to products for the Away from Home market is created on the hub and connected to the Diecimo site by a continuous service of ecological LNG (Liquid Natural Gas) powered shuttles, equipped with an automatic loading/unloading system based on RFID technology.

2012

Acquisition of Georgia Pacific Italy

2012 was a pivotal year for the Group. With the acquisition of Georgia Pacific Italia srl, Lucart becomes the owner of the Italian plants in Castelnuovo di Garfagnana (Lucca-Italy) and Avigliano (Potenza-Italy), as well as the administrative headquarters in Genoa, and acquired the Tenderly and Tutto brands in Italy and worldwide.

2013

Merger in Lucart S.p.A.



2016

Entering Hungary

The Group acquired Bokk Paper Kft. in Esztergom, Hungary, in 2016: the leading independent Hungarian company in the Away from Home market for hygiene paper products, now Lucart Kft. The new Lucart plant in Nyergesújfalu was opened in September 2018 after two years of work.

2017

The Altopascio Logistics Centre



Lucart finalised a strategic investment in the Basque Country, Spain. At the beginning of 2018 to bolster its market position in the Iberian Peninsula. The Group acquired three plants of the Spanish CEL Technologies & System Group near Bilbao, dedicated to the production and converting of tissue paper and the production of soaps and personal care products for use in the Away from Home sector.

2018 february

**Investment
in Spain**



2018 november

**Start-up of the
PM12 paper
machine**

The new tissue paper production line was successfully started up at the Lucart plant in Porcari at the end of 2018. The PM12 line replaced the PM2 which, since 1976, has been producing MG paper for the flexible packaging market worldwide.

In 2019 Lucart takes yet another step towards sustainability by creating packaging made of recycled and recyclable paper for the Grazil Natural and Eco Natural lines.

2019

**Launch of paper
packaging**



2019 December

**New cogeneration
plant**



At the end of 2019, Lucart installed an innovative cogeneration plant with gas turbine in the Diecimo plant which represents one of the most technologically advanced systems for the production of electricity and heat.

With the acquisition of Essential Supply Products Ltd (ESP Ltd), the UK's leading independent converting company, Lucart bolsters its leadership in the European market for Away from Home hygiene products continuing the Group's development and internationalisation plan.

2021

**Investment
in the UK**



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

LUCART AT A GLANCE 2020

- THE GROUP
- THE PEOPLE
- THE ENVIRONMENT
- MARKETING AND COMMUNICATIONS

THE GROUP

1,600+
 People employed



10
 Production facilities



1
 Logistics Centre



12
 Paper machines



PRODUCTION

PAPER SECTOR



396,000

Tonnes/Year
 production capacity

SKIN CAR SECTOR



12
 mln

Liters/Year
 production capacity

BUSINESS UNIT



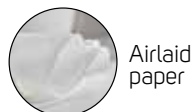
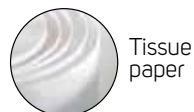
Away from Home



Consumer



BtoB



Over **1,600 people** work in **11 production** facilities with **12 paper machines** and a production capacity of **396,000 tonnes per year**.

Paper products are distributed in more than **70 countries worldwide** by **3 Business Units** generating a turnover above **515 million Euro**.

The process creates shared value for all stakeholders.

TURNOVER



515mln

VALUE CREATED FOR STAKEHOLDERS



Total global added value

133.32 € mln

Shared across:



2.3%
State



6.2%
Financial



26.4%
Enterprise System



65.1%
Employees

COUNTRIES SUPPLIED



70+

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

1.2

GRI
102-1 102-4
102-3 102-5

PLANTS OF THE GROUP

on 31 March 2021



BLACKMORE PARK (United Kingdom) ESP Ltd

A conversion-only plant, acquired on 1 March 2021, with 5 lines mainly dedicated to the production of tissue articles for hygiene in the Away from Home sector.

Converting lines 5



ARANGUREN (Spain) Lucart Tissue & Soap S.L.U.

Plant fitted with 2 paper machines for the production of tissue paper from virgin cellulose and paper for recycling.

Paper machines 2



ARTZINIEGA (Spain) Lucart Tissue & Soap S.L.U.

A conversion-only plant with 3 lines mainly dedicated to the production of sanitary tissue items and 2 lines dedicated to the production of soap for the Away from Home sector. The buildings in Güeñes are only used as warehouses.

Paper converting lines 3
Skin care converting lines 2



CASTELNUOVO DI GARFAGNANA (Italy) Lucart S.p.A.

Paper mill and converting with 1 paper machine for the sole production of tissue paper, a cogeneration system for combined production of electricity and heat, and a converting department consisting of 4 converting lines.

Paper machines 1
Converting lines 4



BORG A MOZZANO - DIECIMO (Italy) Lucart S.p.A.

Equipped with a paper mill department with 3 paper machines for the exclusive production of tissue paper from virgin cellulose and paper for recycling, an industrial wastewater purification plant, a cogeneration system for combined production of electricity and heat, and a converting department consisting of 20 converting lines.

Paper machines 3
Converting lines 20



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



LAVAL SUR VOLOGNE (France)

Lucart S.a.s.

Equipped with a paper mill department with 2 paper machines for the sole production of tissue paper from virgin cellulose and paper for recycling, an industrial wastewater purification plant, and a converting department consisting of 9 converting lines.



| | |
|------------------|---|
| Paper machines | 2 |
| Converting lines | 9 |



FRANCOFORTE (Germany)

Commercial offices



NYERGESÚJFALU (Hungary) Lucart Kft.

Converting plant only with 5 lines mainly dedicated to the production of items for the Away from Home sector and specialised in serving central and eastern European markets.



| | |
|------------------|---|
| Converting lines | 5 |
|------------------|---|



TORRE DI MOSTO (Italy)

Lucart S.p.A.

Converting plant only, consisting of 16 converting lines to manufacture printed, decorated or custom products, intended for table decor and mainly catering for the Ho.Re.Ca. market.



| | |
|------------------|----|
| Converting lines | 16 |
|------------------|----|



ALTOPASCIO (Italy)

Lucart S.p.A.

Automated Logistics Centre dedicated to Away from Home products. Located near the A11 Firenze-Mare motorway, it spreads across more than 24,000 sqm.



Logistics centre



PORCARI (Italy)

Lucart S.p.A. (Headquarters)

Equipped with a paper mill department with 3 paper machines for the production of tissue paper and MG paper for flexible packaging from virgin cellulose and paper for recycling, an industrial wastewater purification plant, a cogeneration system for combined production of electricity and heat, and a department to cut some products to size.



| | |
|----------------|---|
| Paper machines | 3 |
|----------------|---|



AVIGLIANO (Italy) Lucart S.p.A.

Equipped with a department with 1 paper machine for the sole production of airlaid paper, and a converting department consisting of 3 converting lines.



| | |
|------------------|---|
| Paper machines | 1 |
| Converting lines | 3 |

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

1.3

TYPES OF PAPER MADE AND PRODUCTION CAPACITY

Three different types of paper are made in the production facilities of the Group: tissue paper, airlaid paper and MG paper.

Production capacity in the paper sector

As of 31 March 2021, the overall production capacity of the Group

was about 396,000 tonnes of paper, distributed as follows:



396,000
Tonnes/Year
production capacity

| LINE | COMPANY | PRODUCTION FACILITY | PRODUCTION CAPACITY (t) | | | TOT. |
|-------------|---------------------------|---------------------------|-------------------------|---------------|---------------|----------------|
| | | | Tissue | MG Paper | Airlaid | |
| PM3 | Lucart S.p.A. | Porcari | | 50,000 | | 50,000 |
| PM4 | Lucart S.p.A. | Porcari | 25,000 | | | 25,000 |
| PM5 | Lucart S.p.A. | Borgo a Mozzano - Diecimo | 25,000 | | | 25,000 |
| PM6 | Lucart S.p.A. | Borgo a Mozzano - Diecimo | 25,000 | | | 25,000 |
| PM7 | Lucart S.p.A. | Borgo a Mozzano - Diecimo | 60,000 | | | 60,000 |
| PM9 | Lucart S.a.s. | Laval Sur Vologne | 23,000 | | | 23,000 |
| PM10 | Lucart S.a.s. | Laval Sur Vologne | 38,000 | | | 38,000 |
| PM11 | Lucart S.p.A. | Castelnuovo di Garfagnana | 50,000 | | | 50,000 |
| PM12 | Lucart S.p.A. | Porcari | 35,000 | | | 35,000 |
| PM13 | Lucart Tissue&Soap S.L.U. | Aranguren | 25,000 | | | 25,000 |
| PM14 | Lucart Tissue&Soap S.L.U. | Aranguren | 25,000 | | | 25,000 |
| AM01 | Lucart S.p.A. | Avigliano | | | 15,000 | 15,000 |
| TOT. | | | 331,000 | 50,000 | 15,000 | 396,000 |

Production capacity in the skin care sector

The Artziniega plant has two production lines for making cosmetic products for the Away from Home sector, including

soaps, detergents and sanitisers. The production capacity is about 12 million litres/year.



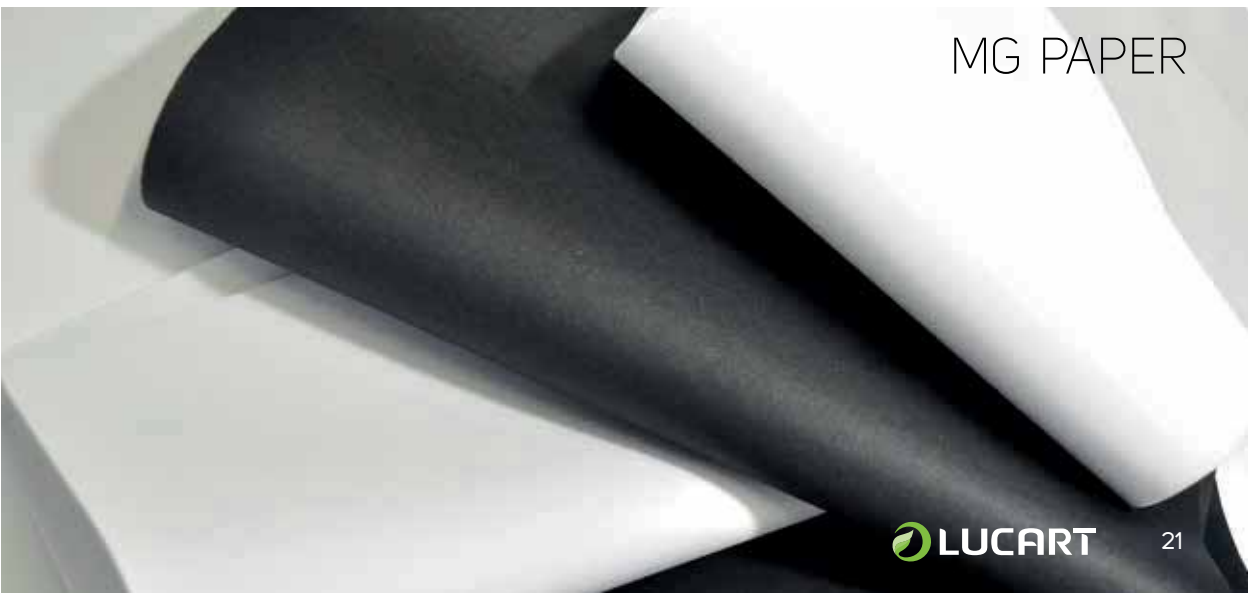
12million
Litres/Year
production capacity



TISSUE PAPER



AIRLAID PAPER



MG PAPER

1.4

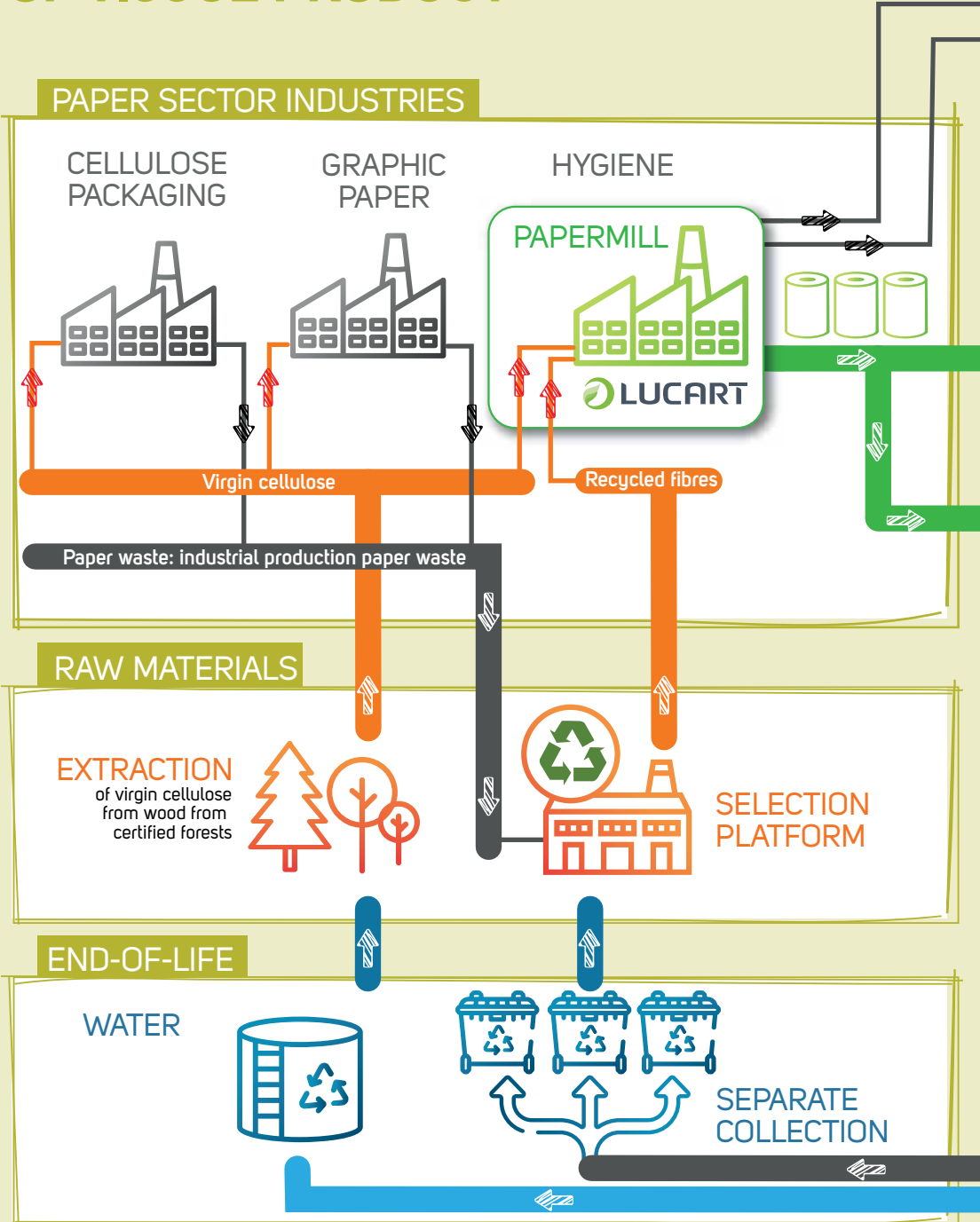
PRODUCTION PROCESS AND PRODUCT LIFE CYCLE OF TISSUE PRODUCT

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



WASTE

RECOVERY



DISPOSAL



Sludge: non-recoverable fibres and inert substances

Pulper waste: plastic, wood, metal residues

PRODUCTION

CONVERTING



PRODUCTS



Others
converting
companies



DISTRIBUTION



Organised
large-scale
retailers



Catering
services and
professional
distributors



USE

DOMESTIC
CONSUMPTION



PROFESSIONAL
CONSUMPTION
Industries - Hotels - Schools
Restaurants - Bars - Museums
Institutions - Major events - Hospitals
Ice-cream parlours - Offices



Waste from domestic and professional consumption

Water discharge

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND
COMMUNICATIONS

PRODUCTION PROCESS OF COSMETIC PRODUCT

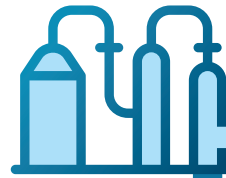
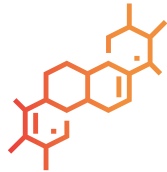
RAW MATERIALS

FRAGRANCES

EMOLLIENTS

OTHER SURFACTANTS

WATER



Purification and preparation treatment

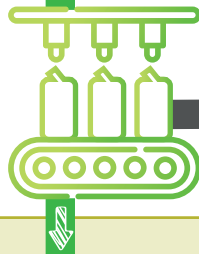
PRODUCTION

WASTE

MIXING



FILLING



Chemicals residues



Plastic residues



Paper and cardboard residues



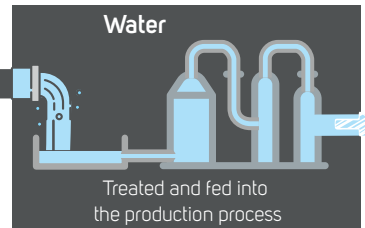
Disposal



Recovery of other companies

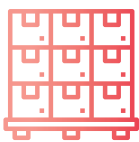


Water



Treated and fed into the production process

SEASONING AND DISTRIBUTION



SEASONING

Ageing and microbiological properties release time

DISTRIBUTION



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

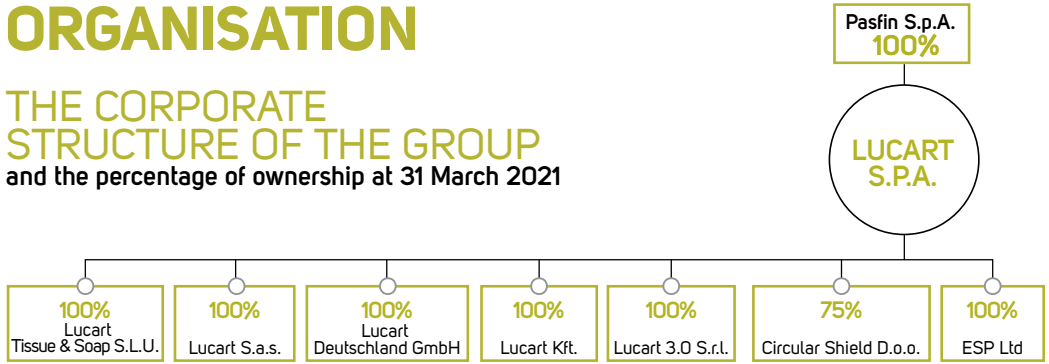


1.5

ORGANISATION

GRI
102-3 102-18
102-5 405-1

THE CORPORATE STRUCTURE OF THE GROUP and the percentage of ownership at 31 March 2021



BOARD OF DIRECTORS

The **Board of Directors** of Lucart S.p.A., the operating company leading the Lucart Group, with its headquarters in Porcari (Italy), is appointed by the Shareholders' Meeting

and has five members with the necessary expertise for responsible management of the Company, concerning the strategic plan drawn up and approved by the Shareholders'

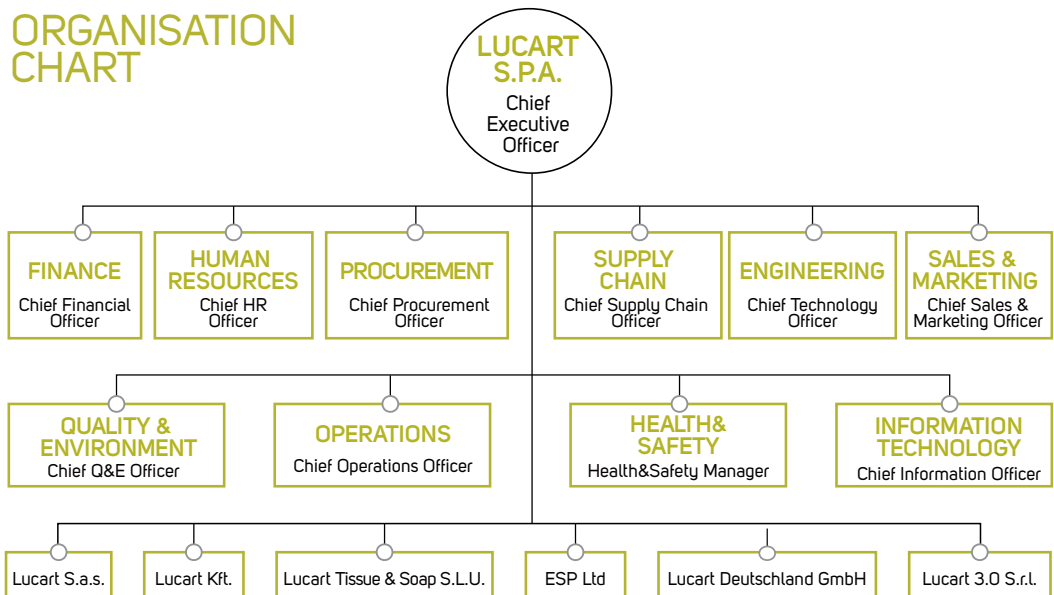
Meeting. The non-executive directors have the requirements of independence required by Art. 148(3) of Italian Legislative Decree 58/1998.

The BoD of Lucart S.p.A. consists of five members:

- Massimo Pasquini** (President and CEO) - 64 years old - Executive
- Sandro Pasquini** (Director) - 53 years old - Executive
- Alessandro Pasquini** (Director) - 44 years old - Executive
- Massimo Innocenti** (Director) - 58 years old - Non-executive
- Guido Carissimo** (Director) - 65 years old - Non-executive

The **BoD** of Lucart S.p.A. is supported by a **Board of Statutory Auditors** consisting of three professionals.

ORGANISATION CHART



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

COMMITTEES

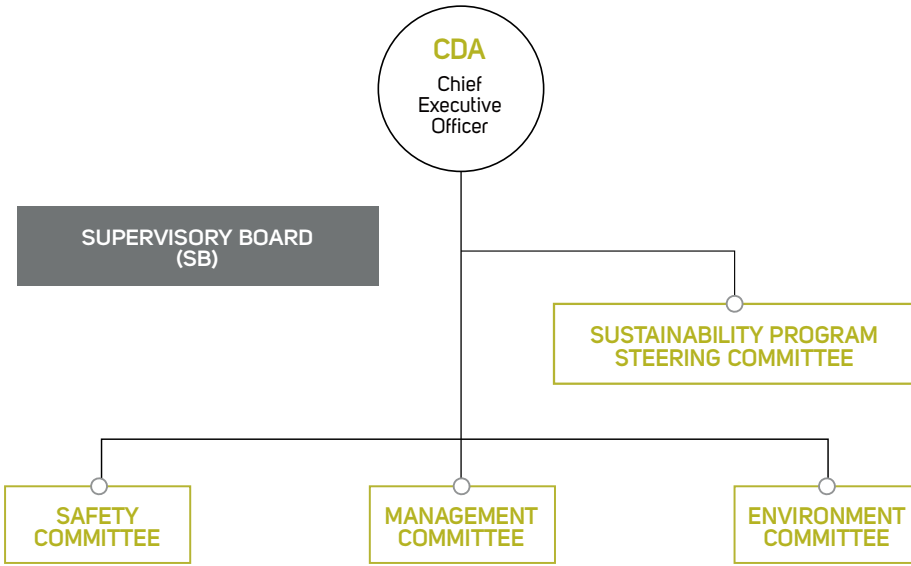
The following committees have been created to manage the operative activities of Lucart S.p.A. and implement the company's strategic guidelines more effectively:

The **Sustainability Programme Steering Committee** is chaired by the Chief Executive Officer. Tasks include supporting

business processes related to sustainability and the circular economy and aligning them with the strategic objectives of the Group.

The **Management Committee** meets every two weeks and is responsible for coordinating Lucart's operational activities to achieve maximum effectiveness.

The **Environment and Safety Committees** are responsible for ensuring the implementation of environmental and safety requirements at all the production facilities and workplaces of the Group.



SUPERVISORY BOARD

The Board of Directors has appointed a Supervisory Board (SB) responsible for supervising the proper implementation of the Organisation, Management and Control Model and updating it. The model was introduced to prevent the company's liability under Italian Legislative Decree 231/2001.

The Chairman of the Supervisory Board and the other members are chosen for their particular expertise in the field of law, the administrative responsibility of the entities and environmental and safety matters. The Supervisory Board has its own budget to independently manage its

activities; it periodically reports to the Board of Directors of Lucart S.p.A. and regularly exchanges information with the Board of Statutory Auditors.

COVID-19 CRISIS COMMITTEE

The Crisis Committee was convened in March 2020 to implement all the measures

needed to effectively fight the spread of COVID-19 and to ensure the safe continuation of

production. The committee is chaired by the Chief Executive Officer.

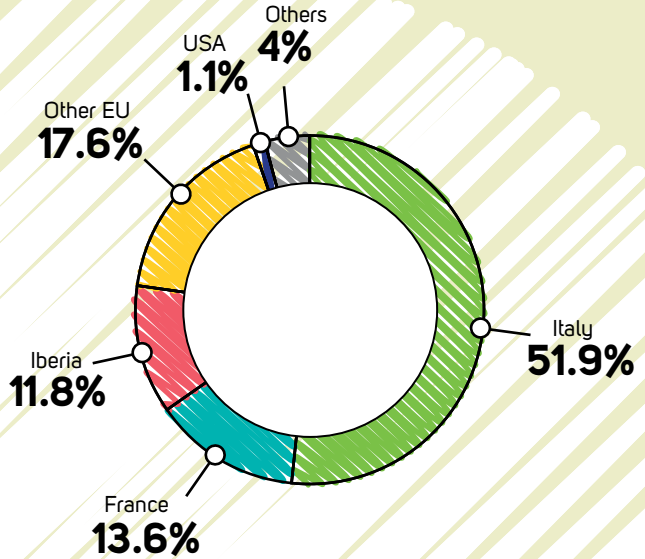
1.6 BUSINESS AREAS

THE SALES & MARKETING AREA IS ORGANISED IN THREE BUSINESS UNITS

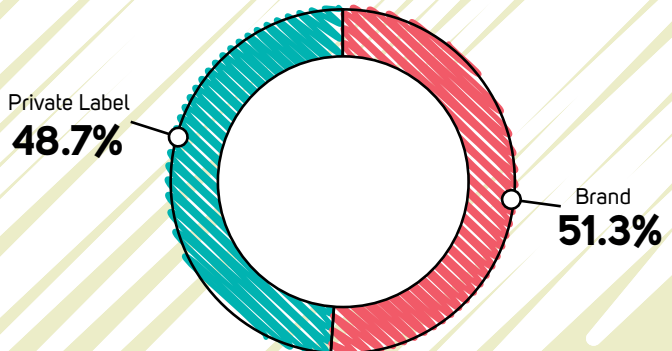
The Group's products satisfied the needs of business partners and end-users in over 70 countries worldwide in 2020.



% Breakdown of revenues by geographical area



% Breakdown of sales (in terms of value) by Group brand/private label



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



AWAY FROM HOME BUSINESS UNIT

The AFH division offers innovative hygiene solutions, which consist of dispensed products made of tissue paper, obtained from virgin, recycled and regenerated fibres, and "airlaid" dry paper that uses air in the processing of cellulose fibres, dispenser systems, and Soaps.

Division brands act as partners for industry operators, ensuring maximum service quality to fully meet the needs of the end user.



Lucart Professional

Leading brand in Italy and booming in foreign markets, it offers a wide range of tissue and airlaid products as well as innovative dispensing systems. A complete range of items, from dishcloths to handtowels, from toilet paper to medical sheets, etc. for all professional uses. Lucart Professional is positioned as an innovative brand able to deliver concrete sustainability in the Away from Home sectors.

FATO

Fato

Style and refinement embellish tissue and airlaid products for the table. Tailor-made Italian craftsmanship to create unique, customised products for the Ho.Re.Ca. sector.



Tenderly Professional

The brand of dispensing systems and tissue and airlaid products for the Away from Home sector, with a long history of reliability and experience in developing products that guarantee excellent performance in any context.



Velo

A combination of ecological certified paper and dispensing systems, unbeatable in reducing consumption, distributed by selected dealers across the Italian territory. The Velo brand is a guarantee of quality, a professional approach and service in the Away from Home market.



CONSUMER BUSINESS UNIT

The Consumer division places Lucart among the main players in Italy and as a European Mass Retail partner for both pure cellulose and recycled paper products.

Our brands are part of the everyday life of millions of people: tissue and airlaid paper products such as toilet paper, kitchen paper, napkins and handkerchiefs.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND
COMMUNICATIONS

Tenderly

Among the leading brands on the Italian market, it has met consumers' needs for decades by offering a complete range of top quality products made of pure cellulose.

Tutto

The only brand in its target market to offer airlaid products with exceptional performance in terms of absorbency and strength, able to be re-used several times, either dry or wet.

Grazie Natural

A leading brand in the ecological segment, it is the first tissue product line intended for the consumer market obtained by recycling the cellulose fibres contained in Tetra Pak® beverage cartons.

All products in the Grazie Natural line are Ecolabel certified and FSC® Recycled certified.

Smile

The complete line of pure cellulose and recycled paper products, all PEFC™ certified.



BUSINESS TO BUSINESS BUSINESS UNIT

The BtoB division offers the market large-format jumbo rolls intended for other paper converting industries, guaranteeing product quality and consistency over time, high-level service, and reliability to customers.

The main types of paper produced in the Group's plants are as follows:

Tissue paper

White and coloured papers produced using paper to be recycled, virgin cellulose as raw material, or a mix of the two; intended for conversion in hygiene paper products, such as paper towels, toiler paper, handtowels, napkins, handkerchiefs, dishcloths, and medical sheets.



Airlaid paper

Paper made with long-fibre cellulose "fluff" with a production process that does not involve the use of water to bond the fibres. The paper thereby obtained is particularly resistant and absorbent and can be reused several times. The jumbo reels are intended for other paper converting companies, to be used in the production of sanitary towels, wet wipes, special packaging, napkins, tablecloths, paper towels and dishcloths.

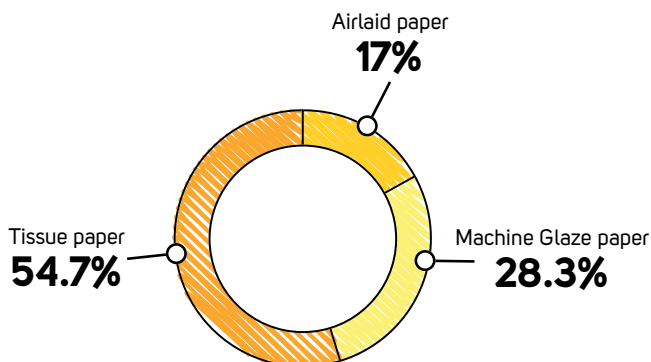


MG paper

Paper made by using paper to be recycled, virgin cellulose or a mix; intended for other paper-converting industries that make bags, gift wrapping paper, paper laminated with polyethylene or aluminium, tablecloths and other types of packaging.



% Breakdown of BtoB sales (in terms of value) by paper type



1.7

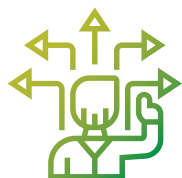
VISION E MISSION

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



VISION

We are committed to developing circular business models to regenerate and increase natural, social and economic capitals, because we want to share a sustainable future with our stakeholders.



MISSION

We take care of people and the environment in which they live and work, with solutions for improving hygiene and products protection. We want to build a better future using the sustainability as the inspiring ingredient of our innovations and the key factor in the relationship with our stakeholders.

1.8

OBJECTIVES

The Lucart development strategy is based on a mission centred on people and their needs, pursuing sound **ethical and business values** that accompany the Group throughout all strategic choices.



SUSTAINABILITY

TO CREATE HIGH-QUALITY PRODUCTS THAT RESPECT ENVIRONMENTAL RESOURCES AND THE FUTURE OF PEOPLE.

This is what sustainability means to Lucart. The principle has always driven our business, together with the other fundamental Group values.



QUALITY

IT IS THE CULTURE OF OUR COMPANY NOT ONLY THE EXCELLENCE OF OUR PRODUCTS.

The spirit that results in the value of service, transparent relationships, respect for people and the urge to improve.



INNOVATION

IMAGINING THE FUTURE AND CREATING SOLUTIONS TO IMPROVE IT.

This attitude has distinguished us since the beginning and which today is expressed in cutting-edge products to address the new market challenges.



PROFITABILITY

SATISFYING PEOPLE, CONSOLIDATING THE GROUP.

We promise to create value for customers, employees and shareholders and strengthen the Group to make sure that today's results will be achieved in the future too.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

1.9

SUSTAINABLE DEVELOPMENT GOALS

On 25 September 2015, the General Assembly of the United Nations approved the Sustainable Development Agenda, which contains 17 Sustainable Development Goals (SDGs) valid for the period 2016 - 2030. The SDGs represent the most concrete path for the construction of a more inclusive, fairer world that respects the environment.



Lucart's sustainability strategy fits perfectly in the action framework set out in the SDGs. Lucart officially joined the United Nations Global Compact Network Italy in 2020 to reassert this commitment. Following a process conducted in-house to identify our contribution towards attaining the 17 goals, we selected the following priority objectives:

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

GOOD HEALTH AND WELL-BEING



The actions that Lucart implements daily to manufacture products that are safe for people and the environment places great emphasis on the health and well-being of the company's workers, citizens and customers.

Lucart believes that personnel training, the choice of equipment and systems and organisation are the foundations for guaranteeing occupational health and safety.

QUALITY EDUCATION



Lucart takes the culture of sustainability to schools and encourages internship programmes in its facilities.

The company supports universities and scientific research with collaborations aimed at studying solutions for reusing waste, measuring the product life cycles and designing new circular business models.

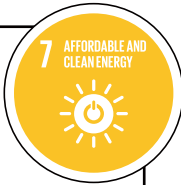
CLEAN WATER AND SANITATION



Water is precious and its availability is limited. The paper manufacturing process requires large quantities of water. This is why Lucart is aware that the use of this resource for industrial purposes must be responsible, guarantee minimal consumption and secure the quality and cleanliness of water at the end of the production process.

Lucart performs constant controls on process water and wastewater and invests in the best technologies to reduce consumption.

AFFORDABLE AND CLEAN ENERGY



The production of paper requires a lot of energy. That is why Lucart has been investing in cutting-edge technologies to generate the electricity, heat and steam needed for the production process since the 1980s. Methane cogeneration turbine technology is the one that best fits the sector and can guarantee the highest levels of efficiency, production consistency and emission reduction.

We also use solar power systems wherever this is feasible and coherent with the energy needs of the production facility.

RESPONSIBLE CONSUMPTION AND PRODUCTION



Through research and the constant innovation of processes, products and business models, Lucart has always strived to be ahead of its time and offer technologies and paper able to improve the lives of workers and consumers, with respect for the environment.

It is no chance that Lucart was the first company in Italy to launch a line of hygiene products made from recycled paper and with biodegradable packaging made from Mater-Bi.



CLIMATE ACTION

Climate change is probably the most serious threat we must currently face. Lucart has put in place plans to reduce the CO₂ emissions per tonne of paper produced.

The choice to prioritise the production of recycled paper has distinct advantages for the environment by reducing the CO₂ emissions by approximately 16% per quantity of paper produced¹.



LIFE ON LAND

The Earth ecosystem must be protected and we must safeguard the finite resources that we use. This is why we thoroughly assess the sustainability of the raw materials we use, be they virgin cellulose or paper for recycling. All the cellulose we use originates from forests with a custody chain certified by certification schemes, such as FSC® and PEFC™.

The use of paper for recycling for the production of tissue paper reduces the use of cellulose extracted from wood and contributes towards safeguarding biodiversity.



PARTNERSHIPS FOR THE GOALS

Lucart is fully committed to applying circular business models. Therefore, we favour long-term partnerships with the organisations, agencies and institutions that share our values and goals.

As seen with the Natural Project, the circular economy can only function through shared projects and actions coordinated by individual citizens, institutions, and companies.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

¹ Study conducted by applying the EPD® method and taking into account the entire life cycle of two Lucart toilet papers, one made of virgin cellulose and the other made of recycled paper: <http://www.environdec.com/en/Detail/epd1491>

1.10

VALUE CHAIN

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

PARTNERSHIPS



We encourage genuine **partnerships** with our suppliers, customers and associations. A continuous and long-lasting partnership is essential to develop new innovative and sustainable solutions.

17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE RAW MATERIALS



We carefully select the **raw materials** by preferring the use of recovered fibres and cellulose from supply chains managed according to recognised sustainability criteria.

6 CLEAN WATER AND SANITATION



13 CLIMATE ACTION



15 LIFE ON LAND



EDUCATION AND RESEARCH



We take the culture of **sustainability into schools** because we believe that the development of a sustainable society can only be accomplished if businesses and citizens collaborate actively. Our products must inspire consumers to adopt a conscious, sustainable lifestyle. We support universities and scientific research.

4 QUALITY EDUCATION



17 PARTNERSHIPS FOR THE GOALS



SUSTAINABLE MOBILITY



We foster sustainable **mobility solutions**, such as rail transport of both raw materials and finished products whenever possible.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



OUR GOAL IS TO CREATE VALUE FOR ALL OUR STAKEHOLDERS

SELF-PRODUCTION OF ENERGY AND HEAT



We self-produce most of the energy used in the production process with highly efficient methane gas cogeneration turbines and by preferring alternative energy sources.



INTEGRATED MANAGEMENT SYSTEMS



We guarantee quality, hygiene, respect for the environment and the safety of workers by implementing a culture of continuous improvement and adopting integrated management systems.



SUSTAINABLE PRODUCTION



We reduce waste to the minimum and reuse production waste with cutting-edge solutions.



We follow the procedures set out in our management systems to ensure the quality, safety and suitability for use of our products for customers and end-users.

We encourage the use of sustainable packaging by using recycled and recyclable or compostable materials.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

1.11

STAKEHOLDER MAPPING AND MATERIALITY ANALYSIS

Lucart has mapped and evaluated the key issues for the stakeholders and the Company through a Materiality Analysis with the methodological support of Deloitte.

THE GROUP

The method considered the principles of several influential standards, including the Global Reporting Initiative (GRI Standards) Guidelines.

In particular, for this Sustainability Report, Lucart wanted to place the accent on the commitment to follow Stakeholder Engagement best practices. By involving top management and by distributing a specific questionnaire, we:

1. identified the categories of stakeholders relevant to the company;
2. assigned priorities to the stakeholders based on their relevance to the company in terms of dependence, responsibility, influence, tension and prospective diversity;
3. identified the potentially relevant issues for the stakeholders and the company;
4. evaluated the priorities that the stakeholders and the company assign to the various issues.

A stakeholder mapping was then defined based on the results, useful to define the most relevant stakeholders for the Group and those strategically important for defining the Materiality Matrix.

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



MAIN STAKEHOLDER COMMUNICATION TYPES AND CHANNELS

Information channels with various stakeholders have different updating frequencies; this may be weekly for the website and social networks, monthly or quarterly

for some meetings on specific topics with trade unions or annual for surveys, guided facility tours, open days and agent conventions.

Digital channels were predominantly used for stakeholder communications in 2020 due to restrictions determined by the COVID-19 pandemic.

COMMUNICATION PLAN

TYPE OF STAKEHOLDER & MATERIAL TOPICS

MEDIUM

OWNER

FREQUENCY

VERIFICATION TYPE



CUSTOMERS AND FINAL CONSUMERS

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Sustainable Product Development
- Responsible Sourcing
- Product Safety
- Customer Satisfaction

| | | | |
|---------------------------|---|---------------|------------------|
| Newsletter | • Sales Division | Monthly | Analytics |
| Conventions | • Marketing Division | Yearly | Q&A |
| Meetings | • Sales Division | Miscellaneous | Q&A |
| Surveys | • Marketing Division • Sales Division | Yearly | Analytics |
| Website | • Marketing Division • Corporate Communication | Continuous | Analytics |
| Agents | • Sales Division | Miscellaneous | Q&A |
| Mobile App | • Marketing Division | Continuous | Analytics |
| Social Networks | • Marketing Division • Corporate Communication | Continuous | Analytics |
| Guided Facility Tours | • Sales Division • Corporate Communication | Yearly | No. of Visitors |
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Trade Shows | • Sales Division • Marketing Division • Corporate Communication | Miscellaneous | Q&A |
| Free-Phone Number | • Marketing Division | Continuous | No. of Calls |
| Product Packaging | • Marketing Division | Continuous | - |
| Catalogs | • Marketing Division | Yearly | - |
| Commercial Communications | • Marketing Division | Miscellaneous | - |
| Certifications | • Q&E Division | Continuous | - |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |



SHAREHOLDERS AND INVESTORS

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Sustainable Product Development
- Responsible Sourcing
- Research, Development and Innovation

| | | | |
|-----------------------|---|---------------|------------------|
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Direct Contacts | • BoD • Finance Division | Miscellaneous | Q&A |
| Website | • Corporate Communication | Continuous | Analytics |
| Social Networks | • Corporate Communication | Continuous | Analytics |
| Dedicated Meetings | • BoD • Finance Division | Miscellaneous | Q&A |
| Surveys | • Corporate Communication • Finance Division | Miscellaneous | Analytics |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

TYPE OF STAKEHOLDER & MATERIAL TOPICS

MEDIUM

OWNER

FREQUENCY

VERIFICATION TYPE



EMPLOYEES

- Business Integrity and Sustainability
- Combating Climate Change
- Health and Safety of Workers
- Human Rights
- Human Capital Development
- Work-life balance

| | | | |
|-----------------------|--|---------------|------------------|
| Newsletter | • Corporate Communication | Monthly | Analytics |
| Noticeboards | • Plant Division • Corporate Communication • HR Division | Continuous | - |
| Working Groups | • All Departments | Miscellaneous | Q&A |
| Surveys | • HR Division • Corporate Communication | Yearly | Analytics |
| Social Networks | • Corporate Communication | Continuous | Analytics |
| Intranet | • HR Division | Continuous | Analytics |
| Website | • Corporate Communication | Continuous | Analytics |
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |



SUPPLIERS

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Sustainable Product Development
- Responsible Sourcing
- Human Rights

| | | | |
|-----------------------|--|---------------|------------------|
| Website | • Corporate Communication | Continuous | Analytics |
| Social Networks | • Corporate Communication | Continuous | Analytics |
| Dedicated Meetings | • Purchasing Division | Miscellaneous | Q&A |
| Direct Contacts | • Purchasing Division | Miscellaneous | Q&A |
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Surveys | • Corporate Communication • Purchasing Division | Miscellaneous | Analytics |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |



LOCAL COMMUNITIES

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Health and Safety of Workers
- Human Rights
- Support to Local Communities

| | | | |
|-----------------------|---|---------------|------------------|
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |
| Website | • Corporate Communication | Continuous | Analytics |
| Social Networks | • Corporate Communication | Continuous | Analytics |
| Direct Contacts | • Plant Division • Corporate Communication | Miscellaneous | Q&A |
| Surveys | • Corporate Communication | Miscellaneous | Analytics |
| Guided Facility Tours | • Corporate Communication | Yearly | No. of Visitors |

TYPE OF STAKEHOLDER & MATERIAL TOPICS

MEDIUM

OWNER

FREQUENCY

VERIFICATION TYPE



MEDIA

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Product Safety
- Human Rights
- Support to Local Communities
- Responsible Sourcing

| | | | |
|-----------------------|---|---------------|------------------|
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Social Networks | • Corporate Communication | Continuous | Analytics |
| Direct Contacts | • Corporate Communication • Marketing Division | Miscellaneous | Q&A |
| Meetings | • Corporate Communication • Marketing Division | Miscellaneous | Q&A |
| Website | • Corporate Communication • Marketing Division | Continuous | Analytics |
| Surveys | • Corporate Communication | Miscellaneous | Analytics |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |



TRADE UNIONS

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Health and Safety of Workers
- Human Capital Development
- Human Rights

| | | | |
|-----------------------|-----------------------------------|---------------|------------------|
| Dedicated Meetings | • HR Division • Plant Division | Miscellaneous | Q&A |
| Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| Direct Contacts | • HR Division | Miscellaneous | Q&A |
| Working Groups | • HR Division | Miscellaneous | Q&A |
| Sustainability Report | • Corporate Communication | Miscellaneous | No. of Downloads |
| Noticeboards | • HR Division | Miscellaneous | - |



REGULATORY BODIES

- Business Integrity and Sustainability
- Stakeholder Engagement
- Responsible Sourcing
- Health and Safety of Workers
- Product Safety
- Human Rights
- Support to Local Communities
- Combating Climate Change

| | | | |
|-----------------------|--|---------------|------------------|
| Direct Contacts | • Operation Division | Miscellaneous | Q&A |
| Dedicated Meetings | • Operation Division | Miscellaneous | Q&A |
| Website | • Corporate Communication | Continuous | Analytics |
| Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |
| Audit | • Operation Division • Plant Division | Yearly | Report |

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

THE GROUP



NGOs

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Responsible Sourcing
- Human Rights
- Support to Local Communities

| TYPE OF STAKEHOLDER & MATERIAL TOPICS | MEDIUM | OWNER | FREQUENCY | VERIFICATION TYPE |
|---------------------------------------|-----------------------|---------------------------|---------------|-------------------|
| NGOs | Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| | Website | • Corporate Communication | Continuous | Analytics |
| | Social Networks | • Corporate Communication | Continuous | Analytics |
| | Direct Contacts | • Corporate Communication | Miscellaneous | Q&A |
| | Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |
| | Guided Facility Tours | • Corporate Communication | Yearly | No. of Visitors |

THE PEOPLE



TRADE ASSOCIATIONS

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Human Capital Development

| | | | | |
|--------------------|-----------------------|---|---------------|------------------|
| TRADE ASSOCIATIONS | Direct Contacts | • Operation Division • Corporate Communication | Miscellaneous | Q&A |
| | Dedicated Meetings | • Corporate Communication • Operation Division | Miscellaneous | Q&A |
| | Press Releases | • Corporate Communication | Miscellaneous | Diffusion |
| | Website | • Corporate Communication | Continuous | Analytics |
| | Social Networks | • Corporate Communication | Continuous | Analytics |
| | Sustainability Report | • Corporate Communication | Yearly | No. of Downloads |
| | Working Groups | • Operation Division | Miscellaneous | Q&A |

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



TYPE OF STAKEHOLDER & MATERIAL TOPICS

MEDIUM

OWNER

FREQUENCY

VERIFICATION TYPE



**SCHOOLS/
UNIVERSITIES
& RESEARCH
ORGANISATIONS**

- Business Integrity and Sustainability
- Stakeholder Engagement
- Combating Climate Change
- Human Capital Development
- Support to Local Communities
- Research, Development and Innovation

| | | | |
|-----------------------|---|---------------|--------------------|
| Direct Contacts | <ul style="list-style-type: none"> • Operation Division • Corporate Communication | Miscellaneous | Q&A |
| Dedicated Meetings | <ul style="list-style-type: none"> • Operation Division • Corporate Communication | Miscellaneous | Q&A |
| Guided Facility Tours | <ul style="list-style-type: none"> • Operation Division • Corporate Communication | Miscellaneous | No. of Visitors |
| Surveys | <ul style="list-style-type: none"> • Corporate Communication | Miscellaneous | Analytics |
| Website | <ul style="list-style-type: none"> • Corporate Communication | Continuous | Analytics |
| Working Groups | <ul style="list-style-type: none"> • Operation Division | Miscellaneous | Project Objectives |
| Social Networks | <ul style="list-style-type: none"> • Corporate Communication | Continuous | Analytics |
| Sustainability Report | <ul style="list-style-type: none"> • Corporate Communication | Yearly | No. of Downloads |

Through the active involvement of the company's top management, important topics were identified for each stakeholder and for the company to implement correct policies in terms of transparency and cooperation.

Finally, during the period covered by this report, Lucart wanted to actively involve stakeholders by inviting them to answer a questionnaire aimed at defining the relevance of the proposed issues and assessing the Group's perception of

performance about the concerned matters.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



MATERIALITY ANALYSIS

The Materiality Analysis process structured by Lucart was primarily based on the selection of ESG (Environmental, Social and Governance) issues most relevant to the company and the context within which it operates.

THE GROUP

The material issues defined beforehand were categorised based on the main areas of Corporate Responsibility, i.e. Governance Responsibility, responsibility towards employees, responsibility towards the environment and the community of reference, and then submitted to the Lucart Group's stakeholders for evaluation through a specifically designed questionnaire.

THE PEOPLE

In 2020, the parent company updated the Materiality Matrix refining the 2019 analysis also in light of the crisis caused by the COVID-19 pandemic.

The organisation's main initiatives concerned expanding the stakeholder base and considering the new "COVID-19 Impact" issues. With regard to expanding the number of involved stakeholders, the stakeholder engagement questionnaires prepared for the 2019 analysis were translated into the various languages of the subsidiaries operating outside Italy (France, Spain and Hungary) to collect additional votes from employees, suppliers, shareholders, financiers, banks, customers, end-users, the media and local communities.

As in the previous edition, the Matrix published in the Sustainability Report is a focus spot that explores the relationships between the relevance of the issue for the Group and its stakeholders and the stakeholders' perception of the Group's performance concerning these significant matters. More in detail, an issue may have a high level of relevance but the perception that stakeholders have of Lucart's performance may not be aligned with these values, putting the Company in a position to question the reason leading to the distortion and considering whether to take action to reduce the gap.

THE ENVIRONMENT

The involved stakeholders in the sample were asked to express their opinion on two matters. The first aimed at assessing the level of relevance of the issue to the various stakeholders, while the second focused on the perception that stakeholders have of the Group's performance in integrating these issues into corporate policies and strategies.

MARKETING AND COMMUNICATIONS

Issues of high relevance may arise which are not equally high on the scale of perception of the



Group. Conversely, other issues may present a strong perception of the Group's performance but a low materiality relevance for stakeholders. Accordingly, the Group may infer considerable strategic information and may indirectly assess whether any distortions of relevance and perception of performance by stakeholders can be attributed to a lack of communication or a lack of strategic consideration of the Group concerning the issue in question or other reasons internal or external to the company.

The Materiality Matrix shows the non-financial strategic

priorities on which the Group is called upon to define a medium/ long-term management and monitoring strategy. The issues that are most relevant for both the company and its stakeholders fall within the "Significance" quadrant (defined within the range of judgement values ranging from 3 - Fairly Relevant to 5 - Strongly Relevant).

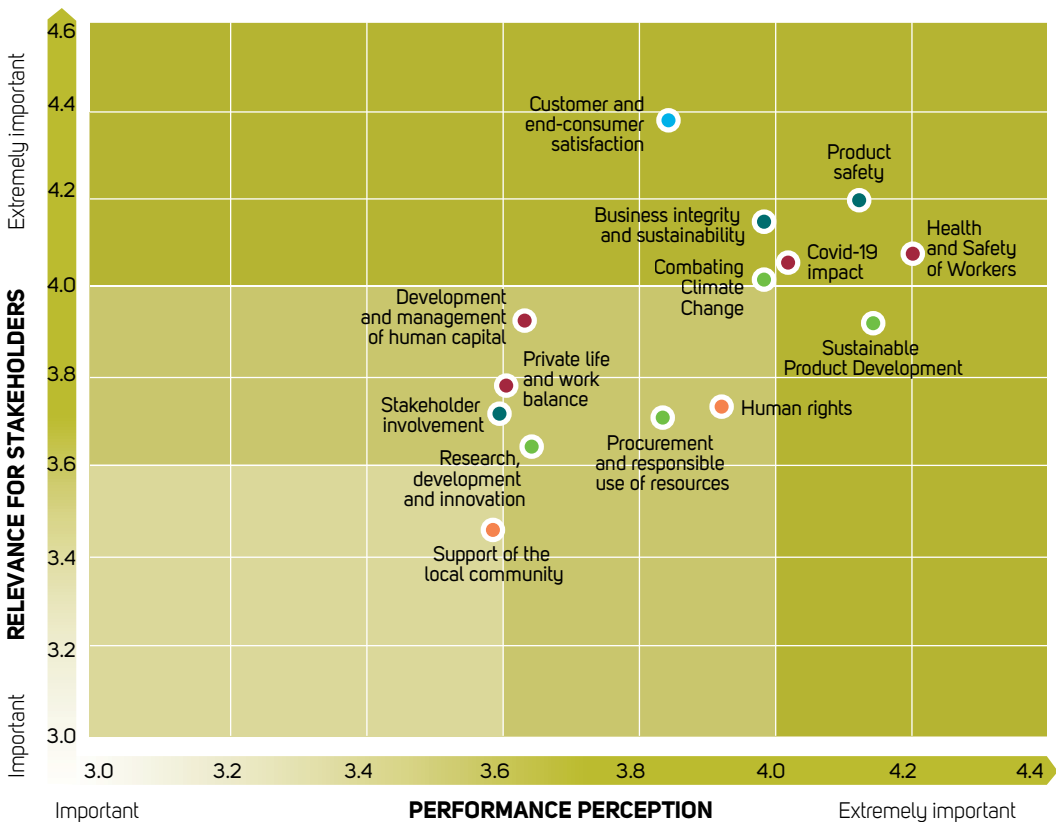
The main findings of this Materiality Matrix show that there are no significant deviations from the previous report.

The topics that show the biggest increase compared to 2019 are those related to employees:

- health and safety of workers;
- development and management of human capital;
- private life and work balance.

As shown in the following figure, the COVID-19 issue, although presented to stakeholders only in the 2020 survey, is very relevant, further consolidating all aspects related to the protection of employees and local communities.

Matrix: relevance and perception for stakeholders



Key

- Responsibilities towards employees
- Economic governance
- Customer and end-consumer satisfaction
- Social
- Environmental



1.12 CERTIFICATIONS

The quality of our products has been confirmed by important certifications.
(diagram updated as of 31 March 2021)

ECOLABEL

Lucart S.p.A. is the first Italian company to have been awarded the ecological quality label issued by the European Union that distinguishes products and services with a low environmental impact.



PEFC™ and FSC®

Lucart S.p.A. is one of the first Italian paper mills that obtained the PEFC™ and FSC® (INT-CW-001076, INT-COC-001076) certifications, which ensure the raw materials come from suppliers who implement sustainable forest management systems and have a certified custody chain.



PEFC™
(Programme for the Endorsement of Forest Certification)



FSC®
(Forest Stewardship Council®)

The mark of responsible forestry

ISO

The Group plants were among the first in Europe to obtain the ISO 9001 quality management system and ISO 14001 environmental management system certifications, for the specific tissue and mono-glazed paper sector.

ISO 9001 is a voluntary international standard which defines how an efficient Quality Management System should work.

ISO 14001 is a voluntary international standard which

defines how an efficient Environmental Management System should work.

ISO 50001 is a voluntary international standard which defines how an efficient Energy Management System should work.

ISO 22716 is a voluntary international standard that defines the guidelines for the production, monitoring, storage and shipping of cosmetic products with the aim of guaranteeing consumers high

hygiene and safety standards.

ISO 45001 is a voluntary standard that defines how an effective Occupational Health and Safety Management System should be developed. All of the Italian plants of the Group are **ISO 45001:2018**-certified using a multi-site certificate. This certification was obtained in 2020 following a migration from the pre-existing OHSAS 18001:2007 certification.

EMAS (Eco-Management and Audit Scheme)

The Borgo a Mozzano and Castelnuovo di Garfagnana production facilities were among the first integrated tissue production plants (paper mill and converting at the same site) in Europe to obtain the EMAS

environmental registration, the EU eco-management and audit scheme designed for organisations that are committed to assessing and improving their environmental efficiency.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

IFS HPC (INTERNATIONAL FEATURED STANDARD HOUSEHOLD AND PERSONAL CARE)



The IFS HPC standard is an international certification scheme aimed at ensuring compliance with specific safety

and quality standards for private label personal and home care products, through certification audits by third-party bodies.

DER BLAUE ENGEL



The German ecological-environmental product certification assigned to the French plant of

Laval sur Vologne and to the Italian plant in Borgo a Mozzano.

OK COMPOST



The "OK Compost Industrial" mark certifies that the product is compostable in industrial composting plants.

CRADLE TO CRADLE



The certification is a globally recognised measure of safer, more sustainable products made for the circular economy.

| | PORCARI | BORGO A MOZZANO (Diecimo) | TORRE DI MOSTO | CASTELNUOVO DI GARFAGNANA | AVIGLIANO | ALTOPASCIO (Logistics Centre) | LAVAL SUR VOLOGNE | NYERGESÚJFALU | ARTZINIEGA Tissue | ARTZINIEGA Soap | ARANGUREN | GUENËS | BLACKMORE PARK |
|-------------------|---------|---------------------------|----------------|---------------------------|-----------|-------------------------------|-------------------|------------------------------|------------------------------|-----------------|-----------|--------|----------------|
| EU ECOLABEL | ☑ | ☑ | ☑ | ☑ | | | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | |
| PEFC™ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | | ☑ | ☑ | |
| FSC® | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | | ☑ | ☑ | |
| ISO 9001 | ☑ | ☑ | ☑ | ☑ | ☑ | | ☑ | ☑ | certification works underway | ☑ | ☑ | | ☑ |
| ISO 14001 | | ☑ | | ☑ | ☑ | | ☑ | ☑ | | ☑ | ☑ | | ☑ |
| ISO 50001 | | ☑ | | | | | ☑ | | | | | | |
| ISO 22716 | | | | | | | | | | ☑ | | | |
| ISO 45001 | ☑ | ☑ | ☑ | ☑ | ☑ | ☑ | | | | | | | |
| EMAS | | ☑ | | ☑ | | | | | | | | | |
| DER BLAUE ENGEL | | ☑ | | | | | ☑ | | | | | | |
| IFS HPC | | ☑ | | ☑ | ☑ | | | certification works underway | | | | | |
| OK COMPOST | | | ☑ | | ☑ | | | | | | | | |
| CRADLE TO CRADLE™ | | | | | | | ☑ | | | | | | |

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

1.13

RISK MANAGEMENT

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

CREDIT RISK



The companies of Group insure most of their customer credits and are therefore exposed to a limited credit risk.

However, the difficult global economic and financial situation led to a drop in a number of approved requests for credit and therefore customer solvency is carefully evaluated also by our credit management operators, who in some cases can grant an additional line of credit concerning the one guaranteed by the insurance company.

LIQUIDITY RISK



Every month, the companies of the Group monitor future liquidity needs, regularly updating the treasury forecasts for three sliding months and the plan of financial flows for the year.

The lines of credit currently available, distributed across several banks, are suited to needs, also in light of the capital structure of the company and balancing of sources.

MARKET RISK



As for all the companies operating in our sector, some cost factors can only be partially monitored because they are influenced by international macroeconomic trends.

Exchange rates

There is a policy that covers the Euro/Dollar exchange rate, mainly through options or closed-end purchase contracts of USD to cover the exchange rate at budget value. The aim is to protect the budget margin from exchange variations.

Specific coverage has been put in place too, as required, to protect against any accounting exchange losses between the invoice date and the payment date.

Interest rates

Some companies of the Group opted, once again in 2020, for derivative financial instruments to reduce the risk of fluctuation for interest rates on existing medium-long term loans.

Purchase prices

The main raw materials we use are virgin cellulose and paper for recycling, whose market price is determined by global demand and offer trends. Our procurement policy involves an accurate selection and differentiation of suppliers and the constant search for alternative sources and raw materials. It is based on well-established supply relationships with top suppliers. Furthermore, even if with differing responsiveness and timing between our business areas, there is a correlation between the purchase price of fibrous raw materials and the selling price of products.

RISKS ASSOCIATED WITH THE SET OF RULES AND THE REGULATION OF TARGET BUSINESS SECTORS



Group companies, with their dedicated departments, analyse risks associated with obligations related to standards and regulations. Moreover, Lucart S.p.A. has adopted an organisation, management and control model to prevent predicate offences covered in (It.) Legislative Decree 231/2001 with the creation of a supervisory body appointed for this purpose.

RISKS ASSOCIATED WITH DISPUTES AND POTENTIAL LIABILITIES



Through the in-house legal department of the parent company, though also with the support of external professionals for specific issues, the company assesses all potential risks associated with disputes and defines, on a case-by-case basis, the needs for any allocations to be made in the risk fund.

PERSONAL DATA PROTECTION AND PRIVACY



Lucart has always placed a special focus on change and innovation and has defined an organisational model for the protection of personal data, identifying roles and responsibilities both inside and outside the governance functions that process data.

Procedures for managing the GDPR requirements following the Regulation were also defined.

EVALUATION OF THE QUALITY-ENVIRONMENT MANAGEMENT AND PRODUCT SAFETY SYSTEM RISK



The organisation has defined the scope of application of the management system inside which to apply the risk management processes for identification and evaluation of risks and opportunities related to the company's activity and its strategic goals.

Based on the result of the evaluation, Management evaluates the need to implement possible measures to monitor and/or mitigate the specific risk.



ACTIVITIES TO FIGHT THE CORONAVIRUS

The World Health Organisation declared that the virus called SARS-CoV-2 was causing a worldwide pandemic on 11 March 2020.

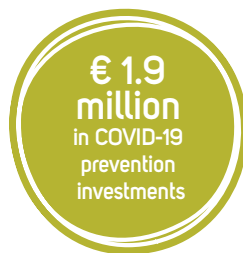


The spread of the virus in Italy and the rest of Europe soon afterwards forced the governments of the countries involved to **implement strict social distancing measures, impose major restrictions on the movement of people** and order the **shutdown of all non-essential commercial and production activities.**

Paper production and converting activities were considered essential in all the countries where Lucart has its production facilities and, therefore, measures were immediately put into place to contrast the spread of the virus, ensuring the health and safety of workers and business continuity.

First of all, Lucart created a Group-level Crisis Committee to define, coordinate and supervise all actions to fight the spread of the virus in all plants.

The committee met 29 times in conference calls during 2020. The Group-level committee was joined by Plant Committees that were also attended by Workers' Safety Representatives and Prevention and Protection Department operatives.



ADOPTED MEASURES



Massive use of **smart working**



Suspension of all face-to-face meetings



Suspension of visits to suppliers and business trips replaced by **video conference** calls



Organising entrances and exits to and from the workplace and breaks to **reduce opportunities for contact**



Constant reminder to all employees to maintain a **distance of at least 1 metre**



Provision of personal protective equipment, such as gloves and face masks

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Hygiene reminders



Regular sanitisation of working environments



Body temperature measurement



Updating of the risk assessment document



COVID-19 health insurance coverage for employees

All these activities were planned in agreement with the trade unions and authorities in charge.

The Company made its facilities and company doctors available for the vaccination campaign in the scope of the Italian national plan at the beginning of 2021.





CIRCULARITY AND SUSTAINABILITY AS STRATEGIC BUSINESS LEVERS

Lucart is firmly determined to speed up the transition from a linear to a circular economy. This is why Lucart has been a member of the Ellen MacArthur Foundation, the most important international organisation dedicated to accelerating the transition to the circular economy, since 2018.

The Lucart strategy places the circularity of business models at the centre of business activities and, in particular, encourages:

- the research for alternative raw materials to reduce the over-exploitation of natural resources;
- the analysis, design and implementation of circular business models;
- the reduction of process waste;
- the reuse of process waste to recover material.

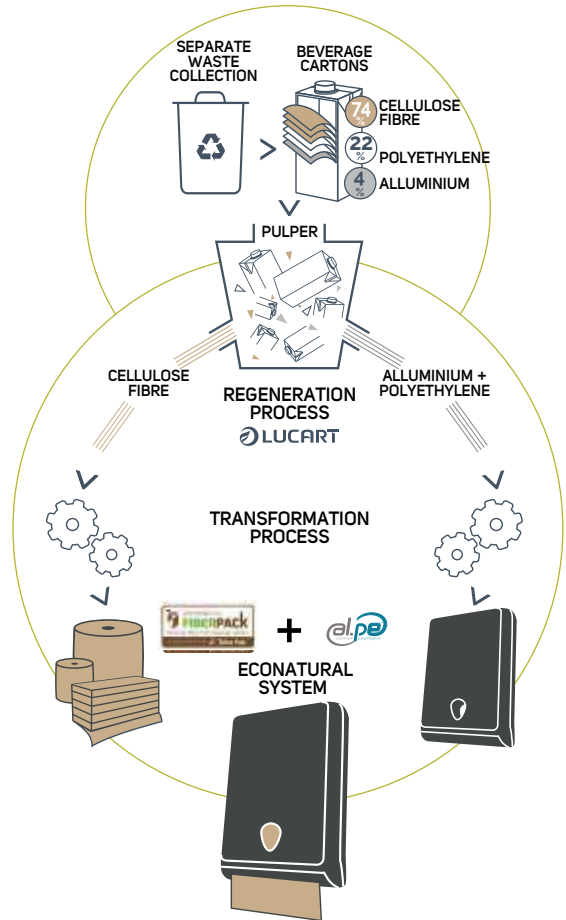


THE NATURAL PROJECT

In 2010, the Lucart R&D department for the use of fibres alternative to virgin cellulose launched an ambitious project aimed at recovering all the materials contained in Tetra Pak® beverage cartons.

This type of packaging is widely used in the food industry to protect and preserve food and for its high natural cellulose fibre content that makes it more ecological compared to other packaging materials of fossil origin.

Due to its mixed composition of cellulose fibres (74%), aluminium (4%) and polyethylene (22%), this material is often not recovered at end-of-life or is recovered only partially.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

The New Reclaimed Raw Materials

In the first stage of the project, Lucart hit the objective of creating two new raw materials to separate recovery processes by changing and streamlining the traditional recovery process of paper for recycling in the paper mill.



The Fiberpack® brand identifies the fibrous raw material obtained through our exclusive treatment process of beverage cartons, used to produce Lucart Professional EcoNatural, Fato Natural, Velo Natural, Tenderly Professional Natural and Grazie Natural branded products.

The Al.Pe.® brand, which identifies the homogeneous material made of the polyethylene and aluminium component in beverage cartons that other industries use to manufacture products for multiple purposes, spanning from construction and street furniture to everyday objects, such as pens and rulers, mooring poles and floating platforms in Venice, pallets for transporting freight and handtowel and toilet paper dispensers for the Away from Home sector.

The Paper + Dispenser System

The second phase of development of the Natural Project saw the combination of the two new, previously obtained

raw materials in one single product that offers value to our customers with Fiberpack® paper + Al.Pe.® dispenser.



SUSTAINABLE PACKAGING

Lucart has always been at the forefront of the study of innovative packaging able to reduce the environmental impact of its products.

After launching the world's first line of toilet paper with Mater-bi® corn starch packaging in 1997, the company created a series of products with entirely plastic-free packaging in 2019.

The products of the Natural lines are completely ecological because, in addition to being derived from used beverage cartons, they have recycled and recyclable paper packaging produced in the Porcari plant.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

The MMC® Circular Business Model

Lucart promotes relationships with numerous private and institutional stakeholders, useful for the growth and sustainable development of the Natural Project in Europe.

For this purpose, the MMC® (Municipal Material Cycle) model was created, which was first put to the test in the city of Novo Mesto in Slovenia. The model involved the construction of a circular flow starting from used beverage cartons, collected by the students' families according to local waste collection rules. Later, with the cooperation of the local waste management company and the consortia that manage, separate and sort the material at their platforms, Lucart received and collected used beverage cartons and recycles them through an exclusive

production process. The Fiberpack® Natural line products (handtowels, toilet paper, napkins, etc.) are then sold, together with their dispensers, to a local distribution partner that delivers them to the toilets of public offices, schools, public companies and sports and leisure centres in the area where the recycled beverage cartons were collected. The entire cycle is carried out under the patronage of the competent municipal administration.

For more details on the Model, see Chapter 4.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



OVERALL RESULTS OF THE NATURAL PROJECT IN 2013-2020



RECOVER more than
6.5 BILLION
BEVERAGE CARTONS¹



equivalent to a distance equal to
37 TIMES
TRAVELLING AROUND
THE EARTH²



AVOID using of more than
2.8 MILLION
OF TREES³



equivalent to an area of more than
9,600
FOOTBALL FIELDS



PREVENT more than
170,000 t CO_{2e} =
EMITTED INTO
THE ATMOSPHERE⁴



equivalent to the emissions of more than
1,314,900
TRIPS FROM ROME TO
MILAN BY CAR



¹ Considering 1-litre beverage cartons

² Considering the cartons stacked one on top of the other

³ United Nations Environment Programme, Report 2011: Towards a Green Economy

⁴ European Union Life Cycle Database (ELCD)



OTHER CIRCULAR PROJECTS

Lucart completed an innovative project for reusing part of the heat generated by the cogeneration plant of the Castelnuovo di Garfagnana factory in 2020.

Following the principles of circular economy, the company's R&D Centre successfully devised how to employ the residual thermal energy contained in the fumes normally discharged into the atmosphere to heat the conversion department of the plant using radiant strip and convection heaters and the water used in the paper mill process using water-water exchangers.

The comfort of the entire conversion department was significantly improved using this heat, creating a better environment also for system

operation and avoiding the use of fossil fuels or electricity at the same time.

Being able to heat the paper mill process water at a controlled temperature will make it possible to shorten the cellulose pulping time and obtain a significant reduction in energy consumption and related emissions.

The recovery of heat from fumes for heating the conversion department reduced the use of fossil fuel (energy or gas needed for traditional heating solutions) estimated for one winter season (November - March) at around 6,000 MWh, which is equivalent to about 1,200 tonnes of CO₂ emissions avoided per year.

The energy saved by reducing the pulping energy will be

determined after having implemented the heat recovery and is currently estimated at about 190,000 kWh recovered, equivalent to the emissions of about 90 tons of CO₂ avoided per year.

ENVIRONMENTAL IMPROVEMENT

Heat recovery from fumes for heating the conversion department

-1,200
t/year
CO₂

Energy saving by reducing the pulping energy

-90
t/year
CO₂

02

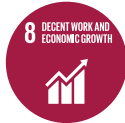
THE PEOPLE

We engage people by sharing our ideal for a better future with everyone.

We work together following an organisational model based on transparent principles.

THE PEOPLE

SUSTAINABLE DEVELOPMENT GOALS (SDGs)





2.1

CODE OF ETHICS

SDGs



GRI

102-16

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Lucart's core values become rules of conduct by implementing and complying with the Code of Ethics. A guide on principles, regulations and rules for directors, statutory auditors, inspection bodies, executives, employees, associates and everyone who has any kind of relationship with the companies of the Group.

In keeping with the best international practices, the latest revision of the Code of Ethics defines the fundamental principles and core values of corporate ethics, the rules of conduct and relevant implementation regulations and was approved in October 2019.

The Code is given to all company employees and associates for them to understand its content and implement its values. The Code of Ethics is binding for the conduct of all Group associates (directors, statutory auditors, employees and those who act on Lucart's behalf under specific powers of attorney or proxies). It is also brought to the attention of the people who engage in business relations with the company (customers, suppliers, consultants, etc.), in any capacity and regardless of the type, starting from the negotiation stage.

The Code of Ethics is an integral part of the "Organisational, Management and Control Model" introduced to prevent company liability under Italian Legislative Decree 231/2001. Furthermore, it is an essential tool to fight against possible risks on the subject of fundamental human rights and any kind of active/passive corruption. Ethics in entrepreneurial activity is a key element for a company's success and credibility. It is the factor that identifies and strengthens the company's values, to turn them into the foundations and drive for competitive socio-economic development over time. The principles that have always driven and guided our way of doing business lie at the basis of the Code of Ethics: fairness, good faith, transparency, fidelity and loyalty.



BEST PERFORMANCE

Lucart was one of the first companies in Italy to request and obtain the **Legality rating** issued by the AGCM (Italian Antitrust Authority) to companies that operate according to specific lawful and ethical principles. The score awarded on 24/11/2020 was **3 stars out of a maximum of 3**.



2.2

PRINCIPLES



SHARING

It is the ability to share information and values accurately, transparently and comprehensively to establish and maintain long-term relationships with colleagues and all the Company's stakeholders.



CARING

It is the attitude of taking care of oneself, one's co-workers and the community at large, creating relationships of mutual trust based on respect for people, the environment and business sustainability.



COMMITMENT

It is the spirit of carrying out one's own activity to achieve the best optimisation and rationalisation of the set objective by investing all personal, technological and economic forces to maximise results.

THE GROUP

THE PEOPLE

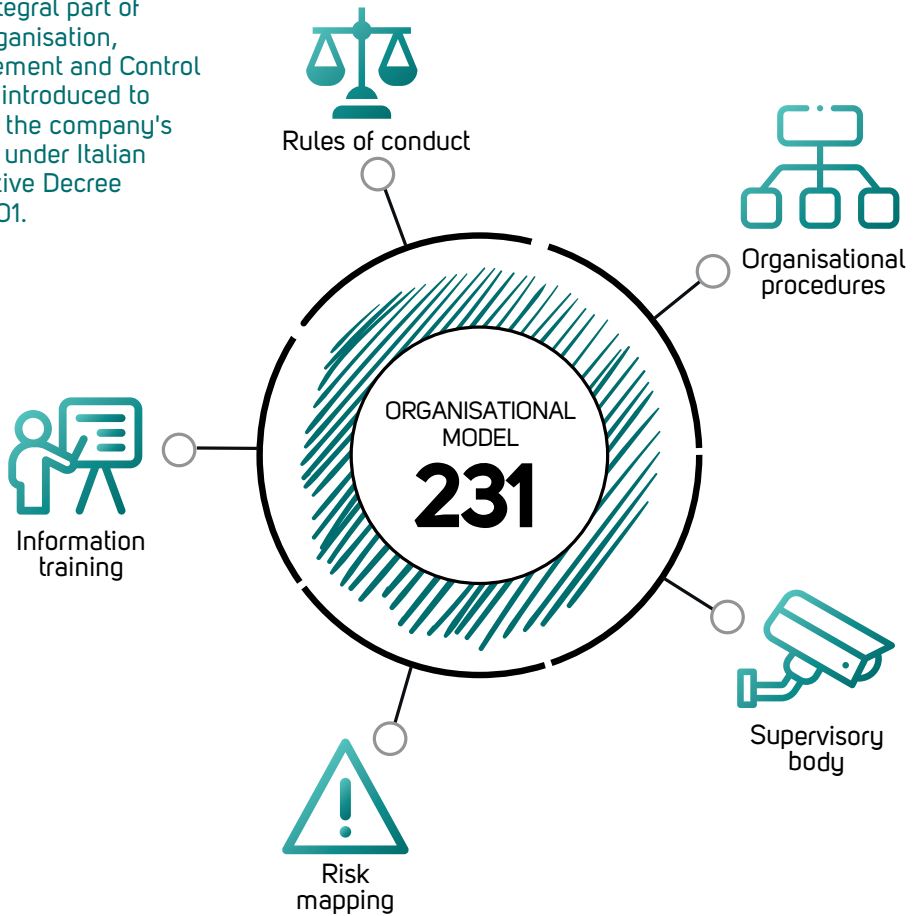
THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

2.3

ORGANISATIONAL MODEL

The Code of Ethics is an integral part of the "Organisation, Management and Control Model" introduced to prevent the company's liability under Italian Legislative Decree 231/2001.



The Organisational Model was approved in its first draft on 26 June 2012 and some parts were later amended to follow the company's evolution. It was revised and updated on 28 March 2018.

The Model is aimed at preventing the possibility of committing offences according to the decree

and, consequently, at reducing the company's administrative liability.

The implemented Model, based on an accurate analysis of company activities to identify those potentially at risk, is a set of general principles, rules of conduct, control instruments and organisational procedures,

training and informational activities and disciplinary system aimed at assuring, as far as possible, crime prevention.

The Board of Directors has appointed a Supervisory Body, which is responsible for overseeing the proper implementation of the model and ensuring it is properly updated.

2.4

GRI
102-8 401-3
102-48 404-1
401-1 405-1

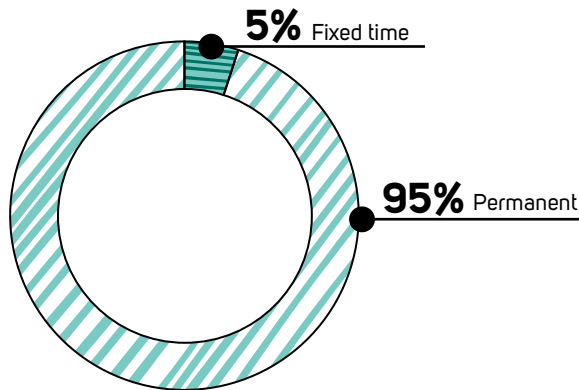
LUCART PERSONNEL STRUCTURE

The data in the following tables refer to the company's structure as at 31 December 2020.

Total number of employees with relevant breakdown by contractual type and gender

| TYPE OF CONTRACT | Year | M | W | TOT. |
|------------------|-------------|--------------|------------|--------------|
| Fixed time | 2018 | 63 | 24 | 87 |
| | 2019 | 94 | 19 | 113 |
| | 2020 | 64 | 16 | 80 |
| Permanent | 2018 | 1,320 | 171 | 1,491 |
| | 2019 | 1,320 | 178 | 1,498 |
| | 2020 | 1,325 | 178 | 1,503 |

% Employees by contract type



Geographical distribution of employees by contract type

| TYPE OF CONTRACT | Year | Italy | Hungary | Germany | France | Spain | TOT. |
|------------------|-------------|------------|-----------|----------|------------|------------|--------------|
| Fixed time | 2018 | 38 | 0 | 0 | 16 | 33 | 87 |
| | 2019 | 37 | 0 | 0 | 26 | 50 | 113 |
| | 2020 | 6 | 0 | 0 | 20 | 54 | 80 |
| Permanent | 2018 | 988 | 78 | 4 | 266 | 155 | 1,491 |
| | 2019 | 978 | 88 | 4 | 266 | 162 | 1,498 |
| | 2020 | 969 | 89 | 5 | 268 | 172 | 1,503 |

THE GROUP

THE PEOPLE

THE ENVIRONMENT

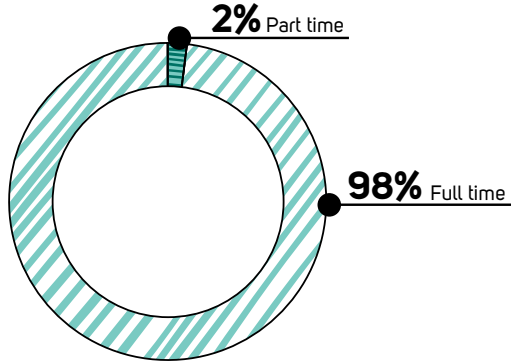
MARKETING AND COMMUNICATIONS

Total number of employees with relevant breakdown by contractual type and gender

| TYPE OF CONTRACT | Year | M | W | TOT. |
|------------------|-------------|--------------|------------|--------------|
| Part time | 2018 | 22 | 22 | 44 |
| | 2019 | 21 | 22 | 43 |
| | 2020 | 14 | 18 | 32 |
| Full time | 2018 | 1,361 | 173 | 1,534 |
| | 2019 | 1,393 | 175 | 1,568 |
| | 2020 | 1,375 | 176 | 1,551 |

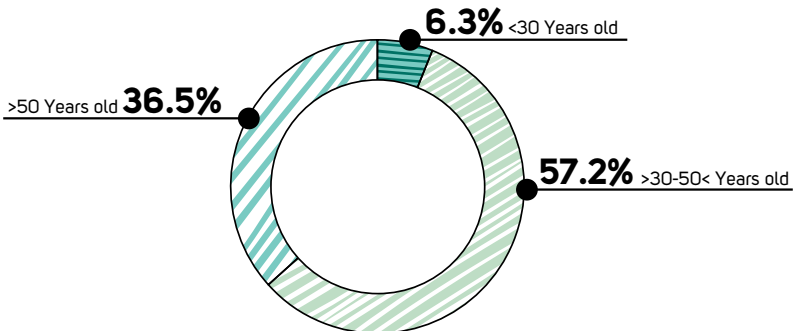
% Part time and Full time employees

Employees with a Full Time contract are those whose contractual working hours corresponds to the hours/days of the law of the country in which they were hired.



Breakdown of employees by age, qualification, gender

| QUALIFICATION | Year | <30 Years old | | >30-50< Years old | | >50 Years old | | TOT. |
|---------------|-------------|---------------|-----------|-------------------|-----------|---------------|-----------|--------------|
| | | M | W | M | W | M | W | |
| Managers | 2018 | 2 | 1 | 61 | 13 | 38 | 4 | 119 |
| | 2019 | 0 | 2 | 57 | 13 | 45 | 2 | 119 |
| | 2020 | 0 | 1 | 63 | 11 | 49 | 4 | 128 |
| White collars | 2018 | 19 | 10 | 144 | 84 | 67 | 23 | 347 |
| | 2019 | 22 | 8 | 163 | 88 | 72 | 25 | 378 |
| | 2020 | 20 | 10 | 158 | 82 | 78 | 28 | 376 |
| Blue collars | 2018 | 66 | 7 | 631 | 30 | 355 | 23 | 1,112 |
| | 2019 | 81 | 7 | 587 | 30 | 387 | 22 | 1,114 |
| | 2020 | 63 | 5 | 562 | 30 | 396 | 23 | 1,079 |



THE GROUP

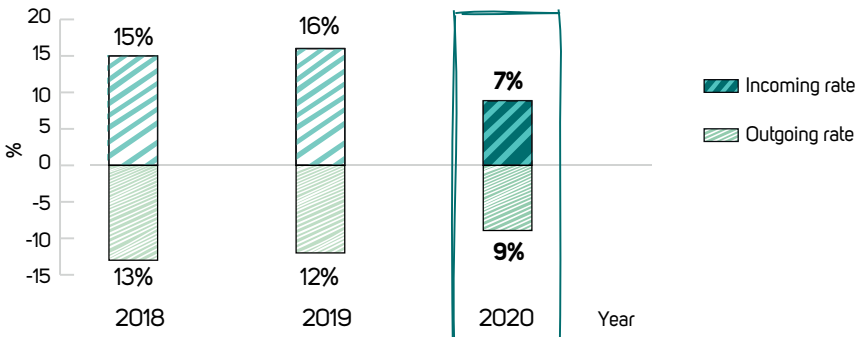
THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Total number and rates of new employees by age group, gender and geographical area

| AREA | Year | <30 Years old | | | | >30-50< Years old | | | | >50 Years old | | | | TOT. | |
|---------|----------|---------------|------------|-------------|-------------|-------------------|------------|------------|------------|---------------|------------|------------|------------|------------|------------|
| | | M | | W | | M | | W | | M | | W | | in | out |
| | | in | out | in | out | in | out | in | out | in | out | in | out | | |
| Italy | 2018 | 37 | 26 | 3 | 3 | 49 | 45 | 4 | 6 | 18 | 27 | 0 | 1 | 111 | 108 |
| | | 70% | 49% | 43% | 43% | 9% | 8% | 6% | 8% | 6% | 8% | 0% | 7% | 11% | 11% |
| | 2019 | 26 | 10 | 2 | 0 | 30 | 21 | 4 | 8 | 3 | 25 | 0 | 1 | 65 | 65 |
| | | 45% | 17% | 50% | 0% | 6% | 4% | 6% | 11% | 1% | 7% | 0% | 8% | 6% | 6% |
| 2020 | 3 | 14 | 4 | 3 | 7 | 12 | 1 | 2 | 2 | 24 | 0 | 0 | 17 | 55 | |
| | | 8% | 39% | 80% | 60% | 1% | 3% | 2% | 3% | 1% | 6% | 0% | 0% | 2% | 6% |
| France | 2018 | 18 | 17 | 14 | 14 | 14 | 4 | 5 | 3 | 6 | 10 | 2 | 2 | 59 | 50 |
| | | 78% | 74% | 175% | 175% | 11% | 3% | 17% | 10% | 8% | 13% | 11% | 11% | 21% | 18% |
| | 2019 | 33 | 20 | 16 | 11 | 22 | 14 | 8 | 3 | 5 | 7 | 0 | 2 | 84 | 60 |
| | | 116% | 80% | 150% | 110% | 18% | 12% | 30% | 22% | 6% | 8% | 0% | 10% | 27% | 21% |
| 2020 | 8 | 11 | 5 | 7 | 16 | 7 | 4 | 2 | 1 | 11 | 2 | 2 | 36 | 40 | |
| | | 38% | 52% | 71% | 100% | 13% | 6% | 15% | 7% | 1% | 13% | 8% | 8% | 13% | 14% |
| Hungary | 2018 | 8 | 7 | 2 | 2 | 20 | 10 | 7 | 7 | 7 | 4 | 2 | 2 | 46 | 32 |
| | | 160% | 140% | 100% | 100% | 59% | 29% | 44% | 44% | 50% | 29% | 29% | 29% | 59% | 41% |
| | 2019 | 12 | 10 | 1 | 1 | 18 | 14 | 10 | 3 | 6 | 7 | 0 | 2 | 47 | 37 |
| | | 120% | 100% | 100% | 100% | 49% | 38% | 48% | 14% | 43% | 50% | 0% | 40% | 53% | 42% |
| 2020 | 3 | 2 | 1 | 1 | 13 | 8 | 5 | 5 | 0 | 2 | 1 | 4 | 23 | 22 | |
| | | 27% | 18% | 100% | 100% | 34% | 21% | 29% | 29% | 0% | 13% | 17% | 67% | 26% | 25% |
| Spain | 2018 | 3 | 0 | 1 | 0 | 13 | 4 | 4 | 1 | 3 | 12 | 0 | 0 | 24 | 17 |
| | | 60% | 0% | 100% | 0% | 11% | 3% | 44% | 11% | 7% | 26% | 0% | 0% | 13% | 9% |
| | 2019 | 11 | 4 | 3 | 2 | 33 | 17 | 0 | 0 | 11 | 8 | 0 | 0 | 58 | 31 |
| | | 122% | 44% | 150% | 100% | 25% | 13% | 0% | 0% | 23% | 17% | 0% | 0% | 27% | 15% |
| 2020 | 8 | 3 | 2 | 1 | 25 | 6 | 3 | 1 | 3 | 13 | 0 | 3 | 41 | 27 | |
| | | 57% | 21% | 67% | 33% | 17% | 4% | 23% | 8% | 7% | 32% | 0% | 38% | 18% | 12% |
| Germany | 2018 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| | | 0% | 0% | 0% | 0% | 33% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 25% | 0% |
| | 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| 2020 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | |
| | | 0% | 0% | 0% | 0% | 20% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 20% | 0% |



Average training hours per capita for employees by qualification and gender

| QUALIFICATION | Year | M | W | TOT. |
|---------------|-------------|------------|-------------|-------------|
| Managers | 2018 | 12.9 | 13.9 | 13.0 |
| | 2019 | 8.7 | 17.4 | 9.9 |
| | 2020 | 9.1 | 23.6 | 10.9 |
| White collars | 2018 | 14.8 | 9.9 | 13.2 |
| | 2019 | 14.0 | 7.5 | 11.9 |
| | 2020 | 7.4 | 6.2 | 7.0 |
| Blue collars | 2018 | 3.1 | 2.4 | 3.1 |
| | 2019 | 3.8 | 5 | 3.9 |
| | 2020 | 1.4 | 1.3 | 1.4 |

Maternity/paternity leave

| | 2019 | | | 2020 | | |
|---|-------|-----|-------|--------------|-------------|--------------|
| | M | W | TOT. | M | W | TOT. |
| Total number of employees with a right to parental leave | 1,414 | 197 | 1,611 | 1,389 | 194 | 1,583 |
| Total number of employees who used their parental leave | 24 | 6 | 30 | 23 | 6 | 29 |
| Total number of employees who returned to work during the reporting period at the end of their parental leave | 24 | 4 | 28 | 22 | 4 | 26 |
| Total number of employees who returned to work at the end of their parental leave and who are still employed, 12 months after returning | 20 | 4 | 24 | 19 | 4 | 23 |
| Percentage of employees who returned to work after their parental leave | 100% | 67% | 93% | 96% | 67% | 90% |
| RETENTION RATE | 65% | 80% | 67% | 79% | 100% | 82% |

2.5

OCCUPATIONAL HEALTH AND SAFETY

Human Resources, through strong synergy with the safety area, updated the ongoing training programmes as required by the 2011-2012 Agreement between the Central Government and the Italian Regions (as amended), for all the Italian plants of the Group.

The growing involvement of workers and constant efforts to increase their awareness of safety issues in the company has led to a further reduction in injury frequency and severity indexes. The consolidation of positive relations with the trade unions on local and plant levels has made it possible, by mutual agreement,

to pursue increasingly ambitious occupational health and safety targets. **ISO 45001:2018 multi-site certification was earned during 2020.**

Lucart is committed to eliminating work-related accidents and occupational illnesses, assuring a healthy and

safe workplace for its employees and anybody working in its plants and offices. Structured and integrated systems have implemented to achieve this target, within which the Lucart Safety Policy is laid out, implemented and monitored.



In particular, accidents are monitored in all the production facilities of the Group by recording the reference indicators, such as NUMBER of ACCIDENTS during the examined period, FREQUENCY INDEX and SEVERITY INDEX.

Particular attention is devoted to recording and analysing near-misses to design and implement the necessary corrective actions in accordance with the principle of prevention.

All the above activities are carried out in close collaboration with the Supervisory Body under Italian Legislative Decree 231/2011.

BEST PRACTICE

A **Safety Committee** periodically meets with the participation of all key players, including the employer. The committee reviews all results, comparing them with the objectives and defines the necessary strategic and operative actions. Each production facility is also equipped with clearly-defined analysis and control tools such as the **Safety Meetings**, department and area **Audits**, **Improvement and Training Programmes**. Trade Union Representatives of the individual plants also take part in the Safety Meetings.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

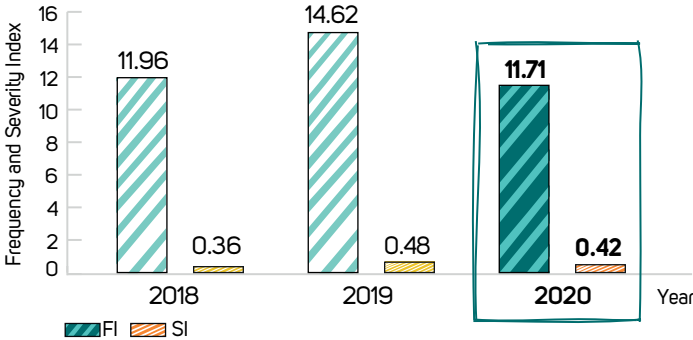
The FI (Frequency Index) and SI (Severity Index) indicator trends for all Lucart Group production facilities are shown below.

Accident Indexes

The indices only include employees of companies with production facilities and do not distinguish by gender because most of the women are employed in the offices.

| PRODUCTION PLANT | Year 2020 | |
|---------------------------|--------------|-------------|
| | FI | SI |
| Avigliano | 0.00 | 0.00 |
| Castelnuovo di Garfagnana | 0.00 | 0.00 |
| Borgo a Mozzano | 9.73 | 0.25 |
| Porcari | 5.00 | 0.15 |
| Torre di Mosto | 12.72 | 0.10 |
| Laval sur Vologne | 22.27 | 1.47 |
| Nyergesújfalu | 23.11 | 0.23 |
| Aranguren | 12.19 | 0.09 |
| Artziniega | 23.26 | 0.64 |
| Güeñes | 0.00 | 0.00 |
| Altopascio | 0.00 | 0.00 |
| TOTAL | 11.71 | 0.42 |

Frequency¹ and Severity² Indexes



- 1 Frequency Index (FI): Number of accidents/working hours x 1,000,000
- 2 Severity Index (SI): Accident-related missed days/working hours x 1,000

“Obiettivo Zero”

In recent years, all the Italian plants have been considerably successful in reducing work-related accidents and Lucart retained excellence in this area also in 2020. Two Lucart plants (Avigliano and Torre di

Mosto) received the coveted “Obiettivo Zero” award promoted by Fondazione Lazzareschi, while other plants distinguished themselves for high improvement rates compared to previous years.

BEST PERFORMANCE

Avigliano: over 2,800 Accident-Free Days



A special mention certainly goes to the plant in Avigliano (Italy), which as of 2020 reported more than 2,800 days without injuries. The solutions adopted in the facility for effective accident prevention were implemented as benchmarks for all other facilities in the Group.

2,800
accident-free days

2.6

RELATIONSHIPS WITH STAKEHOLDERS

The regulatory system of the Code of Ethics, with its principles of legality, loyalty, transparency, impartiality and independence, governs all relationships with Company stakeholders (customers, final consumers, shareholders and investors, employees, suppliers, local community, media, trade unions, regulatory bodies, non-government organisations, trade associations, schools, universities and research organisations).

Dialogues with stakeholders focus on relevant issues as identified by the Materiality Analysis described in Chapter 1.



CUSTOMERS AND FINAL CONSUMERS

Lucart is committed to satisfying its customers according to the requirements laid down by law, contracts and predetermined quality standards.

The main objectives are customer satisfaction and protection, receptiveness to specific requests, product quality improvement and the offer of

new business prospects. All this within a logic of partnership geared towards innovative, value-creating solutions that are stable over time and user-friendly.

The communication activities with customers and final consumers focused on issues identified as relevant according

to the Materiality Analysis and therefore concerned in particular business integrity and sustainability, combating climate change, sustainable product development, responsible sourcing, product safety and customer satisfaction. For a detailed analysis, see Chapter 4.



SHAREHOLDERS AND INVESTORS

Lucart has always stood out for its open and transparent relationship with financial stakeholders, promoting an active financial partnership based on a constant sharing of corporate and investment strategies to agree on the most appropriate and advanced solutions to support financial needs. Faced with the difficult situation created by the

pandemic, albeit mitigated by favourable business trends for the sector, the level of sharing of relevant information on adjustments to strategies and economic and financial trends during 2020, increased in frequency, quality and depth to foster an increasingly strong partnership that led the Group to raise significant financial resources. These resources

are aimed at supporting the Group's ambitious development and investment plan and lay the foundations for the further evolution of the relationship towards the sharing of strategic objectives of common interest, such as those related to the integral approach to sustainability and the opportunities deriving from the Group's typical "Green" finance approach.



EMPLOYEES

At its core, Lucart Group is geared towards people.

This is why Lucart safeguards and promotes their value, growth and success to improve and increase assets and competitiveness.

Lucart is an equal opportunity employer. Recruitment is based on professional qualifications, abilities, merit, skills and experience, with no discrimination

for religion, gender, race, political beliefs or trade-union affiliation.

Lucart considers any reports which turn out to be clearly unfounded and specious and which have the purpose of causing harm, disadvantage or detriment to colleagues and/or associates as tantamount to a breach of discipline.



Occupational safety training

Lucart provides and guarantees its employees appropriate training on occupational safety.

The required training is planned when a new employee joins the company by homogeneous category group (identified in the risk assessment document).

The "Mandatory worker training course" precedes any operational activity and represents the first

training course in the company. This type of training can last 8 or 16 hours, depending on the homogeneous category group.

The Facility Protection and Prevention Department informs the Human Resources Department of the activities that the new employee will carry out.

The company has identified Safety Roles that are associated

with a specific training course that the Human Resources Department will activate for the specific employee. Therefore, employees receive both basic mandatory training and refresher courses according to current law.

This training course is not only attended when new employees join, but also if there is a change/integration in tasks and/or Safety Role.



Training and horizontal technical skills

All training courses which not part of the occupational safety programme are planned following needs analysis.

The Human Resources Department, in collaboration with the individual Business Departments, defines the requests for training requirements for the Group's employees during the annual planning.

The economic aspect of the requests made is quantified by the Top Management and the budget estimate is verified.

Based on the training priority criteria and fair resource allocation, the Human Resources Department plans the training programmes to be implemented by choosing the appropriate professionals with whom they will define specific content and manage the organisational aspects of the intervention.

Any additional requests that emerge after the initial collection of training requirements or due to changes in organisational, technological and regulatory perspectives are discussed and evaluated by the Human Resources Department in conjunction



with the department managers.

The training programme implemented for individual employees is not standardised for the type of business role but it is structured on a case-by-case basis, accor-

ding to knowledge and skills to bridge any gaps between what is expected and required by the role in terms of technical knowledge and horizontal skills.



Lucart Academy

The Lucart Academy project was launched at the end of 2019. The programme aims at consolidating the knowledge of young Lucart engineers on technical and management issues. They were followed by several tutors identified mainly in the Manufacturing, Engineering and R&D areas.

Starting in September 2020, the first seven participants began

to attend classes led by Lucart trainers. The young engineers were supported by company technical experts who tutored them in the classroom, on the job and through virtual lessons, in full respect of the current COVID-19 safety regulations and company protocols.

The first 90 hours in the classroom focused on a cross-disciplinary approach related

to organisation and corporate values, industrial processes, sustainability and business positioning were addressed.

During the first months of 2021, participants will complete the training course reaching the 150 hours of the program.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Skills assessment

At Lucart we firmly believe that planning and formalising the process by which workers' skills are assessed adds significant value to our company. It is an act of transparency, clarity and loyalty that helps the organisation and its people to be fully aware of the values in which we believe and of the relationship styles that we intend to promote to improve the well-being of people and their performance.

THE GROUP

In other words, Lucart views the Human Resource assessment as a process that guides people and helps them enhance their particular useful skills, improve their results and increase the value of the human capital.

THE PEOPLE

Skill Mapping is the process by which we assess the soft and technical skills of Lucart employees to identify both potential areas of improvement and strengths to be enhanced. It is also used as a guide for people to the company's strategic behaviours (Evaluation and Improvement).

THE ENVIRONMENT

Loyal to this vision, Lucart has structured the skills assessment process, extending its scope and fine-tuning its tools, aware that this is a constantly changing process, both concerning the underlying methodological

MARKETING AND COMMUNICATIONS

assumptions and technological evolution, which will make it possible to simplify the administrative part of the process and will support users (assessors and assessees) in reading, analysing and interpreting the assessments made.

The process was not performed in Italy due to the migration to a new Human Resources management software in 2020. This new software will foster group integration and standardisation of all corporate HR processes, including the skills assessment process. Lucart has therefore implemented the changes in preparation for the new management system, which will be introduced in 2021 consisting in simplifying and personalising the assessment scheme compared to previous editions, including

references to company values and the technical skills of company roles. There remains the possibility of self-assessment by employees, who will be assessed by their manager at a later time.

Both self-assessment and that by another person is always followed by feedback, in which all managers are invited to share their thoughts with their collaborators, making this an opportunity of exchange on how employees assess themselves and are assessed by their managers. The explicit goal of this phase is to have a positive impact on the development and improvement of behaviours, performance and personal growth.

Percentage of employees who received a regular professional development assessment by category and gender

| QUALIFICATION | Year | M | W |
|---------------|-------------|------------|------------|
| Managers | 2018 | 92% | 78% |
| | 2019 | 83% | 59% |
| | 2020 | 14% | 25% |
| White collars | 2018 | 62% | 75% |
| | 2019 | 76% | 76% |
| | 2020 | 13% | 19% |
| Blue collars | 2018 | 12% | 33% |
| | 2019 | 13% | 37% |
| | 2020 | 15% | 41% |



Smart working

The smart working pilot project started in March 2020. One of the Company's main objectives is to achieve a better work and home life balance for employees that goes in hand with a focus on environmental sustainability, as well as a higher quality of work and improved organisation of internal spaces.

The first departments involved in the project, following a feasibility analysis that also took into account the expected benefits in the individual company departments, were the Away from Home Marketing Department, the Purchasing

Department and the entire Information and Technology Department based in the Italian plants of the Group.

The workers of these company departments were able to join the project voluntarily, signing an individual agreement as provided for by Italian Legislative Decree 81/2017. All participants could work outside of their office location once or twice a week as defined by their managers.

The pilot project lasted for eight months, from 2 March to 31 October 2020. The feedback from the personnel involved was

positive. Following the worldwide emergency that occurred at the same time as the experiment, smart working became widespread in the company, involving all offices and functions in all the Group's plants. This prevented a precise analysis of the results and effects that were the objective of the pilot project.

Therefore, Lucart has decided to extend the smart working project experiment at the end of the COVID-19 emergency period to collect data on which to decide whether to adopt it throughout the Group.



SUPPLIERS

Supplier selection and the establishment of terms of purchase are based on an evaluation of quality, TCO (Total Cost of Ownership) of goods and services requested, ability to promptly supply and guarantee goods and services according to the specific needs of the Company.

Lucart implements supplier selection criteria based on compliance with the regulations in force, with internal rules and with the Code of Ethics. In no case shall a supplier be preferred over another as a result of personal relationships, favouritism or advantages, other than those of exclusive interest and benefit of Lucart.

the rights of workers and local communities.

Purchases are mostly concentrated in Italy, France and Spain, which are the countries that currently host the production facilities of the Group. In the following table, we have considered all purchases made within the home country of the company as local purchases.

Virgin cellulose is purchased outside the European Community, in particular only after a careful evaluation under the EU Timber Regulation (No. 995/2010 as amended and integrated).

Lucart Kft. is a converting-only facility and consequently imports reels of paper to be converted from the other branches of the Group. It also serves as a distribution hub for Eastern Europe for finished AFH products, some of which are produced in other facilities of the Group. Some finished products will be gradually moved to the Nyergesújfalu site in the near future.

Almost all the cellulose used derives from certified chains of custody and the adopted certifications (FSC®, PEFC™ and SFI®), as well as complying with proper environmental management, also guarantee compliance with

Geographical distribution of purchases

Percentage of purchases concentrated on local suppliers in relation to the most significant operating facilities.

| LUCART S.P.A. | | LUCART S.A.S. | | LUCART TISSUE & SOAP S.L.U. | | LUCART KFT. | |
|---------------|-----|---------------|-----|-----------------------------|-----|-------------|-----|
| Italy | 64% | France | 48% | Spain | 63% | Hungary | 22% |
| Abroad | 36% | Abroad | 52% | Abroad | 37% | Abroad | 78% |





LOCAL COMMUNITY

Lucart maintains regular relations with local organisations, voluntary associations, such as the Red Cross or the Confederazione Nazionale delle Misericordie d'Italia, and with public schools in the area to contribute to the well-being of local communities. Direct contacts make it possible to quickly get to know the actual needs and to satisfy them.

Due to the pandemic, it was not possible to organise the cycle of student visits to the various plants in 2020. The activities with local schools are aimed at developing the culture of recycling and the conscious use of products.

Lucart helped local associations involved in the COVID-19 emergency during the pandemic by donating hygiene products.



MEDIA

Media relations are based on the principles of transparency and collaboration and are managed by the Corporate Communication Office, which collects requests for

information from journalists and provides the requested information. The Lucart Press Office actively informed the media with particular attention to issues rela-

ting to sustainability, the circular economy and activities with a social purpose carried out locally in 2020. For detailed information, refer to Chapter 4.

| SDGs | GRI |
|---|-----------------------------|
|  | 102-41 403-4 403-1 403-9 |



TRADE UNIONS

Lucart has always maintained a structured Industrial Relations system with the Unions, based on a continuous constructive dialogue following local regulations and an international level with the EWC - European Works Council.

The Italian companies of the Group have second-level company agreements whose objective is to manage, in agreement with the representatives of the various plants, the growing business challenges and workers' needs. In 2020, Lucart

committed to renewing the second level contracts that have expired, improving the variable incentive systems that impact the involvement and motivation of all employees and providing for the integration of welfare institutes within the various facilities.

To deal with the pandemic emergency linked to the spread of COVID-19, Lucart immediately set up company monitoring committees in the various production facilities to guarantee the most punctual and shared

management of the critical health situation with workers' representatives, in addition to creating specific protocols aimed at limiting the spread of the virus within the company perimeter, while guaranteeing the continuity of production at the plants.

In the Group's foreign affiliates, the employment relationship is governed by collective bargaining in France and Spain (for all employees) and by an individual one in other countries.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



RELATIONS WITH GOVERNMENT AGENCIES

In relationships with government agencies, Lucart pays special attention to maintaining full compliance with national and international regulations in force. Lucart also commits to fulfil all bureaucratic procedures related to every action, behaviour, agreement or negotiation/ assignment procedure, so that all Lucart conduct focuses on maximum transparency, fairness and legality.

During pending or requested business negotiations, or in commercial relations with the government agencies, the parties representing Lucart are required to behave in such a manner not to influence the counterpart's decision unduly.

Activities related to negotiation management, taking on

commitments and establishing relationships of any kind with government agencies are restricted exclusively to appointed, duly authorised internal persons. Collusive behaviours and practices of any nature or kind, active or passive corruption are forbidden.

Considering or proposing job and/or commercial opportunities which may personally or indirectly favour employees of the government agencies or requesting or obtaining confidential information which may jeopardise the integrity or the reputation of both parties is not allowed. During the course of business relationships, compliance shall be maintained with what was agreed upon in the contract, avoiding unauthorised replacements and putting in place adequate control and

safeguard mechanisms, cooperating only with competent and suitable persons.

The same directives valid for company employees are applied to any consultants or a third-parties representing Lucart in dealings with the government agencies, as far as these subjects and their personnel are concerned.

In case of controls by the Supervisory Authority, Lucart guarantees the utmost cooperation and assistance, by aiding the authorities during the inspections and striving to respond to and carry out the requests submitted in a timely fashion.

GRI
413-1



CONTRIBUTIONS, DONATIONS, SPONSORSHIPS AND GIFTS

Lucart may accept requests for contributions only from expressly non-profit entities or associations.

These contributions must be provided for activities of a high cultural and/or social level in line with the company's philosophy. As far as donations are concerned, Lucart does not allow any kind of gift which may be interpreted as exceeding normal commercial or courtesy practices, or in any case aimed at acquiring preferential

treatments in the performance of any activity it is connected with.

Furthermore, any kind of gift to Italian and foreign civil servants, or to their families, which may influence independent judgement or persuade to procure an advantage of any nature is forbidden.

For the sake of precision, this rule concerns promised or offered gifts as well as received gifts. Gift here means any kind of benefit

(free entrance to conferences, promising a job offer, advantage or benefit of any kind, etc.).

Lucart donated many pieces of personal protective equipment to hospitals, local institutions and the Red Cross in 2020 during the COVID emergency. Products for hygienic and sanitary use were donated to associations active on the territory to support families in need.



NON-GOVERNMENTAL ORGANISATIONS AND TRADE ASSOCIATIONS

Lucart fosters associative relationships and partnerships with profit and non-profit organisations with which it shares common values and interests. In particular, we would like to mention:



Ellen MacArthur Foundation

The world's largest organisation to accelerate the transition to the circular economy.

WE SUPPORT



Global Compact Network Italia

The Foundation was created with the primary purpose of contributing to the development in Italy of the United Nations Global Compact, an initiative for the promotion of the culture of corporate citizenship promoted and managed on a global scale by the United Nations.



University of Gastronomic Sciences of Pollenzo

UNISG is the University that forms the innovative professional figure of Gastronomy Expert with critical and holistic knowledge of the agri-food sector, who can work to guide production, distribution and consumption of food towards correct, sustainable choices.



Scuola Superiore Sant'Anna di Pisa

Public University Institute with special status operating in the field of applied sciences.



University of Pisa

University founded in 1343 in Pisa with 20 departments.



ITS Prime Tech Academy

Foundation that holds two-year post-graduate courses for training specialised technicians.



ICESP

Italian stakeholder platform for the circular economy.



Slow Food

A non-profit international association committed to restoring the value in food, respecting those who produce it, in harmony with the environment and ecosystems, capitalising on the knowledge protected by local areas and local traditions.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



FEE-Eco Schools

International certification programme for schools aiming to promote sustainability through environmental education and the ecological management of school buildings. It is promoted by the Foundation for Environmental Education.



Confindustria

The leading association representing manufacturing and service companies in Italy.



Assocarta

Trade organisation that brings together, represents and protects paper, cardboard and pulp manufacturers in Italy.



Comieco

National Consortium for the Recovery and Recycling of Cellulose-based Packaging. Its purpose is to recycle and recover cellulose-based packaging.



European Tissue Symposium

The largest independent non-profit trade association that defends the interests of the tissue paper product industry in Europe.



Afidamp

A company that brings together and represents the different components of the professional cleaning industry in Italy. Members include manufacturers, importers and distributors of products, machinery, paper and equipment, as well as other organisations of the industry.



Green Economy Network

Network promoted by Assolombarda Confindustria Milano Monza and Brianza to stimulate new alliances between companies offering products, technologies and services for environmental and energy sustainability to increase the visibility of their skills.



EDANA

International association representing the industries in the non-woven sector.



Copacel

French association representing companies in the paper industry.



Papest

Association of paper mills in eastern France.



Revipac

French organisation for collecting and recycling paper and cardboard packaging.



Revigraph

French industry organisation involved in the recovery of graphic paper.



Group'Hygiène

French association of manufacturers of personal care, health and cleaning products.



Aspapel

Spanish association of cellulose and paper manufacturers.



Cluster Paper

Spanish association of paper manufacturers and ancillary industries.



Proetica

A non-profit association that promotes events to promote Corporate Social Responsibility.



Make A Wish

An NGO that grants wishes of children aged between 3 and 7 years with serious illnesses.



Save The Children

Independent NGO that operates in the response to emergencies, protection from abuse and exploitation, fighting poverty and food insecurity, strengthening of the systems of protection of the rights and participation of children.



MUS.E

Association that promotes the heritage of the Civic Museums of Florence and of the city as a whole.



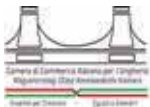
Meyer Foundation

Foundation that supports communication, marketing and fund-raising activities for the Meyer Children's Hospital in Florence, Italy.



IPPR

Institute for the promotion of recycled plastic for manufacturers and retailers of recycled plastic and relative products.



CCIU

The Italian chamber of commerce for Hungary is a non-profit association based in Budapest where the Italian-Hungarian business community meets, comes together and evolves.



Italian Cultural Institute

The objective of the Italian Cultural Institute of Budapest is to promote and disseminate Italian language and culture by organising cultural events that facilitate the circulation of ideas, arts and science.



CHSA

Association that represents manufacturers and distributors of industrial hygiene and cleaning products in Great Britain.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS





SCHOOLS, UNIVERSITIES AND RESEARCH ORGANISATIONS



Internships

Lucart is convinced that the quality of processes and products is closely linked to that of its people's skills. This is why we plan and implement internal programmes of development and partnership with external training organisations to facilitate and consolidate the development of our employees' skills and help young people build professional skills that they can use in our production plants and in the local economy.

In this sense, many collaborations have put in place with technical schools, in Italy, Fran-

ce, Hungary and Spain, to guide young people by promoting training courses on skills that may be used in the paper industry.

Furthermore, many of our collaborators bring their knowledge directly to the schools, holding lessons and organising seminars on the production and transformation of paper. The goal is to help students understand and recognise the practical application of the theoretical concepts they learnt during their studies.

In addition to offering careers guidance in schools, Lucart col-

laborates in preparing technical syllabuses and inviting students to join internship programmes. The latter step is fundamental for consolidating the theoretical skills acquired at school and integrating them with direct experience in our company's production plants and laboratories. These exchanges represent, among other things, a unique opportunity for the company to come into contact with many potential interested candidates who, in the future, will become our best-qualified technicians.



Technical High Schools (ITS)

In 2019 Lucart, together with Assocarta, Confindustria and other companies in the Lucca area, completed the design and start-up of the first ITS - Paper school in Tuscany, in the scope of the Foundation that oversees the provision of courses authorised by Regional authorities. Specifically, the course aims to train highly qualified people for operating in production in the paper industry.

After having contributed to the design and organisation of the course, Lucart will continue its partnership in ITS training also with day-by-day activities, specific lectures by technical managers and training in the company to students through specific internships.



Paper Master Course and Master's Degree Course in Paper and Cardboard Technology and Manufacturing

Lucart has been a partner of the Master Carta Celsius in Lucca for many years and has always contributed to the organisation with its employees as classroom teachers.

The Paper Master Course was flanked and partly replaced by the new Master's Degree

Course in Paper and Cardboard Technology and Manufacturing at the University of Pisa in 2020. Lucart is also contributing to the initiative with a scholarship dedicated to our colleague Francesco Sodini who died in tragic circumstances in 2015.



Polo Tecnologico Lucchese

The company partnered with Logic Way, a start-up belonging to the Polo Tecnologico Lucchese, to develop highly innovative technologies in the supply chain field.

This collaboration led to the installation of a fully automatic system for managing the incoming and outgoing vehicle flows at the Castelnuovo di Garfagnana plant in 2020.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

03

THE ENVIRONMENT

We are committed to creating a circular business model to reduce our impact on the planet and to preserve and foster the growth of our natural, social and economic capital.

We believe in the value of sustainability as a commitment to present and future generations.

THE ENVIRONMENT

SUSTAINABLE DEVELOPMENT GOALS (SDGs)





3.1

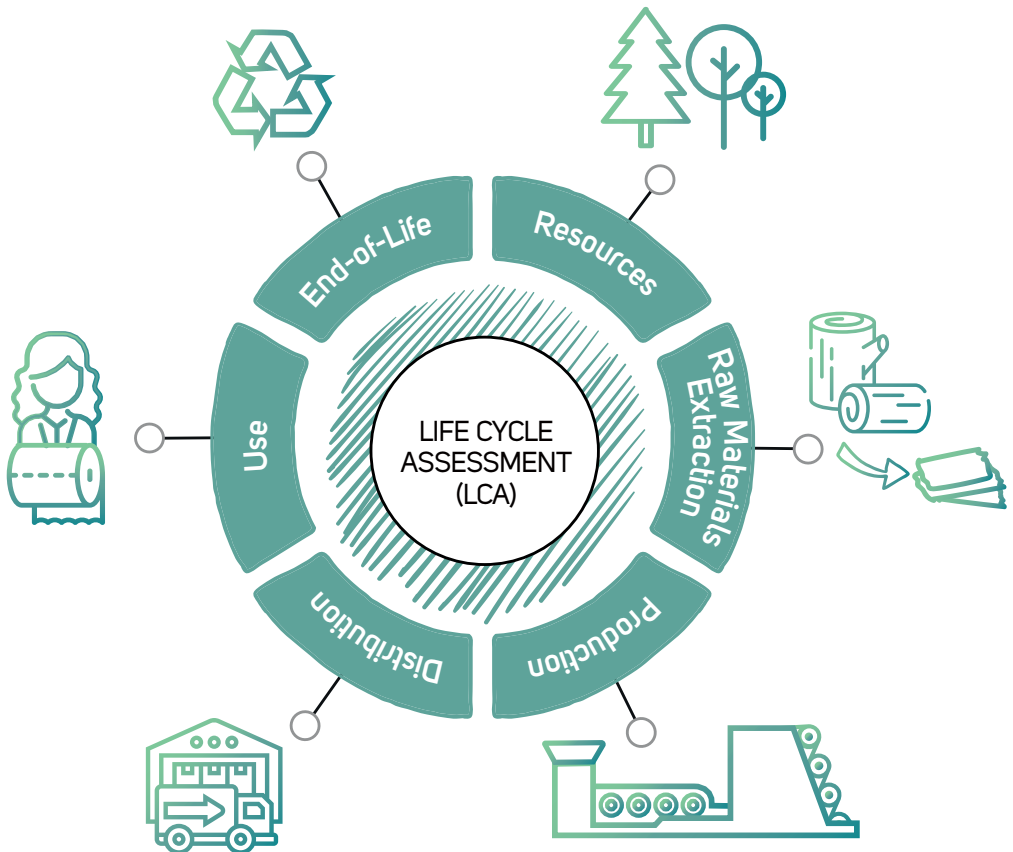
ENVIRONMENTAL IMPACT ASSESSMENT

To pursue the continuous improvement of the environmental performance of its plants, Lucart has implemented an accurate Environmental Management System and constantly monitors compliance with the procedures defined by the system itself.

Lucart pays particular attention to assessing the environmental impacts of its activities in order to identify significant ones.

To improve the environmental impact of its products, Lucart periodically carries out specific product life cycle analyses using third parties according to internationally recognised standard methods.

The analyses consider the entire life cycle of the product (from cradle to grave) from raw material acquisition to end-of-life, including manufacturing and distribution.



THE GROUP

THE PEOPLE

THE ENVIRONMENT




MARKETING AND COMMUNICATIONS

3.2

ENVIRONMENTAL PRODUCT DECLARATION (EPD®)

Lucart conducted an EPD® analysis, based on an LCA (Life Cycle Assessment) study, which defines the consumption of resources (materials, water, energy) and the impacts on the surrounding environment in the various phases of the product life cycle, on two toilet papers made by the company, comparable by grammage, number of plies, number and length of pieces, one of which made from pure virgin cellulose fibres and the other from fibres derived from paper for recycling in 2018.

LIFE CYCLE CONSUMPTION OF RECYCLED TOILET PAPER

| | | |
|---|--|---|
|  | CO ₂ emissions are 25% lower than the emissions of virgin cellulose toilet paper, with a reduction of 556.85 kg of CO ₂ per ton of paper produced. | -25% CO ₂ emissions |
|  | Water consumption is 23% lower than that of virgin cellulose toilet paper, saving 28.35 m ³ of water per tonne of paper produced. | -23% consumption of WATER RESOURCES |
|  | Renewable resource consumption is 80% lower than that of virgin cellulose toilet paper, saving 4,125.82 kg of wood per tonne of paper produced. | -80% consumption of RENEWABLE RESOURCES |

To read the Declaration in full, please see <http://www.environdec.com/en/Detail/epd1491>

During the process for obtaining the EPD® declaration and the LCA study that represents its scientific basis, Lucart S.p.A. sought the technical and methodological support of the **Scuola Superiore Sant'Anna di Pisa** and its spin-off **Ergo s.r.l.** The analysis was certified by a third-party body.

The **Environmental Product Declaration (EPD®)** is a voluntary certification scheme, developed in application of UNI EN ISO 14025:2010. It is a tool for communicating objective, comparable and credible information on the environmental performance of products and services. The performance, reported in the EPD®, must be based on Life Cycle Assessment (LCA) in accordance with the ISO 14040 standards, which is the methodological basis for the objectivity of the information provided.

The main objective of an EPD® is to provide relevant, verified and comparable information on the environmental impact of a product or service.



ENVIRONMENTAL IMPACTS

kg of fossil CO₂ emitted

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

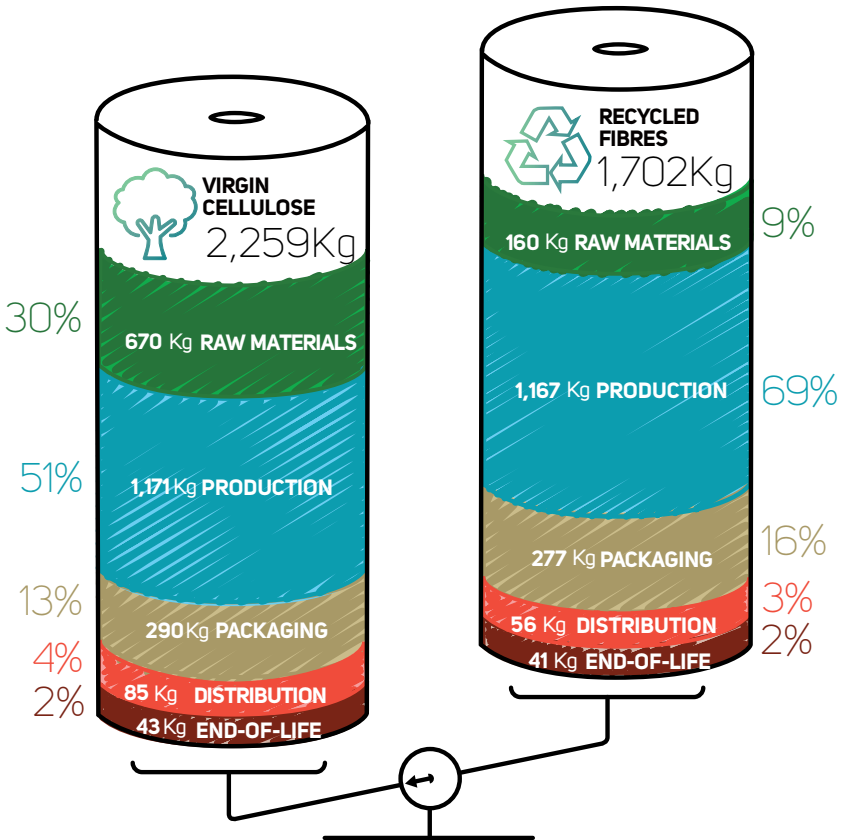
VIRGIN CELLULOSE TOILET PAPER

VS

RECYCLED TOILET PAPER

**-25%
CO₂**

Reduction of 556.85 kg of Co₂ per tonne of paper produced



Data are calculated on 1,000 kg of paper



ENVIRONMENTAL IMPACTS m³ of water consumed

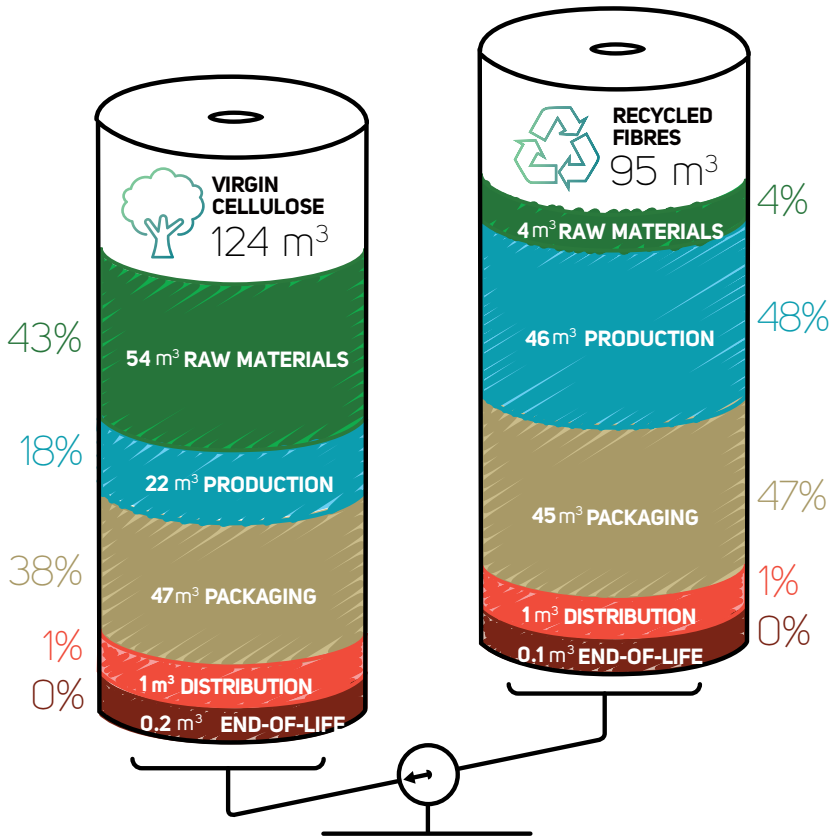
VIRGIN
CELLULOSE
TOILET PAPER

VS

RECYCLED
TOILET
PAPER

-23%
water

Saving of 28.35 m³ of water
per tonne of paper produced



Data are calculated on 1,000 kg of paper

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



ENVIRONMENTAL IMPACTS kg of renewable resources

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

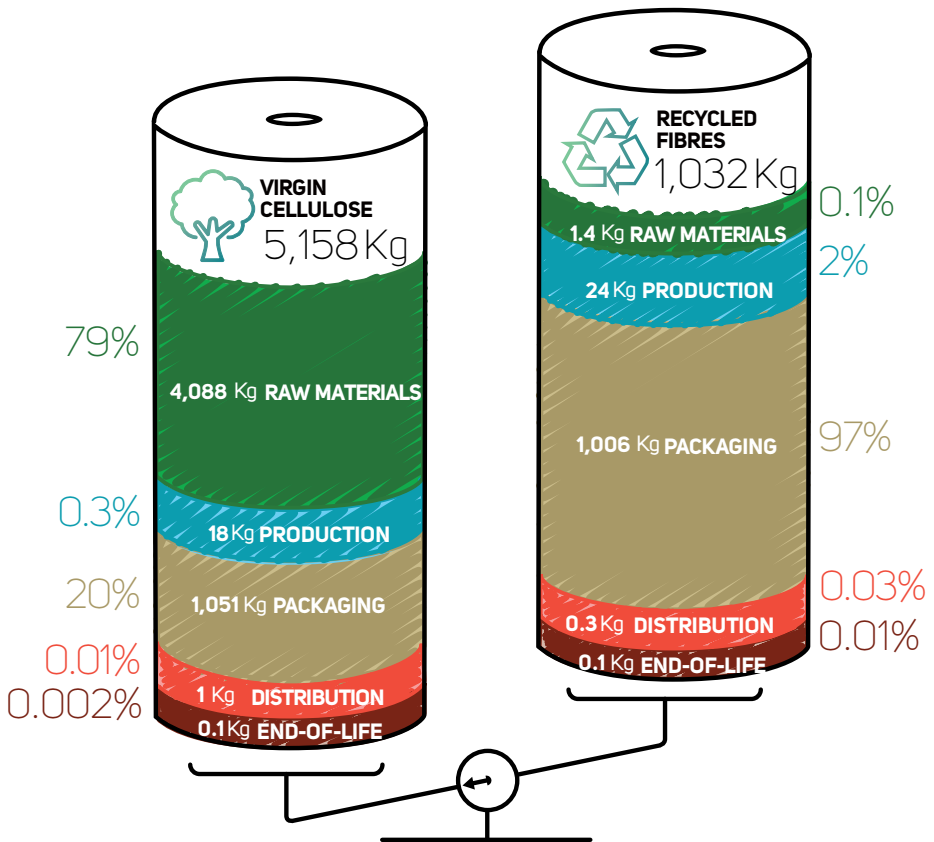
VIRGIN
CELLULOSE
TOILET PAPER

VS

RECYCLED
TOILET
PAPER

-80%
renewable
resources

Saving of 4,125.82 kg of wood
per tonne of paper produced



Data are calculated on 1,000 kg of paper



3.3

RAW MATERIALS

SDGs



GRI

301-2

Lucart makes paper from both virgin cellulose and paper for recycling.

In the Porcari, Borgo a Mozzano, Laval sur Vologne and Aranguren facilities, paper is made from both virgin cellulose and paper for recycling. The plant in Castelnuovo di Garfagnana

processes mainly virgin cellulose and small percentages of top-quality paper for recycling.

The Avigliano plant uses only virgin cellulose for the manufacture of airlaid paper.

The Torre di Mosto, Nyergesújfalu, Artziniega and Blackmore Park facilities are dedicated exclusively to converting.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

PAPER FOR RECYCLING AND VIRGIN CELLULOSE

- Porcari
- Borgo a Mozzano
- Laval sur Vologne
- Aranguren
- Castelnuovo di Garfagnana



VIRGIN CELLULOSE

- Avigliano

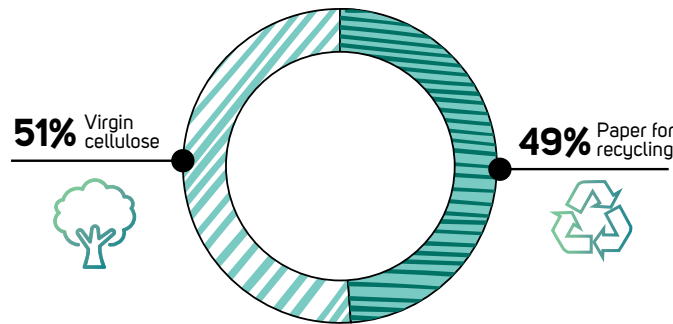


JUMBO REELS

- Torre di Mosto
- Nyergesújfalu
- Artziniega
- Blackmore Park



Breakdown by Type of Raw Material



The Company pursues the line of sustainability of its paper by gradually increasing the percentage of paper for recycling used compared to virgin cellulose, compatibly with market demands.

There was a slight reduction in the percentage of recycled

paper used in 2020 due to the particular market dynamics during the pandemic. However, the use of recycled fibres was very high, totally about half of the entire production, supported by sales in the three target sectors (Consumer, Away from Home and Business to Business).



BEST PRACTICE

The processes and technologies implemented in the plants make it possible to use a wide range of recycled materials including cellulose fibres in beverage cartons (Natural Project). The success of the Natural lines saves virgin fibres by giving new life to the fibres present in food beverage containers.



ECO-SUSTAINABLE AND CERTIFIED RAW MATERIALS



Virgin cellulose

The virgin cellulose used in the company comes from supply chains managed according to eco-sustainable criteria, i.e. produced by companies that adopt **sustainable forest management systems** complying with internationally recognised certification schemes, thus ensuring the continuity of the forest ecosystem without altering its balance.

The choice of suppliers, carefully selected according to Lucart standards and the procedures set up by the company management systems, means that the



company avails of producers who follow recognised **sustainable forest management standards** (PEFC™, FSC®, SFI® etc.) in compliance with EU

Timber Regulation (Reg. n. 995/2010 as amended and supplemented) and international regulations.



Paper for recycling

Paper recycling ensures better use of available resources and a lower overall environmental impact.

The paper for recycling undergoes state-of-the-art **mixing and deinking processes without the**

use of polluting substances. The separation processes are mainly mechanical and thermal to make high-quality paper.

The paper for recycling used in Lucart production facilities, meets

the requirements of the standards recognised by the PEFC™ and FSC® certification systems, and UNI-EN 643 standards.



THE GROUP

THE PEOPLE

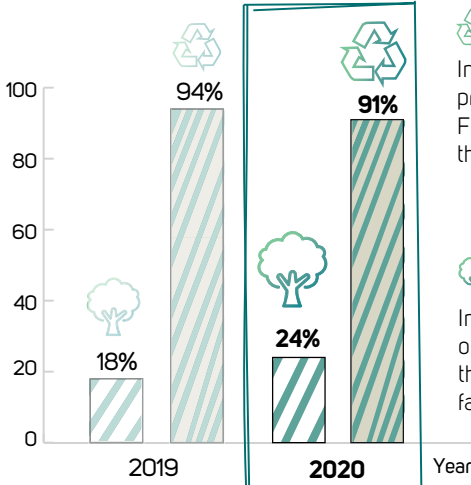
THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Areas of origin of raw materials

EUROPE



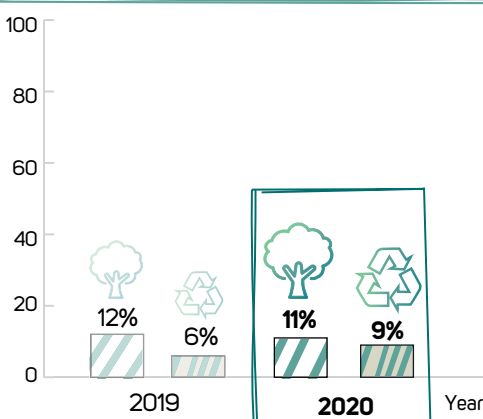
PAPER FOR RECYCLING

In 2020, 78% of paper for recycling procured in Europe originated in Italy, France and Spain, the countries where the largest operating facilities are located.

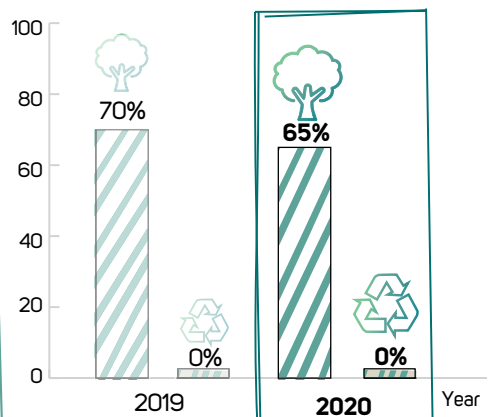
VIRGIN CELLULOSE

In 2020, 51% of European cellulose originated in Italy, France and Spain, the three countries where the largest operating facilities are located.

NORTH AMERICA



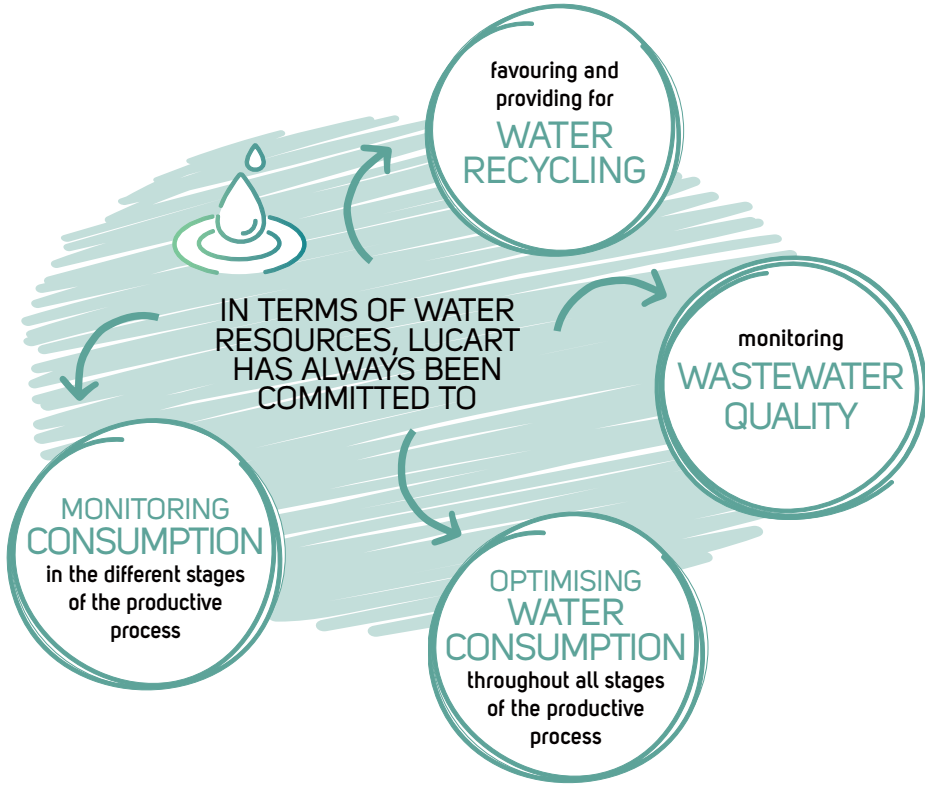
SOUTH AMERICA



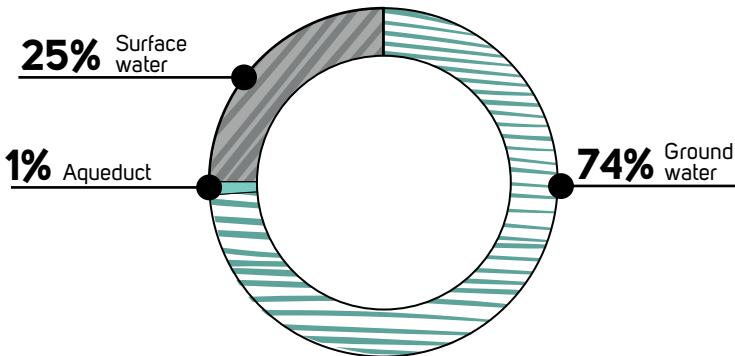
 VIRGIN CELLULOSE
  PAPER FOR RECYCLING

3.4

WATER RESOURCES



Water Supply Sources



The paper production process generally requires large amounts of water.

Lucart plants use, for their own industrial production, water

taken from wells located within the perimeter of the facility and, in some cases, also taken from surface water upon authorisation by the competent

Authorities. The water from the municipal water supply is mainly for civil use.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Optimisation of Water Consumption

The desire to protect water resources, combined with the production needs of the paper manufacturing process, has led the company to invest in processes aimed at optimising consumption, encouraging the recovery of process water for reuse for industrial purposes.

Furthermore, most of the facilities are equipped with wastewater treatment plants that guarantee the quality of the water fed into the receptors in compliance with the authorised limits.

The total water consumption shown in the graph below

varies mainly according to the tonnes of paper produced. It was concerned by a slight dip in production due to market fluctuations determined by the pandemic emergency and by actions taken to optimise water resources in 2020.

THE GROUP

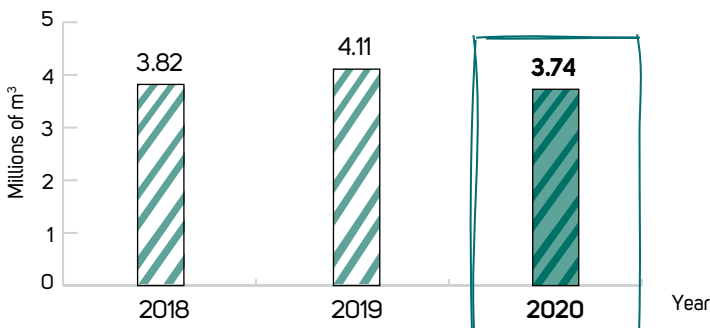
THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Total Water Consumption



Water Recycling

Reusing water produces a lower environmental impact, namely:

- reduction of the extraction of aquifer water resources;
- reduction of the extraction of surface water resources;
- resource consistency and reliability as a result of purified water produced on an ongoing basis;
- reduction in wasting natural resources.



Lower Consumption

Lucart has focused particularly on actions aimed at reducing the specific consumption of water for production purposes to achieve a consumption of 9.14 m³ of water per tonne of paper produced by 2025.

A significant reduction in value compared to last year can be observed in 2021 as the result of a recycling policy and the rational use of the resource in all production sites. Specific water consumption is well below the average values for the sector*.

*According to the Assocarta 2020 Environmental Report, the industry average is approximately 26 m³ per tonne of paper produced.

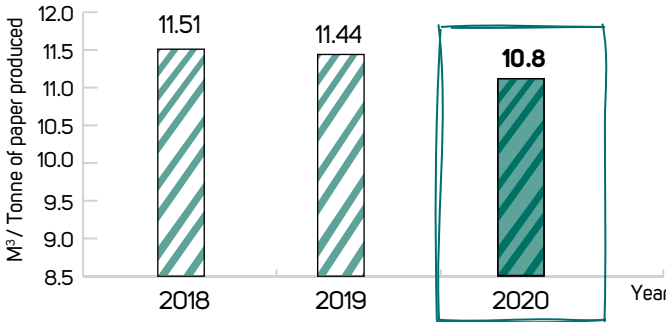
ENVIRONMENTAL IMPROVEMENT

Specific water consumption decreased by 5.5% vs. 2019 and by 18.1% vs. 2013.

-18.1%
specific water consumption vs. 2013

-5.5%
specific water consumption vs. 2019

Specific Water Consumption



IMPROVEMENT GOAL

-30.7%
specific water consumption in 2025 vs. 2013

BEST PRACTICE

Reductions in specific water consumption include:

Saving at the Castelnuovo di Garfagnana facility

The result was achieved by optimising the process through level control in overflow and by-pass cleaners and consequent process water recovery.

-22.4%
specific water consumption vs. 2019

Savings from the Aranguren facility

The facility implemented an action plan during 2020, aimed at reducing freshwater consumption summarised in the following main points:

- analysis of process data;
- definition of process changes and flows;
- set of technical corrective actions;
- new investments in measurement and control systems.

-6.2%
specific water consumption vs. 2019

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

3.5 ENERGY RESOURCES

SDGs

GRI



302-1
302-3
302-4

THE GROUP

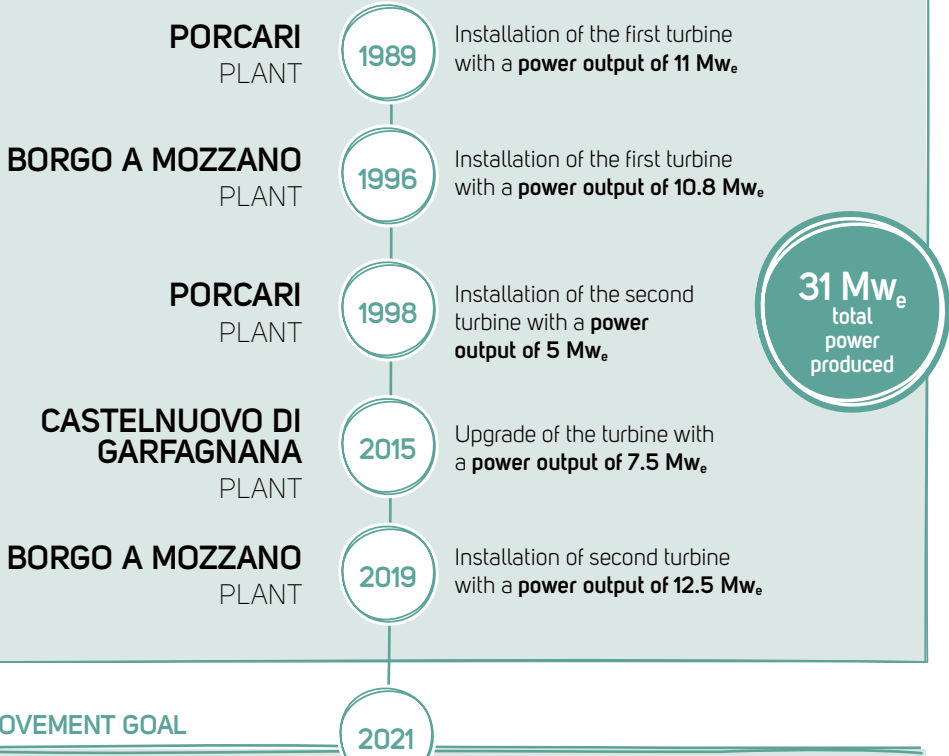
THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

WE HAVE BEEN SELF-PRODUCING ENERGY AND HEAT SINCE 1989

Lucart was one of the first paper manufacturing groups in Europe to focus on systems to self-generate electricity and heat through cogeneration plants powered by methane gas.



IMPROVEMENT GOAL

2021



Goal of the Porcari facility

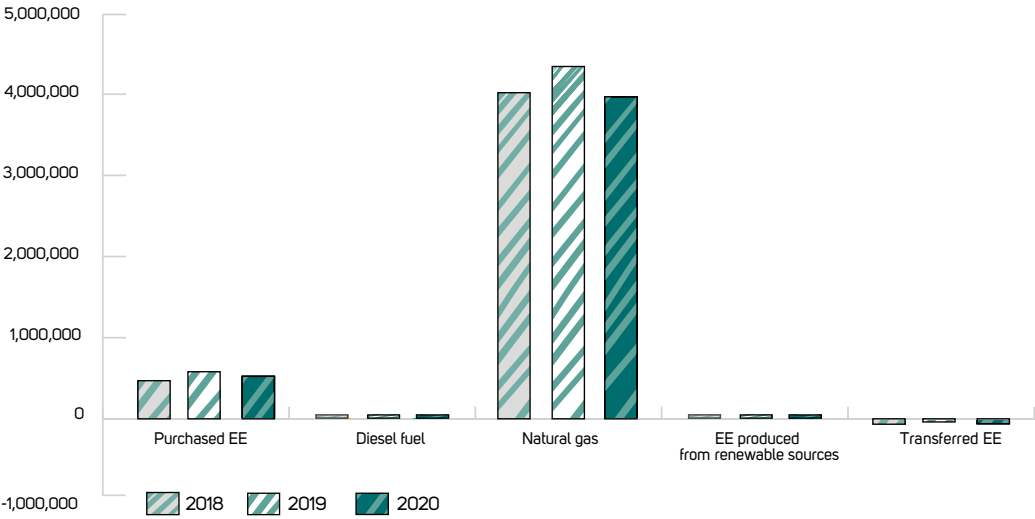
Installation of a third turbine with a power of 12.5 Mw_e to replace the second turbine.

The **NovalT12** gas turbine developed and produced in Italy by Baker Hughes– Nuovo Pignone is one of the more technologically advanced cogeneration systems with a cogeneration (electrical+thermal) efficiency of 85%.



Total Energy Consumption (direct + indirect)

| PRODUCTIVE UNIT | | 2018 | 2019 | 2020 |
|------------------------------------|-----------|---------------------|---------------------|---------------------|
| Purchased EE | GJ | 582,930.98 | 678,394.91 | 649,949.84 |
| Diesel fuel | GJ | 113.52 | 119.48 | 142.40 |
| Natural gas | GJ | 4,061,401.74 | 4,280,802.02 | 3,940,346.51 |
| EE produced from renewable sources | GJ | 4,055.99 | 4,034.93 | 4,024.30 |
| Transferred EE | GJ | -35,878.02 | -23,986.69 | -27,891.18 |
| Total | GJ | 4,612,624.22 | 4,939,364.65 | 4,566,571.87 |

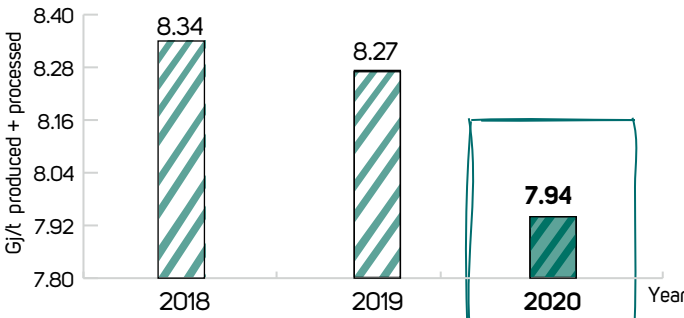


The energy balance of the Group is made up of electricity purchased from the grid, diesel fuel consumed for industrial purposes, methane purchased

from the network, electricity produced from renewable sources and electricity sold to the grid. Electricity is mainly purchased by the production

facilities that do not have an in-house methane gas-fired cogeneration plant.

Specific Energy Consumption (intensity)



ENVIRONMENTAL IMPROVEMENT

Specific energy consumption decreased by 4.0% vs. 2019 and by 11.8% vs. 2014

-11.8%
energy
consumption
vs. 2014

-4%
energy
consumption
vs. 2019



Energy Efficiency in the Production Processes

The significant energy consumption, typical of the paper industry, is essentially due to the requirements of operating paper machines.

One of the goals of Lucart is to constantly improve the energy efficiency of its production processes.



ENVIRONMENTAL IMPROVEMENT

Replacement of traditional lights with high-efficiency, low-consumption LED lamps in the Castelnuovo di Garfagnana, Borgo a Mozzano and Artziniega facilities during 2020, which resulted in annual savings of over 311,500 kWh (1,122 GJ/y) corresponding to a total of -140 tCO_{2e}*.

-311,500 kWh
annual saving

-140 tCO_{2e}
avoided emissions

* Saving with respect to the consumption using conventional lights. CO₂ calculated using the specific emission factor referred to the self-production of EE per Borgo a Mozzano and the emission coefficients of the national grid for the other sites.

FURTHER IMPROVEMENT ACTIONS

Removal of asbestos roofing

Progressive **removal of asbestos roofing**: 5,970 m² in the Borgo a Mozzano plant.

5,970 m²
removal of asbestos

-28 tCO_{2e}
avoided emissions

Optimisation in electricity consumption

Insertion of a **press dedicated to semi-recycled waste** in the Castelnuovo di Garfagnana facility improving efficiency in the pulping phase and less KWh consumption as a consequence that results in an annual saving of -28 tCO_{2e}.

-28 tCO_{2e}
avoided emissions

Actions aimed at energy **recovery from hot air from compressors** and **efficiency interventions for space heating and lighting** in the Hungarian plant which, together with the increase in production, reduced the specific consumption of electricity per paper produced by 19% and an annual saving in emissions of -28 tCO_{2e}.

-90 Kg CO₂
avoided emissions

Replacement of all boilers in the Torre di Mosto plant, upgrading them from Class C to Class A that results in an annual emissions saving of -0.09 tCO₂.

Gas consumption optimisation

Replacement of the PM5 and PM6 yankee cylinder at the end of 2019 and beginning of 2020 at the Borgo a Mozzano facility that resulted in a 26% reduction for PM5 and 19% reduction for PM6 in specific gas consumption per tonne of paper produced, respectively.

-26% PM5
-19% PM6

Drying phase optimisation in paper production at the Avigliano facility resulting in a consumption reduction of 5.5% compared with the previous year.

-5.5%
reduction in consumption

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Renewable Sources

The Company also fulfilled its environmental commitment through the use of renewable energy sources, specifically with two photovoltaic plants installed, one in the Capannori territory (active since 2011) and one in the Avigliano plant (active since 2013), which avoided **787 tCO_{2e}*** emissions in the atmosphere in 2020.

Thanks to the various energy-saving measures implemented

over the years, Lucart attained white certificates for 2020, too. White certificates, also known as “Energy Efficiency Credits”, are tradeable commodities that certify the achievement of **energy savings in the end-use of energy** through measures and projects to increase energy efficiency.

A certificate is equivalent to saving one equivalent tonne of oil (TOE).**

ENVIRONMENTAL IMPROVEMENT

Emissions avoided in 2020 by the **photovoltaic installations** in Capannori and Avigliano.



* Source ISPRA_RAPPORTO 317/2020_ “Atmospheric emission factors of greenhouse gases and other gases in the national electrical sector and in the main European Countries”.

** Source GSE.



3.6

LOGISTICS AND PACKAGING



Sustainable Mobility

THE GROUP

THE PEOPLE

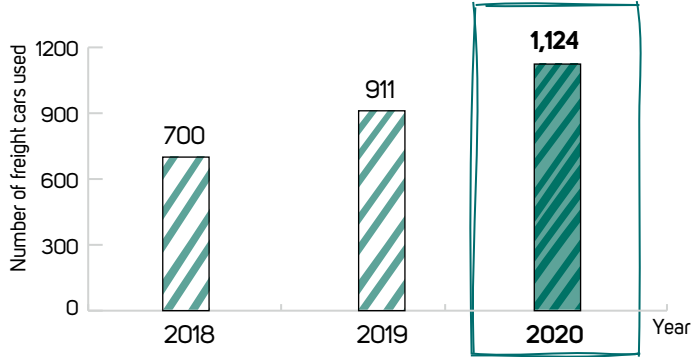
THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

The "Sustainable Mobility: transferring transport of raw materials from road to rail"

project to use the railway network to significantly reduce road transport of raw materials and end products. The project was presented in 2015 and continued in 2020. The project involves the Borgo a Mozzano facility, which has an internal railway station that we have been using for years, and the production facility in Castelnuovo di Garfagnana.

Lucart entered into an agreement with the Municipality of Castelnuovo di Garfagnana, the Region of Tuscany and RFI to restore the railway yard in April 2019. Some of the road construction under the Municipality's jurisdiction is already underway and work on the railway is scheduled to begin in late 2022.



The use of an increasing number of wagons compared to traditional road transport has avoided the emission of **515 tCO_{2e}*** into the atmosphere.

The calculation included the freight cars used for delivering the finished product from an external platform.

ENVIRONMENTAL IMPROVEMENT

+23.4% increase in the number of wagons used in 2020 compared to the previous year.

-515 tCO_{2e}
avoided emissions

IMPROVEMENT GOAL

For transporting goods to and from the Altopascio Logistics Centre

A project for gradually replacing traditional means of transport to and from the Logistics Hub with next-generation vehicles fuelled by LNG (Liquified Natural Gas) has been implemented.

In the past year, 50% of the trips made to and from the Altopascio hub were made by LNG vehicles. These trips avoided the release of 7 tonnes of CO_{2eq} (LNG vs. EURO V) into the atmosphere.

REDUCTION TO ZERO of particulate emissions

REDUCTION by 15%** of CO₂



* Source: <http://www.ecotransit.org>. Comparison of total emissions from the use of the train vs. lorries (TTW "tank-to-wheel") during use.

** <http://www.fluxys.com/belgium/en/About%20natural%20gas/fuelfortransport/LNGtrucks/LNGtrucks>

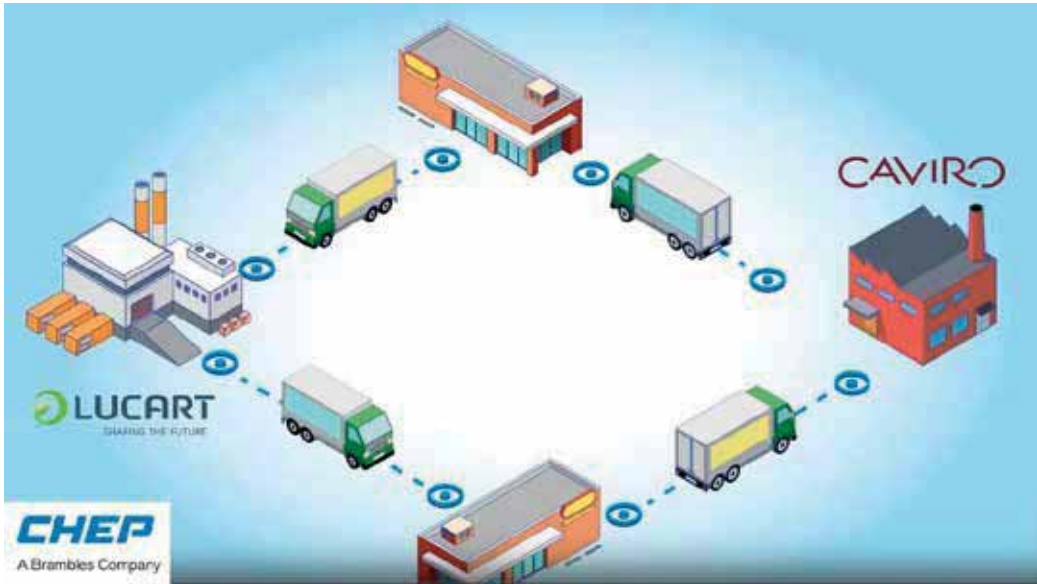


Collaborative Transport

Lucart joined the collaborative transport system created by Chep, a world leader in pallet and container rental services, in 2020 to share transport routes with other companies

and increase vehicle saturation. With this system, Lucart has shared the outbound and return transport of pallets with Caviro, the largest Italian wine cooperative. During the first

months of the project, 48% of the orders were paired with an overall saving of 16% on round trips and a 5.3-tonne reduction in CO₂ emissions.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Sustainable Packaging Guidelines

Lucart intends to adopt a circular vision in which packaging never becomes waste through a development plan with a 2020-2030 time horizon, pivoting on the following five key points:


- all problematic and/or unnecessary packaging must be eliminated by redesigning and innovating;
- all packaging must be reusable or 100% recyclable or compostable;
- all packaging must actually be reused or recycled or composted;
- where possible, the use of renewable resources should be preferred and the use of non-renewable resources should be reduced, if not eliminated, as a consequence;
- all packaging, regardless of the material of which it is made, must comply with current regulations and must respect the health, safety and rights of everyone involved.

Packing is considered as problematic or unnecessary if:

- it cannot be reused or recycled or composted;
- it can be eliminated (or replaced by a reuse model) while maintaining its usefulness;
- it hinders or prevents the recyclability or compostability of other objects;
- it has a high probability of being dispersed or disposed of in the natural environment.

3.7

ATMOSPHERIC EMISSION

SDGs  GRI
 305-1 305-5
 305-2 305-7
 305-4

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

The atmospheric emissions of a paper production facility are necessary for process continuity but, an efficient use of energy, a rational use of raw materials and the presence of technologically advanced abatement plants that comply with Best Available Technologies (BAT) make it possible to achieve results from the point of view of environmental protection.

The main sources of atmospheric emissions are cogeneration plants, paper drying plants, sludge drying plants and suction points in production areas to protect the health and safety of workers.

All atmospheric emission plants are managed in compliance with the Integrated Environmental Authorisations (IEAs) issued by the competent authorities and, where applicable, constantly monitored

through suitable Continuous Emission Monitoring Systems (CEMS).

Combustion plants use methane gas, which is the fossil fuel with the lowest environmental impact both in terms of energy efficiency and because it avoids the release of secondary pollutant compounds, such as SO₂ and H₂S.

CO₂ emissions

The following graph shows direct and indirect CO₂ emissions.

Direct emissions (purpose 1) originated exclusively from the combustion of fuels (mainly natural gas and a minimum of diesel) for industrial uses and were calculated in accordance with the Emission Trading Directive, using standard or specific national coefficients according to the category of the plant and the required levels.

Indirect emissions (purpose 2) are CO₂ emissions deriving from the purchase of electricity from the national grid. For the calculation, we used the emission coefficients updated in 2018* for the Italian production facilities. The factors notified by the respective managers were used for those abroad.

*Source TERNA_ENERDATA_CONFRONTI Internazionali CO₂ emissions related to Gross production_total_grams CO₂/KWh.

**The intensity of specific CO₂ emissions is calculated by taking into account the tonnes of paper produced at the paper mills and the tonnes of paper processed in converting areas.



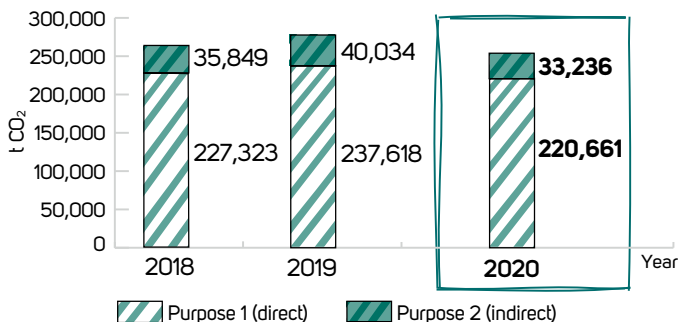
ENVIRONMENTAL IMPROVEMENT

The trend of specific CO₂ emissions again in 2020 confirms a significant decrease in the figure.

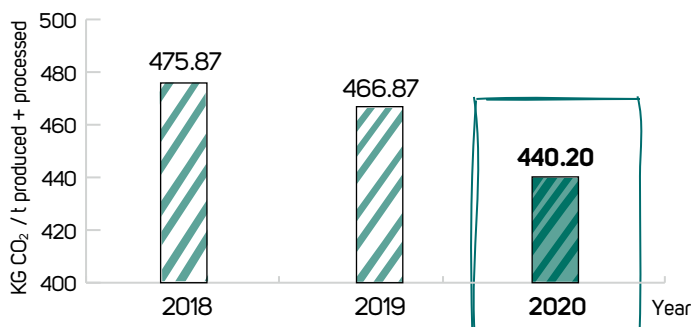
-12.1%
CO₂
vs. 2014

-5.7%
CO₂
vs. 2019

Total CO₂ emissions (direct+indirect)



Specific CO₂ emissions (intensity)**



NO_x emissions

NO_x emissions are generated largely by cogeneration plants and in smaller quantities by burners installed on paper machines.

The pollutant parameter concentrations and flow rates used for emission index calculation, except for the data of plants equipped with continuous monitoring systems, were calculated taking into account the results of periodic analyses carried out by external laboratories in self-monitoring mode under the emission permits.

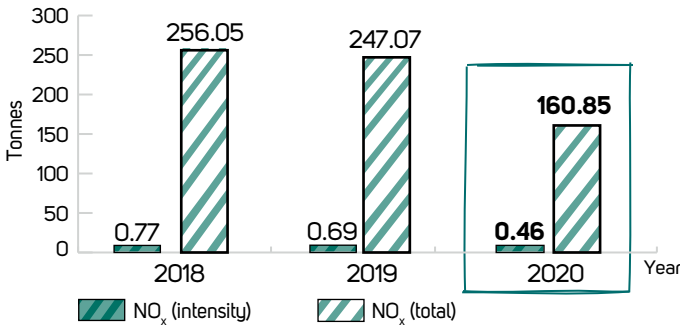
The significant reduction in NO_x emissions is mainly due to the installation of an innovative



cogeneration turbine at the Borgo a Mozzano production facility. The gas turbine was installed in 2019 and full-scale operation started in 2020. Consequently, the benefits

of reducing nitrogen oxides emitted into the atmosphere will also be seen over the next few years.

Total and specific NO_x emissions



ENVIRONMENTAL IMPROVEMENT

Specific NO_x emissions (expressed in kg of NO_x per tonne of paper production) decreased by 33.3% compared to 2019 and 44.6% compared to 2014.

-44.6%
NO_x
vs. 2014

-33.3%
NO_x
vs. 2019

BEST PRACTICE

The Borgo a Mozzano facility achieved important results in terms of absolute emissions of pollutants into the atmosphere

-53%
NO_x

The installation of the higher efficiency **gas cogeneration turbine** resulted in a 53% saving in absolute NO_x emissions.

Combustion optimisation interventions by introducing combustion air into the paper machine hoods has led to a 41% reduction in absolute CO emissions from the production facility.

-41%
emissions
avoided

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

3.8

WASTE MANAGEMENT

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Waste from a paper manufacturing plant mainly consists of pulper waste and paper mill sludge, which is directly derived from the paper manufacturing process and wastewater treatment.

Other waste is generated by paper converting activities (packaging waste) and auxiliary activities (mainly maintenance, internal logistics).

Beginning with this Report, waste data will be presented as-is and no longer dry. Therefore, the data for the years 2019 and 2018 has been recalculated using the same methodology.

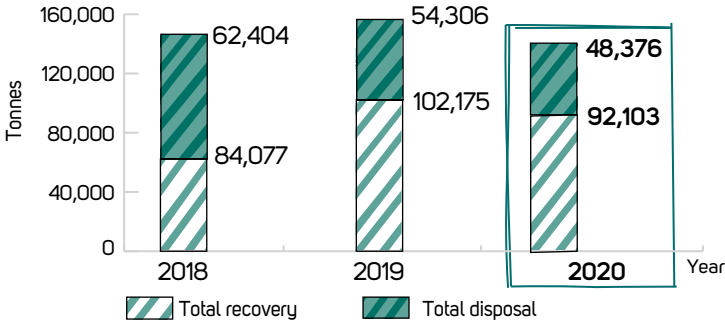


ENVIRONMENTAL IMPROVEMENT

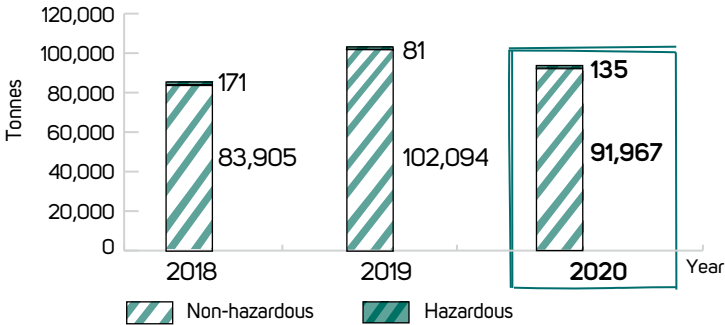
-7.4%
waste produced
per tonne of paper
vs. 2019



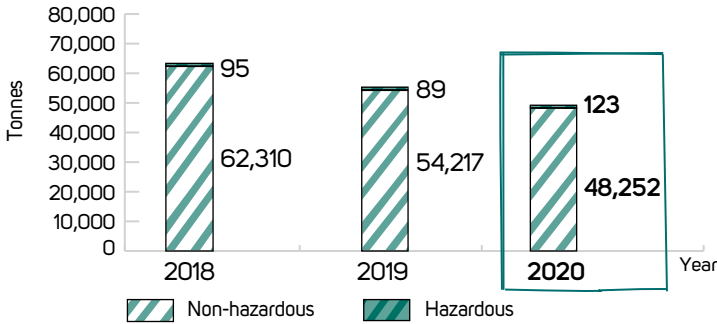
Waste produced



Waste recovery



Waste disposal



BEST PRACTICE

In the Porcari facility

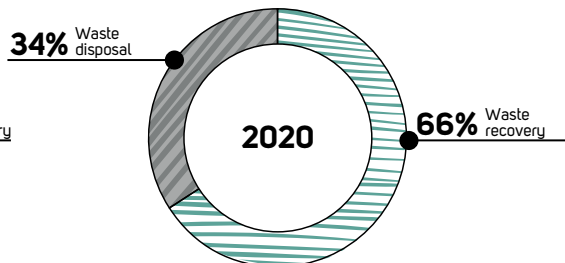
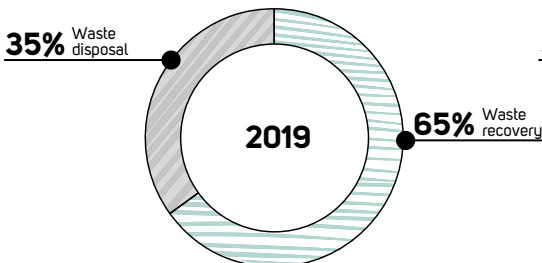
A 22% reduction in the production of sludge from mechanical separation per tonne of paper produced is reported consequent to the raw material mix optimisation.

-22%
sludge
produced
vs. 2019

In the Borgo a Mozzano facility

A biosludge dryer was installed in 2020 to increase the dryness degree of the waste resulting in a reduction of 27% biosludge disposed of per tonne of paper produced compared to the previous year.

-27%
biological
sludge
disposed
vs. 2019



THE GROUP

THE PEOPLE

THE ENVIRONMENT


MARKETING AND COMMUNICATIONS




3.9

FINAL QUANTITY BALANCE

TOTAL PRODUCTION


| | units of measurement | 2018 | 2019 | 2020 |
|--|----------------------|---------|---------|----------------|
|  Paper mill | t | 332,200 | 359,557 | 346,401 |
| Converting | t | 220,831 | 235,298 | 230,377 |

WATER RESOURCES

| | units of measurement | 2018 | 2019 | 2020 |
|--|----------------------|-------|-------|--------------|
|  Water per tonne of paper produced | m ³ /t | 11.51 | 11.44 | 10.80 |




ENERGY RESOURCES

| | units of measurement | 2018 | 2019 | 2020 |
|--|----------------------|------|------|-------------|
|  Energy intensity | Gj/t | 8.34 | 8.27 | 7.94 |




EMISSIONS INTO THE ATMOSPHERE

| | units of measurement | 2018 | 2019 | 2020 |
|---|-----------------------|--------|--------|---------------|
|  CO ₂ emissions intensity | Kg CO ₂ /t | 475.87 | 466.87 | 440.20 |




WASTE

| | units of measurement | 2018 | 2019 | 2020 |
|---|----------------------|-------|-------|--------------|
|  Waste produced per tonne of paper produced | t/t | 0.265 | 0.263 | 0.244 |




RAIL HANDLING

| | units of measurement | 2018 | 2019 | 2020 |
|---|----------------------|------|------|--------------|
|  Total incoming/outgoing freight cars | n | 700 | 911 | 1,124 |



SKINCARE SECTOR

| | units of measurement | 2018 | 2019 | 2020 |
|---|----------------------|-------|-------|--------------|
|  Total production | t | 6,830 | 7,442 | 9,797 |
| Total water consumption | m ³ | 6,575 | 6,872 | 8,751 |
| Specific water consumption | m ³ /t | 0.96 | 0.92 | 0.89 |



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

04

MARKETING AND COMMUNICATIONS

Our company and our products have always been a blend of innovation and sustainability.

We communicate to build long-term relationships based on mutual trust.

MARKETING AND COMMUNICATIONS







4.1

CORPORATE COMMUNICATION ACTIVITIES

The Corporate Communications plan was modified during 2020 and adjusted to the changing needs generated by the Coronavirus pandemic and consequent to the cancellation of several physical events.

As ever, the new Communications Plan took the Stakeholders Map and the revised Materiality Analysis described in Chapter 1 into account.

The communication activities in 2020 focused mainly on the major issues of:

- sustainability;
- circular economy;
- partnerships on projects with a social purpose.

THE MAIN THEMES OF CORPORATE COMMUNICATIONS IN 2020



Sustainability



Partnerships on projects with a social purpose



Circular economy

Although the media relations strategy focused on local media for much of the year, the number of articles in the Italian national main-stream press more than doubled in 2020. In the second half of the year, Lucart **asserted its position as the leader in circular economy matters** with the company being named by the top national media as one of

the **"Gioielli del Made in Italy"** ("gems of Italian manufacturing") and acknowledged as a virtuous company that placed circularity at the centre of its industrial strategy.

Media relation activities were also carried out in France, Hungary and Spain, with good results in terms of positioning.



Scan the QR Code with your smartphone camera to connect to the media files.



COMMUNICATIONS ON TV, RADIO AND WEB TV

“UNOMATTINA” on RAI1

The Lucart plant in Borgo a Mozzano featured in **the popular TV show Unomattina** together with Comieco to talk about the importance of paper recycling in October.

Journalist Danila Filippone presented the characterising stages of the production process, illustrating the actions we take every day to recover and process beverage cartons and paper for recycling.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

"100% Made in Italy" on RDS



Lucart was a guest of Radio Dimensione Suono in the "100% Made in Italy" programme dedicated to national excellence to talk about the remarkable history of the company since the establishment of Cartiera

Lucchese, focusing on the strong bonds with the local community and illustrating the virtuous, sustainable production circuit of innovative and eco-friendly materials.

THE GROUP

"BFC Responsibility" on BFC video

Lucart featured in the BFC Responsibility programme dedicated to the stories of enlightened companies engaged in the social and sustainability field.



THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

"Pink & Green" on Green Planner Magazine



The "Pink & Green" section of Green Planner Magazine, the major Italian portal for environmental and sustainability information, gives voice to women involved in the circular economy and invited Lucart to talk about the Natural project and circular economy together with the project partner Tetra Pak®.





DIGITAL COMMUNICATION

The new Lucart website

Lucart launched the new corporate "online home" in 2020 with revamped contents and graphics to provide an even more agreeable browsing experience. At last, the home that speaks all the languages of the Group.

The project gives more space to the vision and mission of the company and, in keeping with the homely feeling, the topics

are presented with "paintings" that tell the story of the Group that retains solid values with the gaze firmly set in the future. The website is dominated by the colour green to honour sustainability and the circular economy that guides business choices and initiatives.

The **Newsroom** is updated in real-time on all the activities of

the Group for easy sharing on social media. **Sharing the Future** is the philosophy that guided Lucart in creating and designing this new home, made to inform and, even more importantly, to build strong relationships with stakeholders.

The **new website** was created to inform and help build strong relationships with stakeholders

The **newsroom section** is updated in real-time on all Group activities



The **website** speaks all languages of the Group

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Social Networks

The Corporate accounts on the two social media platforms LinkedIn and Twitter experienced remarkable growth in the number of contacts and interactions in 2020.

The information shared on social media and linked to the newsroom on the new corporate website is in Italian and English. The editorial calendar shows the main corporate events, the brand campaigns, the significant investments, the editorial releases, the environmental results of the Group and other activities related to the company and its workforce.



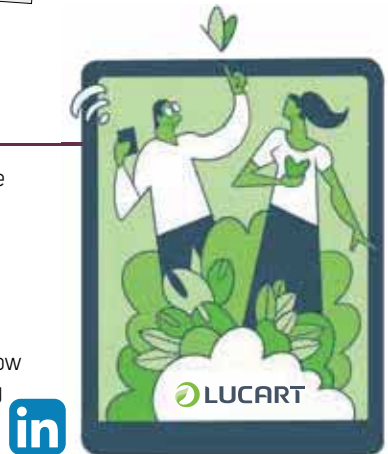
Lucart Ambassador on LinkedIn

Lucart involves employees by making them the first ambassadors of its production philosophy on the LinkedIn social network.

The **Lucart Ambassador** pilot project was launched to involve the workforce in achieving better digital positioning and more

linear communications with the reference stakeholders.

A training course with dedicated workshops helped the Ambassadors gain greater awareness in the correct use of the social network and learn how to use it to create medium-long term relationships.



"The Lucart Zone" Newsletter

The newsletter is a valuable tool to inform employees, telling them about the activities of the Group's production facilities. The Communication Office writes up the newsletters in conjunction with the various divisions to report on important news, collaborations, partnerships and the objectives achieved by the various plants in the languages of the Group.

The opening rate of newsletters in the various languages stood at around 50% in 2020, reaching the objectives set for the tool.





OTHER COMMUNICATIONS AND PUBLIC RELATIONS ACTIVITIES

Lucart calendar

Lucart calls a different artist to create the corporate calendar for customers and other stakeholders every year. Now in its fifth edition, the calendar has become an instrument for advertising the products that appear in the pictures. Drawn or photographed products, with textured embossing and tissue

paper as an unusual creative medium were the undisputed protagonists of every month of the year. The exclusive artwork was created by artist Lucio Schiavon from Venice in 2021.



Assindustria Venetocentro Sustainable Development Models Project



The collaboration with the “Sustainable Development Models Project” promoted by Assindustria Venetocentro and coordinated by Mario Paronetto continues. Through dedicated meetings and visits to companies, the 36 members illustrated their practices in the fields of sustainability and corporate social responsibility. The pandemic did not stop this activity that this time was held online with a presentation by the Group and a virtual tour of the Borgo a Mozzano plant.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

4.2

SDGs



AWAY FROM HOME MARKETING AND COMMUNICATION ACTIVITIES

As a result of the shift in the social paradigm caused by the pandemic, the division chose to adopt a commercial and marketing approach based on "proximity" in a time of social distancing becoming a benchmark for the Away from Home sector in 2020.

THE GROUP

Activities promoted concerned:

- channelling sales offers with dedicated ranges;
- defining the brand identity of division brands;
- sponsoring digital events;
- strengthening the presence on international markets;
- creating opportunities for digital sharing and professional growth;
- creating tools and solutions to simplify the management of the daily activities of the business chain;
- ensuring a significant presence in print and digital media.

THE PEOPLE



Lucart Professional is a demonstration of how the futuristic vision of a major international Group can take shape in a concretely innovative business model.

THE ENVIRONMENT

The circular economy model of the EcoNatural line, the new recycled paper packaging and the energy-saving technology of the Identity line were backed up by sustainability education projects in schools and collaborations

with local municipalities to improve recycling processes.

The commitment to sustainability is certified by concrete results and proven by the Environmental Product Declaration (EPD®) on recycled paper products.

The global innovation vocation will help the entire business chain achieve better results and the world become a better place to live.

MARKETING AND COMMUNICATIONS

EcoNatural Project

EcoNatural has been the byword for sustainable innovation for 10 years. The project implements **advanced technology that recycles 100%** of the components of beverage cartons, through a one-of-a-kind production process with no peers in the sector.

This virtuous system reduces the weight of waste on the environment and has propelled Lucart to become a real **benchmark for the circular economy in Europe**. The Company focused on disseminating knowledge of the

EcoNatural project in 2020 by sponsoring international, events such as **Forum Pulire 2020** and through the creation of a powerful video presentation tool

of the project in collaboration with the partner Tetra Pak®. Video disseminated both through commercial channels, on social media and training webinars.



Business Model Municipal Material Cycle - MMC®

The MMC® (Municipal Material Cycle) project is the new virtuous model of recycling education directly involving the local community.

The aim of the MMC® project, first piloted in Novo Mesto, Slovenia, is to engage citizens and city institutions to contribute to the creation of a true culture of sustainability.

The project requires the coordination of many players. Used beverage cartons are collected by the families of students. The local waste disposal company sends the used beverage cartons to Lucart that transforms them into new Lucart Professional EcoNatural line products. The products were sold, together with their

dispensers, to a local partner, for distribution to the toilets of offices, schools, public companies and sports centres in the area from where the collected cartons originated.

The results of three Slovenian municipalities participating in 2020 were 213 tonnes of used beverage cartons collected and processed into tissue paper products.

This volume of recycled beverage cartons covers hand towel and toilet paper requirements for 50% of public facilities in the municipalities of Novo Mesto, 42% in Brezice and 41% in Ljubljana.



Used beverage cartons leave the municipalities as waste and are returned as useful high-quality tissue paper products. The objective is to repeat it on a large scale in the whole of Europe, through a gradual internationalisation process.

Hygiene & Safety

The study, development and promotion of products dedicated to hand and surface hygiene have driven Lucart Professional to support the current market challenges more than ever. A wide array to be able to choose the ideal product for any environment.



Hygiene & Care Platform

A set of tools for training and managing daily life in Away from Home venues in maximum safety and hygiene.

Lucart Professional offers the best products to Ho.Re.Ca. venues, Office & Manufacturing, Wellness spas or school facilities with tips for hygiene and good behavioural standards simply and immediately to help everyone manage their daily activities safely.



Tree Challenge

Lucart Professional launched an international incentive plan for vendors of its main partners for the first time to create greater awareness around the EcoNatural project and promoting it further on the main reference markets.

Counting the saved trees is the calculation method of the incentive plan that preserves the fundamental characteristic of the product range on which it is based, i.e., sustainability. The vendors of participating partners can increase their personal number of saved trees by competing with each other.

They are encouraged to earn an **Environmental Savings Certificate** that in addition to the trees saved also considers the CO₂ not emitted and the number of recovered beverage cartons.

The international competition rewards the most effective tree-saving vendors and allows everyone to claim one or more sustainable rewards based on the level they earned.



Eco-Schools Project Advancing the Circular Economy (E-SPACE)

E-SPACE is a two-year pilot project aimed at preparing youngsters and motivating them to work in favour of the circular economy. The project was developed with the collaboration of Eco-School.

The project aims at:

- developing a circular economy curriculum for schools;
- developing a circular economy teaching kit;
- providing circular economy training to teachers in using the seven-stage Eco-School learning method through the development of projects;
- increasing the stakeholders' awareness of the production cycle, from raw materials to the final product, with a focus on use, reuse, reduction, recycling and reconditioning.

that now involves 66 schools in two countries (Slovenia and Latvia) on a current issue with the active participation of students in practical activities. Furthermore, the students are encouraged to reflect through concrete examples of situations that put sustainability first. This is to give further motivation and concreteness to the project.

The first results show the extreme interest in the project



WE BRING THE CIRCULAR ECONOMY TO SCHOOLS. THE FUTURE IS A MATTER OF EDUCATION. THIS IS WHY WE LAUNCHED E-SPACE

E-SPACE will be operational until the end of 2021 at the end of which it is planned to extend to the Eco-School network.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Tenderly Professional reasserted its position as a benchmark partner for the Away from Home sector again in 2020.

Tenderly Professional

With its high quality *professional* product ranges, the brand guarantees a superior experience with its highly absorbent, strong and soft paper products and dispensing systems offering excellent performances in any situation. Tenderly Professional constantly transfers the undisputed performance of its products to the market and sales network.



The products, paired with effective advice and reliable service, guarantee the perfect solution for any area of use, responding to the needs of every activity:



- solutions for each work area with Ready One systems, single sheet dispensing and guaranteed maximum hygiene;
- technology and innovation at the service of performance with Texicell products;
- Identity, the range of exclusive dispensing systems that guarantee real savings;
- Natural, the environmentally friendly product line.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Tablewear line - four-colour creativity

The Fato range was complemented with the addition of an airlaid collection that dabbles with new colour combinations.

For the first time, four colours come together and mix to create coordinates in which

shades, tones and shimmers are enhanced by a printing technology that delivers perfect details, even when photos or watercolours are used as the initial inspiration. New ideas to bring your unique style to the table.



General catalogue and new product folder

The Fato range is presented in the updated version of the institutional catalogue featuring new products in addition to the four-colour airlaid products. The new launches include the Natural Mood Fiberpack® tablecloth rolls. The range is expanded under the banner of sustainability, whose ecological impact is amplified by the message printed on the support because Natural is a vision as well a way of being.



Style Book

Continuing the evolutionary path of the brand in keeping with the positioning as "Your Personal Table Stylist", Fato

has created a tool that has the ambitious objective of presenting the coordinated tableware, reinterpreted and enhanced according to the latest trends.

It is more like a style "manual" than a plain catalogue.

The Fato Style Book steps beyond the logic of raw materials, formats, prices and ranges to cast a broader gaze on trends and styles.

Each of the nine styles springs to life through pictures and key

concepts spanning beyond the tableware to include clothing, interior decorations, accessories, food and lifestyles.

It is an alternative way to help the salespeople present the coordinated tableware products and back up solutions to customers that are more in line with their personality and the style they want for their venue.

Fato, Your Personal Table Stylist.





A new look, updated content and an expanded range.

Website and web applications

The new Velo website presents projects and illustrates the features of products, with a Dealer location map for consultancy and purchasing the products and a new "Velo Utilities" menu that brings together all links to access the various applications developed by the brand.

The latest applications include the **Reserved Area** to access documents and images wherever you are and the **Design Studio**, a web-based app for setting up promotional folders and flyers to guarantee greater professionalism and flexibility to customers in creating their commercial proposals. A new way to support Velo Dealers, even remotely.

Velo Utilities
A new menu for accessing applications



Design Studio
New web-based app for customers



Reserved Areas
for customers and vendors

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Vision
Eco-Logically
Oriented

4.3

SDGs



CONSUMER MARKETING AND COMMUNICATIONS ACTIVITIES

THE GROUP

The Italian brand that has always been the byword for softness celebrated its 45th birthday in 2020.

THE PEOPLE

On the occasion of this important anniversary, a new product was launched: **Tenderly Vintage**. This toilet paper pays homage to the history of the brand recalling the packaging of Tenderly in the '80s in a nostalgic and celebratory way.

THE ENVIRONMENT

Festeggiamo 45 anni di tenerezza.



MARKETING AND COMMUNICATIONS



Innovation did not stop here. Thanks to the joint efforts of the Castelnuovo di Garfagnana plant and the R&D office, the product destined to be the cornerstone and reference point of the brand came to light in the second part of the year: **Tenderly La carta igienica**.

As its name suggests, the product aims at being simple but at the same time a perfect expression of the quality and values of the brand. A new formulation for even softer toilet paper and even longer rolls for a satisfying and relaxing consumer experience.

Handkerchiefs range

New formats have been added to the **Tenderly Baby handkerchiefs** range created in collaboration with Walt Disney and dedicated to the youngest consumers. The Tenderly Baby is part of a premium range offered in several versions: Classic, Balsamic and Carezza di Latte handkerchiefs (made with Qmilk® natural milk fibres).



The "Be tender with everyone: Tenderly for Inclusivity" campaign

To support this brand, significant investments in communication were made throughout the year on both traditional and digital platforms. The leitmotiv of all campaigns was a subject that is both dear to the brand and highly topical, that of inclusivity.

"Be tender with everyone: Tenderly for Inclusivity"

supports the value of diversity, the importance of accepting

others. A new advert was made and presented on TV in the first months of the year to support the launch of the Tenderly Vintage product. The communication campaign was repeated during the summer. Continuous, diversified presence on the major social and digital platforms, with new content featuring the White Fairy to express its key values.



Partnership with Save the Children



In January 2020 Tenderly teamed up with Save the Children for the "Spazi Mamme" project to create places where parents are accompanied during the most important stages of their children's growth. These spaces promote the inclusion of children aged from 0 to 6 from disadvantaged backgrounds equipping them with the right tools for each phase of their growth. The support of Tenderly is expressed through donations and a communication campaign aimed at raising consumer awareness on the brand's social channels.

Partnership with Mus.e

Again this year, Tenderly launched an important partnership with museums in Florence, aimed at supporting the initiatives of **Mus.e Firenze**. The non-profit organisation enhances and disseminates the heritage of the city through cultural mediation activities to everyone who wishes to understand and appreciate it and facilitates the approach to

the cultural offering to special needs audiences. The support of Tenderly designed to launch a series of initiatives specifically dedicated to special needs audiences did not stop despite the closure of museum facilities. A series of articles and social communication events shared with Mus.e allowed to channel the interest of Tenderly followers and new contacts.



Partnership with Make a Wish

During the year, Tenderly's tenderness continued to actively support **Make A Wish**, the international non-profit organisation that makes the dreams of children suffering from serious illnesses come true. A commitment that was confirmed and reinforced with 26 wishes fulfilled since 2017.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



The drive for innovation did not stop in 2020 for the premium housekeeping brand with important launches throughout the year like the new Tutto Cucina Plus family of kitchen towels and the new Tutto a Tavola placemat rolls.

Tutto Cucina Plus, Tutto a Tavola

Tutto Cucina entered the kitchen towel market as a leader in 2019.

A range of specific products for use in the kitchen and suitable for contact with food was complemented in 2020 with the addition of **Tutto Cucina Plus** premium three-ply formats that stand out for their high-performance embossing and best-in-class absorbency and strength. The **Tutto a Tavola** decorated placemat roll was launched to further expand a range that covers all the needs of Italian consumers.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

“Chiedimi Tutto” campaign

Significant investments in communications were also made for Tutto brand in 2020. Social media coverage included the **“Chiedimi Tutto”** (“ask me anything”) campaign that explores the countless possibilities of Tutto towels in kitchens and for housekeeping. Tips, curiosities, advice for preserve food and limit or eliminate kitchen waste were specifically created with the collaboration of Food Lab publisher specialised in food & beverage.

A series of cookbooks and video tutorials studied in collaboration with the University of Gastronomic Sciences of Pollenzo rewarded loyal consumers with valuable editorial products that educate on aware consumption and promote the culture of avoiding food waste.

The social media presence of Tutto Pannocarta was also complemented with a special project created with the famous



pastry chef and Brand Ambassador **Damiano Carrara** from Lucca, who created and posted clips and contents dedicated to the use of the product in the kitchen and elsewhere.

MARKETING AND COMMUNICATIONS

Partnership with the University of Gastronomic Sciences of Pollenzo



The **University of Gastronomic Sciences of Pollenzo** was confirmed as technical sponsor in 2020 bolstering the partnership, in which the university served as

a special setting for the filming of numerous brand advertising campaigns.



Tutto Pannocarta on TV

The presence on TV was confirmed all year long through high media impact product placement collaborations with **Cotto e Mangiato** (Italia 1), **Bake Off** (Real Time) and **Gino's cerca Chef** (Nove).

Extensive use of the product in all these TV shows significantly highlighted the unique features of a product made with airlaid technology, which uses long and very resistant cellulose fibres that never come into contact with water during the production process, thus remaining super absorbent. These fibres form a natural "dam" structure, offering outstanding results. The paper absorbs 50% more compared to other household paper and, thanks to its remarkable strength, can be reused many times.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



The innovative Grazie Natural range with recycled and recyclable paper packaging continued to grow with the introduction of napkins.

The commitment of Lucart in the search for ecological and innovative solutions to reduce environmental impact achieved important results in 2020, with the launch of Grazie Natural napkins with recycled and recyclable paper wrapping.

Products that stand in the wake of continuity, consistency and innovation, for a brand that has always been dedicated to making a real impact on sustainable consumption in Italy.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS



Grazie Shop

The online shop of Grazie Natural is increasingly popular and active. A digital context that allows the brand to address its consumers

even more directly and to reach all those who prefer to make conscious, eco-sustainable consumption choices.

Communication on Social Media

The brand enjoyed the support of an important communication campaign on social media.

In its second season and strong of the NC Digital Awards accolades, the "Bisogni" campaign continued to garner consensus and appreciation, built around the theme of needs (also of the bodily type) to deliver socially relevant messages with a young and cheeky voice. The

Facebook page was constantly renewed with new content, posts and messages, as well as constant interaction with consumers.



THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

Lucca Changes

After the experience of 2018 and participation at Lucca Comics & Games 2019 as Family Partner, the Group chose to support the event renamed **Lucca Changes** in

response to very particular times in this difficult year once again. The event was mainly held in streaming and the support and sponsorship materialised through

the provision of materials needed for the on-site activities and products for subscribers.



4.4

PARTICIPATIONS IN CONFERENCES

Lucart Managers were invited to speak at many conferences and other events. Almost all the conferences were held online.

THE GROUP



The Italian presence in Hungary | Budapest

Omar Balducci, Sales Manager AFH Central and Eastern Europe of Lucart, was the guest of honour of the event promoted by CCIU. He presented the green policy of the Group and its perspectives on the Hungarian market.

THE PEOPLE



Meeting Italy – Hungary | Rome - Budapest

Lucart AFH Central and Eastern Europe Sales Manager Omar Balducci attended the event organised by the Farefuturo Foundation and broadcast by Radio Radicale to present the experience of Lucart in Hungary.

THE ENVIRONMENT



Alliance Cartone Nature | Paris

Alessandro Pasquini, President of Lucart S.a.s, attended a webinar dedicated to the French Parliament members on the theme of the circular economy, with a focus on the recycling of beverage cartons.

MARKETING AND COMMUNICATIONS



Italian Business Forum | Ljubljana

Niko Kumar, Managing Director of Circular Shield D.o.o. participated in the Forum presenting the circular business model applied to Ljubljana in the scope of the MMC® project.



Green Marketing Conference | Budapest

Omar Balducci, Lucart AFH Central and Eastern Europe Sales Manager, and Zoltan Roszkos, Lucart AFH Hungary Sales Manager, took part in the conference to present the strategies of Lucart to the most important Hungarian distribution operators.



Career Week | Pisa

Lucart HR Specialist Marta Rotondi and Lucart IT Business Systems Manager Alessandro Pistelli took part in the day organised by the University of Pisa, presenting the Group with a focus on the professional figures needed by the Company.



Qlik Analytics Tour | Lucca

Roberto Vigolo, Information Services Manager at Lucart, took part in the "Accelerating business value with Analytics" event, presenting the applications of Lucart in this field as examples.



Legambiente Ecoforum | Rome

Lucart CEO Massimo Pasquini took part in the round table organised by Legambiente at the National Forum on the Circular Economy to share the Group's experience related to plant modernisation.



Oltre il Green Washing

Sabrina Cosci, Chief Q&E Officer of Lucart, attended the round table entitled "Oltre il Greenwashing" ("Beyond Greenwashing") organised in collaboration with Edizioni Ambiente on the occasion of the launch of the book of the same title written by Professor Fabio Iraldo about circular economy.



It's All Cio & Technology

During the maintenance event organised by AINMAN, Lucart Chief Information Officer Massimiliano Bartolozzi and Lucart Warehouse & Procurement Account Manager Michele De Giacomo spoke about the Infor project in the maintenance processes of the Lucart plants in Tuscany.



65th Anniversary of the Alpine Rescue Corps | Lucca

Lucart Chief HR Officer Carlo Romeo attended the conference to testify to the company's relationship and sensitivity to volunteering and the local community.



Research and researchers during the COVID-19 pandemic | Pisa

Lorenzo Lupi, Trade Marketing Manager AFH Italy took part in the round table with ESOMAR organised by the Department of Business Economics of the University of Pisa on the role of market research in a period of change for the market.

4.5

WEB COMMUNICATION

During the year, the Group continued to develop and update all its websites to use this tool as an effective means of contact and interaction with customers and consumers.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

CORPORATE

www.lucartgroup.com



AWAY FROM HOME

www.lucartprofessional.com
www.fato.com
www.tenderlyprofessional.com
www.veloweb.it
www.espenigma.com



CONSUMER

www.tenderly.it
www.tuttoxtutto.it
www.grazie.it



ONLINE PURCHASES

www.grazieshop.it



4.6

TRADE FAIRS AND EVENTS

The Group attended the events that took place before the start of the pandemic or that were held in digital mode with its own exhibition area in 2020.

MARCA

Consumer trade fair | Bologna, Italy

The event is dedicated to Private Labels in modern distribution.

The Consumer Business Unit presented all the new projects and met the most important buyers in the industry.



BIOFACH-VIVANESS

Consumer trade fair | Nuremberg, Germany

The world's more important organic product fair with Vivanness, the event dedicated to the world of natural personal care.

The Consumer Business Unit presented the Grazie Natural brand, the undisputed leader of the sustainable approach in the field of tissue products.



FORUM PULIRE

AFH digital conference | Milan, Italy

The Clean Forum is a cultural, aggregative and educational event for the Away from Home business chain, Lucart Professional sponsored the 2020 digital edition as Platinum Sponsor.

THE GROUP

THE PEOPLE

THE ENVIRONMENT

MARKETING AND COMMUNICATIONS

GRI
INDICATORS
SUMMARY
TABLES



RECONCILIATION TABLE BETWEEN MATERIAL TOPICS AND GRI TOPICS

| Material topic | Issue – GRI Standards topic correlation | Remit of material topics | Type of impact |
|--|--|---|--|
| Economic and financial sustainability | <ul style="list-style-type: none"> Economic performance | <ul style="list-style-type: none"> Group | Caused by the Group |
| Ethics and Business integrity | <ul style="list-style-type: none"> Anti-corruption | <ul style="list-style-type: none"> Group | Caused by the Group |
| Work conditions | <ul style="list-style-type: none"> Employment Diversity and equal opportunities | <ul style="list-style-type: none"> Group | Caused by the Group |
| Human rights | <ul style="list-style-type: none"> No discrimination Child labour Forced labour | <ul style="list-style-type: none"> Group Suppliers | Caused by the Group and directly connected to its business |
| Development and training of the employees | <ul style="list-style-type: none"> Training and education | <ul style="list-style-type: none"> Group | Caused by the Group |
| Health and safety of the workers | <ul style="list-style-type: none"> Health and safety at work | <ul style="list-style-type: none"> Group Employees | Caused by the Group and directly connected to its business |
| Customer satisfaction | <ul style="list-style-type: none"> Marketing and labelling | <ul style="list-style-type: none"> Group End users | Caused by the Group and directly connected to its business |
| Impact on the territory (even from a social perspective) | <ul style="list-style-type: none"> Indirect economic impacts Local communities Presence on the market | <ul style="list-style-type: none"> Group Local communities Suppliers | Caused by the Group and directly connected to its business |
| Research, development and innovation | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> Group | Caused by the Group |
| Health and safety of consumers | <ul style="list-style-type: none"> Health and safety of consumers Customer privacy | <ul style="list-style-type: none"> Group Customers End users | Caused by the Group and directly connected to its business |
| Marketing and communication | <ul style="list-style-type: none"> Marketing and labelling | <ul style="list-style-type: none"> Group Customers End users | Caused by the Group and directly connected to its business |
| Assessment and management of environmental impacts | <ul style="list-style-type: none"> Discharge and waste Energy Emissions Water | <ul style="list-style-type: none"> Group | Caused by the Group |
| Renewable resources | <ul style="list-style-type: none"> Energy Materials | <ul style="list-style-type: none"> Group | Caused by the Group |
| Sustainable product development | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> Group | Caused by the Group |
| Efficient logistics (freight transport) | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> Group | Caused by the Group |
| Responsible sourcing | <ul style="list-style-type: none"> Procurement practices Evaluation of suppliers based on environmental criteria Supplier assessment based on employment policies and conditions Materials | <ul style="list-style-type: none"> Group Suppliers | Caused by the Group and directly connected to its business |
| Environmental awareness and education | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> Group Local community | Caused by the Group and directly connected to its business |

GRI CONTENT INDEX

UNIVERSAL STANDARDS

| GRI Standard | Page No. | Information | SDGs links and notes |
|--|-------------------|--|--|
| GRI 102: GENERAL DISCLOSURES 2016 | | | |
| PROFILE OF THE ORGANISATION | | | |
| 102-1 | 4; 18 | Name of the organisation | |
| 102-2 | 16; 29-31 | Main brands, products and/or services | |
| 102-3 | 18; 26 | Headquarters | |
| 102-4 | 18-19 | Number of countries where the organisation operates and Countries where the organisation conducts business or where the activity carried out has a specific importance in relation to the sustainability factors covered in the relative Sustainability Report | |
| 102-5 | 18-19; 26 | Ownership and legal form | |
| 102-6 | 28-31 | Markets covered (including the geographical coverage, business sectors and types of customers and recipients) | |
| 102-7 | 16-17 | Size of the organisation | |
| 102-8 | 61 | Number of employees divided by contract and gender | |
| 102-9 | 67-72 | Description of the supply chain of the organisation | |
| 102-10 | | Significant changes during the reference period in the size and structure of the organisation or in the supply chain | No significant changes related to the supply chain during 2020 |
| 102-11 | | How the principle is applied or prudential approach | When assessing the decision-making process, a prudential approach is implemented |
| 102-12 | 2-3; 58-59; 75-77 | Adoption of codes of conduct, principles and charters developed by external bodies/associations relating to economic, social and environmental performance. | |
| 102-13 | 75-77 | Membership with national or international associations for the promotion of sustainability | |
| STRATEGY | | | |
| 102-14 | 2-3 | Statement by top manager leading the organisation | |
| ETHICS AND INTEGRITY | | | |
| 102-16 | 33; 46-47; 58-59 | Values, principles, standards and rules of conduct adopted by the organisation | |
| GOVERNANCE | | | |
| 102-18 | 26-27 | Governance structure of the organisation | |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|

| STAKEHOLDER ENGAGEMENT | | | |
|--------------------------|---------|--|---|
| 102-40 | 38-43 | List of stakeholders involved by the organisation | |
| 102-41 | 73 | Percentage of employees covered by national collective contracts | Information not available in a structured form for all the Companies of the Group |
| 102-42 | 38-45 | Principles to identify stakeholders to involve | |
| 102-43 | 38-45 | Approach of the organisation in relation to the concept of stakeholder engagement, including the frequency of involvement by type and stakeholder group and indication of involvement and interaction in the reporting process | |
| 102-44 | 38-45 | Relevant issues raised through the engagement of stakeholders and how the organisation responded, including the preparation of the report. List of the groups of stakeholders that raised the topics analysed | |
| REPORTING SPECIFICATIONS | | | |
| 102-45 | 4 | Entities included in the consolidated financial statement of the organisation or equivalent documents | |
| 102-46 | 4; 131 | Process to define the reporting remit and limitations | |
| 102-47 | 38-45 | Material aspects identified in the analysis process to define the reporting remit | |
| 102-48 | | Changes to information included in previous reports and the reasons for these changes | No information changes have been reported compared to the previous reports |
| 102-49 | 4 | Significant changes in the objective and limitations compared to the previous reporting period | No significant changes |
| 102-50 | 4 | Reporting period | |
| 102-51 | 4 | Date of the last report | July 2020 |
| 102-52 | 4 | The reporting frequency (annual, biennial) | |
| 102-53 | 4 | Useful contacts and addresses to request information on the Sustainability Report | |
| 102-54 | 4 | Specify the compliance option with the GRI Standards chosen by the organisation | |
| 102-55 | 132-143 | GRI Content Index | |
| 102-56 | | External certification | The Sustainability Report 2020 is not subject to revision |

TOPIC-SPECIFIC STANDARDS

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|

ECONOMIC

ECONOMIC PERFORMANCE

GRI 103: 2016 MANAGEMENT APPROACH

| | | |
|-------|-------|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |
| 103-2 | 16 | General information about management's approach and relative characteristics |
| 103-3 | 16 | Management approach assessment |

GRI 201: ECONOMIC PERFORMANCE IN 2016

| | | |
|-------|-------|---|
| 201-1 | 16-17 | Economic value directly generated and distributed |
|-------|-------|---|

PRESENCE ON THE MARKET

GRI 103: 2016 MANAGEMENT APPROACH

| | | |
|-------|-------|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |
| 103-2 | 28 | General information about management's approach and relative characteristics |
| 103-3 | 28 | Management approach assessment |

GRI 202: PRESENCE ON THE MARKET

| | | |
|-------|--|---|
| 202-2 | Percentage of senior managers employed in the local community subdivided into significant operating facilities | Senior managers employed in the operating facilities are local. |
|-------|--|---|

INDIRECT ECONOMIC IMPACTS




GRI 103: 2016 MANAGEMENT APPROACH

| | | |
|-------|-------------------|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |
| 103-2 | 16-17; 108-125 | General information about management's approach and relative characteristics |
| 103-3 | 16-17; 108-125 | Management approach assessment |

GRI 203: INDIRECT ECONOMIC IMPACT IN 2016

| | | |
|-------|--------------|---|
| 203-1 | 108-125 | Development and impact of investments in infrastructure and services provided |
| 203-2 | 16-17; 34 | Main indirect economic impacts |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|



| PROCUREMENT PRACTICES | | | |
|------------------------------------|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 72 | General information about management's approach and relative characteristics | |
| 103-3 | 72 | Management approach assessment | |
| GRI 204: PROCUREMENT PRACTICE 2016 | | | |
| 204-1 | 72 | Expenditure percentage on local suppliers |   |

| ANTI-CORRUPTION | | | |
|-----------------------------------|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 58-60 | General information about management's approach and relative characteristics | |
| 103-3 | 58-60 | Management approach assessment | |
| GRI 205: ANTI-CORRUPTION IN 2016 | | | |
| 205-2 | | Communication and training on anti-corruption and procedure policies | No communication on these issues during the reporting period |

ENVIRONMENTAL CATEGORY

MATERIALS

GRI 103: 2016 MANAGEMENT APPROACH



| | | | |
|-------|-------|--|---|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 82-86 | General information about management's approach and relative characteristics | |
| 103-3 | 82-86 | Management approach assessment |  |

GRI 301: MATERIALS IN 2016


| | | | |
|-------|-------|----------------------------------|--|
| 301-2 | 88-90 | Percentage of recycled materials | |
|-------|-------|----------------------------------|--|

ENERGY

GRI 103: 2016 MANAGEMENT APPROACH



| | | | |
|-------|-------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 94-97 | General information about management's approach and relative characteristics |  |
| 103-3 | 94-97 | Management approach assessment | |

GRI 302: ENERGY IN 2016

| | | | |
|-------|-------|--|---|
| 302-1 | 95 | Energy consumption within the organisation |  |
| 302-3 | 95 | Energy intensity | |
| 302-4 | 95-97 | Reduced energy consumption | |

WATER



GRI 103: 2016 MANAGEMENT APPROACH



| | | | |
|-------|-------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits |   |
| 103-2 | 91-93 | General information about management's approach and relative characteristics | |
| 103-3 | 91-93 | Management approach assessment | |

GRI 303: WATER IN 2016

| | | | |
|-------|----|----------------------------------|--|
| 303-1 | 91 | Drawn water subdivided by source | |
|-------|----|----------------------------------|--|

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|

| EMISSION | | | |
|-----------------------------------|--------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 98-101 | General information about management's approach and relative characteristics | |
| 103-3 | 98-101 | Management approach assessment | |
| GRI 305: EMISSIONS IN 2016 | | | |
| 305-1 | 100 | Direct greenhouse gas emissions (Purpose 1) |  |
| 305-2 | 100 | Direct greenhouse gas emissions (Purpose 2) | |
| 305-4 | 100 | Greenhouse gas emission intensity | |
| 305-5 | 100 | Greenhouse gas emission reduction | |
| 305-7 | 101 | NO _x , SO _x and other atmospheric emissions | |

| DISCHARGE AND WASTE | | | |
|--------------------------------------|---------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |   |
| 103-2 | 102-103 | General information about management's approach and relative characteristics | |
| 103-3 | 102-103 | Management approach assessment | |
| GRI 306: DISCHARGE AND WASTE IN 2016 | | | |
| 306-2 | 103 | Total weight of waste divided by type and method of disposal | |

| ASSESSMENT OF SUPPLIERS ACCORDING TO ENVIRONMENTAL CRITERIA | | | |
|---|--------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 65; 88 | General information about management's approach and relative characteristics | |
| 103-3 | 65; 88 | Management approach assessment | |
| GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT IN 2016 | | | |
| 308-1 | | Percentage of new suppliers assessed according to environmental criteria | The data has not been obtained as a percentage value |



SOCIAL CATEGORY


| OCCUPATION | | |
|-----------------------------------|-------|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |
| 103-2 | 61-64 | General information about management's approach and relative characteristics |
| 103-3 | 61-64 | Management approach assessment |
| GRI 401: EMPLOYMENT IN 2016 | | |
| 401-1 | 63 | New hires and turnover rate by age range, gender and geographical area |
| 401-3 | 64 | Return to work and retention rates after parental leave, by gender |


| HEALTH AND SAFETY AT THE WORKPLACE | | | |
|--|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 65-66 | General information about management's approach and relative characteristics | |
| 103-3 | 65-66 | Management approach assessment | |
| GRI 403: SHEALTH AND SAFETY AT THE WORKPLACE IN 2016 | | | |
| 403-1 | 65-66 | Total percentage of workers represented in formal health and safety company-worker committees that allow health and safety at work issues to be monitored and reported | The data has not been obtained as a percentage value |
| 403-4 | 65-66 | Warker participation, consultation, and communication on occupational health and safety | |
| 403-9 | 65-66 | Work-related injuries | |



| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|

| TRAINING AND EDUCATION | | | |
|---|-----------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 64; 68-71 | General information about management's approach and relative characteristics | |
| 103-3 | 64; 68-71 | Management approach assessment | |
| GRI 404: TRAINING AND EDUCATION IN 2016 | | | |
| 404-1 | 64 | Average hours of annual training per employee, broken down by gender and category |  |
| 404-2 | 68-69 | Programmes for upgrading employee skills and transition assistance programmes | |
| 404-3 | 70 | Percentage of employees who regularly receive career development performance assessments, broken down by gender and category | |


| DIVERSITY AND EQUAL OPPORTUNITIES | | | |
|--|--------------|---|---|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 58-64 | General information about management's approach and relative characteristics | |
| 103-3 | 58-64 | Management approach assessment | |
| GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES IN 2016 | | | |
| 405-1 | 26-27; 61-62 | Composition of governing bodies and breakdown of personnel by gender, age, adherence to protected categories and other diversity indicators | |

| NO DISCRIMINATION | | | |
|-----------------------------------|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits |  |
| 103-2 | 61-64 | General information about management's approach and relative characteristics | |
| 103-3 | 61-64 | Management approach assessment | |
| GRI 406: NO DISCRIMINATION 2016 | | | |
| 406-1 | | Number of discrimination cases and corrective action taken | No discrimination cases were reported during the reporting period |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|

| CHILD LABOUR | | | |
|-----------------------------------|-------|---|--------------------------------|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 61-64 | General information about management's approach and relative characteristics | |
| 103-3 | 61-64 | Management approach assessment | |
| GRI 408: CHILD LABOUR IN 2016 | | | |
| 408-1 | | Identification of operations and major suppliers with high risk of child labour and measures adopted to contribute to its effective abolition | No significant risk identified |

| FORCED LABOUR | | | |
|-----------------------------------|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 61-64 | General information about management's approach and relative characteristics | |
| 103-3 | 61-64 | Management approach assessment | |
| GRI 408: FORCED LABOUR IN 2016 | | | |
| 409-1 | | Identification of actions and of the main suppliers with a high risk of use of forced labour and measures undertaken | No significant risk was identified during the reporting period |



| LOCAL COMMUNITIES | | | |
|------------------------------------|-------|---|---|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 73 | General information about management's approach and relative characteristics |  |
| 103-3 | 73 | Management approach assessment | |
| GRI 413: LOCAL COMMUNITIES IN 2016 | | | |
| 413-1 | 73 | Percentage of operations that have led to local community involvement, impact assessment and development programs | No action with significant impact on the local communities was identified during the reporting period |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|



SUPPLIER ASSESSMENT BASED ON CORPORATE CRITERIA

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|--|-------|--|---|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 72 | General information about management's approach and relative characteristics | |
| 103-3 | 72 | Management approach assessment | |
| GRI 414: SUPPLIER ASSESSMENT BASED ON CORPORATE CRITERIA IN 2016 | | | |
| 414-1 | | Percentage of the new suppliers assessed based on criteria regarding work conditions | Currently there are no criteria concerning policies and work conditions |

HEALTH AND SAFETY OF CONSUMERS

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|--|--------------------------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 46-47; 49; 108-125 | General information about management's approach and relative characteristics |   |
| 103-3 | 46-47; 49; 108-125 | Management approach assessment | |
| GRI 408: 2016 HEALTH AND SAFETY OF CONSUMERS | | | |
| 416-2 | | Cases of non-compliance with regulations on the health and safety of products and services during their life cycle | Such cases did not occur during the reporting period |


MARKETING AND LABELLING

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|-----------------------------------|---------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 108-125 | General information about management's approach and relative characteristics |   |
| 103-3 | 108-125 | Management approach assessment | |
| GRI 417: MARKETING AND LABELLING | | | |
| 417-1 | | Type of information on products and services required by the organisation with reference to the labelling of products and services and the percentage of products and services subject to these requirements | The information on the labelling of the product complies with the provisions of national reference legislation |
| 417-3 | | Number of cases of non-compliance with regulations and voluntary codes relating to marketing, including advertising, promotion and sponsorship | Such cases did not occur during the reporting period |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|



| CUSTOMER PRIVACY | | | |
|-----------------------------------|-------|--|---|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 49 | General information about management's approach and relative characteristics | |
| 103-3 | 49 | Management approach assessment | |
| GRI 418: CUSTOMER PRIVACY IN 2016 | | | |
| 418-1 | | Number of documented complaints regarding privacy violations and loss of consumer data | No communication on these issue during the reporting period |

| SOCIAL-ECONOMIC COMPLIANCE | | | |
|---|-------|--|--|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 46-49 | General information about management's approach and relative characteristics | |
| 103-3 | 46-49 | Management approach assessment | |
| GRI 419: SOCIAL-ECONOMIC COMPLIANCE IN 2016 | | | |
| 419-1 | | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws or regulations | Such cases did not occur during the reporting period |



| RESEARCH, DEVELOPMENT AND INNOVATION | | | |
|--------------------------------------|---------|--|---|
| GRI 103: 2016 MANAGEMENT APPROACH | | | |
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 114-119 | General information about management's approach and relative characteristics |  |
| 103-3 | 114-119 | Management approach assessment | |

| GRI Standard | Page No. | Information | SDGs links and notes |
|--------------|----------|-------------|----------------------|
|--------------|----------|-------------|----------------------|



SUSTAINABLE PRODUCT DEVELOPMENT

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|-----------------------------------|--------------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 52-55; 75 | General information about management's approach and relative characteristics |   |
| 103-3 | 52-55; 75 | Management approach assessment | |

EFFICIENT LOGISTICS (FREIGHT TRANSPORT)

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|-----------------------------------|-------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 98-99 | General information about management's approach and relative characteristics |   |
| 103-3 | 98-99 | Management approach assessment | |

ENVIRONMENTAL AWARENESS AND EDUCATION

| GRI 103: 2016 MANAGEMENT APPROACH | | | |
|-----------------------------------|----------------|--|--|
| 103-1 | 38-45 | Explanation of material aspects and relative limits | |
| 103-2 | 79; 108-110 | General information about management's approach and relative characteristics |   |
| 103-3 | 79; 108-110 | Management approach assessment | |



LUCART S.P.A.

HEADQUARTER:

Via Ciarpi, 77
I - 55016 Porcari (Lucca)
Tel. +39 0583 21 40
Fax +39 0583 29 90 51

PLANTS AND OFFICES:

55016 **PORCARI** (Lucca)
Via Ciarpi, 77
Tel. +39 0583 21 40

55023 **BORGO A MOZZANO** (Lucca)
Z.I. Diecimo
Tel. +39 0583 83 701

30020 **TORRE DI MOSTO** (Venezia)
Via G. Galilei, 4 -Z.I.
Tel. +39 0421 31 28 11

55032 **CASTELNUOVO DI GARFAGNANA** (Lucca)
Via E. Fermi, 13
Tel. +39 0583 64 01

85021 **AVIGLIANO** (Potenza)
Loc. Serra Ventaruli
Tel. +39 0971 70 31 11

LOGISTICS CENTRE:

55011 **ALTOPASCIO** (Lucca)
Via del Palazzaccio, 56
Tel. +39 0583 83 701

LUCART S.A.S.

F - 88600 Laval sur Vologne
10, Rue Maurice Mougeot BP35
Tel. +33 (0)3 29 55 78 78
Fax +33 (0)3 29 55 78 76

LUCART KFT.

HU - 2536 Nyergesújfalu
Iparos utca 1
Tel. +36 33 428 128 // +36 33 428 129
Fax: +36 33 428 130

LUCART TISSUE & SOAP S.L.U.

E - 48850 Aranguren (Bizkaia)
Nicolás María Urgoiti s/n
Tel. +34 946 670 000
Fax +34 946 390 985

LUCART DEUTSCHLAND GMBH

DE - 60487 Frankfurt
Tilsiter Straße 1

ESP LTD

UK - WR8 OEF Worcester
Blackmore Park Rd, Hanley Swan
Tel. +44 (0) 1684 893 797

www.lucartgroup.com

This document is property of Lucart. All rights reserved. Any reproduction, even partial, is forbidden without prior written permission.

Graphic design
© Corberi Sapori Editori Sas

Photography
© Giorgio Leone
© Q-Zone
© Osvaldo Domenici
@ Marco Piccolo

Printing
Pacini Editore Srl

The Corporate Communication Team, which oversaw the preparation of the document, thanks all the colleagues who actively collaborated in its drafting and the colleagues who kindly made themselves available for the photo shoot.



 **LUCART**
SHARING THE FUTURE



This document has been printed on "Fedrigoni Oikos" ecological paper.