



2021
SUSTAINABILITY REPORT

Letter to stakeholders



In an international scenario of great uncertainty due in particular to the war between Russia and Ukraine, we are presenting the **seventeenth edition** of the Lucart Group Sustainability Report, the first subjected to certification by a third-party body.

In addition to the drama of the pandemic, we are now unfortunately witnessing the drama of an inexplicable war in the heart of Europe, the tragic effects of which on the economy and international relations are already being felt and will linger on lastingly.

During 2021, there was a rebalancing of demand for goods between consumer and Away from Home products, in a context of strong economic recovery, especially in the second half of the year. However, the year was characterised by a steep rise in the prices of all raw materials, both fibrous and auxiliary materials, and energy prices sky-rocketed in the last quarter of 2021, aggravated by the outbreak of the war in Ukraine in the first quarter of 2022.

The macroeconomic framework for raw materials and energy prompts us to expedite the actions we have already taken in recent years and which see us determined to invest in the circular economy, production and energy efficiency, self-production and purchase of renewable energy, and market and product diversification, with particular attention to the Italian National Recovery and Resilience Plan (NRP), under which the company has submitted several projects.

I recall with pleasure the environmental and economic results of our Natural project, which, more than 10 years after its launch, has been perfected with the installation at our Borgo a Mozzano plant of a system for the granulation of the plastic and aluminium residue resulting from the recycling of Tetra Pak® beverage cartons. The project represents a model in Europe for the circular economy and demonstrates how, through innovation, creativity and the development of advanced partnerships, it is possible to bring very high quality products to the market that are truly good for the environment, and for the economic development of the company and of the areas in which we work.

In the field of energy, we put into operation a high-efficiency cogeneration plant at the Porcari site in 2021, similar to the one already installed in 2020 at the Borgo a Mozzano site. These plants, which feature state-of-the-art technology for the self-generation of electrical and thermal energy, allow us to improve production efficiency while reducing emissions into atmosphere, and are ready to exploit green fuels such as hydrogen and BioGas.


We have also approved the installation, in partnership with Enel X, of a large photovoltaic plant at the Borgo a Mozzano site, which will be fully operational in September 2022, and we are studying similar solutions for all our production sites.

The company's commitment to environmental protection is also demonstrated by the continuous improvement in indicators. Since 2014, we have reduced **specific CO₂ emissions by 14.9%** and **NO_x emissions by as much as 47%**. We have **reduced specific energy consumption by 13.2%** compared to 2014, and sent **80% of the waste produced for recovery**. **Specific water consumption decreased by 23.3%** compared to 2013.

Finally, I am pleased to report that we have already achieved our goal of only using recyclable and/or compostable packaging, and we are working to increase the use of packaging made from renewable materials (79%) and composed entirely or in part of recycled raw materials.

In the hope that European governments will be able to find energy solutions that can bring down energy prices for both businesses and households, in 2022 we will continue to work with determination on the technological modernisation of our plants, on the development of environmentally friendly products to meet the growing demands of international markets, and on the reduction of all environmental impacts of our production facilities. We will pursue this by listening to and establishing a constant dialogue with our stakeholders, always keeping in mind our goal of creating value for all.

Massimo Pasquini
President and CEO



Methodological note

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

This Sustainability Report was drawn up voluntarily. It is published once a year following the "Sustainability Reporting Standards" set out in 2016 by the Global Reporting Initiative (GRI) (as amended), according to the "In accordance - Core" option of the GRI Standards approach.

The detailed list of GRI Standards in the text is summarised in the Content Index at the end of the document.

The Group follows the reporting principles required by GRI Standards:

- ▶ Stakeholder Inclusiveness
- ▶ Sustainability Context
- ▶ Materiality
- ▶ Completeness
- ▶ Balance
- ▶ Comparability
- ▶ Accuracy
- ▶ Punctuality
- ▶ Clarity and reliability

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., Lucart Hygiene Ltd. 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 2021 to 31 December 2021**.

On 1 March 2021, Lucart S.p.A. acquired 100% of **Esp Ltd**, later renamed Lucart Hygiene Ltd., and, consequently, this company is included in this report solely for the period from 1 March 2021 to 31 December 2021.

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

The Report contains qualitative and quantitative information on issues considered "material" for Lucart and its stakeholders and identified through a materiality analysis. Data was calculated promptly

based on the results of the general accounting and other information systems used. Specifically, the data and information in the document were collected by the contact persons of the company departments involved, through data collection forms filled in with data extracted from the systems of the Group's companies.

Data for previous periods (2019 and 2020) are provided - when available - in the Sustainability Report for comparative purposes, to enable stakeholders to assess the performance of activities over time. To ensure the reliability of the data, the use of estimates and boundary limitations was limited as much as possible and, if present, these are appropriately reported and based on the best available methodologies.

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.

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

This Sustainability Report was submitted for subsequent approval by Lucart's Board of Directors on 27 May 2022. The Sustainability Report 2021 was subjected to a brief review by PricewaterhouseCoopers Business Services S.r.l. to improve the effectiveness of the reporting process and to guarantee the reliability of the reported information to all stakeholders. This activity ended with the release of the "Report on the Brief Review of the Sustainability Report 2021". The report, referenced in the final section of the document, describes the adopted principles, the performed activities and their conclusions.

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

Table of contents

	Letter to stakeholders	2	
	Methodological note	4	
► The Group			
	1.1	Lucart Group, the history	8
		Lucart at a glance 2021	16
		Results and improvement goals	18
	1.2	Plants of the Group	20
	1.3	Types of paper made and production capacity	22
	1.4	Production process and product life cycle of tissue product	24
		Production process of Cosmetic product	26
	1.5	Organisation	28
	1.6	Business areas	30
	1.7	Vision and Mission	34
	1.8	Objectives	35
	1.9	Sustainable Development Goals	36
	1.10	Value chain	38
	1.11	Stakeholder mapping and Materiality Analysis	40
1.12	Certifications	48	
1.13	Risk Management	50	
1.14	Circularity and sustainability as strategic business levers	56	
► The People			
	2.1	Code of Ethics	62
	2.2	Principles	63
	2.3	Organisational model	64
	2.4	Lucart personnel structure	65
	2.5	Occupational health and safety	69
	2.6	Relationships with Stakeholders	72
	► The Environment		
	3.1	Environmental Impact Assessment	86
	3.2	Environmental Product Declaration (EPD®)	88
	3.3	Raw Materials	92
	3.4	Water Resources	95
	3.5	Energy Resources	98
	3.6	Logistics	102
	3.7	Packaging	103
	3.8	Atmospheric Emissions	105
	3.9	Waste management	107
	3.10	Final quantity balance	109
► Marketing & Communication			
	4.1	Corporate communication activities	112
	4.2	Away from Home marketing and communication activities	118
	4.3	Consumer Marketing and communication activities	124
	4.4	Awards	130
	4.5	Participation in Conferences	131
	4.6	Web Communication	132
	4.7	Trade Fairs, Events and Sponsorships	133
	GRI Content Index	137	
	Report on the brief review of the Sustainability Report 2021	148	

THE GROUP

01

A decorative graphic consisting of several overlapping, wavy lines in shades of teal and green. The lines flow from the left side of the page, loop around the large number '01', and continue towards the right side. The lines have a slight 3D effect with white highlights and shadows.



**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 Pasquini brothers' Cartiera Lucchese

1953

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.



1953

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.



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.



1976

► The second PM2 paper machine

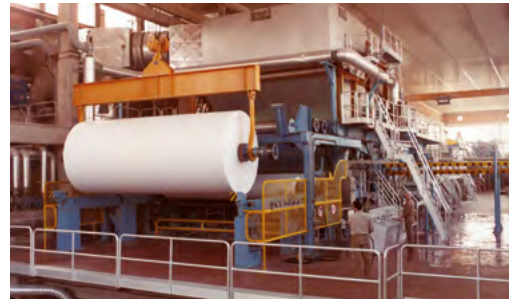


In 1976, the growing worldwide demand for flexible packaging paper convinced the family to invest again in the Porcari site with the installation of a second paper machine (PM2). The line would remain operational until 2018.

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.



1987

► Tissue paper production was kicked off



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.

1988
1989

► The Borgo a Mozzano plant and the Lucart brand are established

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.



► **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 Borgo a Mozzano 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.

**1990
1991**

► **Cartiera Lucchese France paper mill**

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

► **Deinking plant and PM7 in Borgo a Mozzano**



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.

1996

► **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.



1997

1998

► Consolidation in Europe

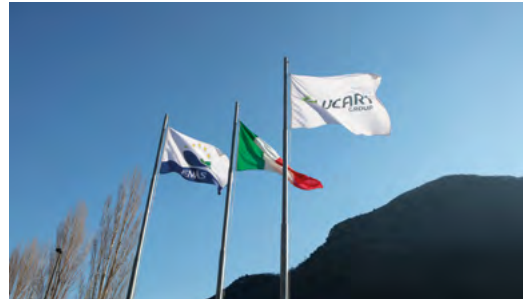


1998 marked an important moment for the Group at a European level. It was the year in which Lucart Ibérica S.L.U., a commercial company for the management of Iberian customers, and Lucart France S.a.s. are established, followed by the construction of the Troyes plant in France, with the production and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

2006

► EMAS environmental certification

Committed to bolstering and improving its environmental efficiency, the Borgo a Mozzano 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.



2007

► Lucart enters the Ho.Re.Ca. market



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.

2008

► New acquisition in France

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.



► 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.

2009

► Fiberpack®: let's go!

In 2010 a new plant - the only one of its kind in Italy - was built in Borgo a Mozzano 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

► 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.

2011

► 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.



2012

2013

► **Merger in Lucart S.p.A.**



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.

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 Nyergesújfalú was opened in September 2018 after two years of work.



2017

► **The Altopascio Logistics Centre**



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 Borgo a Mozzano site by a continuous service of ecological LNG (Liquid Natural Gas) powered shuttles, equipped with an automatic loading/unloading system based on RFID technology.

2018

► **Investment in Spain**

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



► **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.



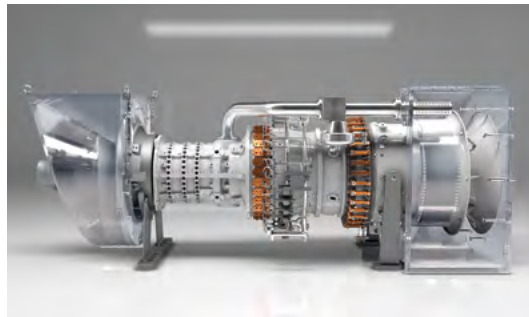
► **Launch of paper packaging**

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



► **New cogeneration plant**

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



► **Investment in the UK**



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.

► **Granulation plant**

With the aim of reusing process waste from the recovery of food cartons, Lucart has installed an innovative plant at the Borgo a Mozzano site that is able to obtain plastic granules from the homogeneous material composed of polyethylene and aluminium, thus closing the bonded material processing cycle.



2019

2021

2022

LUCART at a glance 2021

The Group



1,700
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



FATO



CONSUMER



Tutto



BtoB



Tissue paper



Mg paper



Airlaid paper

1,700 people work in **11 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 **548 million euro**.

The process creates shared value
for all stakeholders.

Turnover



548mln

Countries supplied



70+

Value created for stakeholders

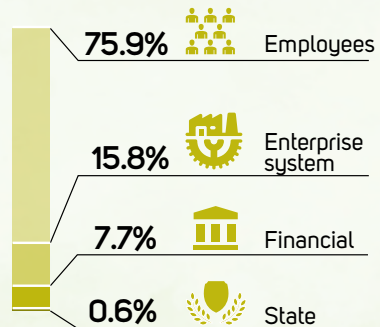


118.22 € mln

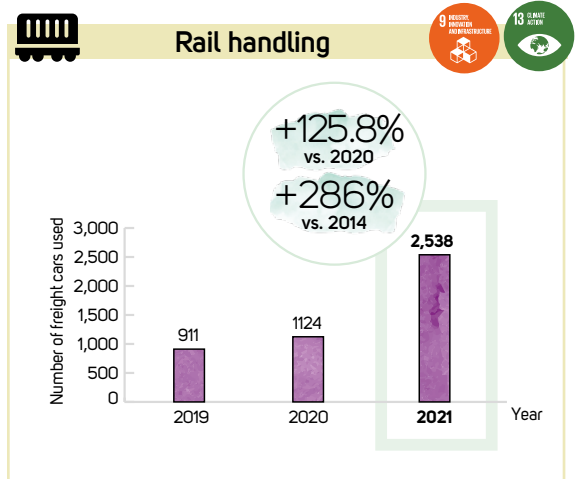
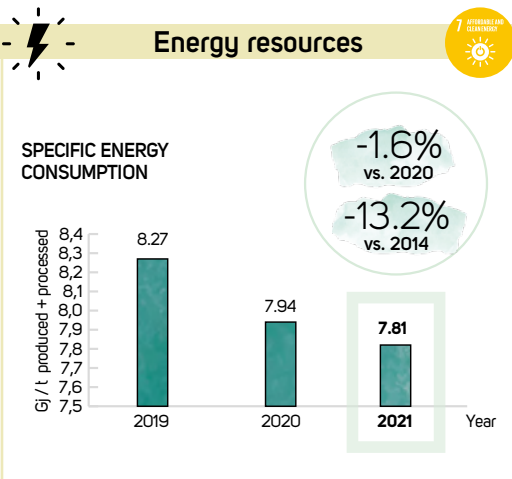
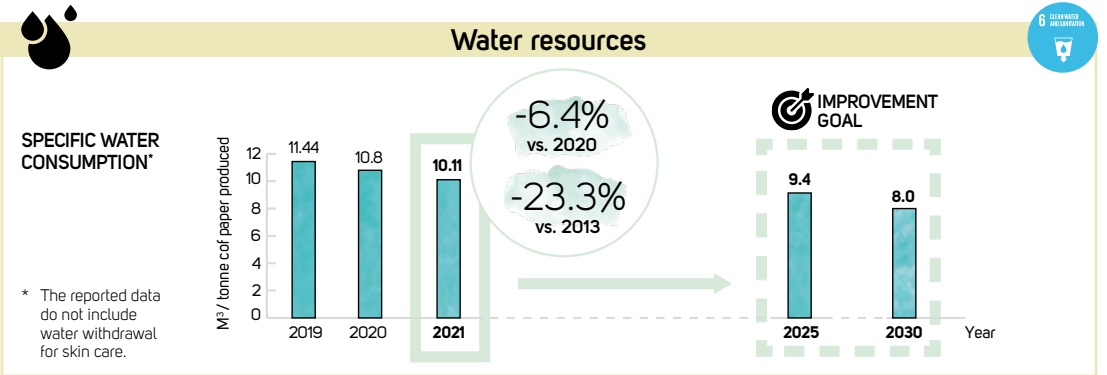
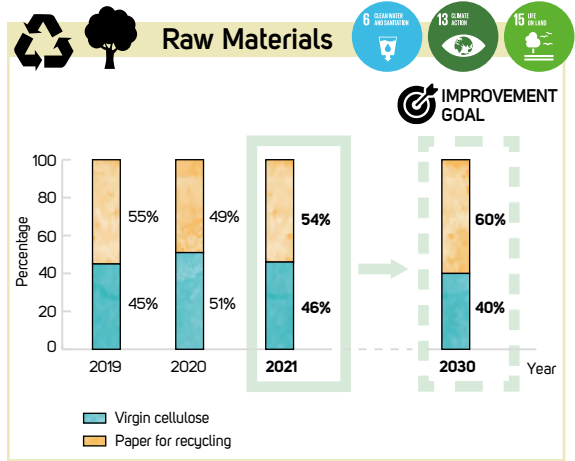
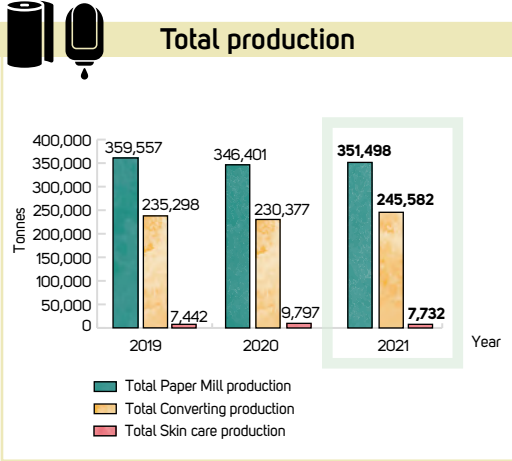
Total global added value

The financial data in the generated and distributed economic value statement relate to the parent company Pasfin S.p.A.

Shared across:



Results and improvement goals

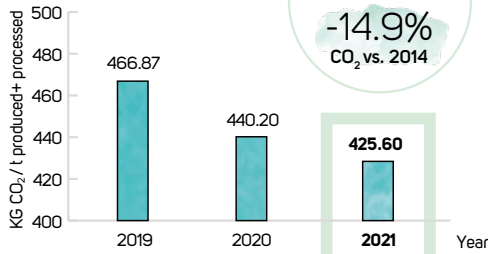




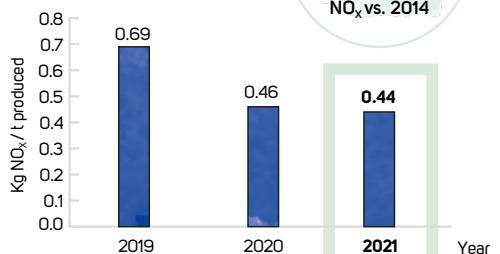
Emissions into the atmosphere



SPECIFIC CO₂ EMISSIONS (INTENSITY)



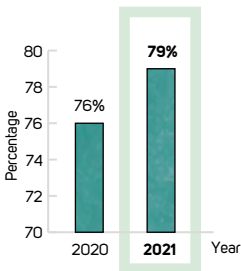
SPECIFIC NO_x EMISSIONS (INTENSITY)



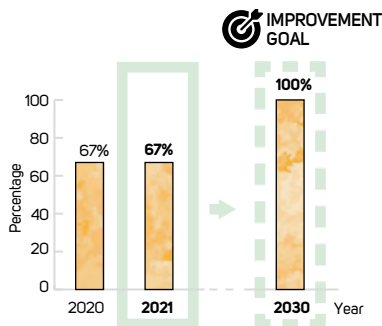
Packaging



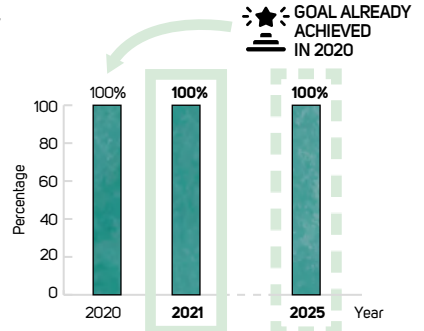
RENEWABLE



RECYCLED AND/OR COMPOSTABLE



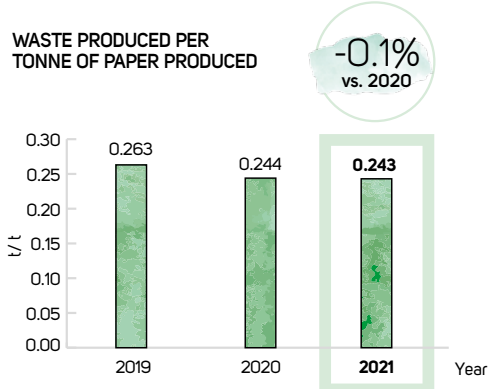
RECYCLABLE AND/OR COMPOSTABLE



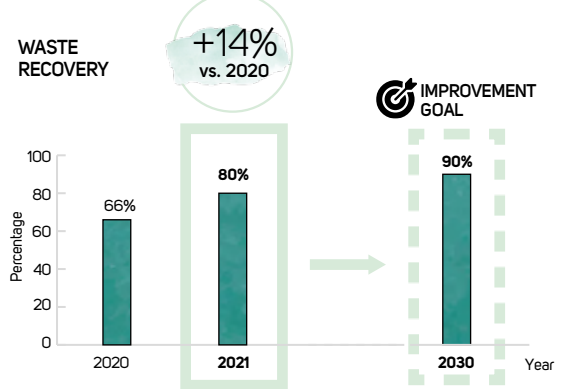
Waste



WASTE PRODUCED PER TONNE OF PAPER PRODUCED



WASTE RECOVERY



1.2

Plants of the Group

on 31 March 2022

BLACKMORE PARK (United Kingdom)

Lucart Hygiene Ltd.

A converting-only plant, acquired on 1st March 2021, mainly dedicated to the production of tissue articles for hygiene for the Away from Home market.



Converting lines 5

ARTZINIEGA (Spain)

Lucart Tissue & Soap S.L.U.

Plant dedicated to hygiene products. It converts the jumbo tissue reels produced at the Aranguren plant into finished products and manufactures cosmetic products such as soaps, detergents and sanitisers for the Away from Home market.



Paper converting lines 4 Skin care converting lines 3

ARANGUREN (Spain)

Lucart Tissue & Soap S.L.U.

Mill-only plant for the production of tissue paper in jumbo reels from virgin cellulose and paper for recycling.



Converting lines 2

CASTELNUOVO DI GARFAGNANA (Italy)

Lucart S.p.A.

Integrated plant with a paper mill and a converting department mainly specialised in the production of Tenderly and Tutto branded products.



Paper machines 1 Converting lines 4

BORGIO A MOZZANO - DIECIMO (Italy)

Lucart S.p.A.

The Group's largest integrated plant, it produces and converts jumbo reels into tissue paper from pure cellulose and paper for recycling for its own brand and for large retailers. It is the point of reference in Italy for the recycling of the bonded material for the production of Fiberpack® tissue paper. It also has a granulator for the complete recovery of polyethylene and aluminium in beverage cartons.



Paper machines 3 Converting lines 19

LAVAL SUR VOLOGNE (France)

Lucart S.a.s.



Located in the Vosges Department, the plant produces and converts jumbo reels into tissue paper from virgin cellulose and paper for recycling. The site is the reference point in France for the recycling of Fiberpack® tissue paper.

Paper machines 2 *Converting lines* 9



FRANCOFORTE (Germany)

Commercial offices



NYERGESÚJFALU (Hungary)

Lucart Kft.



A converting-only plant dedicated to the production of Away from Home products and specialising in serving Central and Eastern European markets.

Converting lines 5



TORRE DI MOSTO (Italy)

Lucart S.p.A.



A converting-only plant dedicated to the Fato brand, the leading brand in Italy for tabletop products. It produces printed, decorated and customised paper products, mainly for the Ho.Re.Ca. market.

Converting lines 17



AVIGLIANO (Italy)

Lucart S.p.A.



Integrated plant for the production and converting of airlaid paper. Airlaid paper is characterised by its innovative production technology that does not use water in the production process and is used to make super-absorbent products.

Paper machines 1 *Converting lines* 4



ALTOPASCIO (Italy)

Lucart S.p.A.



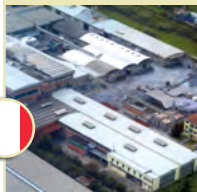
Automated logistics hub dedicated to Away from Home products. Located near the A11 Firenze-Mare motorway, it covers an area of more than 24,000 m².

Logistics centre



PORCARI (Italy)

Lucart S.p.A. (Headquarter)



Group headquarters since 1966, it produces jumbo reels of white and coloured tissue paper and machine-glazed paper for flexible packaging from pure virgin cellulose, paper for recycling and mixes of the two.

Paper machines 3



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 2022, the overall production capacity of the Group was about 396,000 tonnes of paper, distributed as follows:



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

► 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.

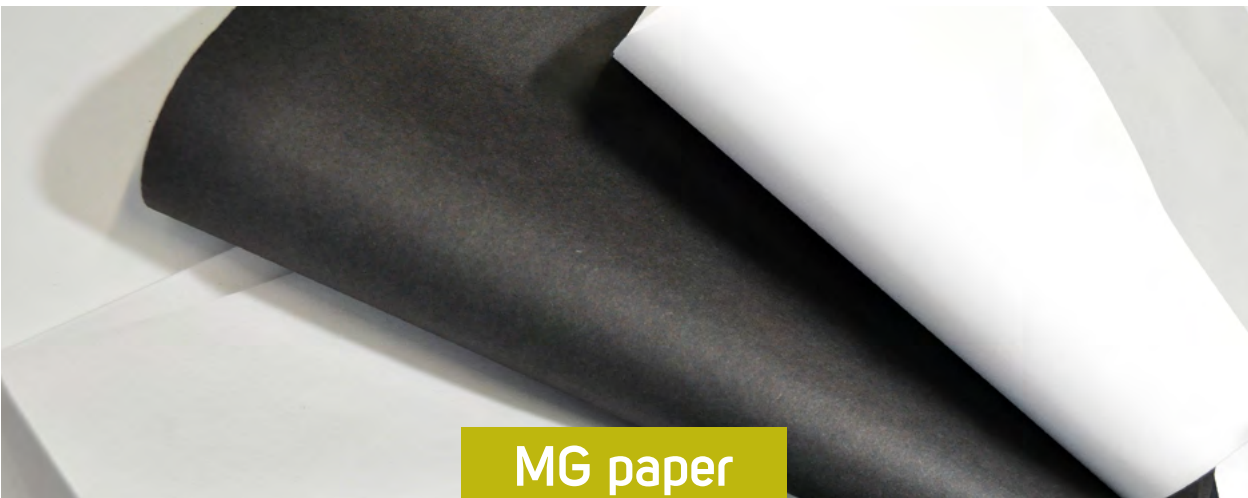




Tissue paper



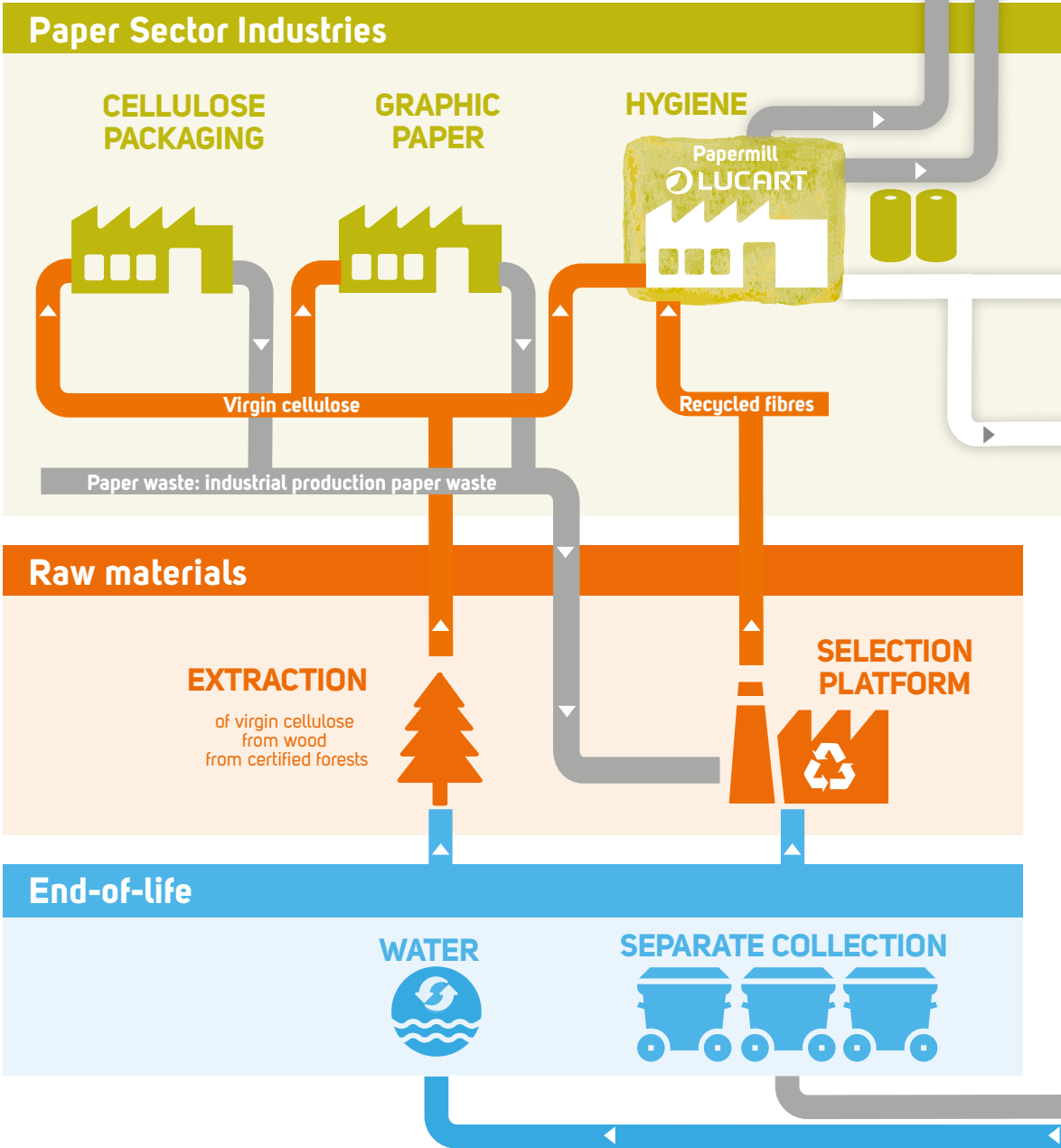
Airlaid paper



MG paper

1.4

Production process and product life cycle of tissue paper



Waste



RECOVERY

DISPOSAL



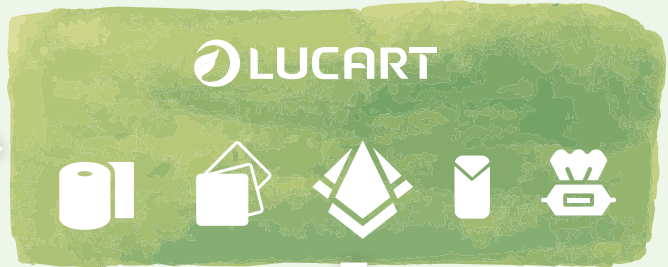
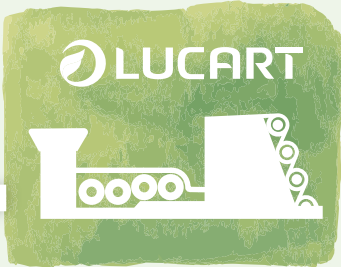
Sludge: non-recoverable fibres and inert substances

Pulper waste: plastic, wood, metal residues

Production

CONVERTING

PRODUCTS



Distribution



Use

DOMESTIC CONSUMPTION

PROFESSIONAL CONSUMPTION

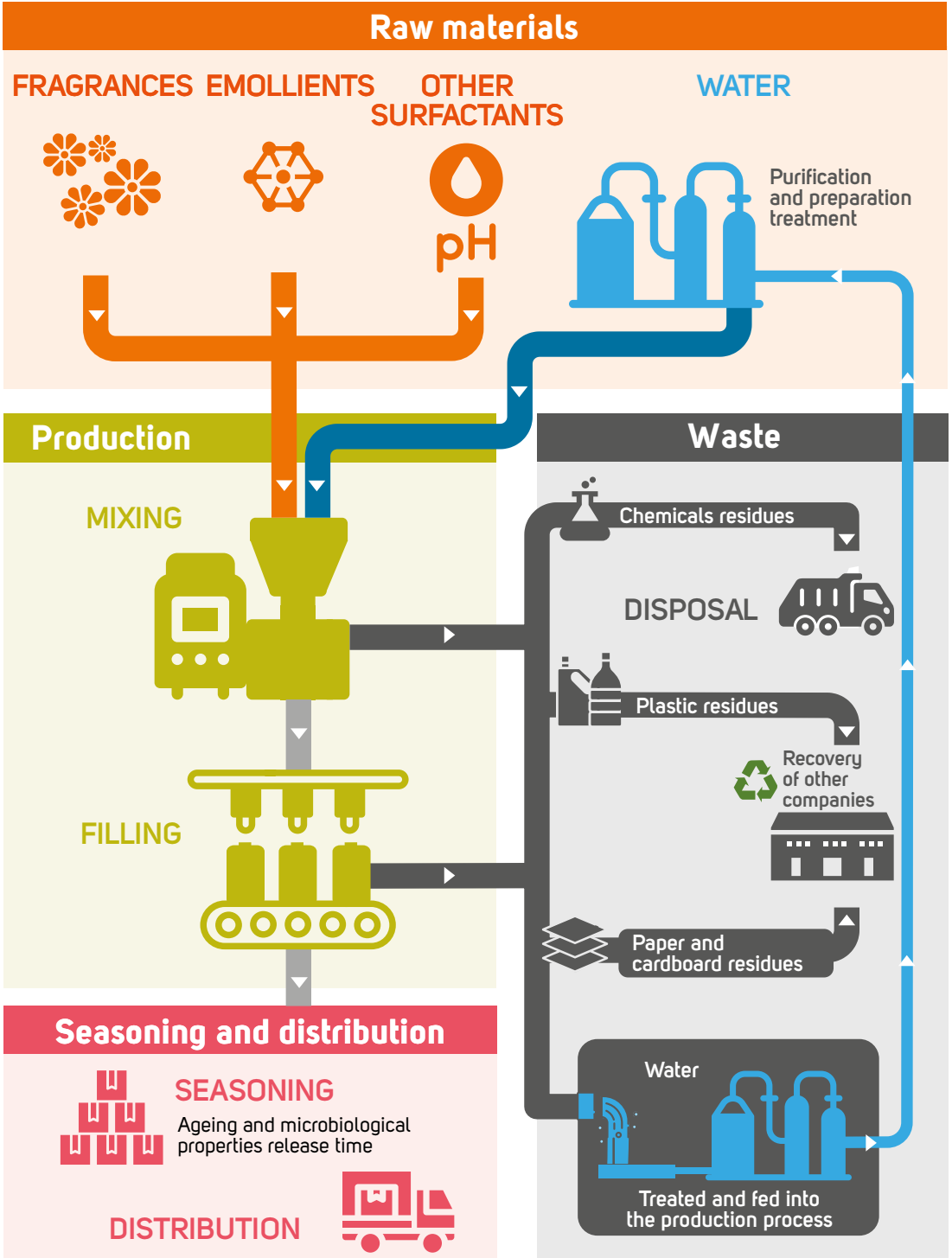


Industries - Hotels - Schools
Restaurants - Bars - Museums
Institutions - Major events - Hospitals
Ice-cream - Parlours - Offices

Waste from domestic and professional consumption

Water discharge

Production Process of Cosmetic Product



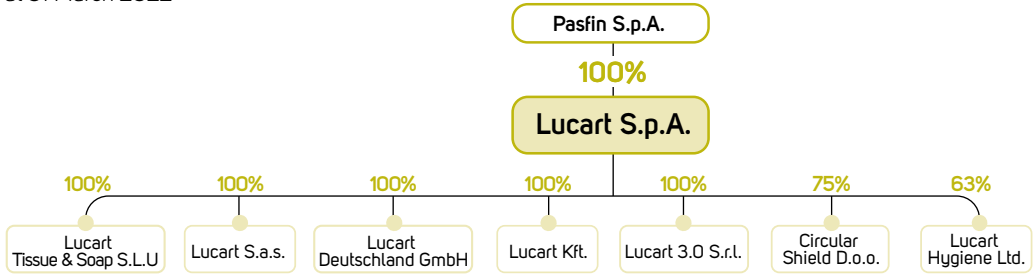


1.5

Organisation

The corporate structure of the Group and the percentage of ownership

at 31 March 2022



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 six members¹ 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.

Massimo Pasquini
President and CEO
 65 years old - Executive

Sandro Pasquini
Director - 54 years old - Executive

Alessandro Pasquini
Director - 45 years old - Executive

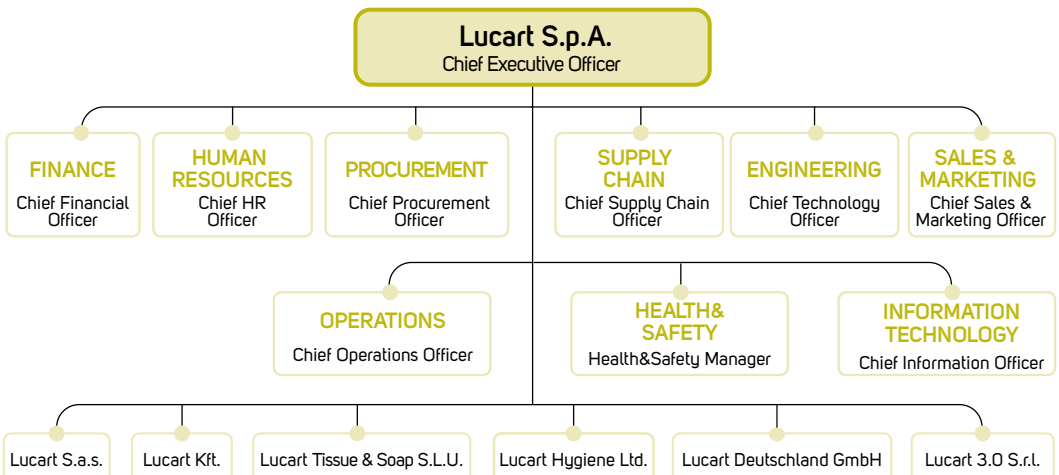
Francesco Pasquini
Director - 42 years old - Executive

Massimo Innocenti
Director - 59 years old - Non-executive

Guido Carissimo
Director - 66 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

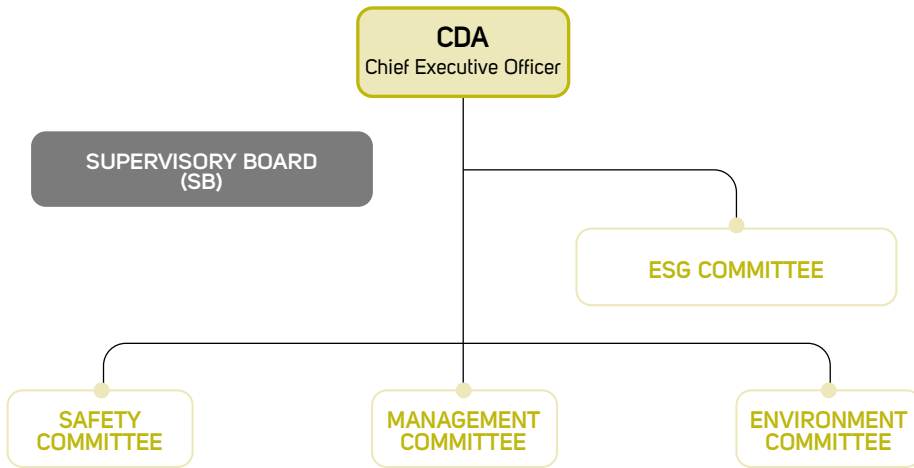


¹ The members of the Board of Directors of Lucart S.p.A. are six men: 33% aged between 30 and 50, of which 67% are over 50 in age.

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 **ESG Committee (Environmental, Social, Governance)** 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 Body, which is responsible for overseeing the proper implementation of the Organisation, Management and Control Model, its effectiveness and any needs for updates. The Model was introduced to prevent company liability under Legislative Decree 231/2001.

The Chairman of the Supervisory Body and the other members were chosen for their particular expertise in the field of the administrative responsibility of entities, corporate processes, corporate governance, and environmental and safety matters. In order to manage its activities autonomously, the Supervisory Body has its own

budget, prepares a schedule of activities and reports periodically to the Board of Directors of Lucart S.p.A. The Supervisory Body also has a regular exchange of information with the Board of Statutory Auditors and with the external auditors.

COVID-19 Crisis Committee

In March 2020, the Crisis Committee was convened in order to put in place all the necessary measures to effectively counter

the spread of Covid-19 and ensure the safe continuity of production. The Committee, chaired by the Chief Executive Officer, also met

regularly during 2021, following the evolution of the pandemic crisis.

1.6

Business areas

The Sales & Marketing area is organised in three business units: Away from Home, Consumer and Business to Business. The Group's products satisfied the needs of business partners and end-users in over 70 countries worldwide in 2021.

► Business Areas



Away from Home

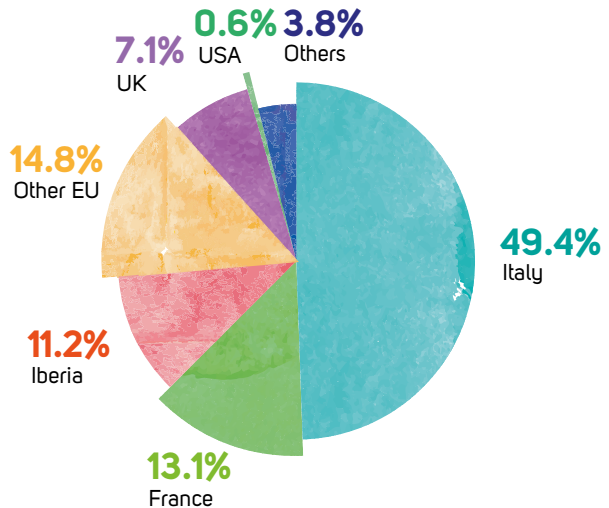


Consumer

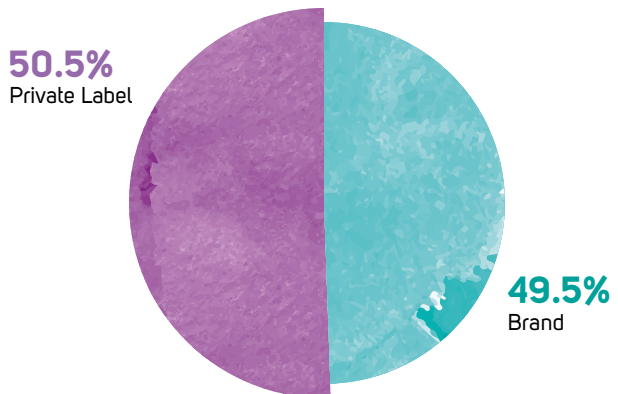


Business to Business

► % Breakdown of revenues by geographical area



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





Away from Home business unit

The AFH division offers innovative hygiene solutions including dispensed products made of tissue paper, made from virgin, recycled and regenerated fibres, dry 'airlaid' paper, which uses air in the cellulose fibre process, dispensing systems, soaps and hand sanitisation solutions.

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

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.



► 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 FSC® certified pure cellulose.



► Tutto

Brand specialising in household cleaning products and is the only one in its target market to offer products made using airlaid technology and featuring 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:



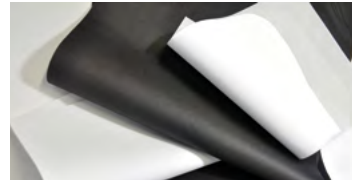
▶ Tissue paper

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, toilet paper, handtowels, napkins, handkerchiefs, dishcloths, and medical sheets.



▶ Airlaid paper

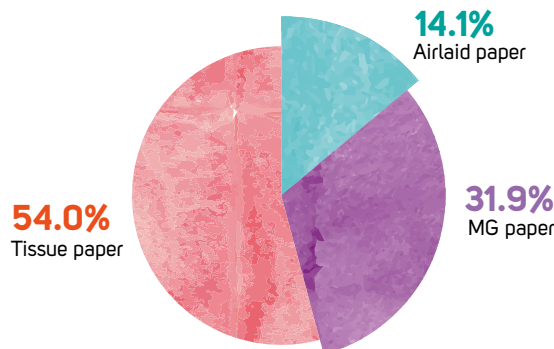
Paper made with long-fibre cellulose "fluff" with a production process that does not involve the use of water to bond the fibres. The paper thereby obtained is particularly resistant and absorbent and can be reused several times. The jumbo reels are intended for other paper converting companies, to be 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 and Mission

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.

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:

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

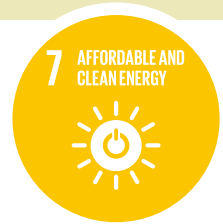
Water is precious and its availability is limited. The paper manufacturing process requires large quantities of water. This is why Lucart is aware that the use of this resource for industrial purposes must be responsible, guarantee minimal consumption and secure the quality and cleanliness of water at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

¹Study 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>



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.



1.10

Value chain



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.



Partnership

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.



OUR GOAL IS TO
**CREATE VALUE
FOR ALL OUR
STAKEHOLDERS**



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.





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.



Sustainable mobility

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



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 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:



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.

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 2021 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 <ul style="list-style-type: none"> ▶ 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 e ▶ 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 <ul style="list-style-type: none"> ▶ 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	

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	Continuous	-	
		▶ Corporate Communication ▶ HR Division			
	Working Groups	▶ All Departments	Miscellaneous	Q&A	
	Surveys	▶ HR Division	Yearly	Analytics	
		▶ Corporate Communication			
	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	Miscellaneous	Analytics	
		▶ Purchasing Division			
	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		▶ Corporate Communication	Miscellaneous	Q&A	
		▶ Plant Division			
Surveys		▶ Corporate Communication	Miscellaneous	Analytics	
Guided Facility Tours		▶ Corporate Communication	Yearly	No. of Visitors	

TYPE OF STAKEHOLDER & MATERIAL TOPICS	MEDIUM	OWNER	FREQUENCY	VERIFICATION TYPE
▶ Regulatory bodies	Direct Contacts	▶ Operation Division	Miscellaneous	Q&A
▶ Business Integrity and Sustainability ▶ Stakeholder Engagement	Dedicated Meetings	▶ Operation Division	Miscellaneous	Q&A
▶ Responsible Sourcing ▶ Health and Safety of Workers	Website	▶ Corporate Communication	Continuous	Analytics
▶ Product Safety ▶ Human Rights	Sustainability Report	▶ Corporate Communication	Yearly	No. of Downloads
▶ Support to Local Communities ▶ Combating Climate Change	Audit	▶ Operation Division ▶ Plant Division	Yearly	Report
▶ Combating Climate Change	Press Releases	▶ Corporate Communication	Miscellaneous	Diffusion
▶ Media	Social Networks	▶ Corporate Communication	Continuous	Analytics
▶ Business Integrity and Sustainability ▶ Stakeholder Engagement	Direct Contacts	▶ Corporate Communication ▶ Marketing Division	Miscellaneous	Q&A
▶ Combating Climate Change ▶ Product Safety	Meetings	▶ Corporate Communication ▶ Marketing Division	Miscellaneous	Q&A
▶ Human Rights ▶ Support to Local Communities	Website	▶ Corporate Communication ▶ Marketing Division	Continuous	Analytics
▶ Responsible Sourcing	Surveys	▶ Corporate Communication	Miscellaneous	Analytics
▶ Combating Climate Change	Sustainability Report	▶ Corporate Communication	Yearly	No. of Downloads
▶ Combating Climate Change	Direct Contacts	▶ Operation Division ▶ Corporate Communication	Miscellaneous	Q&A
▶ Combating Climate Change	Dedicated Meetings	▶ Operation Division ▶ Corporate Communication	Miscellaneous	Q&A
▶ Schools/universities & research organisations	Guided Facility Tours	▶ Operation Division ▶ Corporate Communication	Miscellaneous	No. of Visitors
▶ Business Integrity and Sustainability ▶ Stakeholder Engagement	Surveys	▶ Corporate Communication	Miscellaneous	Analytics
▶ Combating Climate Change ▶ Human Capital Development	Website	▶ Corporate Communication	Continuous	Analytics
▶ Support to Local Communities ▶ Research, Development and Innovation	Working Groups	▶ Operation Division	Miscellaneous	Project Objectives
▶ Combating Climate Change	Social Networks	▶ Corporate Communication	Continuous	Analytics
▶ Combating Climate Change	Sustainability Report	▶ Corporate Communication	Yearly	No. of Downloads

TYPE OF STAKEHOLDER & MATERIAL TOPICS	MEDIUM	OWNER	FREQUENCY	VERIFICATION TYPE
▶ Trade associations ▶ Business Integrity and Sustainability ▶ Stakeholder Engagement ▶ Combating Climate Change ▶ Human Capital Development	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
	Dedicated Meetings	▶ HR Division ▶ Plant Division	Miscellaneous	Q&A
	Press Releases	▶ Corporate Communication	Miscellaneous	Diffusion
	Direct Contacts	▶ HR Division	Miscellaneous	Q&A
▶ Trade unions ▶ Business Integrity and Sustainability ▶ Stakeholder Engagement ▶ Combating Climate Change ▶ Health and Safety of Workers ▶ Human Capital Development ▶ Human Rights	Working Groups	▶ HR Division	Miscellaneous	Q&A
	Sustainability Report	▶ Corporate Communication	Miscellaneous	No. of Downloads
	Bacheche	▶ HR Division	Miscellaneous	–
	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	Miscellaneous	Numero Visitatori
	▶ NGOs ▶ Business Integrity and Sustainability ▶ Stakeholder Engagement ▶ Combating Climate Change ▶ Responsible Sourcing ▶ Human Rights ▶ Support to Local Communities			

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.





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 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 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.

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.

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).

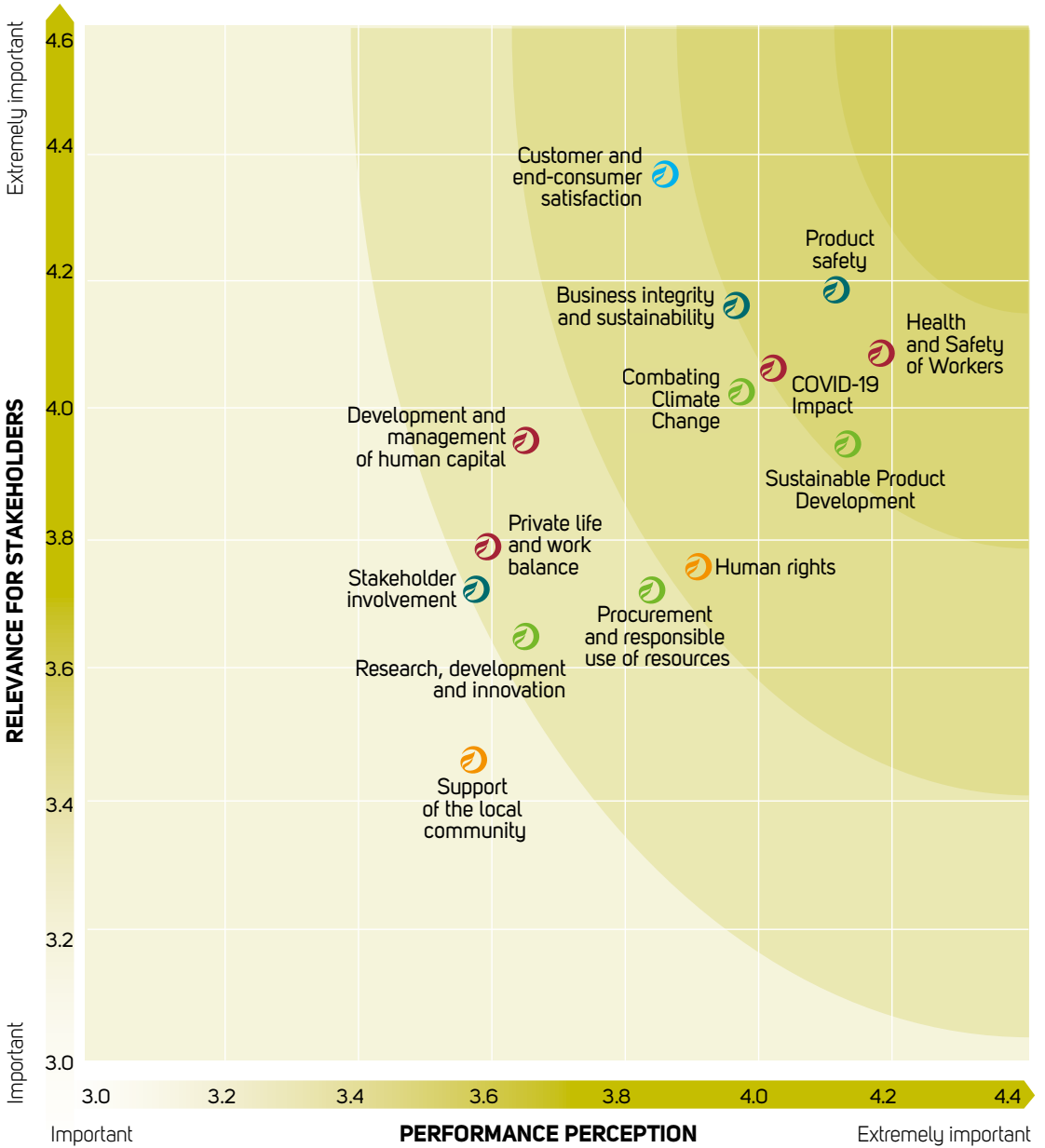
The main findings of this Materiality Matrix show that there are no significant deviations from the previous report.

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.

► Materiality Matrix



- 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.
(at 31 March 2022)

► 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™ e 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 plant of the Group are ISO 45001:2018 certified using a multi-site certificate.

► 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.



► DER BLAUE ENGEL

The German ecological-environmental product certification assigned to the French plant of Laval sur Vologne and to the Italian plant in Bordo a Mozzano.



► OK COMPOST

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



► 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.



► CRADLE TO CRADLE

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



► ReMade IN ITALY®

The certification that guarantees the content of recycled materials (or byproducts) within a product or material.



	PORCARI	BORGO A MOZZANO (Diecimo)	TORRE DI MOSTO	CASTELNUOVO DI GARFAGNANA	AVIGLIANO	ALTOPASCIO (Logistics Centre)	LAVAL SUR VOLOGNE	NYERGESÚJFALU	ARTZINIEGA TISSUE	ARTZINIEGA SOAP	ARANGUREN	GUENES	BLACKMORE PARK
► EU ECOLABEL	🌀	🌀	🌀	🌀			🌀	🌀	🌀	🌀	🌀	🌀	
► PEFC™	🌀	🌀	🌀	🌀	🌀	🌀	🌀	🌀	🌀		🌀	🌀	
► FSC®	🌀	🌀	🌀	🌀	🌀	🌀	🌀	🌀	🌀		🌀	🌀	
► ISO 9001	🌀	🌀	🌀	🌀	🌀		🌀	🌀	🌀	🌀	🌀		🌀
► ISO 14001	🌀	🌀		🌀	🌀		🌀	🌀		🌀	🌀		🌀
► ISO 50001		🌀		🌀			🌀						
► ISO 22716										🌀			
► ISO 45001	🌀	🌀	🌀	🌀	🌀	🌀							
► EMAS		🌀		🌀									
► DER BLAUE ENGEL		🌀					🌀						
► IFS HPC		🌀		🌀	🌀								
► OK COMPOST			🌀		🌀								
► CRADLE TO CRADLE™							🌀						
► REMADE IN ITALY®						🌀							

certification works underway

Risk Management

Due to the nature of its business, the Lucart Group is exposed to certain risks and uncertainties that the management handles through continuous analysis, necessary to identify and classify these and to prepare possible instruments to mitigate them, all in line with the company policy aimed at the utmost caution.

For the sake of clarity, we have grouped risks and uncertainties into two macro-categories:

- ▶ risks and uncertainties related to the business, organisation, and context;
- ▶ financial risks.



Business, organisational and context-related risks and uncertainties

▶ Risks associated with global economic trends

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.

The Group's target market is indirectly dependent on consumer purchasing power and propensity to consume, as well as general economic trends. Events of political instability and/or economic recession in a geographic market that is significant for the Group's

sales could adversely affect our business, financial and capital position.

Diversification of geographic markets, expansion of the customer portfolio and product mix, and customer retention and service policies are actions to mitigate the risk described.

In addition to the above, the Group, like any other company operating in the industry, is subject to the actions of other manufacturers that could

cause its market share to shrink. This risk relates to the possibility that competitors may bring new products onto the market that can compete with those of the Group.

In addition to the continuous monitoring of the market to identify the entry of new competing products in good time, the Group manages risk by pursuing both a policy of continuous product and process innovation and a policy of expanding its product portfolio.

▶ Geopolitical risks

In a globalised market such as the one in which we work, it is not possible to rule out in advance that events caused by the foreign policy of one country may influence the domestic political dynamics and economy of another country or region in unpredictable ways.

Geographical differentiation of suppliers of raw and auxiliary materials, as well as the expansion of our outlet markets at European level, are part of the actions implemented to mitigate risk in all Group companies.

As the conflict between Russia and Ukraine has unfortunately shown

recently, this risk can also impact energy costs significantly. On this front, apart from a continuous focus on energy efficiency and reducing consumption, any interruption of gas or electricity supplies would inevitably bring the affected production facilities to a standstill.

► Climate change risks

As regards possible damage to our production plants due to extraordinary weather phenomena, the analyses and studies carried out have not revealed situations of particular risk or danger. In addition, the spread of production activities across several plants in different locations is an indirect form of guaranteeing business continuity in the event of environmental disasters limited to specific geographical areas.

It is also very likely that the fight against climate change will bring increased energy costs. In this regard, in addition to pursuing a decarbonisation and energy efficiency policy at its production plants, the Group adopts specific hedging, where appropriate, to protect itself against any sudden increases in energy costs.

For some years now, the Group has also had an Environmental Committee in place, whose tasks include the analysis of the environmental, climate and hydrogeological situation in the geographical areas where production plants are located.

Environmental risk is also covered by a specific insurance policy.

► Risks associated with the set of rules and the regulation of target business sectors

Through its dedicated departments, the Lucart Group deals with the analysis of risks related to legal and regulatory obligations. Moreover, the company Lucart S.p.A. has adopted the organisation, management and control model for the prevention of the predicate

offences referred to in Italian Legislative Decree 231/2001 by setting up a Supervisory Body for this purpose. In early 2022, the organisational model was revised to update it to organisational changes and the latest case law and doctrine.

It should be noted that to ensure the proper behaviour of its employees in all contexts, a Group code of ethics and anti-corruption policy have been drawn up and adopted.

► Risks associated with disputes and potential liabilities

Through its legal department, though also with the support of external professionals for specific

issues, the Group assesses all potential risks associated with disputes and defines, on a case-

by-case basis, the need for any allocations to be made in the risk fund.

► Cyber risks

The Group, through its IT department, has identified the main risk areas and implemented appropriate protection tools. As this is a constantly evolving issue,

cyber risks are monitored on a constant and ongoing basis.

The Group has also taken out a specific insurance policy to cover any damage caused by cyber

'attacks'. In addition, a 24x7 cyber attack monitoring service with Deloitte's cybersecurity practice was introduced in 2021.

► Product risks

The Group has defined the scope of the quality, environment and product safety management systems, within which to apply the

risk management processes for the identification and assessment of the relevant risks. Based on the result of the evaluation, Management

evaluates the need to implement possible measures to monitor and/or mitigate the specific risk.



Financial risks

► Market risk

Market risk is the risk related to unforeseen effects on the market value of assets and liabilities generated by adverse changes in market prices. Market risk comprises three types of risk: price risk, exchange rate risk and interest rate risk.

► Price risk (or commodity risk)

The main raw materials we use are virgin cellulose and paper for recycling (paper for waste) 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.

Finally, the Group's management always carefully assesses whether to adopt both specific hedges on the price of cellulose and changes in the stocks of these materials in order to benefit from more favourable price conditions.

► Exchange rate risk

The Lucart Group is exposed to the financial risk arising from exchange rate fluctuations that originate from operating in an international context where transactions, both commercial and financial, may be denominated in a currency other than the reporting currency.

The main exchange rates against the euro that represent a risk for the Group are in the following currencies: US dollar (USD), Hungarian forint (HUF), and British pound (GBP).

The Lucart Group adopts a foreign exchange risk hedging policy to protect both budget margins (hedging of expected flows) and outstanding assets and liabilities denominated in a currency other than the reporting currency.

The risk of USD fluctuations is mainly hedged through USD forward options or contracts.

► Interest rate risk

The Lucart Group uses external financial resources in the form of loans and uses available cash in bank deposits. Changes in market interest rates affect the cost and yield of various forms of financing and loans, thus affecting the level of financial expenses and income.

Management regularly assesses exposure to the risk of interest rate changes and manages it by resorting to the least costly forms of financing.

The cost of bank borrowing is mainly parameterised to the Euribor rate for the period plus a spread that depends on the type of credit line used. The applied margins are comparable to the best market standards.

This year, the Group also took steps to acquire derivative financial instruments to reduce the risk of interest rate fluctuations on existing medium-to long-term loans.

► Credit risk

The Lucart Group is exposed to credit risk arising from its business activities with its customers. The risk is represented by the potential effects that would emerge if one of the counterparties were unable to meet its obligations either temporarily or permanently.

A great part of Lucart Group's customers are international companies and facilities belonging to the large-scale retail channel for which timely information regarding economic and financial performance is available in the market.

Though adopting internal commercial policies to monitor the creditworthiness of customers, the Group insures most of its receivables to further reduce the risk of non-collection.

However, the difficult global economic and financial situation has 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 a line of credit in addition to the one provided by the insurance company.

The customer situation is also being carefully evaluated and continuously monitored in relation to the potential effects of the global spread of the Covid-19 pandemic, which could lead to delays in the collection of trade receivables. For the sake of exhaustive disclosure, during 2021 there were no significant credit losses resulting from the impact of the pandemic on the solvency of customers.

► Liquidity risk

Liquidity risk concerns the availability of financial resources and access to the credit market.

The main internal factors affecting the Lucart Group's liquidity situation are, on the one hand, the resources generated and absorbed by operations and, on the other hand, those used in investments made in production and strategic development and debt service.

Lucart Group constantly monitors the performance of cash and cash equivalents, cash flows (actual and forecast) and available lines through appropriate treasury reports.

Significant external factors that may affect the availability of adequate financial resources for the Group include international credit market trends, the effects of the COVID-19 pandemic, and

the effects of the energy crisis generated by the conflict between Russia and Ukraine.

Finally, it should be noted that to date, the Group has credit lines with different banks that are adequate for its liquidity needs, also in light of the Group's capital structure and the balance between short- and medium/long-term sources and loans.

► 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 and in 2021 Lucart S.p.A. appointed an external Data Protection Officer (DPO).



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 25 times in conference calls during 2021. 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



Hygiene reminders



Body temperature measurement



Regular sanitisation of working environments



Updating of the **risk assessment** document

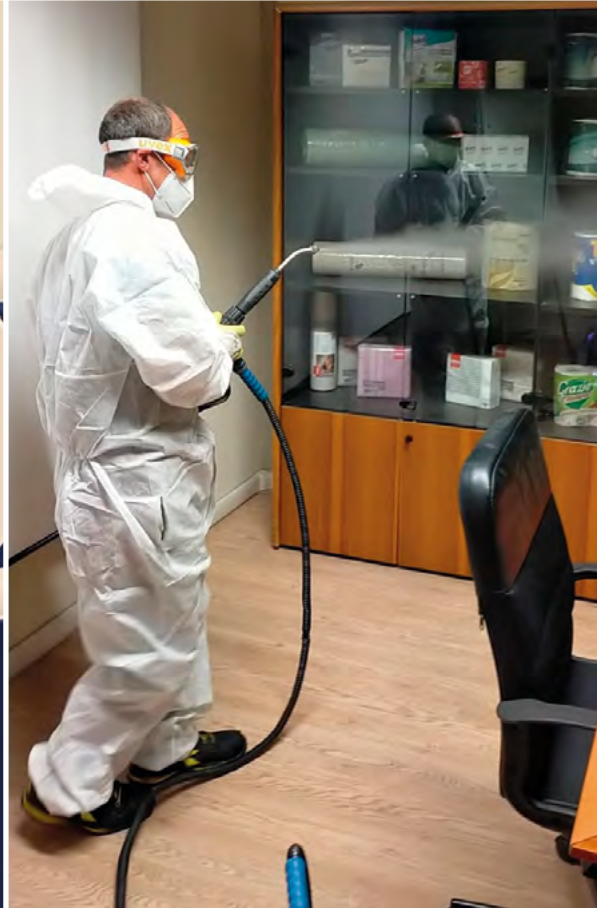


COVID-19 health insurance coverage for employees



Green Pass validity check

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



1.14

Circularity and sustainability as strategic business levers

Lucart is firmly determined to speed up the transition from a linear to a circular economy.

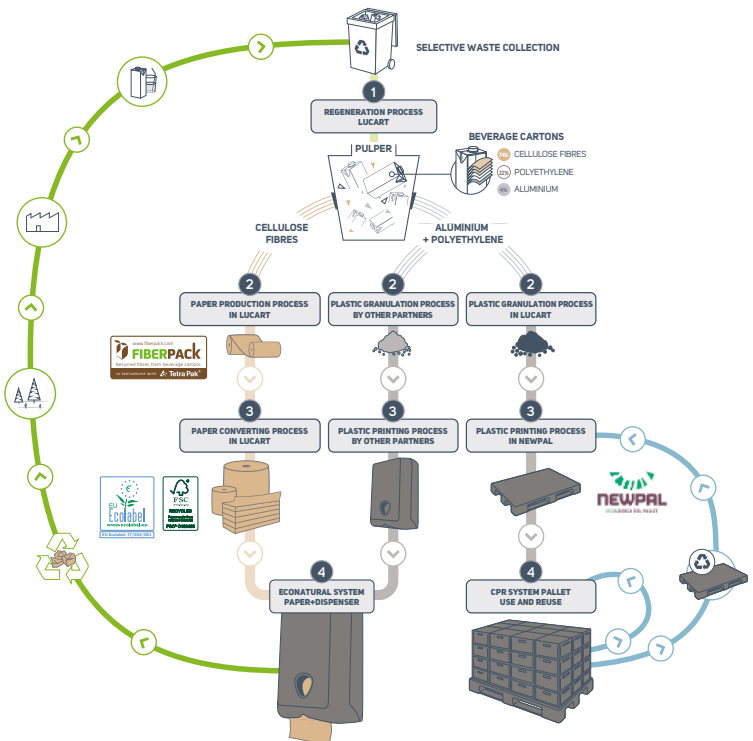
The Lucart strategy places the circularity of business models at the centre of business activities and, in particular, encourages:

- ▶ 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 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.



► Experiences of industrial symbiosis



The third phase took concrete form with the establishment of [Newpal S.p.A.](#),

the joint venture with CPR System, which will specialise in the moulding of high-quality recycled pallets.

A new plant has been installed at the Borgo a Mozzano site that can obtain plastic granules from the homogeneous material composed of polyethylene and aluminium obtained from the recycling of beverage cartons. These granules become the raw material for Newpal S.p.A., whose plant is designed specifically to use recycled plastics to mould plastic

pallets. The project has made it possible to close the recycling loop of beverage containers made from bonded materials, generating major benefits for the environment and new business opportunities.

The pallets made by Newpal will be used by CPR System, Italy's leading company specialising in the manufacturing, handling and recycling of plastic packaging with collapsible sides and of pallets. CPR System will recover and **reuse pallets**, which, at the end of their life and after multiple uses, will be introduced back into the industrial process instead of ending up in a landfill.

This collaboration between Lucart and CPR System, brings new

benefits for the environment and new business opportunities:

- it makes full use of production waste and creates shared value;
- it produces a reusable product to be employed in the CPR System circuit, which, at the end of their life, will be recycled to make new pallets;
- it offers the market quality pallets made from recycled plastic at an extremely competitive price.



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 they are, in fact, Ecolabel and FSC® Recycled certified and they have recycled and recyclable paper packaging produced in the Porcari plant.



► 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.

The model was later transferred to two municipalities in Slovakia to help create a genuine sustainability culture.

For more details on the Model, see Chapter 4.



Overall results of the Natural Project in 2013-2021

In the 2013-2021 period, Lucart, considering the tonnes of Fiberpack® paper produced, has contributed to:



RECOVER more than
7.6 BILLION
BEVERAGE CARTONS¹



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



AVOID using of more than
3.3 MILLION
OF TREES³



equivalent to an area
of more than
11,200
FOOTBALL FIELDS



PREVENT more than
195,000 t CO_{2e}
EMITTED INTO
THE ATMOSPHERE⁴



equivalent to the emissions
of more than
1,542,908
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)

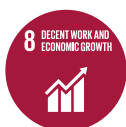
THE PEOPLE

02



**WE ENGAGE PEOPLE BY SHARING
OUR IDEAL FOR A BETTER FUTURE
WITH EVERYONE**

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



**SUSTAINABLE
DEVELOPMENT
GOALS
(SDGs)**

2.1

Code of Ethics

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**.

The Global Compact Principles



Lucart is a member of the United Nations [Global Compact Network Italy](#) and is committed to respecting and furthering the 10 universal principles adopted by the organisation covering: **human rights, labour standards, environmental protection and fighting corruption.**



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.



Responsibility



It is the ability to meet commitments, resolve unexpected situations, and always be a helpful and reliable reference for colleagues, co-workers, and other stakeholders.



Vision



It is the desire to enhance one's professionalism, proposing, or contributing to the success of, new organisational and process solutions that can benefit all stakeholders.



2.3

Organisational model

The Code of the "Organisation, Management and Control Model" introduced to prevent the company's liability under Italian Legislative Decree no. 231/2001 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

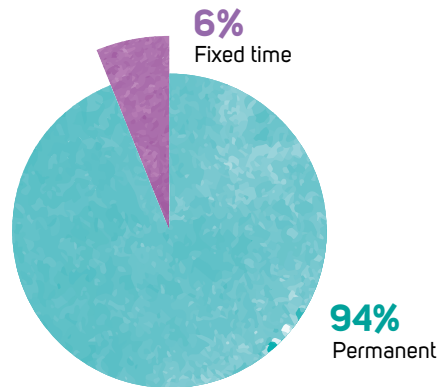
Lucart personnel structure

The data in the following tables refer to the company's structure as at 31 December 2021.

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

Type of contract	Year	M	W	Tot.
FIXED TIME	2019	94	19	113
	2020	64	16	80
	2021	83	21	104
PERMANENT	2019	1,320	178	1,498
	2020	1,325	178	1,503
	2021	1,391	205	1,596

► % Employees by contract type



► Geographical distribution of employees by contract type

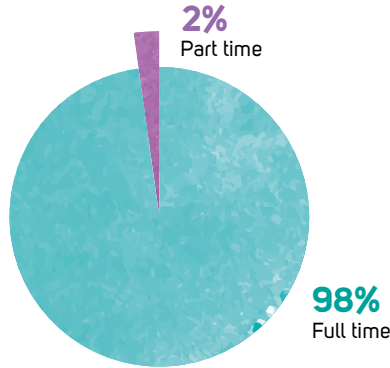
Type of contract	Year	Italy	Hungary	Germany	France	Spain	UK	Tot.
FIXED TIME	2019	37	0	0	26	50	-	113
	2020	6	0	0	20	54	-	80
	2021	11	0	0	49	44	0	104
PERMANENT	2019	978	88	4	266	162	-	1,498
	2020	969	89	5	268	172	-	1,503
	2021	970	85	6	275	177	83	1,596

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

Type of contract	Year	M	W	Tot.
PART TIME	2019	21	22	43
	2020	14	18	32
	2021	9	17	26
FULL TIME	2019	1,393	175	1,568
	2020	1,375	176	1,551
	2021	1,465	209	1,674

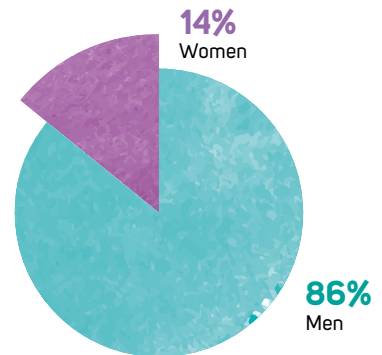
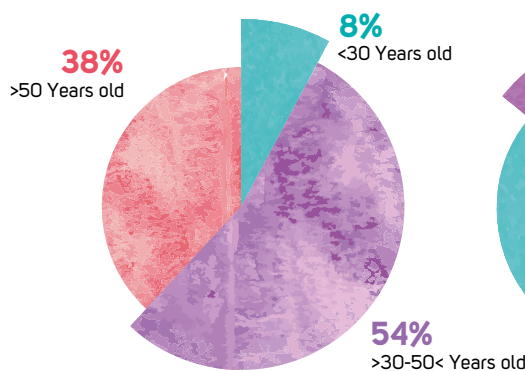
► % Part time and Full time employees

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

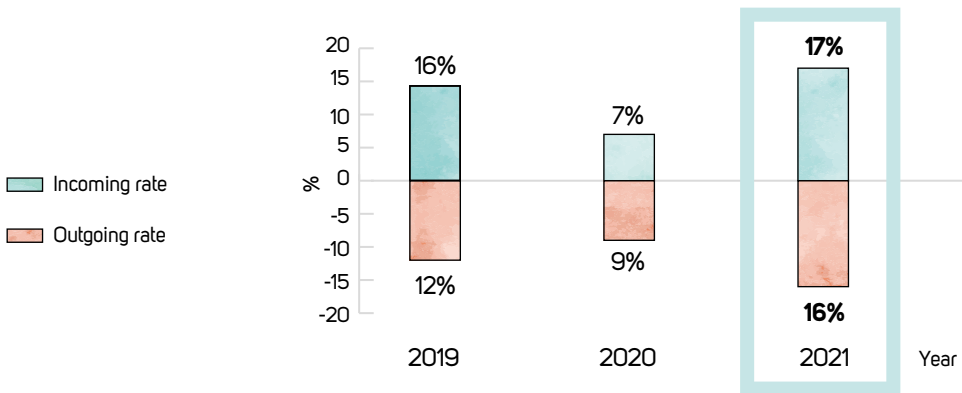
Qualification	Year	<30 Years old		>30-50< Years old		>50 Years old		Tot.
		M	W	M	W	M	W	
MANAGERS	2019	0	2	57	13	45	2	119
	2020	0	1	63	11	49	4	128
	2021	0	1	75	14	59	7	156
WHITE COLLARS	2019	22	8	163	88	72	25	378
	2020	20	10	158	82	78	28	376
	2021	18	14	146	86	90	30	384
BLUE COLLARS	2019	81	7	587	30	387	22	1,114
	2020	63	5	562	30	396	23	1,079
	2021	79	21	558	37	442	23	1,160



► Breakdown of employees by age and gender

► 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	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%
	2021	38	29	4	4	37	28	3	4	6	28	0	2	88	95
	4%	3%	0%	0%	4%	3%	0%	0%	1%	3%	0%	0%	9%	10%	
France	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%
	2021	35	19	23	17	29	19	9	8	14	11	4	4	114	78
	11%	6%	7%	5%	9%	6%	3%	2%	4%	3%	1%	1%	35%	24%	
Hungary	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%
	2021	2	4	1	1	6	12	3	7	4	7	2	4	18	35
	2%	5%	1%	1%	7%	14%	4%	8%	5%	8%	2%	5%	21%	41%	
Spain	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%
	2021	3	6	0	2	21	17	4	1	5	11	1	2	34	39
	1%	3%	0%	1%	10%	8%	2%	1%	2%	5%	1%	1%	15%	18%	
Germany	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%
	2021	0	0	0	0	1	1	0	0	1	0	0	0	2	1
	0%	0%	0%	0%	17%	17%	0%	0%	17%	0%	0%	0%	33%	17%	
United Kingdom	2021	2	8	1	1	8	9	2	0	1	5	1	0	15	23
	2%	10%	1%	1%	10%	11%	2%	0%	1%	6%	1%	0	18%	28%	



► Average training hours per capita for employees by qualification and gender

Qualification	Year	M	W	Tot.
MANAGERS	2019	8.7	17.4	9.9
	2020	9.1	23.6	10.9
	2021	13.4	11.7	13.1
WHITE COLLARS	2019	14.5	7.5	12.3
	2020	7.4	6.2	7.0
	2021	13	10.3	12.1
BLUE COLLARS	2019	3.8	5	3.9
	2020	1.9	4.3	2.0
	2021	6.7	1.3	6.3

► Maternity/paternity leave

	2020			2021		
	M	W	Tot.	M	W	Tot.
Total number of employees with a right to parental leave	1,389	194	1,583	1,474	226	1,700
Total number of employees who used their parental leave	23	7	30	27	9	36
Total number of employees who returned to work during the reporting period at the end of their parental leave	22	5	27	26	4	30
Total number of employees who returned to work at the end of their parental leave and who are still employed, 12 months after returning	19	4	23	20	4	24
Percentage of employees who returned to work after their parental leave	96%	71%	90%	96%	44%	83%
Retention rate	79%	100%	82%	91%	80%	89%



2.5

Occupational health and safety

Lucart is committed to minimise 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.

Since 2020, all of the Group's Italian plants have ISO 45001:2018 multisite certification.

The other plants of the Group adopt an identical integrated management system.

The growing involvement of workers and the constant efforts to increase their awareness of safety issues in the company have 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.

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.



BEST PERFORMANCE

A **Safety Committee** periodically meets with the participation of all key players¹, 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.



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.

At all of the Group's Italian plants, all the above-mentioned activities are carried out in close cooperation with the Supervisory Body according to Italian Legislative Decree 231/2011.

¹ The Safety Committee members are the Directors of the Group companies, the Chief Operations Officer, the Safety Delegates, the Health and Safety Service Managers/Health and Safety Service Operatives (RSPP/ASPP) in the Italian plants, the Safety Representatives of the other Group companies, the Chief HR Officer, the Legal Counsel, the Chief Technology Officer and the Supervisory Board.

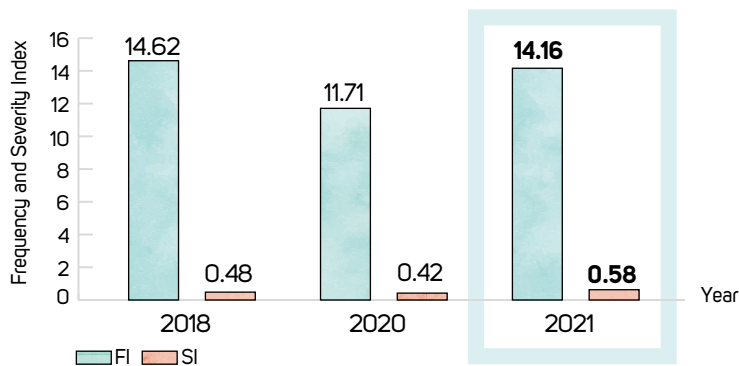
The FI (Frequency Index) and SI (Severity Index) indicator trends for all Lucart Group production facilities are shown below.

► **Number of Accidents and Accident Indices¹ 2021**

Production plant	Total number of accidents	Number of accidents > 3 days	Number of accidents > 180 days	FI	SI
AVIGLIANO	0	0	0	0	0
CASTELNUOVO DI GARFAGNANA	4	4	0	15.62	0.44
BORGO A MOZZANO	7	7	0	9.75	0.52
ALTOPASCIO	0	0	0	0	0
PORCARI	9	9	0	19.5	0.27
TORRE DI MOSTO	2	1	0	23.6	1.7
LAVAL SUR VOLOGNE	7	6	0	11.94	0.86
NYERGESÚJFALU	1	1	0	6.6	0.03
ARANGUREN	5	5	0	30.88	1.08
ARTZINIEGA	3	3	0	20.96	0.92
GÜEÑES	0	0	0	0	0
BLACKMORE PARK	2	2	0	22.96	0.69
Tot.	40	38	0	14.16	0.58

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.

► **Frequency² and Severity³ Indexes**



► **“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 2021 with the Avigliano plant that has achieved the prestigious “Obiettivo Zero” for the eighth year in a row.



BEST PERFORMANCE

► **Avigliano: Over 3,200 Accident-Free Days**

A special mention certainly goes to the plant in Avigliano (Italy), which has reported more than 3,200 days without injuries. The solutions adopted in the facility for effective accident prevention were implemented as benchmarks for all other facilities in the Group.

3,200
ACCIDENT-FREE
DAYS

¹ In conformity with Italian law, the accident indices only take into account accidents causing an absence of more than 3 days and do not include accidents occurring during the commute.

² Frequency Index (FI): Number of injuries/Worked hours x 1,000,000.

³ Severity Index (SI): Accident-free days/Worked hours x 1,000,000.

PROTEGGI IL TUO FUTURO

SEGUI LA SICUREZZA



FERMATI



PENSA



CHIEDI

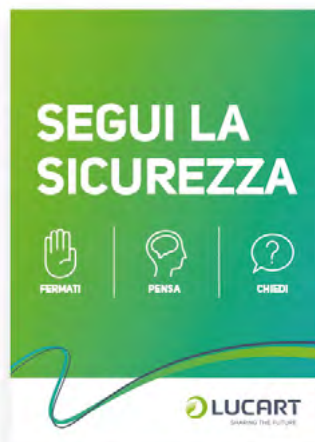
LUCART
SHARING THE FUTURE



► “Follow Safety” Campaign

As a result of the collaboration between the Group's Prevention and Protection Department, the Human Resources Department and the Communications Office, a communication campaign on individual responsibility in the prevention of work-related risks was developed in 2021 and launched in

the first quarter of 2022. The stars of the campaign were some colleagues who together with their children took part in a special photoshoot to highlight the fundamental role of prevention in ensuring well-being and tranquillity at work, at home and during leisure time.



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, end

consumers, shareholders and financiers, 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 2021, 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.



► 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.

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, according 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 Research and Development areas 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 2021, the training programme was concluded completing four technical and production improvement projects.

Also during 2021, another important training programme, called the Brand Value Academy, kicked off with the aim of creating a common strategic framework among the sales and marketing teams of the Away from Home Business Unit and increasing the effectiveness of brand performance.



► 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.

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.

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).

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 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 2022 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	2019	83%	59%
	2020	14%	25%
	2021	13%	5%
WHITE COLLARS	2019	70%	75%
	2020	13%	19%
	2021	14%	6%
BLUE COLLARS	2019	13%	37%
	2020	15%	41%
	2021	9%	30%

► **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.

At the end of the Covid-19 emergency period, Lucart has therefore decided to continue to offer remote working in the work organisation for all those who work in the office.



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.

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).

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 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.

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.

► **Geographical distribution of purchases**

Lucart S.p.A.		Lucart S.a.s.		Lucart Tissue & Soap S.L.U.		Lucart Kft.		Lucart Hygiene Ltd.	
ITALY	66%	FRANCE	63%	SPAIN	66%	HUNGARY	9%	UK	52%
ABROAD	34%	ABROAD	37%	ABROAD	34%	ABROAD	91%	ABROAD	48%



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 2021. Contacts with schools in the

Lucca area, aimed at developing a culture of recycling and conscious use of products, continued by supporting the participation of schools in the Legambiente initiative "Clean Up the World".



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 relating to

sustainability, the circular economy and activities with a social purpose carried out locally in 2021. For detailed information, refer to Chapter 4.



Trade Unions

SDGs  | GRI 102-41

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 national collective bargaining agreement for the paper and paper converting industry is applied in the Italian companies of the Group in addition to 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 2021, 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.



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.

A specific Anti-Corruption Policy was also approved by the Board of Directors in February 2022.

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 2021 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:

WE SUPPORT



▶ GLOBAL COMPACT NETWORK ITALY

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.



▶ KYOTO CLUB

A non-profit organisation of companies, organisations, associations and local authorities committed to achieving the greenhouse gas emission reduction goals.



▶ 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 OF PISA

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



UNIVERSITÀ DI PISA

▶ 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®

▶ 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.



▶ 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.



▶ **ISTITUTO ITALIANO IMBALLAGGIO**

An association representing a network of entities operating in the packaging supply chain.



▶ **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.



- ▶ **ASPAPPEL**
Spanish association of cellulose and paper manufacturers.



- ▶ **CLUSTER PAPEL**
Basque association of paper manufacturers and ancillary industries.



- ▶ **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.



- ▶ **FRANCESCA RAVA FOUNDATION**
A foundation that helps children in destitute conditions in Italy and around the world.



- ▶ **AUSED**
An independent, non-profit association of users of information systems and technologies that brings together companies operating in the industrial, manufacturing and service sectors, as well as a number of public entities.



- ▶ **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.





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, France, 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 collaborates 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 ENVIRONMENT

03

A decorative graphic element consisting of a thick green curved line with a white stripe running through its center, arching across the bottom of the large number '03'.



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



SUSTAINABLE DEVELOPMENT GOALS (SDGs)

3.1

Environmental Impact Assessment

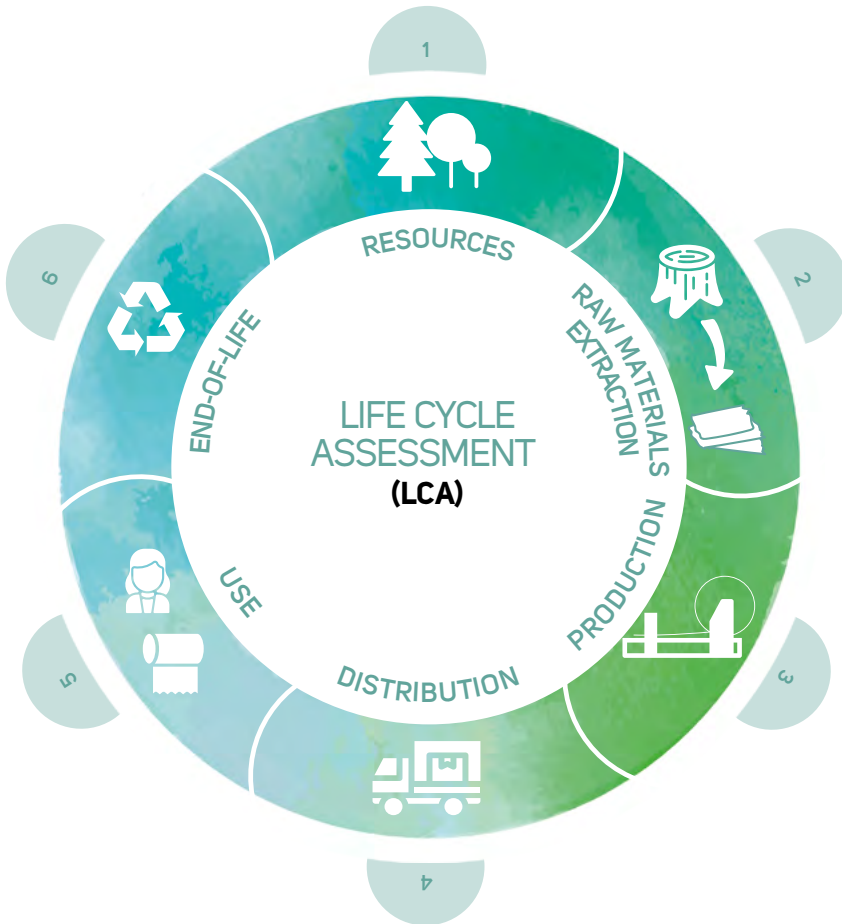
To pursue the continuous improvement of the environmental performance of its plants, Lucart has implemented an accurate Environmental Management System and constantly monitors compliance with the procedures defined by the system itself.

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.

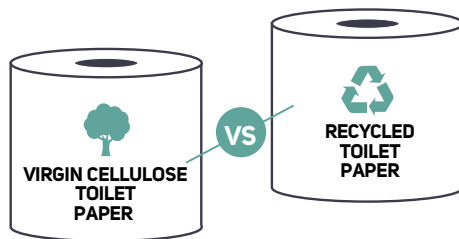




3.2

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



▶ CO₂ emissions are 25% lower than the emissions of virgin cellulose toilet paper, with a **reduction of 556.85 kg of CO₂** per ton of paper produced.

-25%
CO₂
Emissions



▶ Water consumption is 23% lower than that of virgin cellulose toilet paper, **saving 28.35 m³ 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.

ENVIRONMENTAL PRODUCT DECLARATION

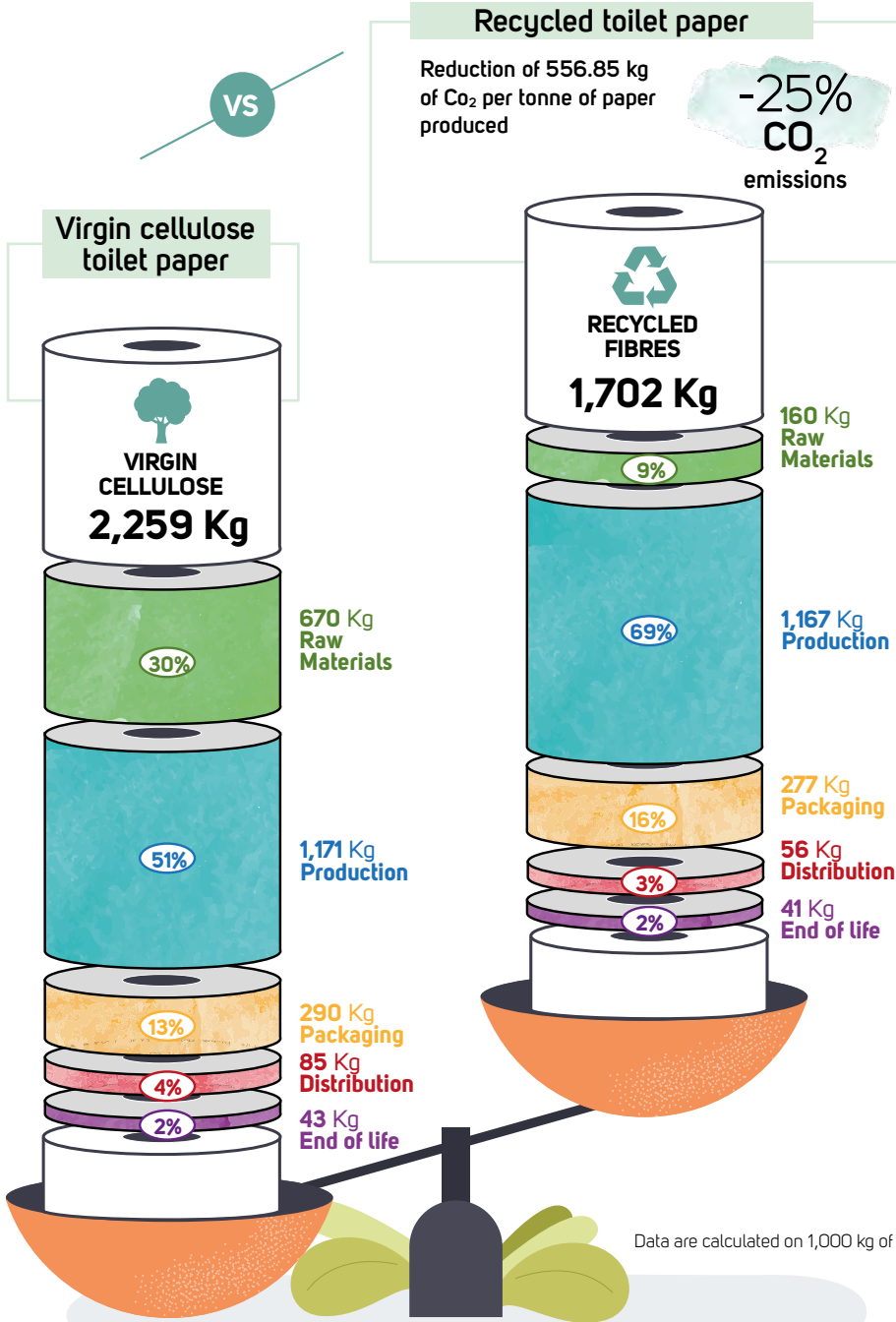
The **Environmental Product Declaration (EPD)** is a voluntary certification scheme, developed in application of UNI EN ISO 14025:2010. It is a tool for communicating objective, comparable and credible information on the environmental performance of products and services. The performance, reported in 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

VS



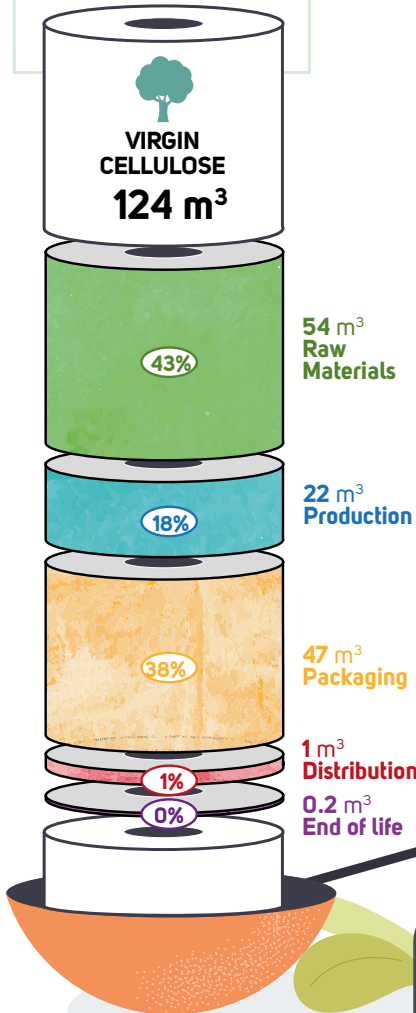
Data are calculated on 1,000 kg of paper



Environmental Impacts m³ of water consumed

VS

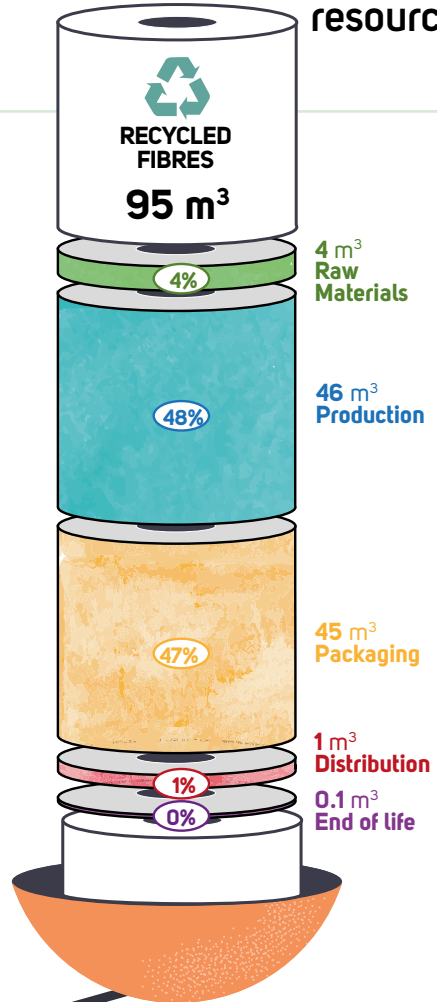
Virgin cellulose toilet paper



Recycled toilet paper

Saving of 28.35 m³ of water per tonne of paper produced

-23%
consumption of
Water
resources



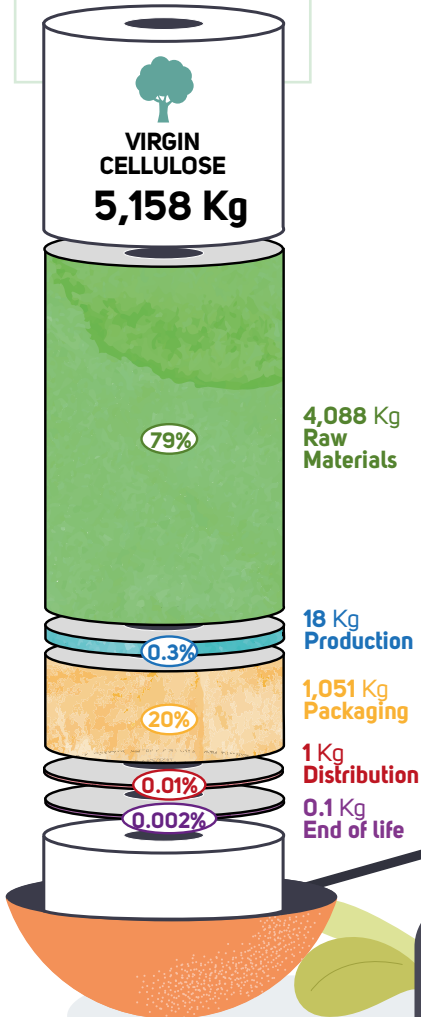
Data are calculated on 1,000 kg of paper



Environmental Impacts kg of renewable resources

VS

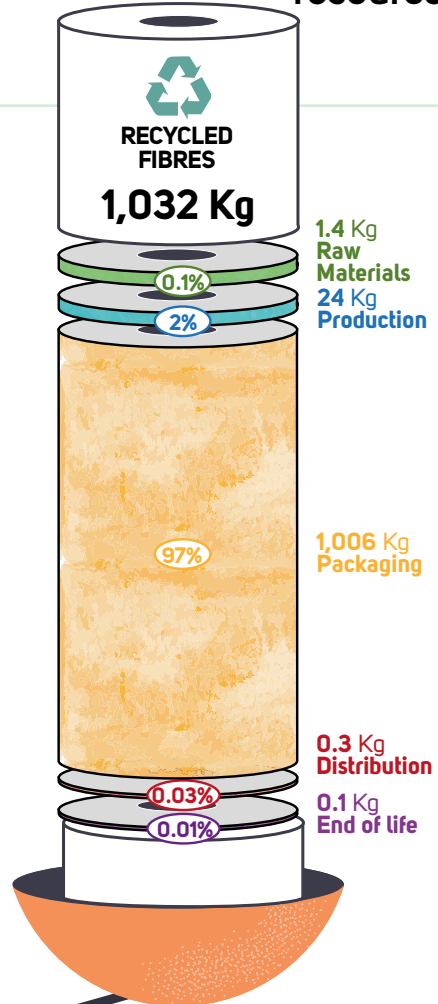
Virgin cellulose toilet paper



Recycled toilet paper

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

-80%
consumption of
Renewable resources



Data are calculated on 1,000 kg of paper



3.3

Raw Materials

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.



PAPER FOR RECYCLING AND VIRGIN CELLULOSE

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



VIRGIN CELLULOSE

- ▶ Avigliano



JUMBO REELS

- ▶ Torre di Mosto
- ▶ Artziniega
- ▶ Nyergesújfalu
- ▶ 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.

In 2021, the use of paper for recycling has increased, going back to the levels of 2019 in line with the Group's objectives of reaching a percentage of raw materials consisting of 60% of paper for recycling.



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.



Virgin cellulose

► 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.



Tetra Pak®- type beverage cartons



Paper for recycling

► Areas of origin of virgin cellulose

VIRGIN CELLULOSE

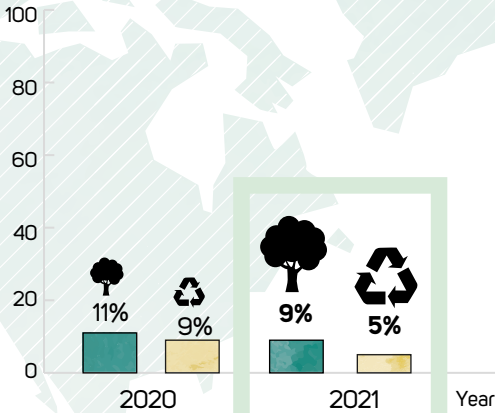
In 2021, 51% of European cellulose originated in Italy, France and Spain, the three countries where the largest operating facilities are located.

► Areas of origin of paper for recycling

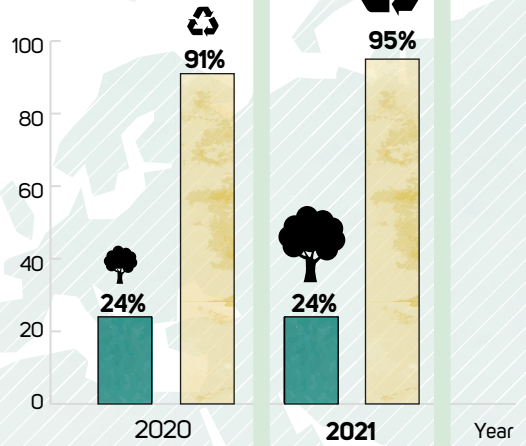
PAPER FOR RECYCLING

In 2021, 82.9% of paper for recycling procured in Europe originated in Italy, France and Spain, the countries where the largest operating facilities are located.

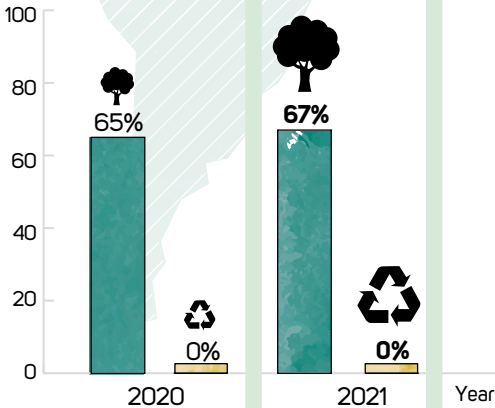
NORTH AMERICA



EUROPE



SOUTH AMERICA



3.4

Water Resources

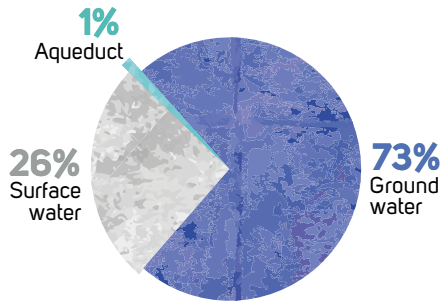
In terms of water resources, Lucart has always been committed to



▶ Water Supply Sources

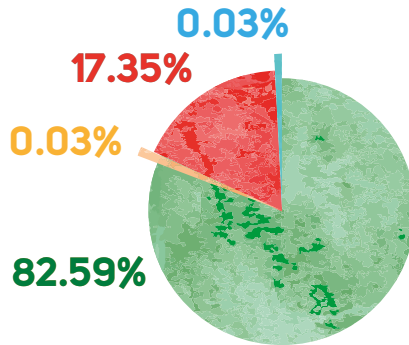
The paper production process generally requires large amounts of water.

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.



▶ Water Stress Analysis

Lucart used the tool provided by the Aqueduct Water Risk Atlas* to analyse the water stress of the areas in which its production plants are located. Water stress refers to the ability, or lack thereof, to meet human and ecological demand for fresh water and may refer to the availability, quality or accessibility of water.



BREAKDOWN BY CLASSIFICATION OF THE STRESS LEVEL OF THE SUPPLY AREA

- High
- Medium-high
- Medium-low
- Low

*<https://www.wri.org/aqueduct>

Plant	Risk
Porcari	High
Borgo a Mozzano	Medium-low
Castelnuovo di Garfagnana	Medium-low
Avigliano	High
Torre di Mosto	Medium-high

Plant	Risk
Laval Sur Vologne	Medium-low
Aranguren	Medium-low
Artziniega	Medium-low
Nyergesújfalu	Low
Blackmore Park	Medium-low

► Optimisation of Water Consumption

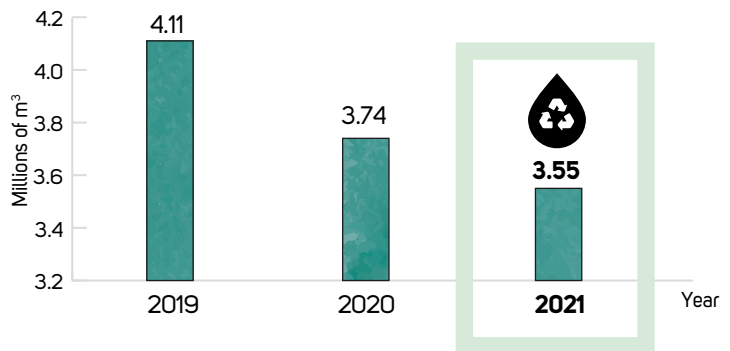
The desire to protect water resources, combined with the production needs of the paper manufacturing process, has led the Company to invest in processes aimed at optimising consumption, encouraging the recovery of process water for reuse for industrial purposes. Furthermore, most of the facilities are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

The total volumes consumed decreased in 2021 as a result of the measures taken to optimise water consumption, despite a slight increase in the tonnes of paper produced and converted.



► Total water withdraw*



* The reported data do not include water withdrawal for skin care.

► Water Recycling

Reusing water produces a lower environmental impact, namely:

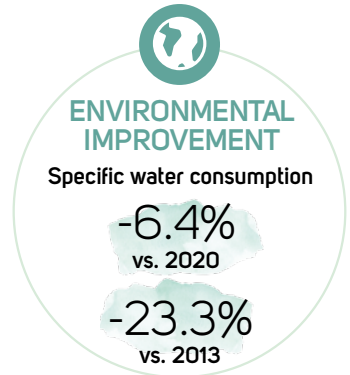
- reduction of the extraction of aquifer water resources;
- reduction of the extraction of surface water resources;
- resource consistency and reliability as a result of purified water produced on an ongoing basis;
- reduction in wasting natural resources.

► Lower Consumption

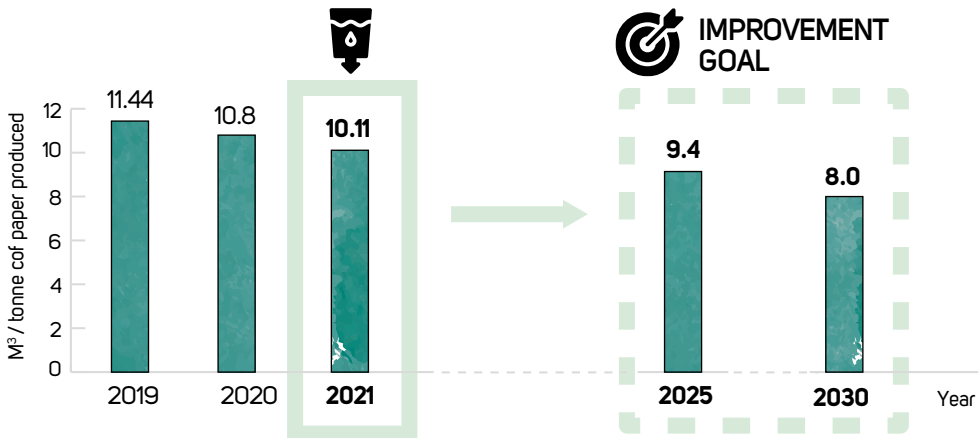
Lucart has focused particularly on actions aimed at reducing the specific consumption of water for production purposes to achieve a consumption of 8 m³ of water per tonne of paper produced by 2030.

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.



► Specific Water Consumption*

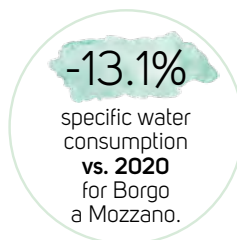
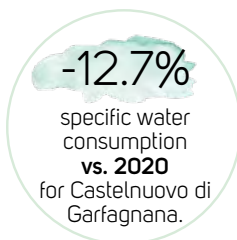
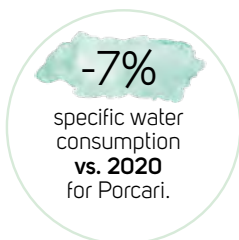


* The reported data do not include water withdrawal for skin care.

BEST PRACTICE

Reductions in specific water consumption include:

- the actions aimed at recovering a part of the treated water from the final discharge for re-introduction into the production process in the replenishment point with fresh water;
- the continued shutdown of the cycles implemented on the Porcari, Castelnuovo di Garfagnana and Borgo a Mozzano plants, which resulted in a reduction of respectively:





3.5

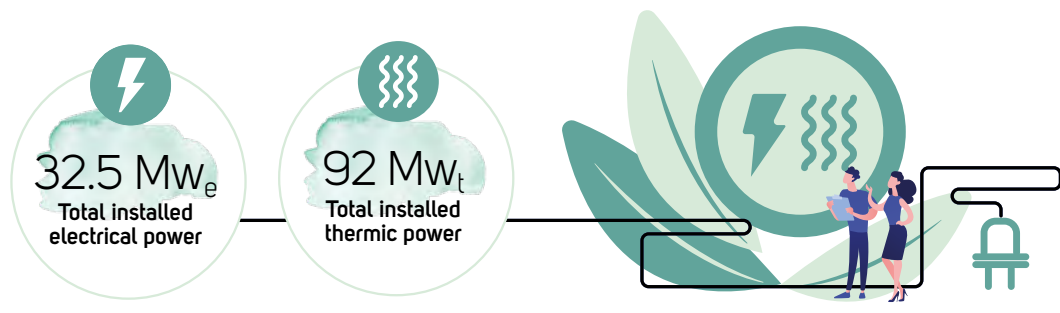
Energy Resources

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.

Self-generation of electricity and thermic energy

Thermic energy is indispensable for paper drying in the production cycle.

Plant	 Installed electrical power	 Installed thermic power
PORCARI	12.5 Mw _e	35.3 Mw _t
BORGIO A MOZZANO	12.5 Mw _e	35.3 Mw _t
CASTELNUOVO DI GARFAGNANA	7.5 Mw _e	21.4 Mw _t



NovalT12 gas turbine

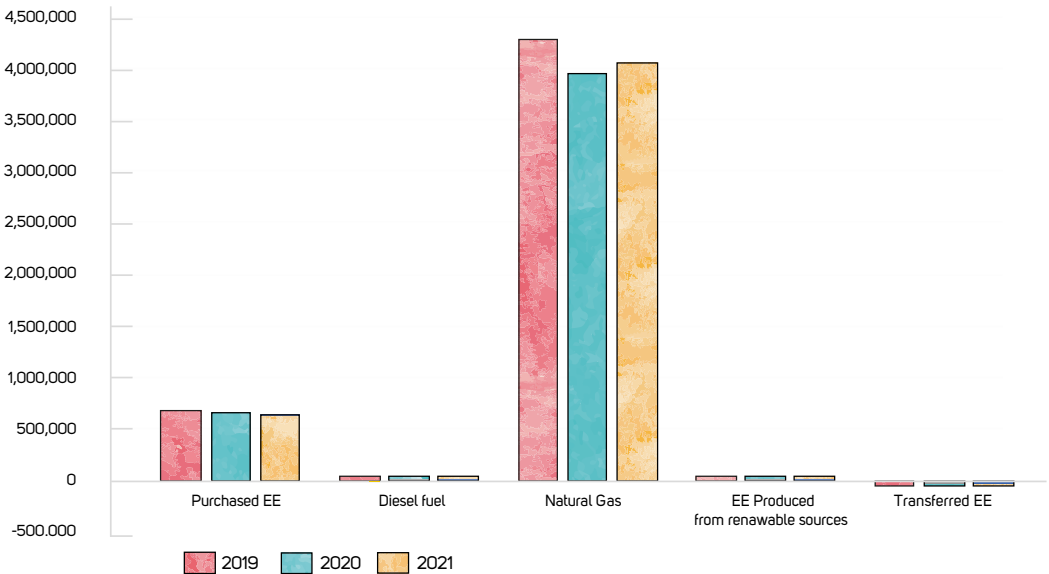


The **NovalT12** gas turbine developed and produced in Italy by Baker Hughes- Nuovo Pignone is one of the more technologically advanced cogeneration systems with an electrical power of 12.5 Mw_e with a cogeneration efficiency (electric + thermal) of 85%.

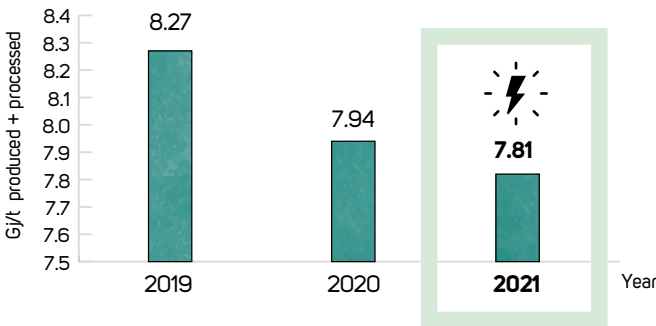
► Total Energy Consumption (direct + indirect)


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.

		2019	2020	2021
PURCHASED EE	GJ	678,394.91	649,949.84	643,749
DIESEL FUEL	GJ	119.48	142.40	102.37
NATURAL GAS	GJ	4,280,802.02	3,940,346.51	4,052,314.10
EE PRODUCED FROM RENEWABLE SOURCES	GJ	4,034.93	4,024.30	4,302.98
TRANSFERRED EE	GJ	-23,986.69	-27,891.18	-32,275.33
TOTAL	GJ	4,939,364.65	4,566,571.87	4,668,192.75



► Specific Energy Consumption (intensity)¹





ENVIRONMENTAL IMPROVEMENT

Specific energy consumption

-1.6% vs. 2020

-13.2% vs. 2014

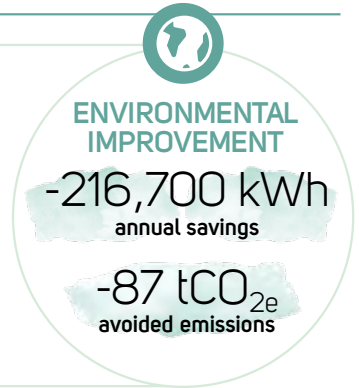
¹ Specific energy consumption is the ratio of total energy consumption to tonnes of paper produced and converted in the plants of the Group.

► 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.

Replacement of traditional lights with high-efficiency, low-consumption LED lamps in the Castelnuovo di Garfagnana, Borgo a Mozzano, Artziniega and Torre di Mosto facilities during 2021, which resulted in annual savings of over 216,700 kWh (780 GJ/y) corresponding to a total of **-87 tCO_{2e}***.



* 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**: 1,240 m² in the Castelnuovo di Garfagnana plant.

1,240 m²
removal of asbestos

► Optimisation in electricity consumption

Replacement of a compressor with a more energy-efficient one in the Torre di Mosto plant, resulted in energy savings of more than 19,000 kWh/year, equating to an annual saving of **-6.1 tCO_{2e}**.

-6.1 tCO_{2e}
avoided emissions

► 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 **773 tCO_{2e}*** emissions in the atmosphere in 2021.

Equally noteworthy is the forthcoming installation (planned for 2022) of a photovoltaic plant at the Borgo a Mozzano plant that will produce electricity to supply the medium-voltage circuit of the plant. The goal is to reduce the amount of electricity purchased from the grid and achieve significant energy savings, with the additional environmental benefit of CO₂ emissions

avoidance (a reduction of about 1,160 tCO₂/year is estimated). The plant, developed in partnership with Enel X, will produce more than 3 GWh/y of renewable energy and will occupy an area of around 12,000 m² using more than 7,000 photovoltaic modules.

Thanks to the various energy-saving measures implemented over the years, Lucart attained white certificates for 2021, 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).**

The electrical component of the production phases of the Natural lines has come from renewable sources since 2021 (Guarantees of Origin).

ENVIRONMENTAL IMPROVEMENT

-773 tCO_{2e}
avoided emissions

Emissions avoided in 2021 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

► Sustainable mobility

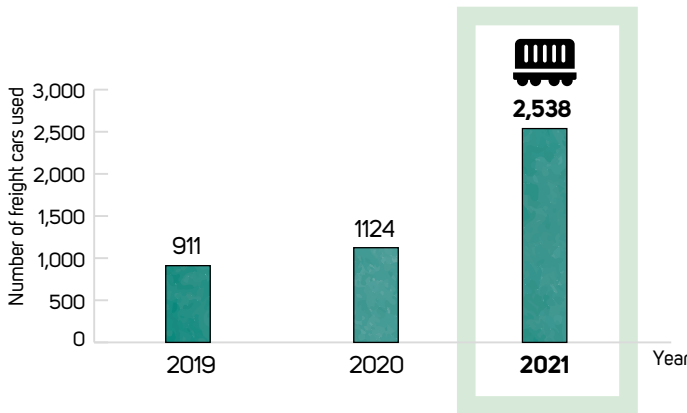
The “Sustainable Mobility: transferring transport of raw materials from road to rail” project to use the railway network to significantly reduce road transport of raw materials and end products. The project was presented in 2015 and continued in 2021. The project involves the Borgo a Mozzano facility, 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 **507 tCO_{2e}*** into the atmosphere.

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



ENVIRONMENTAL IMPROVEMENT

-507 tCO_{2e}
avoided emissions

+125.8%
increase in the number of wagons used in 2021 compared to the previous year.

IMPROVEMENT GOAL

REDUCTION TO ZERO
of particulate emissions

REDUCTION
by **15%**** of CO₂

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, 62% of the trips made to and from the Altopascio hub were made by LNG vehicles. These trips avoided the release of 12 tonnes of CO_{2,eq} (LNG vs. EURO V) into the atmosphere.



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

** https://www.ansa.it/canale_ambiente/notizie/mobilita/2019/05/09/con-gnl-meno-smoggas-taglia-emissioni-e-costi-dei-trasporti_Ob064ff4-a72d-41c8-a09e-d37ceb80f3c3.html

** <http://www.freightleaders.org/wp-content/uploads/2019/05/Q28-impaginato-LOWxWEB.pdf>



3.7

Packaging

► 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:

SUSTAINABLE PACKAGING



1. all problematic and/or unnecessary packaging must be eliminated by redesigning and innovating;
2. all packaging must be reusable or 100% recyclable or compostable;
3. all packaging must actually be reused or recycled or composted;
4. 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;
5. 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:

PROBLEMATIC PACKAGING



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

The project primarily involved the packaging used in the plants of the Group in Italy, France and Spain and will be extended during 2022 to plants in England and Hungary.

All primary, secondary and tertiary packaging, used for paper production and for converting it into finished products and shipping, was analysed.

The packaging was then divided into categories according to the materials of which it was composed, with particular attention to:



RENEWABILITY



RECYCLABILITY



PRESENCE OF RECYCLED MATERIAL

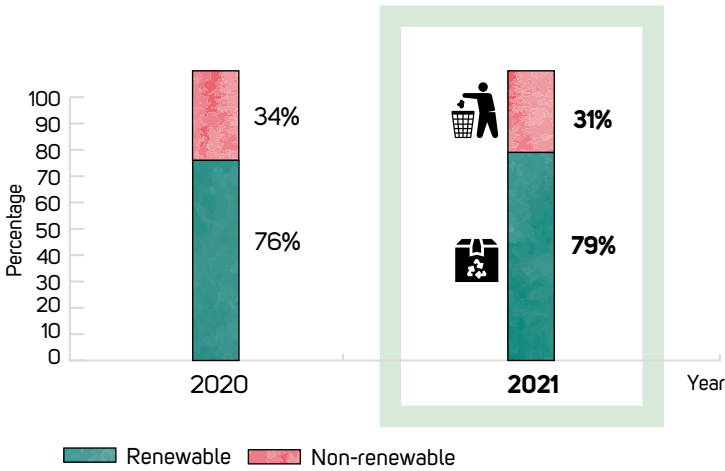


REUSABILITY



COMPOSTABILITY


► Percentage of renewable/non-renewable packaging



The results of the analysis and the actions taken in recent years to replace polyethylene packaging with paper packaging, reduce the thickness of packaging while ensuring the same level of performance and introduce packaging made either entirely or partly of recycled raw materials, are well represented by the following numbers*, consistent with the adopted guidelines.


* The analyses refer to the consumption of primary, secondary and tertiary packaging at the Lucart S.p.A., Lucart S.a.s and Lucart Tissue&Soap S.L.U. plants and do not include pallets for transporting and shipping goods.

► Recyclable and/or compostable packaging



IMPROVEMENT GOAL
by 2025

100%
recyclable and/or compostable packaging



GOAL ALREADY ACHIEVED IN 2020



In 2021, 67% of packaging was made entirely or partly of recycled and/or compostable materials (target 100% by 2030).



IMPROVEMENT GOAL
by 2030

100%
100% packaging made of recycled and/or compostable materials

3.8

Atmospheric Emissions

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

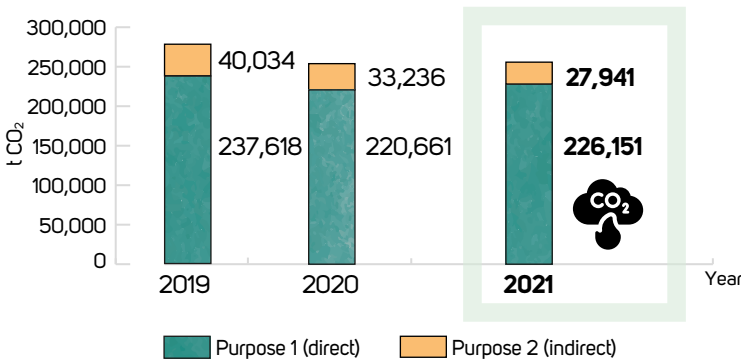
The following graph shows direct and indirect CO₂ emissions. Direct emissions (purpose 1) originated exclusively from the combustion of fuels (mainly natural gas and a minimum of diesel) for industrial uses and were calculated in accordance with the Emission

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

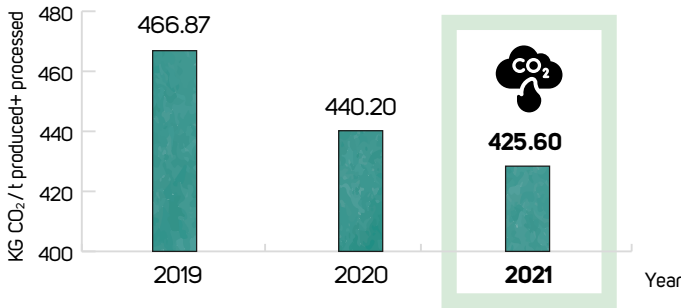
national grid. For the calculation, we used the emission coefficients updated in 2019* for the Italian production facilities. The factors notified by the respective managers were used for those abroad.

► Total CO₂ emissions (direct + indirect)



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

► Specific CO₂ emissions (intensity)**



ENVIRONMENTAL IMPROVEMENT
Specific CO₂ emissions

-3% CO₂ vs. 2020 -14.9% CO₂ vs. 2014

The trend of specific CO₂ emissions again in 2021 confirms a significant decrease in the figure.

** The numerator is the sum of Aim 1 and Aim 2.

Aim 1: direct emissions of CO₂ calculated according to emission trading rules (EU EUTS Directive 2003/87/EC as amended). The tonnes of CO₂ correspond to those declared to the national body (MISE for Italy) and validated by a third-party certifying body.

Aim 2: indirect emissions CO₂ calculated from the electricity purchased from the grid by each plant. CO₂ is derived by multiplying the purchased energy by the network-specific CO₂ emission factor. For Italy, the emission factor in the Terna International Comparisons document is used, for other countries, the figure in the energy supplier's documents or from the national energy authority is used.

The denominator is the sum of the paper produced and converted in the paper mills of the Group.

► NO_x emissions

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

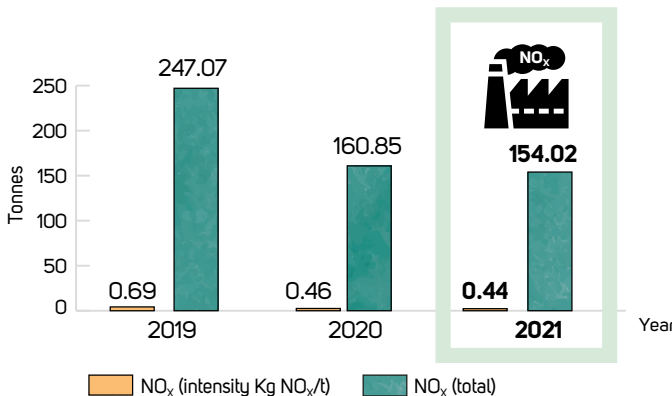
The pollutant parameter concentrations and flow rates used for emission index calculation, except for the data of plants

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 oxide emissions have been seen since 2021.

► Total and specific NO_x emissions



ENVIRONMENTAL IMPROVEMENT
Specific NO_x emissions

-4.3% NO_x vs. 2020 -47% NO_x vs. 2014

BEST PRACTICE

-21% NO_x vs. 2020 -63% NO_x vs. 2019

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

The installation of the higher-efficiency gas cogeneration turbine resulted in a saving of 21% in absolute NO_x emissions compared to 2020 and 63% compared to 2019 (the year of installation of the new cogeneration plant).

3.9

Waste management

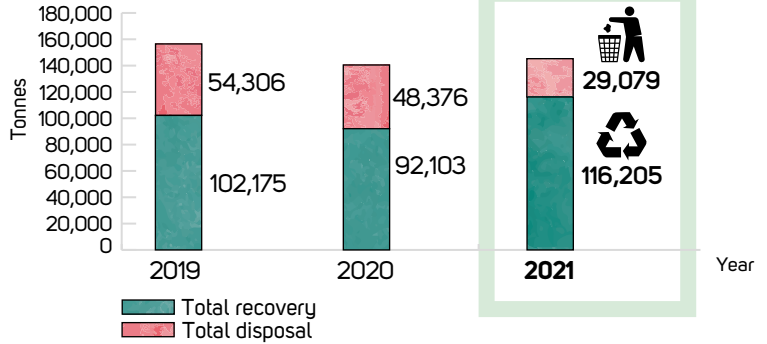
Waste from a paper manufacturing plant mainly consists of pulper waste and paper mill sludge, which is directly derived from the paper manufacturing process and wastewater treatment.

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

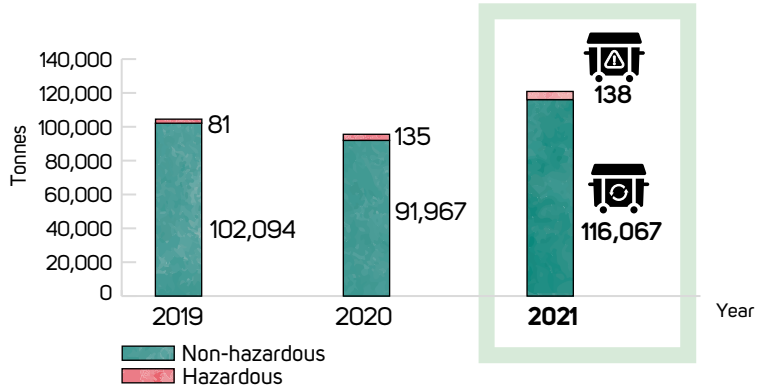
Compared to 2020, the waste generation per tonne of paper produced remained constant with a slight decrease of 0.1%, while the percentage of waste that is recovered has increased significantly to 80%. The waste is recovered at an external site.



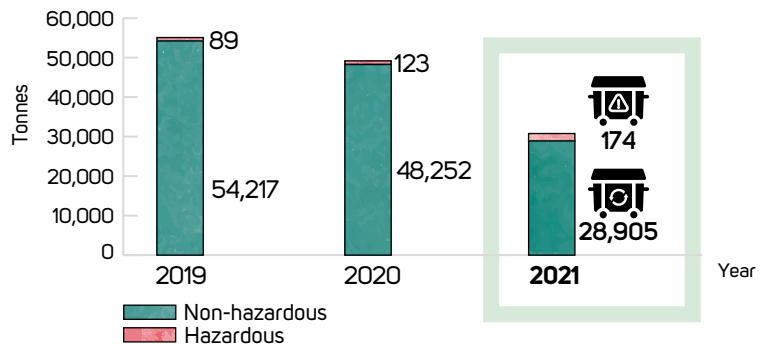
Waste produced*



Waste recovery

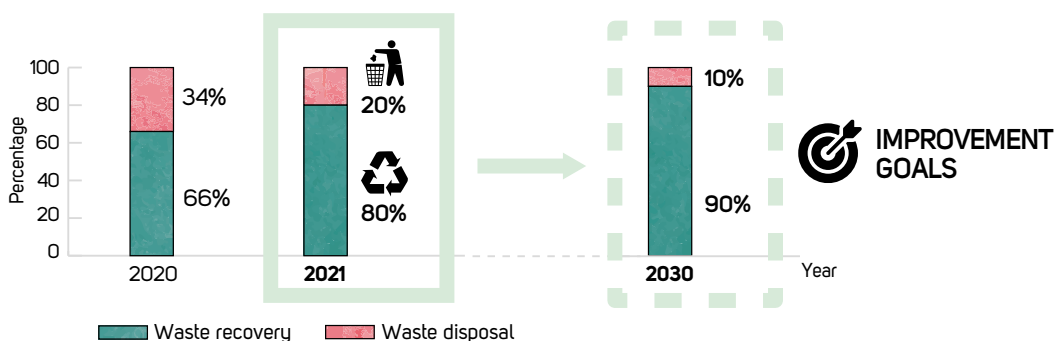


Waste disposal



* Note that waste is expressed as such and not as dry.

► Waste produced

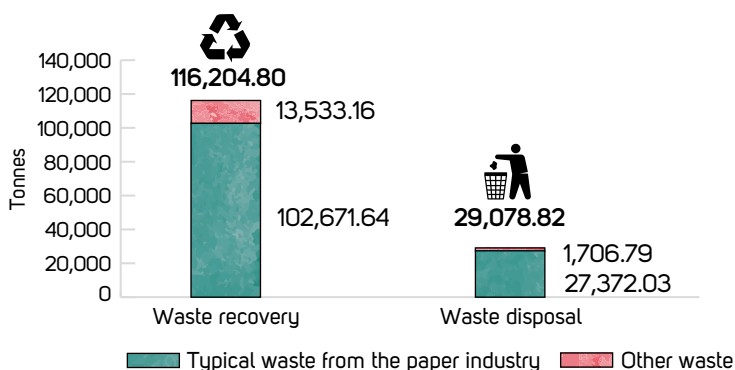


► Waste generated per category

Composition of waste	Waste produced	Waste recovery	Waste disposal
Category 03 Waste from wood processing and the production of panels, furniture, pulp, paper and cardboard	130,043.67	102,671.64	27,372.03
Category 07 Waste from organic chemical processes	6.44	0.00	6.44
Category 08 Waste from the manufacture, formulation, supply and use of coatings (paints, varnishes and glazes), adhesives, sealants and printing inks	886.07	58.38	827.68
Category 10 Waste from thermal processes	0.76	0.00	0.76
Category 12 Waste from physical and mechanical surface treatment and processing of metals and plastics	360.12	225.88	134.24
Category 13 Spent oils and liquid fuel residues	32.51	31.83	0.68
Category 14 Organic solvents, refrigerants and waste propellants	0.17	0.17	0.00
Category 15 Packaging waste, absorbent material, rags, filter materials and protective clothing	9,945.34	9,893.77	51.57
Category 16 Waste not otherwise specified	1,322.95	799.48	523.47
Category 17 Waste from construction and demolition operations	1,724.63	1,695.12	29.51
Category 19 Waste from waste treatment plants, off-site wastewater treatment plants and water treatment and preparation	708.81	708.00	0.81
Category 20 Municipal waste	252.14	120.53	131.61
	145,283.61	116,204.80	29,078.82

80% 20%




















► Typical waste from the paper industry



Typical wastes from the paper industry are those identified by the first two digits 03 of the European Waste Catalogue (EWC) as per European Commission Decision 2000/532/EC as amended and supplemented.

3.10

Final quantity balance

	units of measurement	2019	2020	2021	sustainable development goals
 Total production					
Paper mill	t	359,557	346,401	351,498	
Converting	t	235,298	230,377	245,582	
 Water resources					
Water per tonne of paper produced	m ³ /t	11.44	10.80	10.11	
 Energy resources					
Energy intensity	Gj/t	8.27	7.94	7.81	
 Emissions into the atmosphere					
CO ₂ emissions intensity	Kg CO ₂ /t	466.87	440.20	425.60	
 Packaging					
Percentage of recyclable and/or compostable packaging	%		100%	100%	
Percentage of packaging that is fully or partially recycled and/or compostable	%		67%	67%	
 Waste					
Waste produced per tonne of produced and converted paper	t/t	0.263	0.244	0.243	
Percentage of waste for disposal out of total generated waste	%	35%	34%	20%	 
 Rail handling					
Total incoming/outgoing freight cars	n	911	1,124	2,538	 
 Skincare sector					
Total production	t	7,442	9,797	7,732	
Total water consumption	m ³	6,872	8,751	7,306	
Specific water consumption	m ³ /t	0.92	0.89	0.94	

MARKETING AND COMMUNICATIONS

04

A decorative graphic consisting of several overlapping, wavy lines in shades of teal and green. The lines are thick and have a slight gradient, creating a sense of movement and flow. They are positioned around the large number '04', with some lines passing behind and others in front of it.



**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*

4.1

Corporate communication activities

The 2021 Corporate Communication plan analysed the stakeholder mapping, the materiality analysis review and the sustainable development goals identified as priorities by the Company, described in chapter 1.

The communication activities in 2021 focused mainly on the major issues of:



The international growth of the Group and new investments

Sustainability

The circular economy

The media relations strategy led to an increase in the number of articles dedicated to Lucart in local newspapers and the national mainstream and specialised trade press compared to the previous year. The Company was constantly mentioned in scenario articles dedicated to the paper industry with the space and visibility commonly reserved for market leaders. Importantly, the Company was included in the 100 Italian circular economy stories by the Symbola Foundation and named as one of the #GreenHeroes by the popular actor and director Alessandro Gassmann in his weekly column in *Il Venerdì di Repubblica* for our commitment to recycling used beverage containers.

Media relation activities were also carried out in France, Hungary and Spain, with good results in terms of positioning. Three events, in particular, received a lot of coverage in the local and national press:

- ▶ the opening of the Nyergesújfalu plant extension;
- ▶ communication of the investment plan for the Laval sur Vologne plant;
- ▶ the visit of the President of the Government of the Autonomous Community of the Basque Country for the opening of the new production line at the Artziniega plant.

▶ SCAN THE QR CODE WITH YOUR SMARTPHONE CAMERA TO CONNECT TO THE MEDIA FILES





Communication TV, Radio, Web, Press

► Interviews in the Italian media



► LUCART ON LA7

Lucart Corporate Brand Manager Giulia Pasquini took the camera crew of the La7 TV programme [La7 "Storie di economia circolare"](#), on a tour of the Borgo a Mozzano plant to discover the Company's projects in the circular economy field. Lucart was selected by the Enel Group, promoter of the programme, as one of the companies capable of turning Italy into a green and circular economy leader.



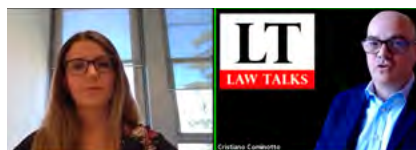
► SUSTAIN ECONOMY 24

Massimo Pasquini, CEO of Lucart, told [Sustain Economy 24](#) about the Company's all-round commitment to creating circular business models and the growth opportunities of the Group.



► LAW TALKS

[Law Talks](#), the authoritative video magazine dedicated to lawyers and businesses, interviewed Barbara Angeli, General Counsel of the Lucart Group, who described her experience in managing a legal department to support the Company on the path to internationalisation.



► IL GIORNALE DELLA LOGISTICA



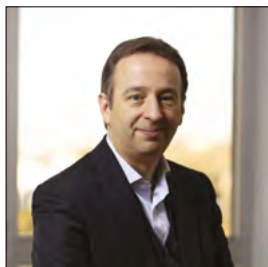
Lucart's Chief Supply Chain Giovanni Illibato was interviewed by Francesca Saporiti of

["Il Giornale della Logistica"](#) about the intermodal transport project developed with Logistica Uno that reduced the environmental impact of transporting goods on the Italy-Germany route.

il GIORNALE della LOGISTICA .it



► THE MOST INNOVATIVE PROJECTS



Lucart's Corporate Communication Manager Tommaso De Luca was interviewed by [Lara Gastaldi for Nonsoloambiente.it](#) and [Marzia Fiordaliso for Eco in Città](#) to talk about the Lucart approach to sustainability and its most innovative circular economy projects.

non solo  ambiente.it





► **Interviews in the French media**

President of Lucart S.a.s. Alessandro Pasquini appeared several times in interviews, podcasts and TV shows for transparently publicising the potential of the Laval sur Vologne plant and its investments. Worth mentioning are the releases on [Vosges TV](#), the interviews by Nathalie Croisé and Emilie Kovacs for the "[Leur raison d'être](#)" podcast. Other newspapers dedicated in-depth focuses to the matter: [Les Echos](#), [La Papeterie](#), [Le Journal des Entreprises](#), [Les Tablettes Lorraines](#), [L'Est Républicain](#), Vosges Matin, Recyclage Récupération Hebdo, Le JDEntreprises.



► **Presence in the Spanish media**

The opening of the new processing line was attended by a number of TV, radio and press reporters from [Radio Llodio](#), [Hamaika Telebista](#), [Noticias de Álava](#), [El Correo](#), [Aiaraldea](#) and [Crónica Vasca](#), among others, and covered the events at the Spanish plant of the Group.



► **Presence in the Hungarian media**

The Hungarian plant featured in major Hungarian trade publications and newspapers, particularly on the occasion of the opening of the new finished product warehouse.

The topics of sustainability, hygiene and safety, innovation, energy optimisation and packaging were also discussed.

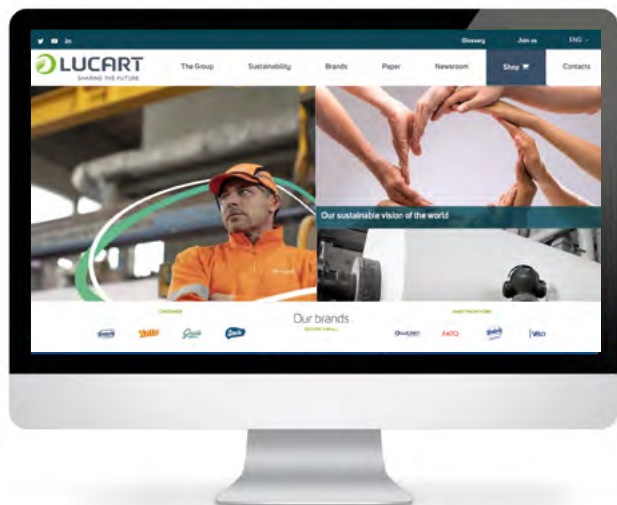
Particularly noteworthy are the articles in [HVG](#), [TermékMix](#), [Quotidiano 24Ora](#), [Chef&Pincér](#), [RTVE](#), [TradeMagazin](#), [Dorogi-Medence](#) and [Uzletem](#).

Local and national TV stations also showed interest and mentioned the project ([HIR-TV](#), [M1 News](#), [Regio-TV Esztergom](#)).





Digital communication



► Lucart corporate website

The [Lucart corporate website](#) was constantly updated throughout the year and has become the main source of information for the Group. The Newsroom section, in particular, shared the main events in the Lucart world with all stakeholders.

The website is constantly updated in six languages (Italian, English, French, Spanish, Hungarian and German) to facilitate communications and reach out to readers.



► 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 2021.

The information shared on social media and linked to the newsroom on the 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**

The **Lucart Ambassador** pilot project continued in 2021 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 Company Newsletter is now a consolidated tool for sharing internal information within the Group. It is written by the Communications Office which, together with the involvement of the various departments, collects important news, collaborations, partnerships and objectives achieved by the various plants.

The opening rate of newsletters in the various languages stood at around 50% in 2021, reaching the objectives set for the tool.

A new editorial calendar aimed at organising specific in-depth topics month by month will be prepared in 2022.



OPENING RATE OF APPROX. **50%**





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 sixth 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 artwork for the 2022 calendar was created by artist [Rita Petruccioli](#) to depict moments of a life lived in small gardens, vegetable plots, open spaces and glimpses of nature or balconies of our homes that became so important for us all during the lockdown.



► Assindustria Venetocentro Sustainable Development Models Project

The collaboration with the “Progetto Modelli di Sviluppo Sostenibili” (“Sustainable Development Models Project”) promoted by Assindustria Venetocentro and coordinated by Mario Paronetto continues. Through dedicated meetings and visits to companies, the 43 members

illustrated their practices in the fields of sustainability and corporate social responsibility. The continuing 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.



**ASSINDUSTRIA
VENETOCENTRO**
IMPREDITORI PADOVA TREVISO

4.2

Away From Home marketing and communication activities



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 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 excellent results and the world become a better place to live.

► 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 electricity

used in the production and processing of EcoNatural products has come from 100% renewable sources since 2021.



EcoNatural products made at the French plant in Laval sur Vologne have been Cradle to Cradle™ certified since 2021. The Company focused on spreading awareness of the EcoNatural project in 2021 by attending the most important



international trade fairs: Pulire (in Verona), CleanExpo (in Moscow), The Cleaning Show (in London) and Hygienalia (in Madrid). A real commitment to confirm the constant closeness of the Lucart Professional brand to its customers.



► LinkedIn

[Lucart Professional LinkedIn page](#) was launched in 2021. This dynamic and constantly updated space is a direct communication channel with distributors and end customers and an important showcase to connect people around the brand values.

Impressive results with more than 1600 followers were acquired in eight months.



► Amazon

Lucart Professional has created a dedicated range of products specifically designed for the Amazon marketplace to be closer than ever to small customers, with particular needs both in terms of product formats and distribution. Marketplaces were activated in Italy, France, Spain and Germany in 2021.

The products dedicated to the Amazon channel are made of high-quality recycled paper and Albert, the Company's time-honoured mascot, is the spokesperson for the call to sustainability for all consumers:

GO GREEN, BE SMART!



► 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.

In Slovenia MMC® is active in four municipalities covering 22% of the national population. Exporting the virtuous Slovenian model to Slovakia allowed MMC® to be implemented in two municipalities, reaching 5% of the population.

Used beverage cartons leave the municipalities as waste and are returned as useful high-quality tissue paper products.



► **Hygiene and 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 and Care Platform**



Ho.Re.Ca.



Office and Industry



Wellness



Schools

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 to create greater awareness around the EcoNatural project and promote 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.



The first results show the extreme interest in the project 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 values of E-SPACE values were exported with an independent project by Lucart Professional in Spain, involving a group of local business partners.



Tenderly Professional reasserted its position as a benchmark partner for the Away from Home sector again in 2021.



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.





Certified and eco-sustainable products were the drivers of the Fato activities last year.

With a selection of Ecolabel-certified products, like tablecloths, plates and napkins made of recycled paper that can now proudly display the new certificate. For simple and environment-friendly tableware.

But that's not all. A new range of Fiberpack® products expands the Natural range, offering to venue simple decorations with a bold message: 100% Recycled, Fiberpack®. The "Simply Natural" decoration is available in several napkin sizes and can be coordinated with the "Natural Mood" placemat roll for a more accurate and eco-friendly *mise en place*, because all products are FSC® Recycled and Ecolabel certified.



Growing range, growing sustainability.

The Velo range is expanding with new environmentally friendly and certified products. Compostable airlaid rolls, high-dispersion handtowels, Fiberpack® products and new packaging made of recycled and recyclable paper. This time, after having focused on the product, the brand's commitment turns to the packaging and embarks on a course to reduce virgin plastic in favour of paper wrappers or packs made of recycled material.

All this is part of the "Sustainable Packaging Programme", which represents the commitment to the environment of the company concerning product packaging.

Each product bears the label that communicates the novelty on the packing and becomes a tool to vehicle the ecological vision of the brand, which is becoming increasingly tangible.



4.3

Marketing and Consumer Communication Activities



A new formulation for even softer toilet paper and even longer rolls for a satisfying and relaxing consumer experience.

► Toilet Paper

Tenderly toilet paper – the product destined to be the cornerstone and benchmark of the brand – was created from the collaboration between the Castelnuovo di Garfagnana plant and the R&D department. 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.



► Handkerchiefs

Tenderly Eco-Classic handkerchiefs complement the Tenderly range with a new format and plastic-free packaging. The outer carton is made of 100% recycled and recyclable paper, while the individual packs are made of an innovative biodegradable and compostable material called Biotec.



► Handtowels

The Tenderly range was complemented by a product that exploits the high performance of airlaid material as a handy substitute for ordinary cloth tea towels. The practical pack of 25 handtowels is particularly suited for guaranteeing maximum hygiene for each use.



► The "Tenderly Academy" campaign

Some say that grey hair is a sign of wisdom. This certainly rings true for the people who have never stopped learning, because only curiosity and open-mindedness make us better. Tenderly, through the **Tenderly Academy**, wants to contribute to creating a "tenderer" world by helping adults rediscover important values. This time, the teachers are the children, capable of expressing complicated concepts in the words of their innate naivety and innocence. To support this brand, significant investments in communication were made throughout the year on both traditional and digital platforms.



► Partnership with Save the Children

Again in 2021, 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 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 35 wishes fulfilled since 2017.



► Partnership with Mus.e



Partnership with museums in Florence, aimed at supporting the initiatives of **Mus.e Firenze** continued in 2021.

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.

► Lucca Comics '21 "A riveder le stelle"

Tenderly was the main sponsor of the 2021 edition of Lucca Comics & Games that is back in physical presence albeit with a limited capacity after a year's stop, referencing Dante's famous verse "and thence we came forth to see again the stars" in its name.



► Amazon

In 2021, Tenderly landed on Amazon, bolstering the distribution channel with specific formats created for the online world.





► Tutto Casa

This is the name of the single roll specially designed for cleaning smooth surfaces. One hundred, high-performance maxi sheets for lint-free cleaning results without halos.



► Tutto a Tavola Kids

The Disney world met the Tutto range in 2021 with a special line of tablecloths decorated with Disney Pixar characters.



The drive for innovation of the premium kitchen and home brand did not slow down in 2021. Joining the range are the new Tutto Casa, designed for cleaning smooth surfaces, and the Tutto a Tavola Kids tablecloths.

► “Chiedimi Tutto” campaign

Significant investments in communication were also made for the Tutto brand in 2021. Social media presence continued with the “Chiedimi Tutto” (“Ask Me Anything”) campaign where a talking toilet roll holder dispenses useful advice for dealing with everyday household problems with tips, curiosities, tricks to preserve food and eliminate or at least limit food waste in the kitchen. The content was specifically created with the collaboration of Food Lab, a publishing house specialising in content related to the food & beverage world.



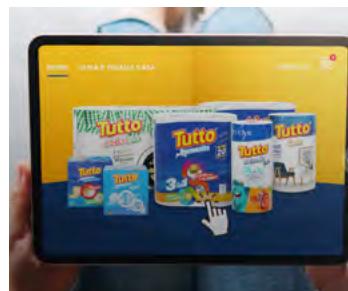
The social media presence of Tutto Pannocarta was also complemented with a special project created with the famous pastry chef and Brand Ambassador **Damiano Carrara** from Lucca, who created and posted clips and contents dedicated to the use of the product in the kitchen and elsewhere.



► Partnership with the University of Gastronomic Sciences of Pollenzo

The **University of Gastronomic Sciences of Pollenzo** was confirmed as a technical sponsor in 2021 bolstering the partnership

now in its third year, in which the university served as a special setting for the filming of numerous brand advertising campaigns.



► Amazon

Tutto also expanded the distribution channels online and in particular on Amazon in 2021.



► Tutto Pannocarta on TV



The presence on TV was confirmed all year long through high-impact media product placement collaborations with **Cotto and Mangiato** (Italia 1), **Giusina in Cucina** (Food Network) and **Cake Star** (Real Time).

Extensive use of the product in all these TV shows significantly consolidated 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 Green credentials of the innovative Grazie Natural range were consolidated with a focus on packaging.

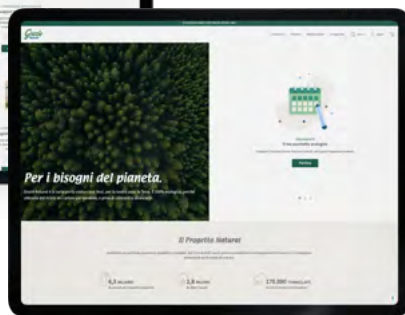
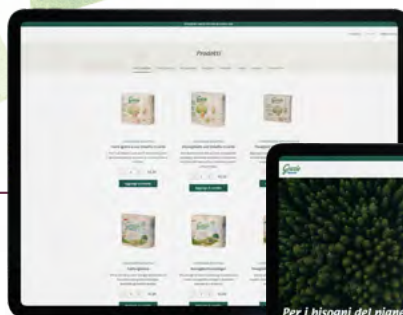
The commitment of Lucart to seeking ecological and innovative solutions to reduce environmental impact produced important results in 2021. Besides being made from paper recycled from beverage cartons, the focus of Grazie Natural

turned to the exterior packaging and is now available in two versions, one with 60% recycled plastic and one with 100% recycled paper to minimise the use of plastic in its products. All packaging is recyclable.



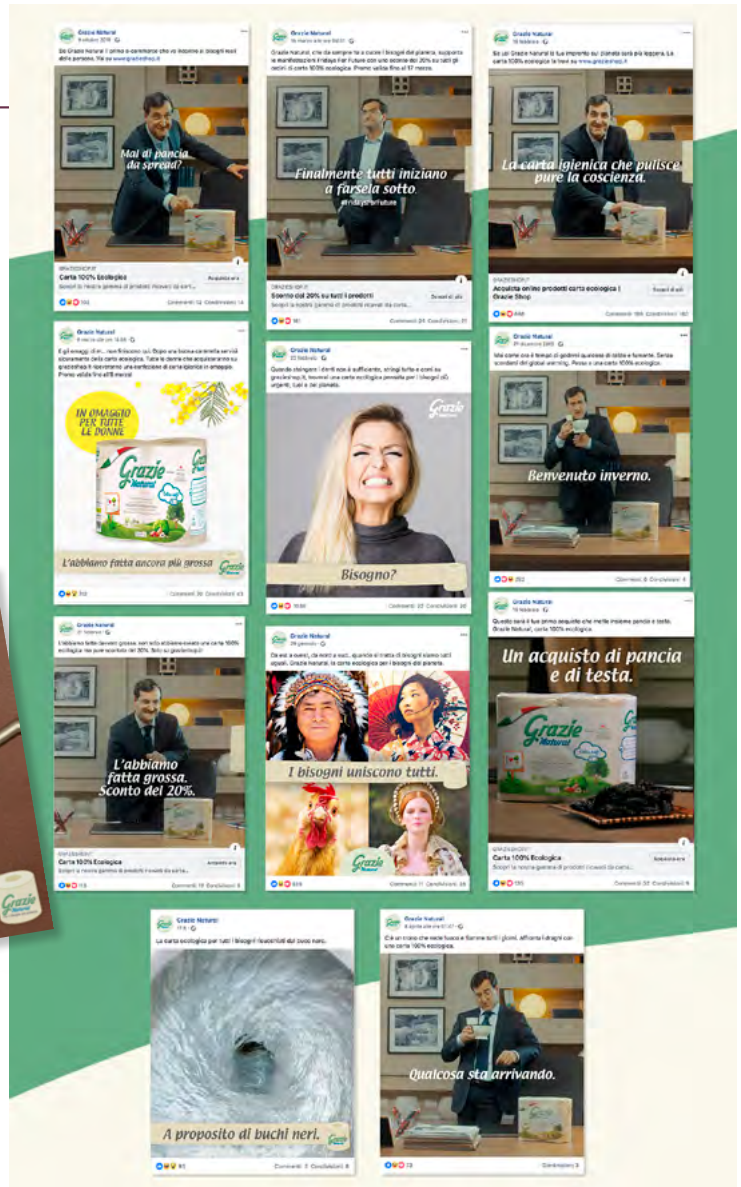
► Grazie Shop

The online [shop on-line di 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

Strong of the important NC Digital Awards, the **"Bisogni"** campaign (cheekily built around the theme of needs, also of the bodily type) is now in its third season and manages to combine socially relevant messages with an ironic and youthful tone. The Facebook page was constantly renewed with new content, posts and messages, as well as constant interaction with consumers. Both the Facebook page and the website are now available in French.



► Blog

The www.Grazie.it website now features a blog focused on environmental education topics. With its advice, Grazie Naturale aims to become the go-to Green reference for consumers stretching beyond simple consumption habits.

4.4

Awards

► Logistician of the Year



Lucart's Chief Supply Chain Officer Giovanni Illibato received "Logistician of the Year" on behalf of the company for the Tissue Train project, in collaboration with Logistica Uno. The award was created to recognise companies that made innovation their strength.

► "Vivere a Spreco Zero 2021" – The "Sustainability Oscars"

The award ceremony for the "Vivere a Spreco Zero" campaign (Zero waste living) was held in Bologna. The initiative promoted by Professor Andrea Segrè in synergy with the Ministry of the Environment hands out the "Sustainability Oscars" each year to municipalities, companies, schools and associations that stood out for promoting good practices to prevent food waste. Guido Pasquini, as a board member of Newpal, the company recently founded by Lucart and CPR System, collected the award for the circular economy category for the used beverage cartons recovery project.



► Hungarian Sustainability Symbol



The Lucart Professional's EcoNatural Project received the important Hungarian Sustainability Symbol accolade. The award, which recognises iconic ecological products in Hungary, was collected by Omar Balducci, Lucart's Sales Manager AFH Central and Eastern Europe.

► Tenderly "Il bello per tutti"

On the occasion of the twentieth anniversary of the Associazione Mus.e, held in the Salone del Cinquecento at Palazzo Vecchio in Florence. Giovanni Monti Corporate Sales & Marketing Director Consumer of Lucart collected the award as a supporting partner for the #ilbellopertutti (art for everyone) initiative of Tenderly.



► SMAU

Lucart received the 2021 SMAU Innovation Award given to companies operating in various industrial sectors for having implemented product and process development activities aimed to bring true innovation to the market. The prize, given to Lucart's Chief Information Technology Officer Massimiliano Bartolozzi, was awarded for designing the first technology for paper mill digital and automated supervision systems.



► MOIGE



The Italian Parents Movement (MOIGE) presented Francesco Pasquini,

Chief Sales & Marketing Officer of Lucart, with the award for the family-friendly Tenderly Academy "Chimica della tenerezza" campaign for the successful blend of originality and in-depth information aimed at exploring important values, such as kindness, tenderness, sharing and inclusiveness.

4.5

Participation in Conferences

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

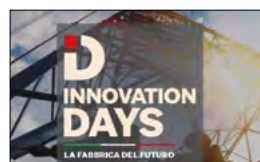
► Sustainable Development Festival

Lucart Corporate Communication Manager Tommaso De Luca was a guest at the "The Value of Sustainability" workshop organised by ASVIS to talk about how the circular economy can create value.



► Innovation Days

Lucart Chief Supply Chain Giovanni Illibato spoke about sustainable innovation for integrated supply chain management during the Innovation Days organised by Il Sole 24 Ore and Confindustria in Tuscany.



► Green Retail LAB

Lucart Corporate Communication Manager Tommaso De Luca spoke at the "Green Retail Lab: the sustainability challenge" seminar to explain what following on the path of sustainability and circularity in the retail world means.



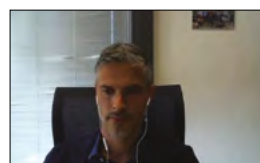
► Horsa

Lucart Intelligence Services Manager Roberto Vigolo attended the "Analytics and Reporting in real time" webinar organised by Horsa Group and presented the Lucart case.



► Increasing the efficiency by improving the SD planning process

Lucart Intelligence Services Manager Roberto Vigolo attended the event organised by Tagetik with a speech on the topic of improving the planning process.



► Ecoforum 2021

Lucart Sustainability Sr Advisor Guido Pasquini spoke at the forum organised by Legambiente entitled "Ecodesign and Re-products: Reducing Waste is Possible" to describe the actions implemented by the company on this issue.



► Collaborative Transport

Lucart Chief Supply Chain Officer Giovanni Illibato attended the collaborative transport workshop organised by Chep to present the collaboration with Caviro s.c.a. the largest winery in Italy, to create a pallet network.



4.6

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.

CORPORATE

- ▶ www.lucartgroup.com



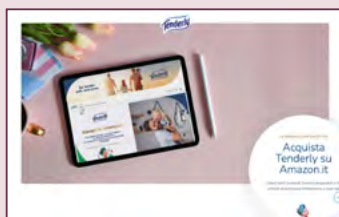
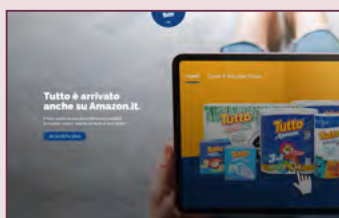
AWAY FROM HOME

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



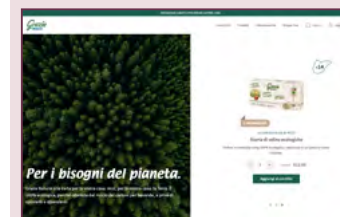
CONSUMER

- ▶ www.tenderly.it
- ▶ www.tuttoxtutto.it
- ▶ www.grazie.it



ONLINE PURCHASES

- ▶ grazieshop.it



4.7

Trade Fairs, Events and Sponsorships

In 2021, the Group attended the most important sector events with its own exhibition area, fully respecting the Covid-19 prevention rules.



Trade shows

► Ecomondo – Corporate Trade Fair – Rimini, Italia

Lucart attended for the fifth time Europe's leading trade fair for industrial and technological innovation, presenting its circular business model and the recently founded Newpal company to Green Economy operators.



► Pulire - Fiera AFH - Verona, Italy

International trade fair event, the first industry event since the start of the pandemic. It is an essential opportunity to meet customers, showcase company innovations and inject enthusiasm with important signals of restarting in the industry.



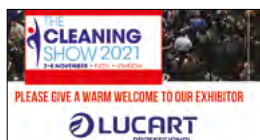
► Cleanexpo - AFH Trade Fair - Moscow, Russian Federation

This fair is a prime opportunity for domestic demand, mainly from Moscow, to meet supply from Western Europe and a chance to introduce Lucart Professional to a market with extremely high potential.



► The Cleaning Show - AFH Trade Fair - London, United Kingdom

Lucart Professional attended the event for the first time. It was a significant moment to support the newly opened Lucart Hygiene Ltd subsidiary and to introduce its sales team.



► Hygienalia - AFH Trade Fair - Madrid, Spain

A biennial event in which Lucart Professional plays a leading role in the Spanish market, supporting the Lucart Tissue & Soap S.L.U. subsidiary and presenting the innovations of the brand to the fast-growing Iberian market.





Events



► Let's clean the world

Lucart took part in the ecological volunteering activity organised by Legambiente nationwide throughout Italy, together with many volunteers and schools in the Borgo a Mozzano area. The operation, under the sign of collective social responsibility, took place in the Borgo a Mozzano industrial area and focused on clearing and cleaning the river bed. The remarkable enthusiasm and participation in the initiative were a further demonstration of respect for our surroundings and our environment.



► Presentation of the Sustainability Report 2020

Ahead of the release of its 16th Sustainability Report, Lucart presented the results with a digital round table to discuss the commitment to sustainability, which has always been at the heart of the Group's promise.

Tessa Gelisio, moderator of the event, interviewed Massimo Pasquini, CEO of Lucart, Simona Bonafè, MEP, Fabio Iraldo, Professor of Management at the Scuola Superiore Sant'Anna in Pisa, Francesco Pasquini, Chief Sales and Marketing Officer of Lucart, Francesco Faella, Managing Director of Tetra Pak®, Giancarla Pancione, Marketing and Fundraising Director of Save The Children.



► Newpal presentation

Lucart and CPR System presented Newpal S.p.A., the new circular economy project that will close the recovery cycle of beverage cartons to the public and the press during the Ecomondo trade show. The new company is dedicated to moulding high-quality pallets made from recycled plastic.



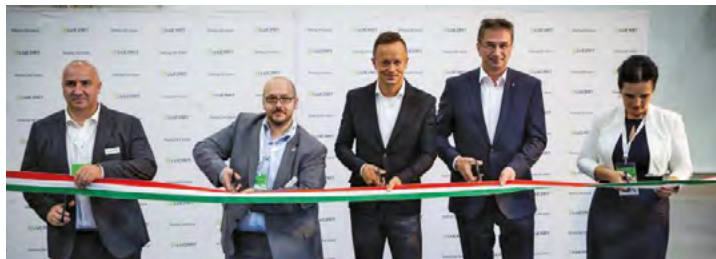
► Opening of the Nyergesújfalu factory warehouse

The expansion works on the finished product storage warehouse was completed in the first half of the year. With this new investment, the plant now has a total area of more than 16,000 m².

The opening event was held in full compliance with the Covid-19 prevention regulations and was attended by many political authorities, including Minister of Foreign Affairs Péter Szijjártó, Secretary of State

Pál Völner, Mayor of Nyergesújfalu
Magdolna Mihelik, Director of Hipa
Róbert Ésik and the new Italian

Ambassador to Hungary Manuel
Jacoangeli.



► Opening of processing line at Artziniega plant

For the opening event of the new production line in the Artziniega factory, Iñigo Urkullu president of the Government of the Autonomous Community of the Basque Country and Arantxa Tapia councillor for Economic

Development, Sustainability and the Environment, visited the Spanish factory to learn more about the company's activities and future investments in the Basque region.



Sponsorship



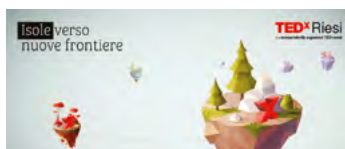
► Ripartire Festival

Lucart supported the appointment with youngsters, organised by the City of Lucca at the Foro Boario, with meetings, workshops and music as a sign of restarting and optimism.



► L'Ambiente si nota

Bands playing musical instruments were reinvented by using recycled materials and vegetables took the Teatro del Giglio stage for the Eco-Concert organised by Pentapolis in Lucca. Lucart strong of its trademark "green spirit", sponsored the second edition of the festival where sustainability, circular economy and music and the main ingredients.



► TEDxRiesi

Lucart was a partner in the first edition of TEDxRiesi in Sicily. The theme of the event was "Islands and new frontiers".



► Mont'Alfonso under the stars

Lucart supported the cultural festival organised by the municipality of Castelnuovo di Garfagnana, which hosts prestigious events and international artists.



**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	Information	Page no.	Notes	SDGs links
GRI 102: GENERAL DISCLOSURES 2016				
ORGANISATIONAL PROFILE				
102-1	Name of organisation	4; 20-21; 28		
102-2	Activities, brands, products and services	16; 31-33		
102-3	Location of headquarters	20-21; 28		
102-4	Location of operations	20-21		
102-5	Ownership and legal form	20-21; 28		
102-6	Markets served	30-33		
102-7	Scale of the organisation	16-17		
102-8	Information on employees and other workers	65-68		
102-9	Supply chain	76		
102-10	Significant changes to the organisation and its supply chain		No significant changes in the supply chain during 2021	
102-11	Precautionary principle		A conservative approach is implemented in the evaluation of the decision-making process	
102-12	External Initiatives	2-3; 79-81		
102-13	Membership of associations	79-81		
STRATEGY				
102-14	Statement from senior decision-maker	2-3		
ETHICS AND INTEGRITY				
102-16	Values, principles, standards and norms of behaviour	34; 48-49; 62-63		
GOVERNANCE				
102-18	Governance Structure	28-29		

GRI Standard	Information	Page no.	Notes	SDGs links
STAKEHOLDER ENGAGEMENT				
102-40	List of stakeholder groups	40-44		
102-41	Collective bargaining agreements	77	All employees of Lucart S.p.A. are covered by the national collective bargaining agreement	
102-42	Identifying and selecting stakeholders	40-47; 72-83		
102-43	Approach to stakeholder engagement	40-47; 72-83		
102-44	Key topics and concerns raised	40-44		
REPORTING PRACTICES				
102-45	Entities included in the consolidated financial statements	4		
102-46	Defining report content and topic boundaries	4		
102-47	List of material topics	40-47		
102-48	Restatements of information		No changes in information were reported compared to previous reports	
102-49	Changes in reporting		Data from Lucart Hygiene Ltd were included in the scope of the 2021 Report	
102-50	Reporting period	4		
102-51	Date of most recent report		July 2021	
102-52	Reporting cycle	4		
102-53	Contact point for questions regarding the report	4		
102-54	Claims of reporting in accordance with the GRI Standards	4		
102-55	GRI content index	137		
102-56	External assurance	148	This Report is subject to assurance by PwC. The audit report was issued on 27 May 2022	

TOPIC-SPECIFIC STANDARDS

GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------


PRODUCT SAFETY

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	40		
103-2	The management approach and its components	51		
103-3	Evaluation of the management approach	51		
GRI 416: CUSTOMER HEALTH AND SAFETY 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No such cases occurred during the reporting period	
GRI 417: MARKETING AND LABELLING 2016				
417-1	Requirements for product and service information and labelling		The information on product labelling complies with the respective national legislation	
417-3	Incidents of non-compliance concerning marketing communications		No such cases occurred during the reporting period	
GRI 418: CUSTOMER PRIVACY				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No cases of breaches of customer privacy occurred during the reporting period	



GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------

BUSINESS INTEGRITY AND SUSTAINABILITY

GRI 103: MANAGEMENT APPROACH 2016					
103-1	Explanation of the material topic and its boundary	40			
103-2	The management approach and its components	50-53			
103-3	Evaluation of the management approach	50-53			
GRI 201: ECONOMIC PERFORMANCE 2016					
201-1	Direct economic value generated and distributed	17			
GRI 202: MARKET PRESENCE 2016					
202-2	Proportion of senior management hired from the local community		Senior managers recruited at operational sites are locals		
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
203-1	Infrastructure investments and services supported	8-15; 16-17			
GRI 205: ANTI-CORRUPTION 2016					
205-2	Communication and training about anti-corruption policies and procedures		There were no communications on these issues in the reporting period		
GRI 419: SOCIOECONOMIC COMPLIANCE 2016					
419-1	Non-compliance with laws and regulations in the social and economic area		No such cases occurred during the reporting period		

GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------

HEALTH AND SAFETY OF WORKERS

GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	69-71	
103-2	The management approach and its components	54; 69-71	
103-3	Evaluation of the management approach	69-71	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018			
403-1	Occupational health and safety management system	69-71	
403-2	Hazard identification, risk assessment, and incident investigation	69-71	
403-3	Occupational health services	69-71	
403-4	Worker participation, consultation, and communication on occupational health and safety	69-71	
403-5	Worker training on occupational health and safety	69-71; 73-74	
403-6	Promotion of worker health	69-71	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	69-71	
403-9	Work-related injuries	69-71	



GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------

FIGHTING CLIMATE CHANGE



GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	51	
103-2	The management approach and its components	51	
103-3	Evaluation of the management approach	51	
GRI 305: EMISSIONS 2016			
305-1	Direct (Scope 1) GHG emissions	105-106	
305-2	Energy indirect (Scope 2) GHG emissions	105-106	
305-4	GHG emissions intensity	105-106	
305-5	Reduction of GHG emissions	105-106	
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant emissions	105-106	








DEVELOPMENT AND MANAGEMENT OF HUMAN CAPITAL






GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	73-76	
103-2	The management approach and its components	73-76	
103-3	Evaluation of the management approach	73-76	
GRI 401: EMPLOYMENT 2016			
401-1	New employee hires and employee turnover	65-68	
401-3	Parental leave	65-68	
GRI 404: TRAINING AND EDUCATION 2016			
404-1	Average hours of training per year per employee	65-68	




GRI Standard	Information	Page no.	Notes	SDGs links
404-2	Programmes for upgrading employee skills and transition assistance programmes	73-74		 
404-3	Percentage of employees receiving regular performance and career development reviews	75		
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees	28; 65-68		
GRI 406: NON-DISCRIMINATION 2016				
406-1	Incidents of discrimination and corrective actions taken		No cases of discrimination were reported during the reporting period	

PROCUREMENT AND RESPONSIBLE USE OF RESOURCES

GRI 103: MANAGEMENT APPROACH 2016				    
103-1	Explanation of the material topic and its boundary	76; 92-94		
103-2	The management approach and its components	76; 92-94		
103-3	Evaluation of the management approach	76; 92-94		
GRI 204: PROCUREMENT PRACTICES 2016				
204-1	Proportion of spending on local suppliers	76		
GRI 301: MATERIALS 2016				
301-2	Recycled input materials used	18; 92-94		
GRI 302: ENERGY 2016				
302-1	Energy consumed within the organisation	98-101	The Company does not report the fuel consumption of its car fleet	
302-3	Energy intensity	18; 98-101; 109		
302-4	Reduction of energy consumption	98-101	The reduction of energy consumption only concerns electricity	



GRI Standard	Information	Page no.	Notes	SDGs links
GRI 303: WATER AND EFFLUENTS 2018				
303-1	Interactions with water as a shared resource	95-97		
303-3	Water withdrawal	95-97	The Company does disclosure: 1) the amount of withdrawn water in ml, divided by source of withdrawal and category (fresh water and other categories) 2) details on water withdrawals in water-stressed areas, broken down by withdrawal source and category (freshwater and other categories)	    
GRI 306: WASTE 2020				
306-3	Waste generated	107-108		
306-4	Waste diverted from disposal	107-108	The Company reports the total weight of waste not intended for disposal is divided between hazardous and non-hazardous waste	
306-5	Waste directed to disposal	107-108	The Company reports the total weight of waste for disposal is divided between hazardous and non-hazardous waste	

RESEARCH, DEVELOPMENT AND INNOVATION

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	40		
103-2	The management approach and its components	38-39		
103-3	Evaluation of the management approach	38-39		

GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------

SUSTAINABLE PRODUCT DEVELOPMENT

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	40		 
103-2	The management approach and its components	38-39		
103-3	Evaluation of the management approach	38-39		

CUSTOMER AND END-CONSUMER SATISFACTION


GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	72		
103-2	The management approach and its components	72		
103-3	Evaluation of the management approach	72		

STAKEHOLDER INVOLVEMENT

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	40-45; 72-83		
103-2	The management approach and its components	40-45; 72-83		
103-3	Evaluation of the management approach	40-45; 72-83		

GRI Standard	Information	Page no.	Notes	SDGs links
--------------	-------------	----------	-------	------------


COVID-19 IMPACT

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	54		
103-2	The management approach and its components	54		
103-3	Evaluation of the management approach	54		


WORK-LIFE BALANCE

GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its boundary	76	
103-2	The management approach and its components	76	
103-3	Evaluation of the management approach	76	

HUMAN RIGHTS

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	62		
103-2	The management approach and its components	62		
103-3	Evaluation of the management approach	62		

LOCAL COMMUNITY SUPPORT

GRI 103: MANAGEMENT APPROACH 2016				
103-1	Explanation of the material topic and its boundary	121; 125; 134-135		
103-2	The management approach and its components	121; 125; 134-135		
103-3	Evaluation of the management approach	121; 125; 134-135		



LUCART SPA

**RELAZIONE SULL' ESAME LIMITATO DEL BILANCIO
DI SOSTENIBILITÀ**

ESERCIZIO CHIUSO AL 31 DICEMBRE 2021





Relazione sull'esame limitato del Bilancio di Sostenibilità

Al Consiglio di Amministrazione della Lucart SpA.

Siamo stati incaricati di effettuare un esame limitato (*limited assurance engagement*) del Bilancio di Sostenibilità di Lucart SpA (di seguito “la Società”) e sue controllate Lucart Sas, Lucart Tissue & Soap SLU, Lucart Deutschland GmbH, Lucart Kft, Lucart Hygiene Ltd e Lucart 3.0 Srl (di seguito “il Gruppo” o “Gruppo Lucart SpA”) relativo all'esercizio chiuso al 31 dicembre 2021 e approvato dal Consiglio di Amministrazione in data 27 maggio 2022.

Responsabilità degli Amministratori per il Bilancio di Sostenibilità

Il Consiglio di Amministrazione della Società e i suoi Amministratori sono responsabili per la redazione del Bilancio di Sostenibilità in conformità con i “Global Reporting Standards” definiti nel 2016, e i “Global Reporting Initiative (“GRI Standards”), come descritto nella

presentazione. Il Bilancio di Sostenibilità è stato sottoposto a un controllo interno da essi ritenuto sufficiente per garantire la correttezza e la completezza delle informazioni che non contenga errori

materiali. Il Bilancio di Sostenibilità è stato sottoposto a un controllo esterno del Gruppo Lucart in conformità con i requisiti del Gruppo Lucart in materia di trasparenza verso stakeholder e degli aspetti

relativi alla conformità con la dipendenza del Code of Ethics del Gruppo Lucart, il Code of Ethics Board for Accountants, e la conformità con i requisiti di diligenza professionale, e

conformità con lo Standard on Quality Control 1 (ISQC Italia 1) e, in materia di qualità che include direttive e procedure relative ai principi etici, ai principi professionali e alle disposizioni di legge e dei

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 725091 Cap. Soc. Euro 100.000,00 i.v. - C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 06234620968 – Altri Uffici: Bari 70122 Via Abate Gimma 72 Tel. 080 5640311 Fax 080 5640349 - Bologna 40126 Via Angelo Finelli 8 Tel. 051 6186211 - Brescia 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - Cagliari 09125 Viale Diaz 29 Tel. 070 6848774 - Firenze 50121 Viale Gramsci 15 Tel. 055 2482811 Fax 055 2482899 - Genova 16121 Piazza Piccapietra 9 Tel. 010 29041 - Napoli 80121 Via del Mille 16 Tel. 081 36181 - Padova 35138 Via Vicenza 4 Tel. 049 873431 Fax 049 8734399 | Rubano 35030 Via Belle Putte 36 - Palermo 90141 Via Marchese Ugo 60 Tel. 091 6256313 Fax 091 7829221 | 90139 Via Roma 457 Tel. 091 6752111 - Parma 43121 Viale Tanara 20/A Tel. 0521 275911 Fax 0521 781844 - Pescara 66127 Piazza Ettore Troilo 8 - Roma 00154 Largo Fochetti 29 Tel. 06 6920731 Fax 06 69207330 - Torino 10122 Corso Palestro 10 Tel. 011 5773211 Fax 011 5773299 - Trento 38121 Viale della Costituzione 33 Tel. 0461 237004 Fax 0461 239077 - Treviso 31100 Viale Felissent 90 Tel. 0422 315711 Fax 0422 315798 - Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 Fax 040 364737 - Verona 37135 Via Francia 21/C Tel. 045 8263001

Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
www.pwc.com/it

La nostra responsabilità

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità del Bilancio di Sostenibilità rispetto a quanto richiesto dai GRI Standards. Il nostro lavoro è stato svolto secondo i criteri indicati nel *International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (di seguito anche "ISAE 3000 Revised"), emanato dall'*International Auditing and Assurance Standards Board (IAASB)* per gli incarichi di *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che il Bilancio di Sostenibilità non contenga errori significativi.

Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'ISAE 3000 Revised (*reasonable assurance engagement*) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sul Bilancio di Sostenibilità si sono basate sul nostro esame delle informazioni quantitative, che hanno compreso colloqui, prevalentemente con il personale del Gruppo, e la verifica delle informazioni qualitative, la predisposizione delle informazioni presentate nel Bilancio di Sostenibilità, la verifica delle informazioni nei documenti, ricalcoli ed altre procedure volte all'acquisizione di un livello di sicurezza limitato.

In particolare, abbiamo svolto le seguenti attività:

1. analisi del processo di definizione delle informazioni quantitative con riferimento alle modalità di raccolta delle informazioni dagli stakeholder e alla valutazione della loro rilevanza;
2. comparazione tra le informazioni quantitative del Bilancio di Sostenibilità del Gruppo Lucart Italia e del bilancio consolidato del Gruppo Lucart;
3. comprensione dei processi di raccolta delle informazioni qualitative e delle procedure di predisposizione delle informazioni qualitative.

In particolare, abbiamo svolto verifiche di dettaglio su dati quantitativi di Lucart SpA e abbiamo svolto limitate verifiche di dettaglio sui processi e le procedure che supportano la raccolta e la valutazione dei dati e delle informazioni di carattere qualitativo e la predisposizione del Bilancio di Sostenibilità.

Inoltre, per le informazioni significative, tenuto conto delle attività svolte:

- a livello di Capogruppo
 - a) con riferimento alle informazioni qualitative contenute nel Bilancio di Sostenibilità abbiamo effettuato interviste e acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;
 - b) con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati.

- per lo stabilimento di Diecimo, che abbiamo selezionato sulla base delle sue attività, del suo contributo agli indicatori di prestazione e della loro ubicazione, abbiamo acquisito riscontri documentali su base campionaria circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Bilancio di Sostenibilità del Gruppo Lucart relativo all'esercizio chiuso al 31 dicembre 2021 non sia stato redatto, in tutti gli aspetti significativi, in conformità a quanto richiesto dai GRI Standards come descritto nel paragrafo "Nota metodologica" del Bilancio di Sostenibilità.

14

Bilancio di Sostenibilità in relazione agli esercizi chiusi al 31 dicembre
...postosi a verifica.



▶ 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. Decimo
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

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 Saponi Editori Sas

Photography
© Giorgio Leone
© O-Zone
© Osvaldo Domenici
© Marco Piccolo

Printing
Pacini Editore Srl

▶ 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

▶ Lucart Hygiene Ltd.

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

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.