



SUSTAINABILITY REPORT **2019**



The **Eco-Ethical** Company

*In collaboration with eAmbiente Group*

*Graphic design Communication Comunicazione Gruppo Saviola and GreenGo Consulting*

*The SDGs 12 "Responsible Consumption and Production" symbol on the cover represents the "infinite" cycle of the Saviola Group's circular economy.*



The Saviola Group ([www.grupposaviola.com](http://www.grupposaviola.com)) began with a dream: to transform a waste product (however “noble” like wood) into a finished product, even before the concept of a circular economy was introduced to the world.

Producing panels, furnishing components and furniture is our mission and to achieve it, we chose to protect our forest heritage and avoid having to fell trees. The commitment to sustainability is part of the entire production process that also develops in the fields of chemistry, furniture and life science in a complete system of vertical and horizontal integration.

The company was established in 1963 in Viadana, Italy, on the banks of the river Po in Lombardy, in the province of Mantua (an area that stands out for its outstanding, UNESCO-recognised bio-diversity), at the crossroads that unites different territories. Today it has 14 plants in Italy and abroad.

The Saviola Group has come a long way since its foundation, so much so that, today, it is one of Italy’s leading companies. With one of the most advanced and innovative production processes, the Group invented and was the first to produce - and to introduce to the market (in the 1990s) - the Ecologico® chipboard Panel, made from 100% recycled wood, the perfect synthesis of ecology and design.

Sustainability has always been the principle guiding Saviola, even before the Green Economy and protecting the environment became widely-used phrases.

The Group is led by Saviola Holding and is divided into 4 Business Units: Saviola (Wood), Composad (RTA Furniture), Sadepan (Chemical Products) and Saviolife (Life Science).

The Chairman is Alessandro Saviola who has taken over his father’s legacy.



# INTRODUCTION





*“You have to go back to the footsteps already taken, to go over them again or add fresh ones alongside them. You have to start the journey anew. Always”.*

*José Saramago*

Viaggio in Portogallo

Milano 2015

I am very fond of this quote by Saramago because the metaphor of a journey represents something that each and every one of us has, at some point, experienced: discovering something new, even if it is on a road we already know well. We often make the mistake of taking this familiar path for granted: thinking that we know its ins and outs because we take it every day. Leaving the image of a journey and without being too generic in its evaluation, we could say that the purely economic analysis that captures the performance of a company within the scope of its business aspects is not, in itself, exhaustive and, alongside the financial economic indicators that determine the health of a company, we need to analyse and assess other equally important aspects: social, ecological, cultural, environmental.

The Saviola Group's first Sustainability Report comes from this desire: to broaden the horizon of knowledge and to delve into its depths, systemically organising the skills, analysis and interpretation of data that our company - through its employees - can produce. It is a useful analysis tool to better understand the complexity of our Group, its history and its structure.

In a completely voluntary way, we have chosen to retrace our history, which began in 1963 and still continues today, under the banner of sustainability.

From the early years of its founding, under the careful, guiding hand of my father, Mauro, we have made the values that make the Saviola Group an Eco-Ethical Company the core of our business.

A Group that is unquestionably best known for the "ecologico chip board panel" (the first made from 100% recycled wood) but which still has much more to communicate. The four Business Units (Saviola/Wood, Sadepan/Chemicals, Composad/RTA Furniture and Saviolife/Life Sciences) are the pillars that give us stability and the ability to grow. In this report, we highlight their key aspects, starting with Saviola Holding, in order to analyse, point by point, the most significant details. But this report has a dual function: to increase awareness in a context in which the company's abilities are increasingly more noted and transversal; to document and to analyse our corporate "situation" as a benchmark and a reference in the industries in which we operate, through the Saviola Group's history, vision and transformation, which, in the Italian panorama, is unique. In the awareness of the strong economic value and social and corporate responsibility that our Group covers.

I hope you find it interesting.

**Alessandro Saviola**  
Chairman, Saviola Group

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# THE SAVIOLA GROUP

The Eco-Ethical Company



The Saviola Group is one of the top 300 Italian industrial companies and one of the world leaders in its reference sectors. It has 14 plants and locations in Italy, Belgium and Argentina, 19 collection centres across Europe and reported overall revenues of over 600 million euro in 2018.

Thanks to the acquisitions, synergies and product portfolio expansion policies, the Group, based in Viadana (MN), Italy, has, over the years, developed to become a unique model of vertical and horizontal integration. The domestic and international companies belonging to the Group are divided into four Business Units:



## **SAVIOLA** | Wood Business Unit

The Wood B.U. is made up of the Gruppo Mauro Saviola Srl, based in Italy, and its Italian subsidiaries (Trasporti Delta Srl, Sitech Srl, Sitapan Srl and the Ecolegno network) and Sadepan Latinoamericana SA, based in Argentina. The companies belonging to the Wood B.U. mainly produce particleboard, made in the most advanced compositions and types that technology allows: raw, melamine-faced, waterproof, fireproof. In addition, goods and services are offered that complement the main activities such as: producing edges and surfaces for furniture, facing and thin chipboard panels; producing semi-finished products derived from panels for the furniture industry; collecting post-consumer wood to produce panels; transportation and logistics services.

Approximately 90% of the production from the Wood B.U. goes to the market with the remainder going to the Furniture B.U. The Saviola Group, as an ancillary activity, also produces liquid and powder vegetable tannin, extracted from chestnut wood and intended for the tanning and animal husbandry sectors. These products have been marketed by Saviolife since 2019.

### **SADEPAN** | Chemical Business Unit

The Chemicals B.U. (Sadepan) is made up of Sadepan Chimica Srl, based in Italy, and Sadepan Chimica NV, based in Belgium. Both companies mainly produce polymer for wood panels: aminoplastic glues and resins, dicyanamide resins, powdered resins and glues, hardeners, self-hardeners and kraft papers. Sadepan Chimica Srl also produces slow-release nitrogen fertilisers and npk, marketed by Saviolife. Approximately 80% of the production from the Chemicals B.U. goes to the market with the remainder going to the Wood B.U.

### **COMPOSAD** | Furniture Business Unit

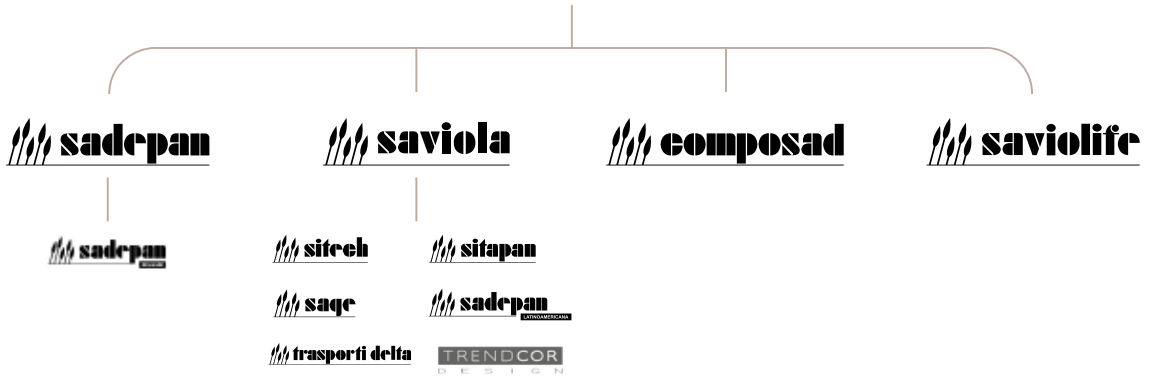
The Furniture B.U. is made up Composad Srl, a company, running a modern plant with highly automated production lines, making RTA (ready to assemble) furniture for the main large-scale distribution brands in Italy and abroad. All the production from the Furniture B.U. goes to the market.

### **SAVIOLIFE** | Life Sciences Business Unit

The Life Sciences B.U. is made up of Saviolife Srl, a company that distributes fertilisers produced by the Chemicals B.U. and tannin produced by the Wood B.U. and intended for the tanning and animal husbandry sectors. All the production from the Life Sciences B.U. goes to the market.



The Eco-Ethical Company



## What does it mean to be The Eco-Ethical Company?

It can mean many things, according to the Saviola Group. For example, it can mean recognising that the Earth is our home, or it can mean integrating global thinking with local action, or even creating products that reflect caring for the planet.

Important values front and centre, before the pages about history, the present and the future:



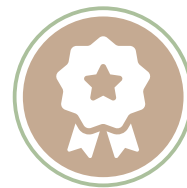
**Environment**



**People**



**Land**



**Quality**



**Innovation**

*The Environment, People, Land, Quality and Innovation are the raw materials with which the Group works every day, underlining its identity: a company which has always been strongly committed to the challenge of Corporate Social Responsibility, which, as part of the Group's strategic vision, includes an ethical concern for the impact its business has on society through its actions, even in the long term.*

## A story that began a long time ago

The Group's history can be traced back to 1963, when the founder, Mauro Saviola, with passion and intuition, made the decision to follow his instincts. "Staying faith-

*ful to our story first and foremost means continuing to do business with the greatest respect for the environment through eco-sustainability and a recycling ethic".*

*Alessandro Saviola* Chairman of the Saviola Group since 2009

### 1973 Beyond wood, chemicals

The Chemicals plant starts production and with it Sadepan grows into a system based on a logic of integrated production.

### 1981 The melamine panel

Thanks to the combination of decorative papers and finishes, which increasingly offer real alternatives to the use of existing materials, the humble panel becomes the subject for an almost unlimited range of aesthetic possibilities.

### 1992 The "Ecologico" panel

The particleboard made with 100% recycled wood is launched. The "Ecologico" Panel is introduced to the market and a new era begins: the Eco-Ethical Company based on a circular economy.

### 1997 The Mauro Saviola Group is established

At the end of the nineties, the company conglomerate led by Mauro becomes a Group in 1997, achieving 100% production of ecological panels. From this moment on, no tree would ever be felled to produce a Saviola panel.

### 2009 The reins pass to Alessandro

With the passing of Mauro, Alessandro Saviola, his eldest child, takes charge of the Group. In 2011, a strategy is adopted to meet the crisis, involving the careful reorganisation of the company for leaner resource management, more flexible production process and less waste.

### 2013 Trendcor: the creative hub in Frankfurt

Attention to design becomes ever more important. The Group opens its creative and technical workshop in Frankfurt, in the living heart of Europe, and, specifically, in the country where its main competitors trade, while investing in new, highly-qualified personnel.

## 1973 The year it all started

Brothers Angelo and Mauro Saviola together with Dino Del Ton establish "Sadepan", a company created to manufacture particleboard, in Viadana. On the evening of 30 July 1963, the first Sadepan branded panel comes off the production line.

## 1970 Melamine-faced panel

A significant investment in research and development leads to the production of the melamine-faced panel, meeting the needs of furniture manufacturers.

## 1983 An industrial system

The market expands and several plants are added, including through acquisitions of competitor companies.

## 1987 The first continuous press machine

The installation of the first continuous press marks a great landmark in industrial terms. Thanks to new technology a great step forward is taken in terms of production efficiency, in particular with greater volumes and less wastage of resources, whilst maintaining the quality and uniformity of the product.

## 2000 The LEB panel

LEB and IDROLEB panels are introduced, excellently performing products with the lowest emissions on the market. Through a dense network of Ecolegno (wood recycling) centres, the Group collects post-consumer wood in Italy and abroad.

## 2000 Composad: new life for italian design

The last piece of the jigsaw of vertical and horizontal integration is put in place and with it the closure of the virtuous circle of Chemicals, Wood and Furniture. And Composad is established with its ready-to-assemble furniture matching beauty, functionality and sustainable development.

## 2016 Embossed in Register

The Group once again brings design and innovation together with the introduction of Embossed in Register, the ecological alternative to real wood.

## 2019 Saviolife is launched

Saviolife, a new business unit comes into being, dedicated to the life sciences, livestock breeding and nutrition. The objective is to permit, once again, an opportunity to choose an innovative and sustainable option, in short the Eco-Ethical option.

## 2019 in “chips”

The commitment to sustainability and the ethics of recycling is reinforced, day after day, year after year: 2019 was a year of awards for the Group, of new partnerships and success to share with our stakeholders.

## TRADE SHOWS

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### IMM 2019

Composad attended the International Furniture and Interiors Fair (Imm Cologne) in Cologne (Germany), a key event for buyers from all over the world as well as for operators working in interior design. An opportunity for Composad to confirm the union between ecology and new, high-end products.



### ATTENDANCE AT THE SALONE DEL MOBILE 2019

For the Salone del Mobile (Fuori Salone 2019), Saviola embodied the philosophy of the circular economy through the various phases of its production cycle, with a multi-sensory structure in the Piazza Castello, in Milan: “Metamorphosis’s Experience”, a modular spiral system and four environments-containers to experience the journey from raw material to finished product.

### GOLF INDUSTRY SHOW

Saviolife attended the San Diego Golf Show (California) to present the characteristics of the Sazolene fertiliser marketed by the new Saviola Group Business Unit.







## INTERZUM

Through the Metamorphosis Experience exhibition space, the Saviola Group's know-how in ecology and design was on show in Cologne (Germany) at Interzum, the trade show dedicated to the entire sub-contracting sector for the furniture and interior design industry.

## COMPOSAD AT FURNITURE SHANGHAI 2019

Composad, the Saviola Group's furniture division, attended, for the fifth consecutive year, Furniture Shanghai 2019, one of the main international trade shows in the furniture and furnishings sector, an important showcase mainly for the Asian market, now in its 25th Edition.

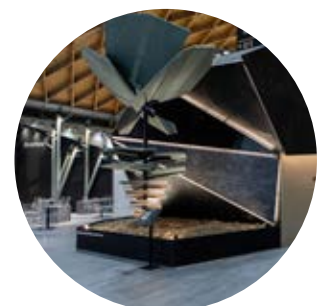


## 11TH EDITION OF SICAM AT PORDENONE

From 15-18 October 2019, Saviola attended Sicam at Pordenone for the 11th Edition of the International Exhibition of Components, Accessories and Semi-Finished Products for the Furniture Industry which attracted 8,000 visiting companies from over 100 countries and 600 exhibitors across the 10 exhibition halls of the exhibition area. The Group launched its new claim at the event: Saviola the first 100% recycled wood.

## THE SAVIOLA GROUP AT ECOMONDO

The Group attended Ecomondo for the 23rd consecutive year, announcing a significant milestone: in the first ten months of 2019, the Group recovered 16% more wood waste than in the entire previous year.



## LIFE IN THE COMPANY

### An agreement between the Chemicals Business Unit and trade unions on incentives, safety and welfare

After the supplementary company bargaining agreement, involving the companies in the Group that come under the Wood Business Unit, was renewed in March 2019, a similar result was achieved for the Chemicals sector. The primary objective was to define a new level II company bargaining agreement for the Chemicals B.U., linking it to specific treatments: the introduction of a new incentive system related to easy-to-read objectives and a system of checks accessible to both parties, including through the establishment of joint commissions tasked with periodically checking the data on which the variable performance/productivity bonus is based.



### 350 euro bonus to employees of the Saviola Group

Given the record results achieved with the previous year's financial statements (revenues of 606 million euro and EBITDA of 100 million: + 21%) in 2019, a decision was taken to share this success with the Group's employees, distributing - together with a letter of thanks - a total of 1,500 bonuses of 350 euro net in the August wages.

### Composad and the young people from the IED in Turin

Composad and the Istituto Europeo di Design worked together to define new communication and marketing strategies aimed at Millennials, proposing new strategies through six concepts designed to reflect the relationship with Millennials.



### Saviola Incontra

Oscar Farinetti, the founder of Eataly, visited the Saviola Group's offices to meet the industrial group "in person". Federico Testa, the President of ENEA, meets the company's top managers to discuss the Group's actions on sustainability.

## AWARDS

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### **Composad, first prize FSC Italia Furniture Award**

Composad, a leading Italian company in the RTA furniture sector, and part of the Saviola Group, wins the First Prize FSC® Italia Furniture Award in the “Office” category, the prestigious award for the best Italian companies in the wood-furniture for interiors sector, FSC® - Forest Stewardship Council - certified, thanks to the Design Line, a broad, organised range of “eco-friendly” products that showcases versatile furnishing solutions for the home-office.



### **The Saviola Group “Di Padre in Figlio”**

The Saviola Group was selected as part of the “*Di padre in figlio. Il gusto di fare impresa*” [lit.: *From father to son. The pleasure of doing business*] 9th Edition 2019, the event organised by CERIF, the *Centro di Ricerca sulle Imprese di Famiglia* [Research Centre on Family Businesses] at the Cattolica University for the ability and dedication to continue and enhance the work of parents by taking over operational and strategic leadership of the business, ensuring its success and continuity.

## 2019 in numbers



14 plants and locations



1 design centre, Frankfurt (Germany): "Trendcor"



Approximately 1,500 employees



Revenue of 588 million in 2019 and EBITDA of 90 million



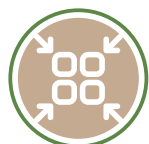
Over 80 owned articulated lorries to collect wood for recycling and to deliver finished products



10,000 trees saved every day



Over 1,200,000 tonnes of wood recycled every year



19 collection centres in Italy and Europe



Over 2,000,000 square metres of industrial area including:  
Approximately 400,000 covered square metres for plants and systems. Over 10,000 covered square metres for offices.

€588m

REVENUE / € MILLION

1459

COLLABORATORS

25000000

SQUARE METRES  
OF INDUSTRIAL AREA

€90m

EBITDA /  
15% OF REVENUES

€41m

EBIT /  
7% OF REVENUES

€24m

NET INCOME /  
MILLION

60000000

PIECES OF RTA FURNITURE  
MADE EVERY YEAR

8500000

TONNES OF RESINS  
PRODUCED

12000000

TONNES OF WOOD  
RECYCLED EVERY YEAR

## A preview of 2020

At the beginning of 2020, the Saviola Group concluded the acquisition of 50% of the German competitor, Rheinspan, a brand of the family-owned company, Nolte Holzwerkstoff of Germersheim, one of the leading German manufacturers of kitchens and a long-term particleboard customer of the Group.

The partnership with the German company, now in its fourth generation, with revenues of 80 million euro in 2019 and 212 employees, will allow the Group to, on the one hand, strengthen the non-Italian market over the next 5 years, taking it from the current 40% to 60%, thus exceeding the remaining share of the domestic market, and, on the other hand, to unite Italian creativity with German experience.

## The Group's locations



**EUROPA:**

- 19 Ecolegno Centres

**ARGENTINA:**

- 1 Plant
- 1 Office location



### BELGIO:

- Genk

### GERMANIA:

- Frankfurt  
(Design Centre)

### ITALY:

- Viadana (MN)
- Mortara (PV)
- Sustinente (MN)
- Radicofani (SI)
- Truccazzano (MI)
- Miane (TV)
- Refrontolo (TV)
- Montecalvo in Foglia (PU)
- Montelabbate (PU)

## The vision of Sustainability

*“For us, the circular economy is the most important driver;  
it is our strength and the foundation on which we build our business”*

*Alessandro Saviola* Chairman of the Saviola Group since 2009

For the Group, sustainability is made up of a few, essential, raw materials:

### **Believing in a sustainable future and embracing the circular economy**

The evolution experienced by the Saviola Group over the years has made it the closest thing yet to a self-sufficient system, where resources do not become waste but opportunities, where everything starts again, where starting and ending come together in terms of the circular economy. Implementing the principles of the circular economy means, from the outset, protecting forests, essential for purifying the air, for capturing fine particles and dust, and for reabsorbing CO<sub>2</sub> emissions and thereby improving the micro climate.

### **Being responsible through the entire lifecycle**

Every product will, one day, become waste: whoever makes a product must be aware of this and must build in sustainability along the entire production lifecycle, from design to the end of the product's useful life. A responsible manufacturer does not miss the opportunity to enhance the characteristics of post-consumer materials and to realise their continued use by re-using them to make new products.





### **Recycling without combustion**

Saving the value of post-consumer materials allows utility and wealth to be created again and again and again. The Saviola production process allows wood to be recycled when its biomass is combusted. Each year, 600,000 tonnes of wood waste is imported into Italy, the entire recycling system consists of 1.5 million tonnes.

### **Anche la Chimica può essere sostenibile**

The Saviola Group's sustainability strategy is not just about wood. As part of the Group's vertically integrated model, the Chemicals B.U. works in perfect synergy with the other divisions. It is in this sector, and in the Life Sciences division, that the Group's natural talent emerges: producing with less impact, giving back to the ecosystem with the greatest respect.

## The Ideas Lounge: I #SaviolaTalks

Success only comes from teamwork where everyone participates by sharing the best part of themselves and by reflecting on which aspects can be improved. The Saviola Group is committed to listening to and drawing inspiration from everyone, so that dialogue can truly represent an unlimited source of energy, learning and continuous improvement.



### From Duty To Beauty

From duty to beauty” is the ability to transform the sense of duty towards nature which surrounds us ... with beauty

*Oscar Farinetti,*

*businessman*

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### Measuring sustainable development

The new “green” and circular paradigm implies thinking at the level of the supply chain, no longer as cathedrals in the desert.

*Elena Stopponi,*

*President, Save The Planet Italy*

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### An economy and a society on a human scale against the crisis

Over time we have been able to build increasingly more efficient, more productive and higher quality supply chains thanks to that renewable and non-polluting source of energy known as human intelligence.

*Ermete Realacci,*

*Chairman of the Symbola Foundation for Italian Qualities*

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### The Circular Economy, a strategic asset for sustainable successes

Companies can, no longer, be closed systems. They have to become something capable of relating with other social players.

*Rossella Sobrero,*

*writer and social communicator*

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### Large companies are driving the transition towards sustainability and a circular economy

The large company that decides to adopt more sustainable production models demonstrates the possibility and advantages of such a transition and becomes more competitive in its market.

*Federico Testa,*

*President, ENEA*

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Authoritative figures and experts in the circular economy wanted to contribute to the Saviola Group's Sustainability Report by setting out their position on the subjects of ecology and sustainability. The Group appreciates and values their thoughts and has brought them together in the #SaviolaTalks sections found throughout this Report and summarised below:



**The well-being of people depends on the well-being of the planet**

Adopting "circular" models means imitating nature (which recovers and recycles) and playing by its rules.

*Tessa Gelisio,  
environmentalist, writer  
and TV presenter*

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**Circular design as a new approach to design**

There is a need for interplay which is increasingly founded in knowledge, including within companies where the most transversal work groups are those which guarantee that new solutions will be found.

*Giorgio Caporaso,  
architect and designer*

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**The circularity of packaging: good eco-design practices and recycling results among the best in Europe**

The environmental sustainability of packaging does not exist by chance: it needs to be designed and built ad hoc, with a "tailored" approach.

*Walter Facciotto,  
General Manager,  
CONAI*

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**The Circular Economy as a lever for Sustainable Development**

If you can exploit the value found in a particular resource time and time again, the pressure on virgin raw materials is eased and the overall environmental impact is reduced as we move towards a more sustainable situation.

*Fabio Iraldo,  
Full Professor of Sustainability Management, the  
Institute of Management,  
School of Sant'Anna di Pisa*

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**At the root of the circular economy**

The real outlook ahead for the economy in the coming years is a circular outlook

*Barbara Meggetto,  
President of Legambiente Lombardy*

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## The Saviola Group's stakeholders

One of the structural elements of the Saviola Group's Sustainability planning strategy is the involvement of every corporate function and every internal and external stakeholder. Decisions made by employees, suppliers, trade unions, non-governmental organisations, investors, and experts in administration and finance affect the resilience and longevity of the Saviola Group because the well-being of one is the well-being of them all.

The Group's first Sustainability Report is an important step towards creating a transparent, continuous and constructive dialogue between every party and every group that is part of the Group or that operates around it.

The Saviola Group provides opportunities to discuss and to debate for every party with which it works. These opportunities are intended to co-create new projects and to reflect on the challenges of the future. The activity in the territory binds the Group to municipalities, public bodies, furniture manufacturers, companies, institutions and institutions often related to the recycling network..

Among the methods of engagement developed so far are:

- Corporate communication through traditional and new media channels;
- Meetings with prominent figures from the scientific, institutional, cultural and business worlds;
- Support for foundations and other important cultural and sporting organisations;
- Surveys of internal and external stakeholders;
- Brainstorming sessions with key figures in the company;
- Brainstorming sessions with key figures in the company.



This year, in preparing the Report, many parties decided to make their own contribution, expressing their own thoughts on the importance of various topics relating to sustainability. In line with the *Global Reporting Initiative* (GRI)<sup>1</sup> guidelines, in sustainability reporting, materiality is the principle that determines which economic, environmental and social questions are the most significant for the company and its stakeholders.

Reporting on issues related to sustainability involves measuring, disclosing and monitoring - over time - how well the Sustainable Development Goals are being achieved by committing, with regard to internal and external stakeholders, to manage and to improve the company's impact on the environment and the community.

The key challenge is to ensure a comprehensive report, in terms of all the material topics, which meets the expectations and informational needs of all the parties involved.

<sup>1</sup> <https://www.globalreporting.org/resourcelibrary/GRI-DefiningMateriality2016.pdf>

## Materiality analysis

Borrowed from financial reporting, “materiality” characterises the information which, if omitted or if inaccurate, could affect the decisions that those acting on such reporting, particularly investors, take on the basis of the company’s financial statements.

The concept of materiality has also recently been applied to sustainability reporting: the GRI guidelines, which are the most widely adopted standards for sustainability reporting, define the material aspects such as those which reflect a company’s economic, environmental and social impacts or which affect, in a significant way, stakeholder assessments and decisions.

The aim of the materiality analysis is, therefore, to determine that which truly counts for the company and the parties involved with it, and to define the essential content of the Sustainability Report. This analysis must be done by starting with stakeholder engagement initiatives and must feed a strategic vision of the opportunities and risks connected with sustainability issues.

In order to identify the material topics, a structured survey was carried out on 35 potentially relevant topics proposed by ISO 26000 on Corporate Social Responsibility.

The parties involved included both key figures in the Saviola Group (B.U. directors and managers) and external stakeholders (customers, suppliers, industry associations, public administrations). The survey responses were:

- 22 returned from people within the organisation (materiality on the organisation side);
- 35 returned from stakeholders (materiality on the stakeholder side).

By aggregating all the materiality assessments collected from the survey, the average “score” for each proposed topic was calculated, from both the organisational and the stakeholder point of view. On the basis of the average “scores”, the topics were ranked from the most relevant to the least relevant.

As per the GRI guidelines, the Saviola Group has decided to use a materiality matrix to organise issues based on their importance to stakeholders and on the company’s impact. The matrix approach was selected in order to prioritise issues and to determine a materiality threshold beyond which the issues are deemed sufficiently significant to be reported. The materiality threshold was set as the overall average “score” given to the topics being assessed.

Once the “scores” were distributed within the matrix, the upper right quadrant highlighted those topics deemed material according to both dimensions of materiality:

- Significance of the organisation’s impact;
- Effect on stakeholder decisions.

The nine material topics identified in this way were placed into 3 macro-categories:

**GOVERNANCE TOPICS**

- 1. Fight against corruption

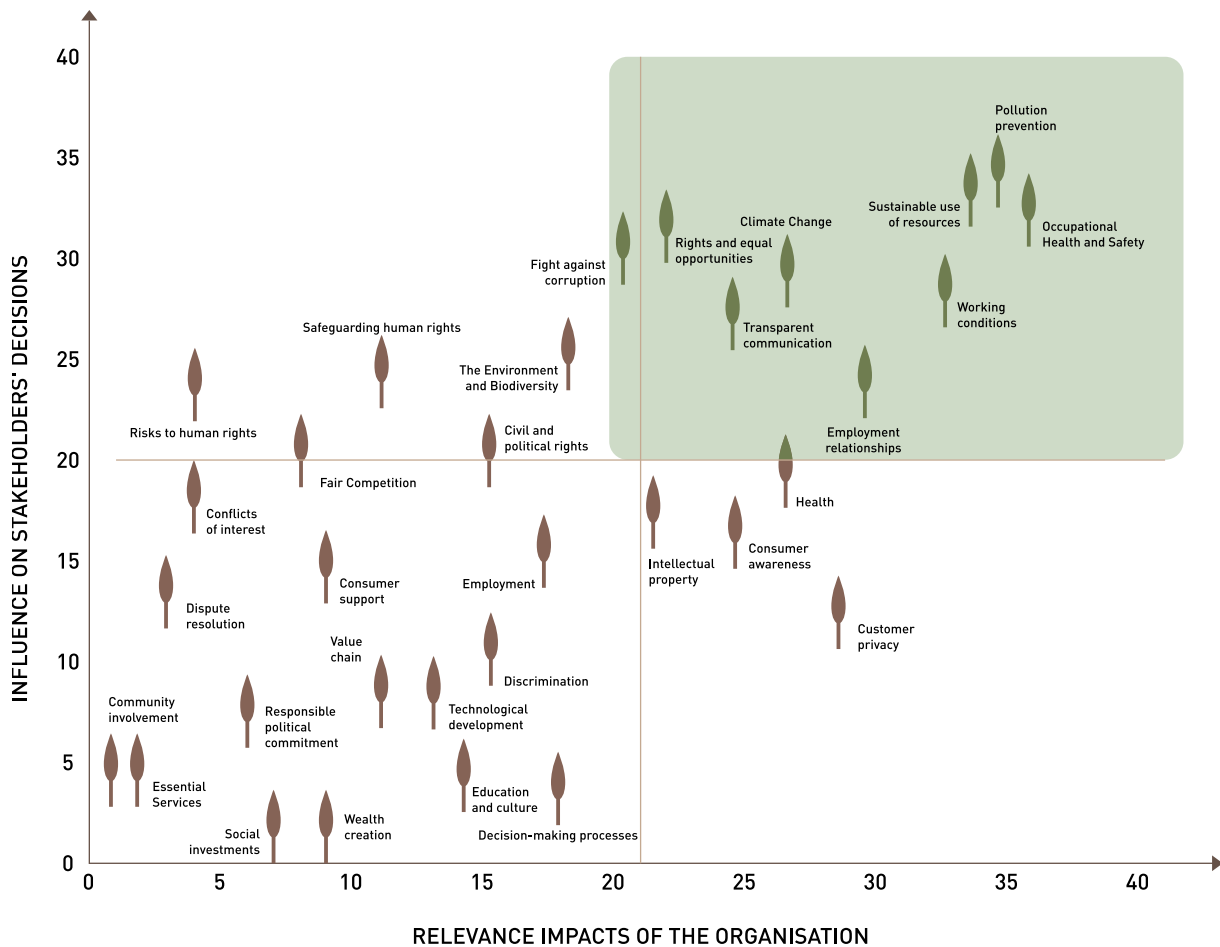
**SOCIAL TOPICS**

- 2. Employment relationships;
- 3. Working conditions;
- 4. Occupational Health and Safety;
- 5. Rights and equal opportunities;
- 6. Transparent communication;

**ENVIRONMENTAL TOPICS**

- 7. Sustainable use of resources;
- 8. Pollution prevention;
- 9. Climate Change

Within the Report, some topics have been reported jointly, on the basis of the similarity of the information requested whilst others have been analysed since they were considered strategic despite not being material. The materiality matrix is given below.





# SAVIOLATALKS :  
“From Duty To Beauty”



We need a new way of thinking, together with new words. In order to define new ways of thinking with new words, we just need one thing, just one word, indeed, just two letters; more of a prefix: “re”. Let’s put “re” before the verbs we use to describe action. Re-appear, re-build, re-condition, re-generate, re-store, re-consider, re-view, re-imagine, re-use... and I could go on, but I will add just one more, perhaps apocalyptic: re-set.

The time has come to reset our relationship with nature. 90% of scientists agree that we are putting the continuation of human life on our planet at enormous risk. We have to make a change and everyone has their part to play. Politicians, companies, families, individuals.

As far as companies are concerned, if they want to keep their central role in the socio-economic world in which we live - the consumer society - it is absolutely essential that they act immediately on three fronts.

First: companies need to start a transformation programme on the tools that produce fine powder and dust, aiming to eliminate them. Second: companies need to de-carbonise energy production by investing

solely in renewable sources, aiming to stop excess CO<sub>2</sub> from being released into the atmosphere. Third: companies need to minimise the amount of waste they produce by re-using everything that has been consumed.

In light of this last point, the strategy is to focus on that natural element that we all love: wood. The reason should be obvious: wood is obtained from trees and trees are essential to human life since their main function is to capture CO<sub>2</sub> and create balance in the atmosphere and the air that we breathe. There are 3,000 billion plants on the planet. Not only should we stop felling trees, we should be planting billions of them to deal with the excess CO<sub>2</sub> in the atmosphere.

Blessed is the company, then, that knows how to utilise wood without having to fell a single tree. The Saviola Group has been able to put “re” in front of its production processes. Re-use, re-create, re-produce ... re-offer. I hope, with all my heart, that this company’s mission and vision become an example for many other companies, as well as many other sectors.

In trying to put Saviola’s strategy into a nutshell, we might say: “From duty to beauty”. The ability to transform the sense of duty towards nature which surrounds us ... with beauty.

**Oscar Farinetti**, Businessman



# SUSTAINABLE DEVELOPMENT GOALS






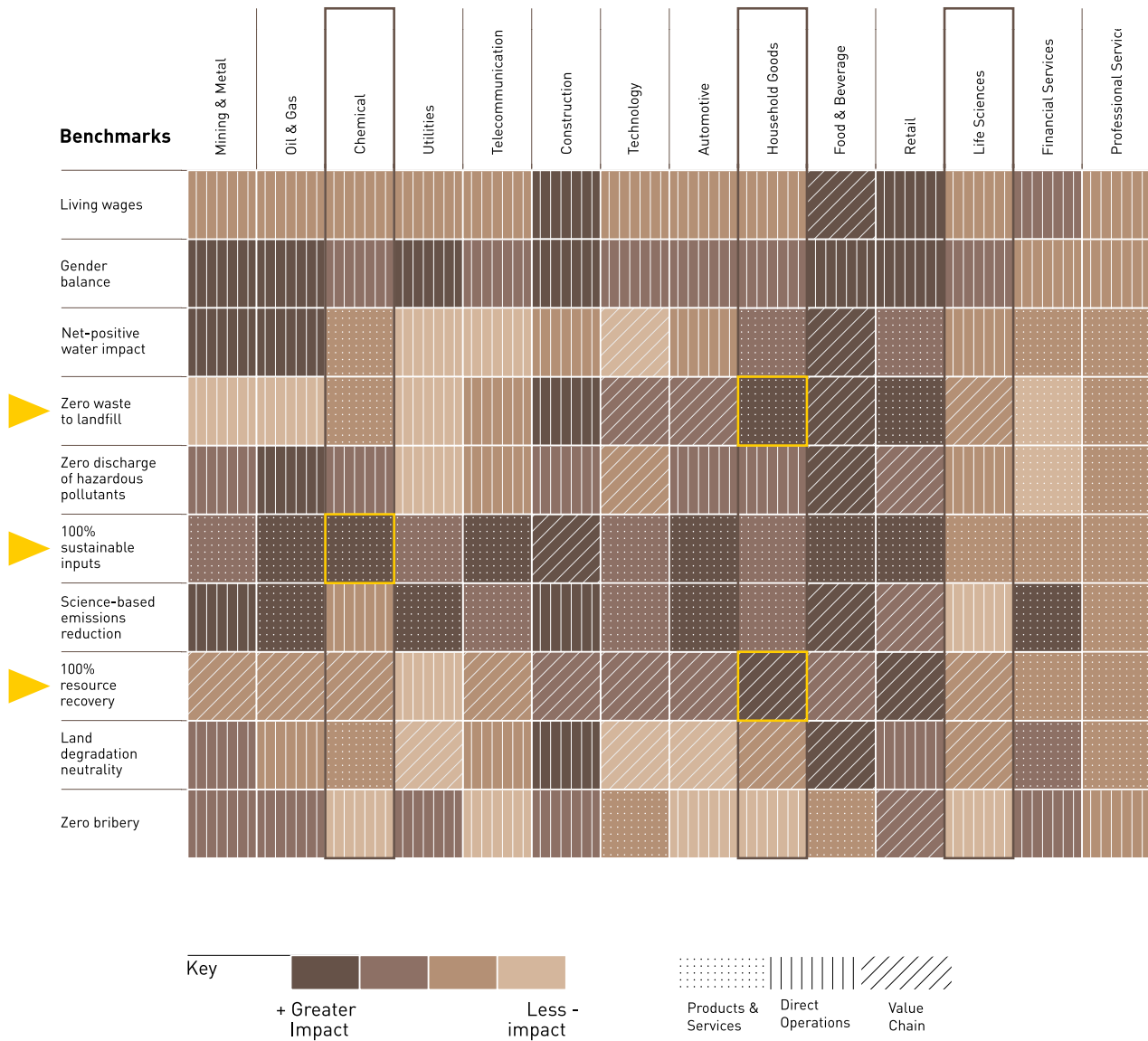
# Sustainable Development Goals

The Sustainable Development Goals (SDGs) are the objectives we need to achieve in order to create a better, more sustainable future for everyone. The 17 goals were drafted and adopted by the Member States of the United Nations in 2015. They address global challenges including poverty, inequality, climate change, environmental degradation, peace and justice.

The Saviola Group’s sustainability strategy is based on the SDGs, using them as a framework of reference and a guide for defining future strategic objectives. Simply put, the Goals become a driver to guide a company’s business model towards inclusive and sustainable development which is easily communicable to stakeholders.

The Saviola Group and its Business Units work towards achieving the following objectives:

SDG	THE SAVIOLA GROUP’S STRATEGY
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• to completely re-use wood waste to eliminate the amount of waste sent to landfills and to significantly reduce the amount of waste sent for incineration;</li> <li>• to minimise the release of hazardous substances with resins containing low amounts of formaldehyde;</li> <li>• to use 100% sustainable materials (renewable, recyclable or re-usable) as input to the production process.</li> </ul>
 <p><b>13</b> CLIMATE ACTION</p>	<ul style="list-style-type: none"> <li>• to recycle wood, which produces one third of the emissions compared to its combustion.</li> </ul>
 <p><b>14</b> LIFE BELOW WATER</p>	<ul style="list-style-type: none"> <li>• to completely recover, recycle or re-use resources from materials and products at the end of their useful life.</li> </ul>



Note: The benchmarks are listed in abbreviated form. For the full descriptions please refer to "Proposed SDG business benchmarks".

The United Nations Global Compact (UNGC) has developed 10 "Global Business Benchmarks" to help organisations prioritise their actions to achieve the 17 SDGs. Translating the aims conveyed in the SDGs into concrete pointers encourages companies to set more challenging objectives in the impact categories where their contribution can be more substantial based on the benchmark's reference sector. According to the prospectus defined by the UN Global Compact, the benchmarks with greater impact for organisations that work in the "Chemical", "Household goods" and "Life Sciences" sectors, as the Saviola Group does with its 4 Business Units, are:











- *Gender Balance across all levels of management, which contributes to achieving objective 5 - Gender Equality;*
- *Net-positive water impact in water-stressed basins, which contributes to achieving objective 6 - Ensure availability and sustainable management of water and sanitation for all;*
- *Zero waste to landfill and incineration, which contributes to achieving objective 12 - Responsible Consumption and Production;*
- *Zero discharge of hazardous pollutants and chemicals, which contributes to achieving objective 12 - Responsible Consumption and Production;*
- *100% sustainable material inputs that are renewable, recyclable or reusable, which contributes to achieving objective 12 - Responsible Consumption and Production.*
- *Science-based emissions reduction in line with a 1.5°C pathway, which contributes to achieving objective 13 - Climate Action;*
- *100% resource recovery, with all materials and products recovered and recycled or reused at end of use, which contributes to achieving objective 14 - Conserve and sustainably use the oceans, seas and marine resources for sustainable development.*

The Saviola Group's objective is to increasingly consolidate management of these benchmarks in a strategic way.

Each of the Global Business Benchmarks mainly affects one of the SDGs, but produces a cascade effect on other goals connected to it. For each action priority, a scope is also suggested as well as the extent of the impact.

Another interesting point that comes with the Global Business Benchmarks concerns the positioning and the scale of the processes involved along the supply chain, distinguishing between upstream and downstream processes on the basis of the scope of their effect:

- *Value chain* (the entire value chain)
- *Direct Operations* (the core processes over which the company has direct control)
- *Products and services* (the core processes over which the company has direct control)

PROPOSED SDG BUSINESS BENCHMARKS	SDG IMPACT	SCOPE		
		OPERATIONS	PRODUCTS & SERVICES	VALUE CHAIN
100% of employees across the organization earn a living wage		■		■
Gender balance across all levels of management		■		
Net-positive water impact in water-stressed basins		■	■	■
Zero Waste to landfill and incineration		■		
Zero discharge of hazardous pollutants and chemicals		■		■
100% sustainable material inputs that are renewable, recyclable or reusable		■	■	
Science-based emission reduction in line with a 1.5°C pathway		■	■	■
100% resource recovery, with all materials and products recovered and recycled or reused at end of use			■	■
Land degradation neutrality including zero deforestation		■	■	■
Zero incidences of bribery		■	■	■

The Saviola Group focuses its commitment to reducing its impact along the entire supply chain by looking at both the typical activities and processes of its production over their useful life and in the post-consumer phase.

## Methodological note

<b>The aim of the Sustainability Report</b>	This document is the first Sustainability Report produced by the companies in the Saviola Group. The aim of the Sustainability Report is to engage in a dialogue with both internal and external stakeholders, to identify the material topics and to initiate a reporting process that can benefit from a comprehensive, organised data collection, in line with the GRI standards.
<b>Scope and year of reference</b>	<p>The reporting scope for the data provided in this Report follows that of the Saviola Group's 2019 Consolidated Financial Statements: Saviola Holding Srl, Gruppo Mauro Saviola Srl (Saviola), Sadepan Chimica Srl (Sadepan), Composad Srl, Trasporti Delta Srl, Sitech, Sitapan and Saviolife Srl. Not included are Sage srl, Ecolegno Firenze Srl and the non-Italian companies Sadepan Chimica NV, Biorec AG, Sadepan Latinoamericana SA, Valecobois SAS, Valecobois Provence SAS since the preference is to analyse the Group's core activities.</p> <p>The Life Sciences B.U. was established in 2019 but has no impact since it only deals with marketing a branch of the Sadepan and Saviola Wood products. The data relating to the production of tannin and fertiliser is, therefore, included in the data provided, respectively, by Saviola and Sadepan.</p> <p>The environmental topics have been analysed at the Group level, being compatible with the nature of the data itself, and are accompanied by detailed information provided by the Wood, Chemicals and Furniture Business Units. Saviola Wood's environmental data includes data relating to Sitech and Sitapan, whilst, with regard to Trasporti Delta, only the most significant environmental issues are dealt with, separately from the other companies. Finally, the topics of governance and social and economic responsibility are considered at the Group level.</p>
<b>Reference standards</b>	In preparing the document, the principles of materiality, inclusiveness, the context of sustainability, completeness, accuracy, balance, clarity, comparability, reliability, trustworthiness and timeliness were adopted. With regard to the topics, GRI 303 - Water and effluents and GRI 403 - Occupational Health and Safety, the 2018 versions have been adopted.
<b>Contacts</b>	For further information on the topics covered in the Report, email: <a href="mailto:info@saviolaholding.com">info@saviolaholding.com</a>

A still life composition featuring a globe, a metallic sphere, and a map on a textured background. The globe is on the left, the metallic sphere is in the center, and the map is on the right. The background is a textured, light-colored surface. A green semi-transparent banner is overlaid on the bottom half of the image, containing the text.

# FOUR BUSINESS UNITS

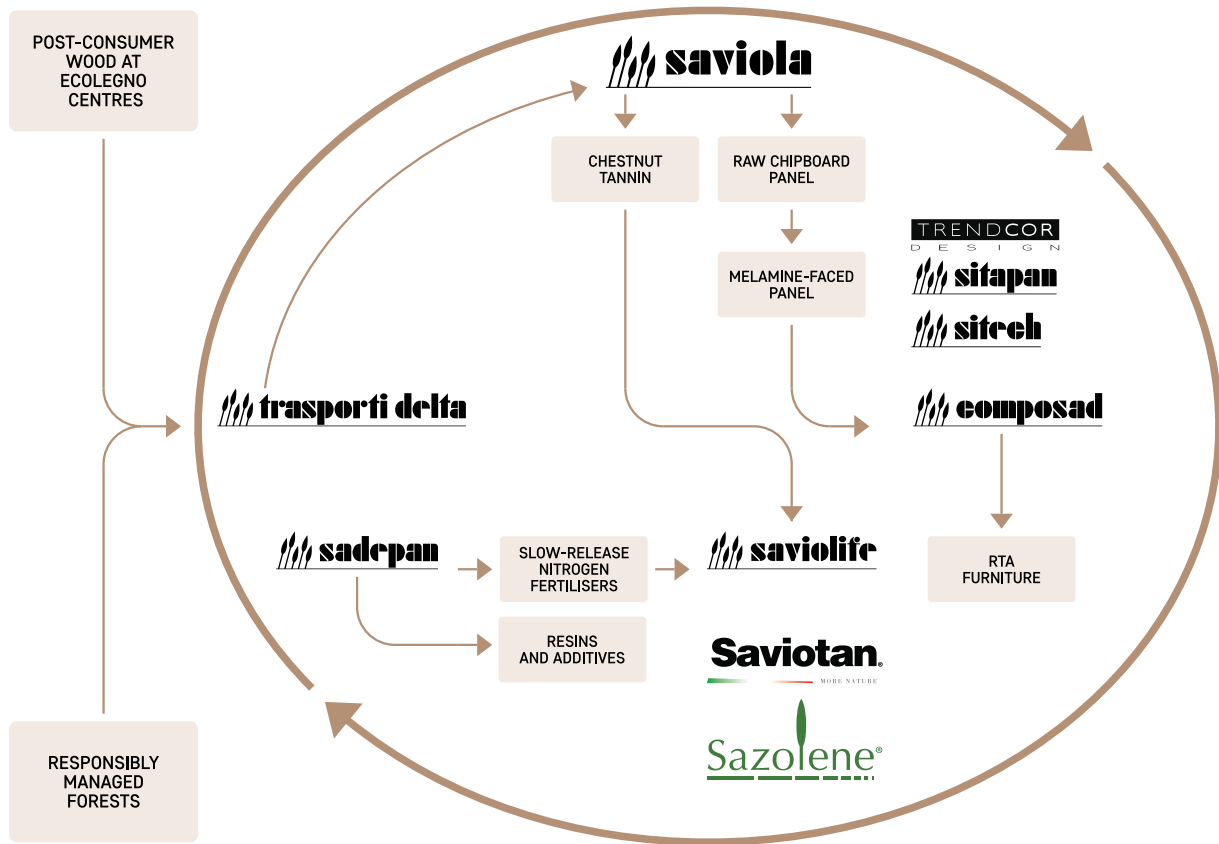
One self-sufficient ecosystem



Production for the Saviola Group begins with post-consumer wood, moving through the various Business Units and finishing its circularity in the industrial system itself.

The raw material used is wood from pallets, particleboard, reels for electrical cables, shipbuilding boards, cases for fruit, furniture, fruit boxes and old furniture which are collected by Saviola as well as by the fleet of vehicles run by Trasporti Delta and by "*Ecolegno*" centres located throughout Italy and Europe. When this raw material arrives at a Saviola Group plant, the post-consumer wood is dirty and mixed with impurities and other commodity fractions such as sand, plastic, metal and glass. The wood is cleaned and separated from the other materials through the use of traps, not with the use of chemical solvents. Inside a reservoir of water, the wood floats whilst the metals and other heavier materials sink. The residue is then conveyed by belt to a strong magnet, which collects the ferrous parts such as nails and iron joints and hinges, and thereafter to a centrifuge which separates pieces using gravity. Next, the aluminium is recovered. All the non-wood material recovered this way is recycled: each year, for example, approximately 20,000 tonnes of material are recovered, equal to the weight of 2 Eiffel Towers.

Finally, the cleaned wood is chipped into small, thin wood particles that are glued together using resins and glues produced by Sadepan. These are then pressed to form the "*Ecologico*" Panel. The raw "*Ecologico*" Panel can take on various properties, forms and thicknesses. Then, it is converted into a melamine-faced panel by a hot melt process, adding the decorative surface, which has been prepared beforehand for this process, with the panel's passage through the impregnation systems.



Many of the decorative elements used have been designed and developed by Trendcor: they include, for example, paper reels on which the various graphical finishes are imprinted and which are then applied to the raw panel; metal matrices inspired by the grain of the wood, applied on special presses which stamp an imprint on the panel; and also edges and surfaces. Sitapan applies the finish papers and the laminates on thin panels and performs some finishing processes (sectioning, squaring, edging); Sitech, on the other hand, makes methacrylate surfaces, edges and the various profile coverings, frames and accessories.

The melamine-faced panel is then ready to be marketed or used in making RTA furniture thanks to the know-how at Composad.

As well as resins and glues for panels, Sadepan produces products for Saviolife that take from nature and give back to nature: natural pesticides for crops which, simultaneously, improve the quality of the land, slow-release fertilisers that follow the growth rate of plants.

The element which unites every Business Unit in the Group is the daily commitment to save raw materials: to recycle and to preserve the ecosystem and the environment.



Sadepan is the Business Unit operating in the world of chemicals: it was established in 1973 with the aim of integrating the particleboard production process, the Group's core business, with the production of resins. Today, it is the largest Italian producer - and one of the largest in Europe - of urea, melamine and phenolic resins.

## Responsible Bonds

*"Bonds are everything to us. We are of course talking about chemical bonds. The bonds in our formulae, those forces of attraction that hold together and not only make our products special, but everything that there is in the world. We are also talking about other, equally profound bonds, those that link one person to another, the company to the market, and the community to the environment. We feel a strong sense of responsibility in relation to all of these and take them all on board in our everyday work. We have a transparent partnership with our customers, safe and certified production for those who work with us, and we are constantly striving to develop ever more sustainable products."*

**Alessandro Saviola**

Over the years, Sadepan has taken on an increasingly more autonomous role by starting the production of formaldehyde, urea-formaldehyde concentrate, urea and melamine resins, both liquid and powder, phenolic resins and slow-release nitrogen fertilisers that are marketed by Saviolife. Today, Sadepan is one of the largest European producers with approximately 50% of its products sold on markets outside Italy. Also in this B.U. is Sadepan Chimica NV, based in Genk in Belgium, which has an ultra-modern plant, built in 2001, and which adheres to the most advanced standards and philosophies with regard to the environment, safety and production because *"The most important formula is respect for human beings and the environment"*.

## The products

The products made by Sadepan are used in various sectors, from the industry to agriculture. Amongst the main categories of products made are:

- Formaldehyde
- Phenolic resins
- Kraft papers
- Liquid glues and resins
- Cationic amide resins
- Fertilisers and Npk
- Powder glues and resins
- Additives and hardeners
- "Officina Saviola" biocide products



Saviola is the Business Unit operating in the world of wood: it is the largest transformer of recovered wood in the world based on the recycling and upcycling process. It produces panels, laminates and digital prints and has 3 plants at, respectively, Viadana, Mortara and Sustinente, all in Italy, which are dedicated to producing panels. Each year, the “Ecologico” Panels produced by Saviola Wood are used by hundreds of furniture manufacturers in over 60 countries, saving 10,000 trees a day from being felled.

The ecological panel made by Saviola performs, in many ways, better than virgin wood, particularly in terms of its non-deformity and strength. Introduced in 1995, it is the first panel to be FSC® certified 100% Recycled (raw) and FSC® certified 99% Mix (melamine-faced, fireproof or waterproof). Furthermore, the “Ecologico” Panel, which has been made for over 20 years, has always stood out for its low formaldehyde emissions - lower than the minimum permitted even before Europe imposed the E1 class. The LEB “Ecologico” Panel, in particular, is the panel with the lowest formaldehyde emissions in the world. Ecological panels are made with 100% recycled wood, with FSC® (Forest Stewardship Council) certification.

The products in the **Collection & Design** range include:

- Elementum Collection (melamine-faced panels, laminates and edges);
- Surfaces;
- Edges.

In the **Custom & Tech** product group are:

- **PANELS:** melamine-faced particleboard, texture, thin and raw;
- **PAPERS:** decorative papers impregnated with urea acrylic resin;
- **LAMINATES:** laminates consisting of a decorative paper impregnated with special resins and special support papers;
- **DIGITAL PRINTS:** a type of *laminate* suitable for processes used in the furniture industry.



Organised into two divisions (the Edge Division and the Surfaces Division), this is the Saviola Group company that specialises in the development, production and marketing of superior quality methacrylate surfaces and a complete range of solutions for edging and coating of various profiles, frames and related accessories.



Sitapan (in the Wood B.U.) is the company in the Saviola Group that specialises in producing thin, faced panels and furniture components. Three production units equipped with cutting-edge systems and technologies guarantee the quality of the service and product, high production capacity, flexibility and competitiveness. Highly skilled personnel, ISO 9001:2000 certified quality, organised investment plans and human technical development: these are the essential elements of Sitapan. The faced panels department (with plants at Premaor, Treviso, and Montelabbate, Pesaro Urbino, all in Italy) specialises in the continuous application of finish, PPL, PVC and laminated paper on thin particleboard, MDF and fibre panels. Backrests, drawer bottoms, internal and security door paneling, honeycomb and partition panels are some of the uses. The furniture components division (with a plant at Refrontolo, Treviso in Italy) specialises in the production of semi-finished products and components for the furniture industry, such as sides, bottoms, tops, shelves, partitions etc. made according to the customer's design. Sectioning, squaring and edging operations are carried out with the application of melamine, PVC and ABS edges up to a thickness of 3 mm. Elements are supplied in bars or completely finished with drilling and pinning.



A company in the Wood B.U., Trendcor is based in Frankfurt, Germany, and is made up of a team of passionate experts and designers who have been working for years to give surfaces the importance they deserve. They develop authentic reproductions of wood, marble and stone of every type and create contemporary decorative applications and finishes. They also contribute, with new, modern ideas, to the creation of exclusive and customised collections.



## **trasporti delta**

With 67 owned vehicles, this is the transportation and logistics company in the Saviola Group (in the Wood B.U.) which operates an efficient and widespread collection of used wood every day across Italy.

The Saviola Group manages to collect and transform up to 1.5 million tonnes of post-consumer wood per year, thanks to a logistics organisation which optimises the delivery of finished products throughout Italy with the collection and pick up of used wood, directly from collection centres and production points, up to supporting municipal companies in the management of micro-collection at recycling areas.

The provided services also include the direct collection of materials from companies, by means of equipped trucks or the storage of containers, with a substantial reduction in disposal costs.

At the environmental level, Trasporti Delta complies with new European emissions regulations, relying on a fleet of the latest generation EURO 6 vehicles. Thanks to innovative software which optimises the logistics, waste is avoided and the impact of operations on the environment is minimised.



## **sage**

The main activity of Sage consists of coordinating a series of services “offered” by the Saviola Group such as administration, management control, marketing and human resources for the various collection centres in Italy and abroad.

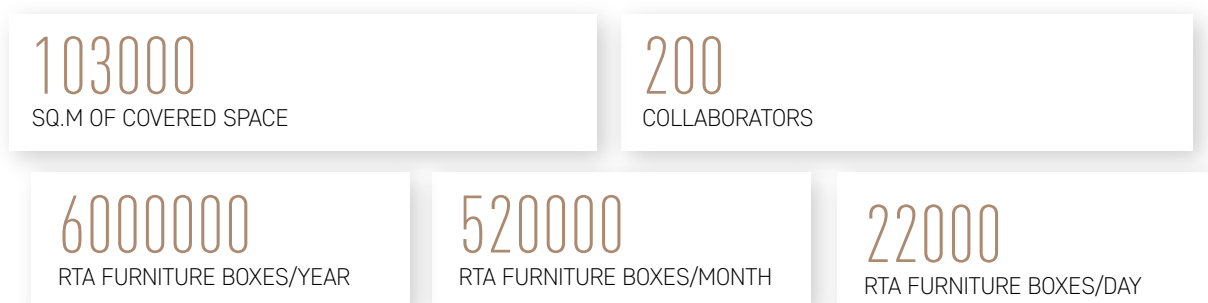
Moreover, Sage provides the Group’s know-how in research and development, always in favour of collection centres and all the stakeholders that revolve around the activity of collecting recycled wood.



Composad is the Business Unit operating in the furniture sector: established in 2000 and based in Viadana, Italy, it is the top Italian manufacturer of RTA furniture.

Composad production leverages the innovation of the "Ecologico" Panel, thus closing the operational cycle of the entire Group and offering a perfect synthesis of its vertical integration. Each step happens with total control over the supply chain and the processes, combining efficiency with ecology. The experience and the opportunity of having a large, high quality production apparatus make Composad one of the most consolidated companies at the international manufacturing level of RTA furniture and DIY furnishings.

Composad's mission is to export a new example of "Made in Italy" all over the world, twice eco-sustainable from both the ecological point of view and the economic one, uniting industrial production and sustainable development. The furnishing solutions are dedicated to any home or office environment: furniture for bathrooms, bedrooms, the kitchen, multi-use rooms and the office.



The constant search for perfection is reflected by the numerous certificates of excellence that Composad periodically receives:

- In 2000, Composad obtained, for the first time, from the Certquality and Icila institutions, UNI EN ISO 9001: 2000 Quality System Certification for the sector EA 23e: design and development, production, marketing and service of RTA furniture and semi-finished panels.
- In 2008, Composad obtained the prestigious FSC® (Forest Stewardship Council®) certification, which confirms the commitment to responsible forest management.
- In 2014, Composad obtained OHSAS 18001:2007 certification.



Saviolife is the Business Unit operating in the Life Sciences sector. Established in 2019, it markets products for agriculture, animal feed and low environmental impact leather tanning solutions.

It operates in sensitive sectors that directly involve health, whether human, animal or the land. Just as intensive agriculture can impoverish the land, so the over-use of antibiotics in farming can have negative effects on animal health and human nutrition. This is why Saviolife has chosen to focus on ethical production, with low environmental impact, and has made sustainability its competitive advantage, achieved through research and development and innovative methods and solutions which better respect the environment and life without sacrificing quality and performance.

Among the solutions offered by Saviolife are:

- **Sazolene**, a slow-release nitrogen fertiliser;
- **Saviotan**, a 100% natural chestnut tannin extracted without the use of solvents and only from sustainably managed forests.

The main element in plant nutrition is nitrogen. It is added through traditional fertilisers but these are, however, immediately soluble. The use of such fertilisers can have a notable impact on the environment and can produce harmful effects such as air pollution and ground water pollution, as well as being low in efficiency, since only small quantities are actually taken up by the plants, with several applications being required and hence with additional costs.

**Sazolene** è is a special and indeed revolutionary fertiliser that can release nitrogen in a way that is synchronised with the plant's needs. The idea for Sazolene arose from the combination of ecological awareness, research and new technologies. Nothing is wasted, nothing remains unnecessarily in the ground or in aquifers. Each granule of Sazolene is used exclusively by the crop.

Sazolene comes in diverse formulations, with variable release times according to different nutrition needs. There are many advantages to this, including the use of smaller quantities of fertiliser, greater efficiency and lower cost, with more respect for nature and diminished environmental impact.



The nitrogen release mechanism, unlike that of other slow-release nitrogen technologies, takes place through a process of bioavailability due to microbial action in the soil (mineralisation): nitrogen is made available when the conditions for root development and for plant growth are at their best. As a result, Sazolene helps prevent nitrate pollution in groundwater and keeps the nitrogen available in the soil profile into which the roots penetrate. This mechanism ensures uniform and sustained growth even where there are high temperatures or heavy rainfall, since the release of nitrogen does not depend directly only on temperature or on hydrolysis, being a source of nitrogen that is slowly soluble in water.



Saviolife offers alternatives to chemistry: 100% natural **chestnut tannin** extracted without the use of solvents and only from sustainably managed forests. Saviotan tannin is made by processing chestnut wood: it is extracted with a natural leaching process in water that leaves the organic acid molecules that make up the tannin intact. The hydrolysable tannin disperses naturally in water and hence ensures that its action is effective, but non-invasive, and that it is ecological and safe. Tannin processing is Saviolife's core business and years of research and development have led to the creation of specific products for every industrial need. The development of chestnut tannin products illustrates the company's commitment to more sustainable industrial development. The result is a product that respects life and that has many industrial applications.



## LEATHER

100% natural tannin specifically for high quality leather work. For softer and more resistant leather.



## FEED

Natural supplements for poultry, pig and cattle breeding. **Saviotan® Feed** is a natural astringent and antiseptic that greatly reduces the use of antibiotics. It is an innovative product whose use is rapidly spreading in the livestock fields of poultry, pigs and cattle.



## AGRO

Healthy, high performance plants using Saviolife fertilisers. The product is permitted in organic farming, is a biostimulant and deters pests from attacking the crops. These qualities all offer a fundamental benefit for the spread of sustainable agriculture. Also for 100% organic cultivation.

# SAVIOLATALKS :

## “Measuring sustainable development”



We are facing the greatest challenge that humanity has ever faced: giving our children an answer to why they should pay for our reckless lifestyle. Global warming, depleted resources and uncontrollable pandemics are the consequences: for too long we have lived as if we had unlimited resources, as if our shared home were “self-cleaning”. We now realise that this is not the case. It is not easy to move from opinion to action but the time has definitely come to make that move.

The planet’s future, and that of humanity, at the same time, cannot and must not go through a moral decline: we have to open our eyes, we have to use the tools available to us in order to measure and plan and, finally, act in truly decisive ways to save the planet. Save The Planet has set itself the mission of contributing to the world’s ecology through concrete, educational

and measurable action. Save The Planet exists to help everyone do their part and, in particular, to help companies make the ecological transition to a circular society.

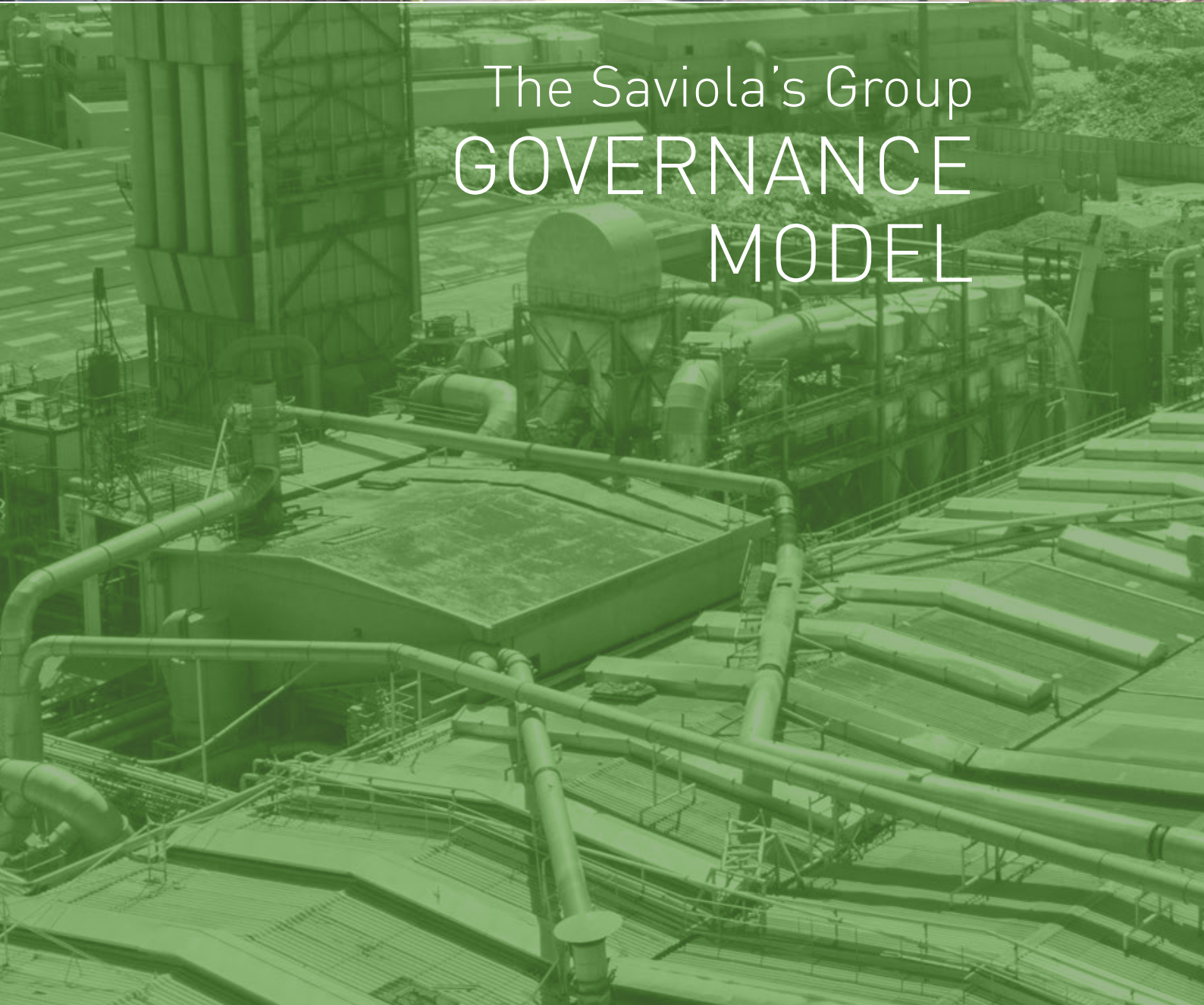
The linear society which has brought us to this point has been based on de-responsibility: whatever waste I might produce is not my business and whatever I might consume in order to grow, I am entitled to. The new “green and circular” paradigm is the inverse of the above: consuming responsibly, measuring our impact, compensating for what cannot be eliminated as a harmful action. And looking at the supply chain, not as a cathedral in the desert, but as an ecosystem because, just as every other ecosystem is a beautifully connected world, so our economy can be balanced and work in synergy. This is not a utopian view. It is simply eco-logical

**Elena Stoppioni,**

President, Save The Planet Italy



The Saviola's Group  
GOVERNANCE  
MODEL



The governance system adopted by the Saviola Group is a traditional one: it provides for a Board of Administrators, appointed by the Shareholders' Meeting, holding an administrative role, and a Board of Statutory Auditors, providing a control function over the company's administration.

The Board of Directors at Saviola Holding S.r.l. is invested with the broadest powers of ordinary and extraordinary management over the company, with all the powers needed to implement and achieve the company's purpose. Members of the Board of Directors remain in office until their position is revoked or until they resign.

The governance model is generally characterised by the following governing bodies:

Governing body	Number of members
Shareholders' Meeting	<i>Socio unico persona giuridica Gruppo Mauro Saviola S.r.l.</i> [Sole shareholder legal person Gruppo Mauro Saviola S.r.l.]
Board of Directors	5 (1 chairperson and 4 directors)
Board of Statutory Auditors	3 (1 chairperson and 2 auditors)
Supervisory Body	3
Committees	Not established

### Composition of the Board of Directors at Saviola Holding S.r.l. as of 31 December 2019

5 MEMBERS OF THE BOARD OF DIRECTORS	
<b>EXECUTIVE</b>	<b>NON-EXECUTIVE</b>
3	2
<b>INDEPENDENT</b>	<b>NOT INDEPENDENT</b>
0	5
<b>&gt; 50 YEARS</b>	<b>30-50 YEARS</b>
3	2
<b>WOMEN</b>	<b>MEN</b>
1	4
<b>ITALY</b>	<b>OTHER COUNTRIES</b>
5	0

The organisational system used by Saviola Holding S.r.l. is based on a distinct separation of activities and responsibilities assigned to the functions which perform management and coordination activities and which act as direction, guidance and support functions to the business. This system ensures a clear, proper allocation of responsibilities and a precise definition of the responsibilities and duties entrusted to each organisational structure.

The company keeps its organisation charts updated following any organisational changes or new appointments. Organisation charts are distributed to all members of staff and are published on corporate notice boards and on the company's intranet.

## Vertical integration

Vertical integration is a decisive competitive advantage for the Group: at every point along the Saviola integrated supply chain, the downstream company is the biggest consumer of the products and raw materials coming from the company upstream of it; the upstream company, however, generates most of its revenues from the market, around 65-70%.

This approach allows, on the one hand, to achieve certain margins whilst, on the other, to be in constant competition. When deciding whether to make or buy, the Group, by default, tends to make: to prevent under-performance over time, the Group's companies must be able to become good suppliers even for their own competitors. The Saviola Group, for example, supplies glues to all the European manufacturers, and does it with production factories based in Europe which adhere to European standards, regulations and performance levels.

## Sharing as a model for creating sustainable strategies and policies

At the managerial level - but not only there - everyone brings their own experiences and ideas: the opportunity for debate and dialogue is one of the key factors of the Group's organisation model. Strategies, policies and objectives are constantly evolving, along a participatory mechanism that ensures the business benefits from greater adaptability and resilience: at any moment, the opportunity is there for people to contribute to the highest levels of governance.

The members of the Group's various boards are constantly involved in the daily management and organisation of the company's activities, covering economic, managerial and organisational aspects.

Monthly, meetings are held, which involve various functions, on strategic issues. Among the subjects discussed are the supply of wood, safety (meetings are held every two months with every manager and delegate) and energy (how to save it and how to increase energy efficiency). The numerous items that make up the strategies are held together by the Group's culture and by the values on which this culture is built.

Internal communication is the important vehicle used to share both ideas, that enrich, and values, that unite. In recent years, the quality of internal communication has been improved through the creation of new tools including the extension of the consultation/sharing model implemented at the managerial level with intermediate levels and factory employees.

Communications outside the company have also been improved: in this regard, one of the sustainability report's objectives is to highlight the transformations taking place, in line with the company's values.

The hope is to be able to share the Group's culture and wealth of knowledge even outside the company, reaching parties who, to date, may have been outside the scope of current communication channels.



## Risk Management at the Saviola Group

On a bi-monthly basis, all the managers with an environmental or safety mandate or proxy meet to discuss and to assess any issues, risks or opportunities for improvement at the organisational, procedural or management system level. On a monthly basis, these topics are discussed by the Operations divisions and then the highest governing body assesses the effectiveness of the organisation's risk management processes with regard to economic, environmental and social terms.

It is in these meetings that, with projections, an analysis of the scenarios and the quantification and objectification of the issues faced, the best strategies to follow are agreed and planned.

The Group's commitment to the future is to organise opportunities to discuss issues - even social ones - and to analyse the impacts of the various initiatives on the region in line with codified models. Producing the Sustainability Report represents the first attempt to assess, in a systematic way, the effects on the region starting with mapping the activities that have an impact on it.

The Saviola Group, which has adopted the moniker, the Eco-Ethical Company, is developing a strategy to participate in the activities of the regions closest to it - but also in activities outside these regions - that are, as far as possible, integrated with the company's business model. The objective is to demonstrate, in real terms, the company's attachment to the regions in which it has physical operations - the 14 plants - since, if the region grows, the company's positioning can grow accordingly.

As regards mapping the risks and preventing crime, as part of the company's Organisation Model, Saviola Holding S.r.l. and the companies in the Group identified the main areas at risk, or at risk of crime, i.e. those areas in which the risk of a crime being committed was deemed relevant, pursuant to Italian Legislative Decree no. 231/01:

1. Managing Sales
2. Managing Production and Quality
3. Managing Customs Operations
4. Managing Occupational Health and Safety Aspects
5. Managing Environmental Aspects
6. Managing Relationships with Public Administrations
7. Managing Disputes
8. Managing Gifts, Courtesy Items and other Donations

In addition, "Areas at Risk" were identified with respect to those areas in which the risk of a crime being committed was deemed possible and relevant, pursuant to Italian Legislative Decree no. 231/01 in Sadepan Chimica S.r.l.:

9. Managing Purchases of Goods, Services and Consulting
10. Managing Infragroup Relationships
11. Managing Human Resources
12. Administration, Accounting and Budgets/Management Control
13. Managing Financial Flows
14. Managing Information Systems
15. Managing Marketing, Events and Communications

The following categories of crime were also considered relevant:

1. Crimes against a Public Administration (articles 24 and 25 of the Decree);
2. Computer crime and the unlawful processing of data (article 24-bis of the Decree);
3. Organised crime (article 24-ter of the Decree);
4. Crimes relating to occupational health and safety (article 25-septies of the Decree);
5. Crimes with the purpose of terrorism or the subversion of the democratic order (article 25-quater of the Decree);
6. Crimes against industry and trade (article 25-bis.1 of the Decree);

7. Environmental crimes (article 25-undecies of the Decree);
8. Corporate crime (article 25-ter of the Decree);
9. Crimes against the individual (article 25-quinquies of the Decree);
10. Crimes relating to breaches of copyright law (article 25-novies of the Decree);
11. Transnational crimes (Italian Law no. 146/2006);
12. Employment of third-country citizens staying illegally (article 25-duodecies of the Decree);
13. Crimes inducing parties not to make statements or to make false statements to the judicial authorities (article 25-decies of the Decree);
14. Receiving, laundering or using money, goods or benefits obtained unlawfully, or money-laundering (article 25-octies of the Decree);
15. Crimes involving counterfeiting coins, legal tender, revenue stamps or identification instruments or signs (article 25-bis of the Decree).

### **Internal control and risk management systems**

The ethical principles, upon which the company's Model and its governance structure are based, are generally aimed at preventing crime, including those types of crime which, due to their non-significance, are not specifically dealt with in the Special Parts of Model 231. The Group companies set themselves the objective of implementing an effective preventive control system such that it cannot be circumvented, except intentionally, and which also serves to exclude the company from any corporate liability. For all the areas identified as "at risk", the following general principles of control are guaranteed, regardless of the degree of relevance of the individual types of crime or the degree of underlying risk:

- Separation of functions/powers: no one may independently manage an entire process and no one can be endowed with limitless powers; authorisation and signature powers must be defined in a way that is consistent with the assigned organisational responsibilities;

- Transparency: every operation/transaction/action must be justifiable, verifiable, consistent and suitable;
- Adequacy of internal regulations: the set of company regulations must be consistent with the operations performed and with the level of organisational complexity, in order to be able to guarantee the necessary controls to prevent a crime, as defined by the Decree, from being committed;
- Traceability/Documentability: every operation/transaction/action, as well as the relative verification and control activities, must be documented and this documentation must be suitable archived/filed;

The effectiveness of the internal control system and the risk management system contributes to managing the company in a way that is consistent with the company's objectives, as set by the Board of Directors, and based on informed decision making.

The internal control system has three levels:

- First level: consisting of line controls carried out by the same operational and business structures;
- Second level: aimed at verifying the proper implementation of the risk management process and the compliance of the company's operations with the regulations in effect;
- Third level: consisting of internal audit controls aimed at periodically assessing the completeness, suitability, function and reliability of the organisational structure of the other components in the internal control system.

With regard to the various parties involved in the control mechanisms, the guidelines for the management and control system and the risk management system set out, in detail, the relative tasks and responsibilities:

- the Board of Directors plays a role in guiding and assessing the adequacy of the system;

- the Director responsible for the internal control system and the risk management system, who oversees the functioning and the adequacy of the system, is responsible for identifying and dynamically managing the main corporate risks and, in consideration of the characteristics of the activities performed by the company, implements the guidelines defined by the Board of Directors, by handling the design, implementation and management of the system itself and by constantly verifying its adequacy and effectiveness;
- the Control and Risks Committee has the task of supporting the assessments and decisions made by the Board of Directors with regard to the internal control system and the risk management system;
- the Board of Statutory Auditors monitors the effectiveness of the internal control system and the risk management system;
- the Supervisory Body, which ensures the adequacy of the Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001, monitors its compliance, promotes training and distribution initiatives relating to the Model and periodically reports any issues which may have arisen to the Control and Risks Committee and the Board of Directors, identifying the corrective actions to take.

# SAVIOLATALKS :

“The well-being of people  
depends on the well-being of the plane”

Our well-being depends on the health of the planet: a perfect, complex system that follows precise rules. Ecology is not a philosophy or a theory but a science which is based on certain principles which are dictated by the environment in which we live.

The planet has very precise balances and there are limits which, unfortunately, due to unrestrained exploitation of resources, we have largely surpassed, so much so that we now find ourselves well and truly in the midst of an unprecedented environmental crisis. To return to being healthy, we have to return to being in balance with nature, which does not mean retreating, but rather balancing environmental needs with economic needs intelligently. We cannot ignore this change and we can, no longer, delay those choices that will determine what future the Earth will have. The question is, naturally, both environmental and economic.

An economy which has a high environmental impact is no longer viable because it is based on the use of resources without thought. Economy and ecology must be able to coexist through the introduction of new models. If we think about it, well-being depends on both one and the other.

The circular economy in this context is the linchpin, the fundamental point. Adopting “circular” models means imitating nature (which recovers and recycles) and playing by its rules. Almost everything is renewable if managed appropriately, even in light of the fact that the resources we have available to us are finite. The circular economy helps us alleviate the pressure on the consumption of resources and encourages us - through recycling - to manage better and more prudently. That is why it must be supported and that is why we need to stop thinking that, as so often happens, secondary raw mate-



rials are economically less convenient. This change can only be made by adopting an enlightened view whereby, where necessary, tax relief is provided to help virtuous cycles flourish.

Europe is at the forefront of the green economy, both at the regulatory level and the corporate level. On the international scene, Italy is one of the better-placed countries. It should be noted that, in the last 10 years, we have seen many companies take an incredible leap in quality. It is no longer politics which is driving sustainability with new regulations or laws: we are now seeing companies raise the bar and thus dictate the way forward with innovative production processes. The lever which is sustainability is a lever that saves, able to interpret a new awareness. The growing “green” awareness is pushing consumers to reward virtuous examples of such thinking.

**Tessa Gelisio,**  
writer and presenter



## 16 PEACE, JUSTICE AND STRONG INSTITUTIONS



### TOPIC MATERIAL #1

## FIGHT AGAINST CORRUPTION

GRI Standard of reference:	GRI 102: General disclosures 2016 GRI 205: Anti-corruption 2016
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To supervise and develop projects related to those values which are the basis of the Group's ethics and integrity.

The Saviola Group underlines its identity as the Eco-Ethical Company by holding firmly to the conviction that a company's responsibility is not limited to simply complying with its legal obligations, but must include a real, ethical concern for the impact its operations have on society, on the regions in which it operates and on the planet as a whole.

That is why the Group has adopted an Organisation, Management and Control Model, incorporating Italian Legislative Decree no. 231 of 8 June 2001, "Governing the administrative liability of legal persons, companies and associations even without judicial liability" (Italian Legislative Decree no. 231/01) in order to prevent and to fight any unlawful conduct.



The Code of Ethics, a document adopted by the various companies of the Group in 2016 and 2017, and approved by the Board of Directors, the most recent version being dated 23/09/2019, governs the relationships with customers, suppliers and public administrations and ensures that the values which inspire the organisation are robust, stand the test of time and are upheld when conducting business and when carrying out corporate activities.

### **The Group's values:**

- correctness
- honesty
- integrity
- lawfulness
- transparency
- good faith and protecting human and environmental resources
- dignity and equality
- professionalism

The Code of Ethics provides for the various corporate policies:

- safeguarding the environment
- safeguarding health and safety in the workplace and preventing serious accidents
- corporate social responsibility
- fighting the counterfeiting of coins and legal tender, laundering and receiving goods obtained unlawfully
- fighting crimes of terrorism, subversion of the democratic order and transnational crimes
- fighting crimes against the individual
- social communications and social transactions
- anti-corruption

A manager has been appointed as the person responsible for implementing the Group's companies' organisation models and procedures. The Supervisory Body has been assigned with, amongst others, the tasks of monitoring compliance with the Code and investigating any breaches of it; the Body has also been identified as being able to receive reports or news regarding potential or actual breaches of the Code and/or the Group's Organisation Model (so-called "whistleblowing"). The values, principles, standards and rules of conduct, which are

published on the company's site and made available to every involved stakeholder, must be read and signed by every governing body and by every employee who performs the organisation's activities and by commercial partners. The anti-corruption policies and procedures are referred to in the general terms and conditions agreed with suppliers. In the start-up phase of implementing the Organisation, Management and Control Model, training was provided to every governing body on the aspects of Model 231/01.

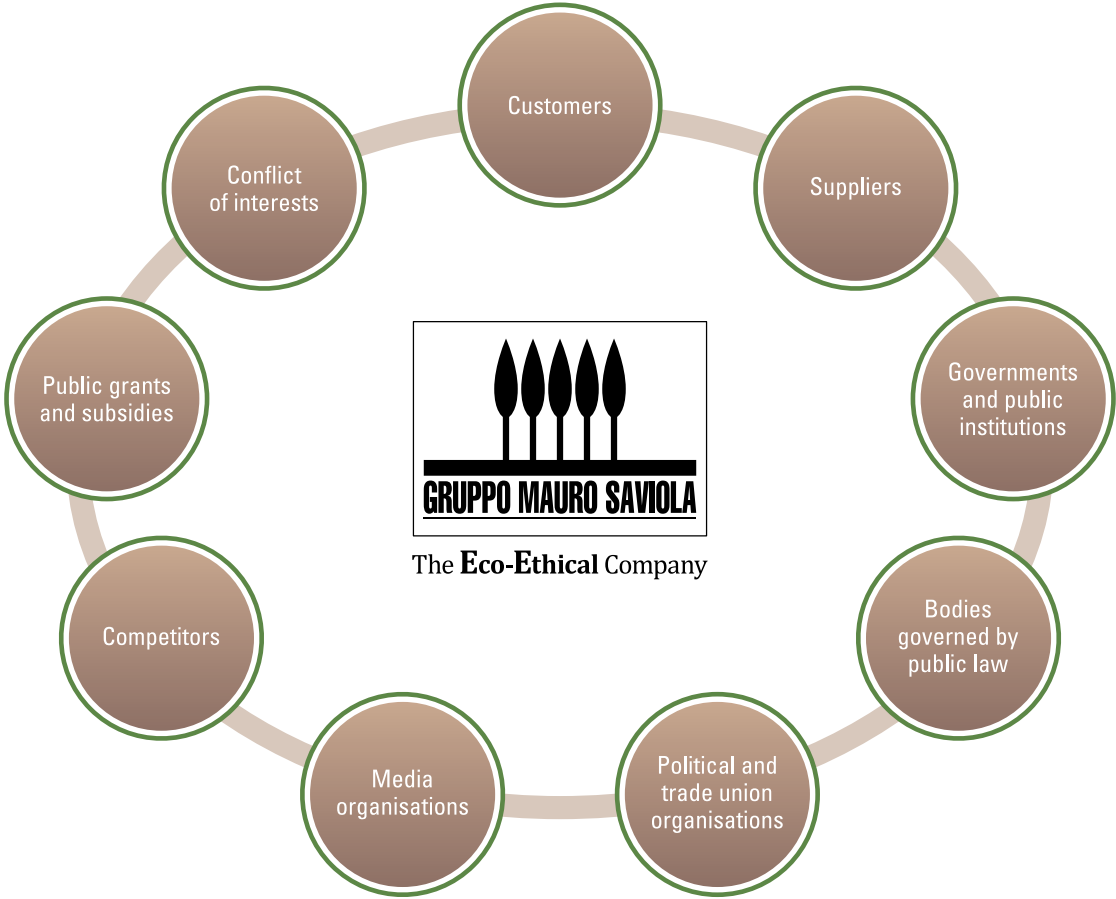
The Group takes a firm stand against corruption and any form of corruption is absolutely prohibited. The Group aligns its activities and actions in compliance with the values and principles laid out in its Code of Ethics, in the conviction that running a business cannot be separated from ethical conduct. In the three-year period between 2017-2019, no evidence of any act of corruption was discovered, confirming the effectiveness of the tools adopted to safeguard the Group's values and integrity. The Supervisory Body is appointed by the Board of Directors of the Group companies, which define the Board's composition, in compliance with the Decree, its term of office and any remuneration. The Supervisory Body is assigned the tasks of monitoring compliance with the Code, investigating any breaches of it, updating or adapting the document, reporting annually on how well it has been followed and its adequacy.

In order to prevent and to fight any corruptive elements, the Group ensures that its "Anti-corruption Policy" is widely distributed amongst the affected parties and maintains relationships with external parties who respect the criteria of lawfulness and ethics, professionalism and integrity.

A breach of the rules of conduct, as provided for by the Code of Ethics, by a party subject to the specific provisions in the Code of Ethics, may lead to appropriate measures being applied, as provided for by the Group's disciplinary system. The Supervisory Body has also been identified as being able to receive reports or news regarding potential or actual breaches of the Code and/or the Group's Organisation Model (so-called "whistleblowing" - ref. article (6) (2-bis) of Italian Legislative Decree no. 231/01).

The Supervisory Body acts in such a way as to guarantee that anyone reporting a potential or actual breach shall not suffer any form of retaliation, discrimination or penalisation, whether directly or indirectly, ensuring the confidentiality of the reporting party's identity when handling the report itself, without prejudice to legal obligations and safeguarding the Group's right, or the rights of parties accused erroneously and/or in bad faith. The Group, in fact,

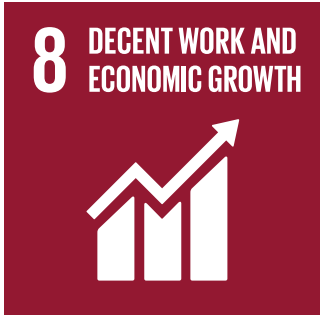
expressly prohibits acts of retaliation or discrimination, whether direct or indirect, against the reporting party for reasons connected, directly or indirectly, to the report made, including in relation to reports which prove to be unfounded, made with wilful misconduct or serious negligence (ref: the Group's disciplinary system, attached to the Group's Organisation Model).



Reports must be made directly to the Supervisory Body of the companies in the Group using the "reporting channel" established for the same Supervisory Body using IT methods suitable to guarantee the confidentiality of the reporting party's identity. The methods to manage and record reports of potential breaches of the Code are provided for, and governed by, the Supervisory Body's regulations. In order to make it possible for the Supervisory Body to carry out an investigation into a potential breach, each Recipient of the Code has the obligation of cooperating with such an investigation, including: answering questions, providing truthful, complete and accurate information, filing relevant documents and evidence, refraining from interfering, in any way whatsoever, with an ongoing investigation, and maintaining the utmost confidentiality unless otherwise specified.



CORPORATE  
SOCIAL  
RESPONSIBILITY



TOPIC MATERIALS #2 AND #3

EMPLOYMENT RELATIONSHIPS AND WORKING CONDITIONS

GRI Standard of reference:	GRI 401: EMPLOYMENT 2016
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	<p>EMPLOYMENT RELATIONSHIPS - To recognise and to apply the appropriate regulatory and contractual framework so that every party involved is able to understand their rights and responsibilities.</p> <p>WORKING CONDITIONS - To make sure that working conditions conform to regulatory and contractual provisions in order to guarantee appropriate working conditions.</p>

The Saviola Group is fully aware that its personnel are an indispensable component of the company's existence.

The dedication and professionalism of the Group's employees are the values and conditions which determine the Group's ability to achieve its goals and that is why, in selecting and managing people, the Group adopts criteria of merit and ability and assesses each person's skills and potential.

Assessing which people to hire is done on the basis of matching candidate profiles with the company's profiles and expected needs, in full compliance with equal opportunity legislation. The information requested is strictly connected to verifying aspects of the professional profiles and psycho-aptitude profiles received, in full respect of the private nature and personal opinions of the candidate.

The Saviola Group is committed to enhancing and developing the skills and abilities of its employees, including through training activities and providing opportunities for professional growth.

## Personnel

As of 31 December 2019, the Saviola Group employed 1,338 people, an increase from the 1,313 in 2018 (+1.9%) and from the 1,299 in 2017 (+2.9%), across the locations of:

- Viadana: 706 employees
- Sustinente: 132 employees
- Mortara: 255 employees
- Radicofani: 36 employees
- Truccazzano: 26 employees
- Montecalvo in Foglia: 110 employees
- Miane + Refrontolo + Montelabbate: 73 employees

Oltre alla contrattazione collettiva nazionale che coinvolge il 100% dei collaboratori, il Gruppo applica una contrattazione integrativa aziendale per il 92% dei collaboratori. In addition to national collective bargaining agreements, which involve 100% of the workforce, the Group applies a supplementary corporate contract covering 92% of employees. In 94.7% of cases, employees work under a permanent contract and 97.9% work on a full-time basis. Indeed, the Group prefers lasting employment relationships based on trust, open dialogue and constructive collaboration.

GROUP EMPLOYEES BY TYPE OF CONTRACT AND GENDER - 2019			
Type of contract	MEN	WOMEN	TOTAL
Permanent	1143	129	1172
Fixed-term	59	7	66
<b>Total</b>	<b>1202</b>	<b>136</b>	<b>1338</b>

EMPLOYEES BY TYPE OF EMPLOYMENT (PART-TIME OR FULL-TIME) AND GENDER - 2019			
Employees by type of employment	MEN	WOMEN	TOTAL
Full-time	1196	114	1310
Part-time	6	22	28
<b>Total</b>	<b>1202</b>	<b>136</b>	<b>1338</b>

## Turnover

In 2019, 118 people joined the company, turnover of 8.8% and 95 people left, turnover of 7.1%. The new hires were the result of an expansion to broaden the set of internal skills. Some hires were made to cover people retiring.

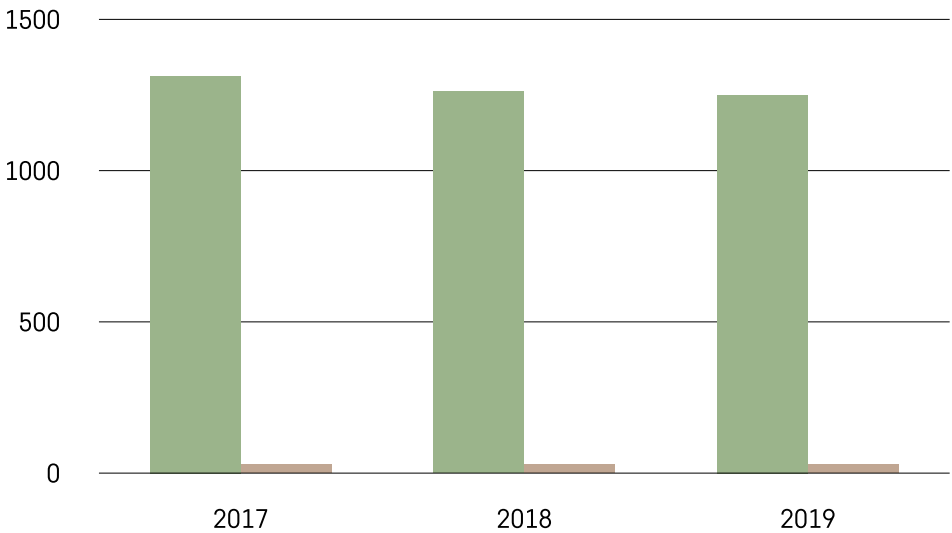
	JOINING			LEAVING		
	2019	2018	2017	2019	2018	2017
Women	13	11	11	9	9	8
Men	105	92	95	86	83	82
<30	37	29	29	15	10	12
30-50	63	55	67	31	45	34
>50	18	19	10	49	37	44
<b>Total</b>	<b>118</b>	<b>103</b>	<b>106</b>	<b>95</b>	<b>92</b>	<b>90</b>

Every person who spends part of their professional life at the Saviola Group is important. That is why the Group invests in every single employee and works hard to create the best working conditions so that each member of staff can feel rewarded and deliver the best performance possible.

In 2019, the company invested 266,308 euro in training, a figure 33.5% higher than the 2018 and more than double that of 2017: the total number of training hours provided in the last three years amounts to 23,721.

To guarantee equal opportunities to employees of both genders, the Group promotes work-life balance initiatives by meeting the needs of people who wish to work part-time: as of 31 December 2019, this option was taken up in 2.1% of cases, a figure essentially unchanged over the last three years.

**NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT  
IN THE LAST 3 YEARS**



■ Full-time	1274	1284	1310
■ Part-time	25	29	28





TOPIC MATERIAL #4

OCCUPATIONAL HEALTH AND SAFETY

GRI Standard of reference:	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To reduce the number and the severity of accidents at work.

**Safeguarding health and safety in the workplace**

The Saviola Group is committed to caring for its employees, respecting their work and safeguarding their health. To protect its employees, the company has implemented a comprehensive occupational health and safety control and management system. One of the Group's primary objectives is to progressively reduce the number and severity of accidents at work. The Code of Ethics contains a policy aimed at "Safeguarding health and safety in the workplace and preventing serious accidents". This policy establishes the responsibility of each Recipient of the Code of Ethics (employees, independent contractors, consultants, partners and other parties working under a contract with the Group) and encourages employees and contractors to devote the greatest care and attention when performing their work, in compliance with all the safety measures and to prevent the risk of injury and/or potentially serious accidents.

As just one demonstration of the Group's commitment to ensure safety in every part of the company, the plants and systems installed in workplaces, as well as the equipment and production processes, are based on complying with current regulations regarding occupational health and safety and on preventing serious accidents. The risk assessment, including the mitigation and improvement plan, is updated by the Health and Safety Office [*Servizio di Prevenzione e Protezione*] whenever significant technical and/or organisational changes are made.

Every company in the Group is actively involved in improving the health and safety conditions in the workplace. They invest energy, resources and time in continuous training aimed at employees and they systematically monitor accidents through an organised, formal system of graphs and KPIs.

### Accidents at work

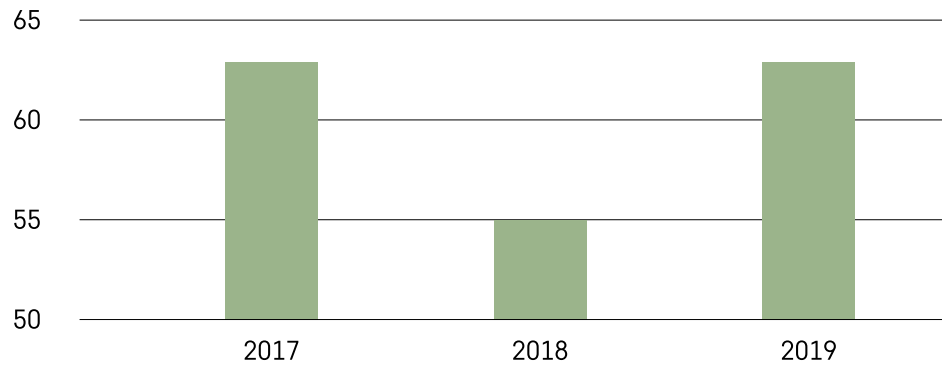
When analysing accidents, injuries to Group employees and temporary workers are taken into account whilst accidents and injuries whilst commuting are not counted.

In 2019, in the Saviola Group's eleven facilities in Italy, 52 accidents, with a medium-low severity, were reported to INAIL: no fatal accidents occurred, nor any injuries which might have resulted in a significant, permanent disability. The graph shows that, 2019, compared to 2017, 7 accidents fewer were recorded (52 vs. 59, -12%) with a frequency index of 27.78 vs. 30.98 in 2017 (-10.3%) and a severity index of 0.76 vs. 0.98 in 2017 (-22.4%).

$$\text{Frequency index} = \frac{\text{No. of accidents} \times 1,000,000}{\text{Hours worked}}$$

$$\text{Severity index} = \frac{\text{Days to recover} \times 1000}{\text{Hours worked}}$$

### NUMBER OF ACCIDENTS



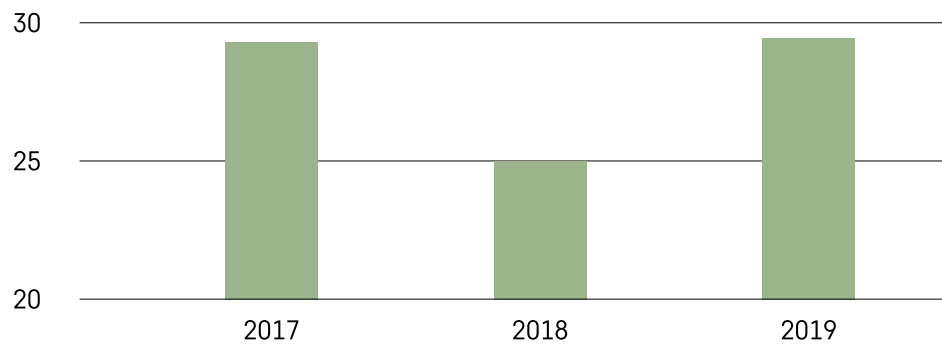
■ Number of accidents

63

55

63

### FREQUENCY INDEX



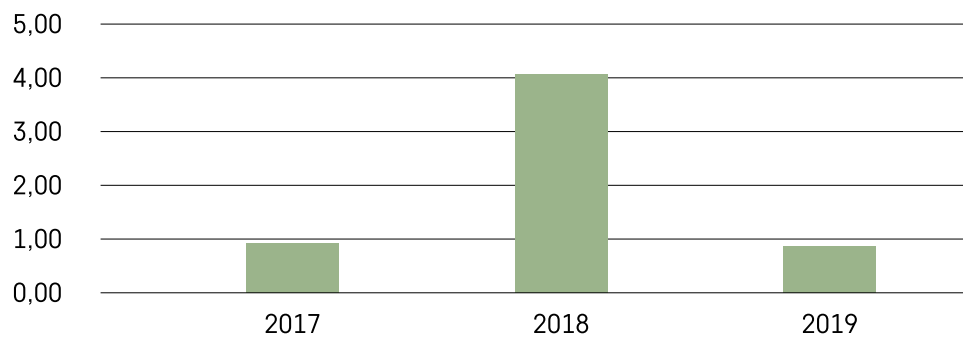
■ Frequency index

28,64

25

28,90

### SEVERITY INDEX



■ Severity index

0,91

4,09

0,82

The frequency index (FI) and the severity index (SI) have been calculated for payroll workers employed by the companies in the Group and for temporary workers. In this calculation, workers employed by external companies were not included because, since most are under contract, a precise number of the hours worked was not available. A project has been launched to gather and record the hours worked by external workers (the best possible data) in order to calculate the FI and the SI for this category of workers too.

It should be noted that the two indices have been calculated year by year, without taking account of commuting accidents and accidents which INAIL forwarded to INPS since no root cause was established such as to be able to classify the incident according to the INAIL standards. Accidents recorded by the companies in the Group in the three-year period were mainly as a result of collisions/impacts with fixed obstacles, slips and trips when handling loads manually.

Accidents involving workers employed by external companies are recorded and monitored at each Group facility. Since a precise number of the hours worked is not available (since most of the work is under contract), the frequency index for accidents involving external companies could not be calculated, just as the severity index could not be calculated, since the data relating to the days lost due to an injured worker employed by external companies is not collected.

Each accident involving someone employed by an external company is analysed to reconstruct the root cause and to set up appropriate technical-organisational measures to prevent a repeat of it.

Each Group facility prepares and maintains a Risk Assessment Document [*Documento di Valutazione dei Rischi (DVR)*] pursuant to Italian Legislative Decree no. 81/08. The individual documents are updated by each site's Health and Safety Officer [RSPP] when any significant changes are made to the site's plants and systems or organisation. All the specific risk assessments (noise, fire, chemical) are updated whenever significant changes are made to plants or systems and they are reviewed in compliance with

the legal deadlines. Risks are identified by analysing the activities carried out at each single workstation and for each specific operational task. Accidents which occurred in previous years and reports of near misses are also considered when determining risks and the relative frequency and severity.

The serious accidents recorded in the three-year period were due to contact with chemical products, being hit by a moving vehicle and becoming entangled in the moving parts of machinery. In order to avoid a repeat of these incidents, technical interventions were introduced and new, better performing PPE was distributed. In addition, operational procedures and instructions were reviewed or introduced to regulate each step of the work at risk. Monitoring compliance with the operational safety procedures and instructions is done by the control chain: plant manager - departmental head - shift leader.

The significant risk management system (electrical risk, working at heights, hot work, working in a confined space) has been reinforced through the targeted use of Work Permits, both for internal personnel (specifically those employees involved in mechanical and electrical maintenance tasks) as well as external personnel: Work Permits are always prepared and managed by Group personnel. Work is under way to prepare and implement operating instructions to safely perform activities viewed as being at greater risk.

In 2019, in the 4 plants run by Saviola (Viadana - Mortara - Sustinente - Radicofani), 25 accidents were recorded, 6 fewer than 2017 (-19.3%), with a frequency index of 23.6 against the 2017 figure of 28.9 (-18.4%) and a severity index of 0.73 against 1.32 in 2017 (-44.7%). The accidents, in the main, were caused by falls (slips and trips), collisions with fixed obstacles and poor handling.

In **Sitech**, a substantially stable number of accidents were recorded in 2019 (4) and 2017 (5), whilst 2018 saw 10 accidents recorded. Thanks to employee training and awareness initiatives, in 2019, this number was brought down compared to 2018 (6 fewer accidents reported) thereby lowering the frequency index by 59.4% and the severity index by 24.6%.

In the 2017/2019 three year period, in the three plants run by **Sitapan**, a limited number of accidents were recorded, accidents remained unchanged between 2017 and 2018 (4 accidents), whilst 2019 saw an increase of 2 reports (to 6 accidents). The 2019 frequency index compared to the 2017 one, therefore, saw an increase of 51.3%, whilst the severity index increased from 2019 to 2017 by 1.54%

In the two **Sadepan** plants (Viadana - Trucazzano), a limited number of accidents were recorded, stable for the two-year period 2018 - 2019 (5 accidents), but this is two more compared to 2017. The accidents were mainly caused by crushing, cuts and collisions with fixed obstacles, and cuts to hands.

In 2019, in **Composad**, 12 accidents were recorded, four more than 2017. The 2019 frequency index of 39.4 compares to the figure of 48.6 in 2017 (-18.9%), whilst the 2019 severity index was 0.91 compared to 0.82 in 2017 (+10.9%). Accidents in the three-year period were mainly as a result of collisions with fixed obstacles, slips, crushing when handling loads manually.

### Training employees on occupational health and safety

Over the last few years, training has been completed and/or updated at each Group site pursuant to the State-Regions Agreement, which provides for 4 hours of general training, 12 hours of specific training for factory workers and 4 hours of specific training for office workers.

Also provided was training (either brand new or updated) on how to safely use equipment (trolleys - elevating work platforms - loaders) and PES [*Persona Esperta* - Skilled Worker] - PAV [*Persona Avvertita* - Instructed Worker] training for work at high risk: working at heights, working in a confined space. In addition, managers and people responsible for safety were trained and the training for the Workers' Safety Representatives [RLS - (Rappresentanti Lavoratori per la Sicurezza)] was updated. These people act as intermediaries in disseminating and applying procedures as well as operational instructions, in order to carry out operations on plants, systems and individual machinery in safety.

Since the highest standards of health and safety can drop in daily operations, the Group is committed to spreading and emphasizing an **internal culture** focused on safeguarding health and safety in the workplace, fostering risk awareness and promoting responsible behaviour from every Recipient of the Code of Ethics.

Establishing a culture of prevention is done through basic training and refresher sessions at every level of the organisation, coordinated by the Health and Safety Office [Servizio Prevenzione e Protezione]. In this way, opportunities are taken to discuss, listen to and assess potential improvements both in normal activities and in emergency situations.

In 2019, the Saviola Group provided a total of 9,226 hours of training on health and safety.

In the last three years, investments at the Saviola Group level aimed exclusively at health and safety in the workplace were:

- 2017 = 770,000 €
- 2018 = 650,000 €
- 2019 = 1,400,000 €



+81%  
FROM 2017 TO 2019

The main investments related to upgrading the fire detection and fire extinguishing systems, preventing the risk of explosion due to the presence of wood dust (ATEX), improving environmental conditions in the raw particleboard production departments and the impregnation departments, removing or disposing of Eternit roofing, revamping the emergency lighting systems and maintaining the internal and external flooring.

## Occupational health and safety management system

### SADEPAN

Sadepan maintains a Health and Safety Management System in compliance with UNI EN ISO 45001:2018.

In order to prevent accidents from happening and to ensure the safety of nearby residential areas, of people operating at the site and, more generally, of the environment itself, the company has adopted a **policy to prevent serious accidents from happening**, committing itself to the highest safety standards through:

- training, education and awareness initiatives focusing on issues of safety;
- performing systematic safety analyses, including identifying hazards which might lead to significant accidents;
- investing in new technologies to improve the reliability and safety of plants and systems and processes;
- supervising and monitoring production activities and their potential effects on safety and the environment;
- qualifying suppliers and contractors - in relation to goods and services - who are required to comply with the practices and procedures in effect in the company;
- cooperating with Public Authorities and defining emergency procedures to be able to handle accidents and to minimise their potential consequences.



## **COMPOSAD**

Composad's primary objective is safe work stations and to contain the costs of non-safety at work. In order to achieve this objective, the company decided to adopt a Safety Management System in compliance with UNI ISO 45001:2018.

The Composad policy to prevent accidents and occupational disease is based on:

- training, education and awareness initiatives focusing on issues of safety;
- supervising and monitoring production activities and their potential effects on safety and the environment;
- qualifying suppliers and contractors - in relation to goods and services - who are required to comply with the practices and procedures in effect in the company;
- cooperating with Public Authorities and defining emergency procedures to be able to handle accidents and to minimise their potential consequences.

## **SAVIOLA – SITECH – SITAPAN**

Saviola, Sitech and Sitapan have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 for the HS section (environment and safety). The Organisation Model is based on an occupational health and safety management system which provides for 18 procedures to manage each area, from a technical and a management perspective, which has an impact on safeguarding the physical integrity and health of both internal and external personnel.

Specific operational instructions were, therefore, laid out in order to perform high-risk activities in safety. Plant managers, supervisors and the Health and Safety Officer are the guarantors that the safety management system will be applied correctly.

Every person, whether employed by the Saviola Group or by an external company operating at a Saviola facility, is involved in the safety management programme and in the plans to reduce the level of risk in each operational area and for each activity carried out.

### **Identifying hazards, assessing risks and investigating accidents**

All the risk assessments [DVR - *Documento di Valutazione dei Rischi*] pursuant to Italian Legislative Decree no. 81/08 have been updated by taking into account substantial changes to plants and systems and/or organisation or procedures. These assessments have been prepared by site Health and Safety Officers in collaboration with supervisors, the Workers' Safety Representatives, the company doctor and, where necessary, outside consultants. Likewise, specific risk assessments have been updated (noise, chemical, electrical, fire, handling loads manually) either because an update is due or because significant changes were made to the process.

The definition of the level of risk is based on a Probability x Severity matrix with three defined levels: HIGH - MEDIUM - LOW. Analysing the risk matrix values allows intervention priorities - to eliminate or to mitigate the risk - to be identified. These are then brought together in a safety level improvement plan.

Workers may report unsafe situations or inappropriate working conditions by placing comments in the boxes installed for this purpose throughout departments, or through the Workers' Safety Representative, or through their direct supervisor, or by contacting the Health and Safety Officer or, should they wish, by contacting the plant manager directly.

Workers may also make a report - particularly when it involves their health or the suitability of the working environment - to the company doctor at their yearly medical check-up, or when the doctor is at the company, or by fixing an appointment with him/her. Amongst his/her tasks, the company doctor must also ensure that employees do not find themselves working under inappropriate conditions and do not perform tasks which are not compatible with their state of health. The procedure provides for the company doctor to issue partially-suitable certificates, via the HR office, which are then forwarded to the plant manager who, in turn, forwards them to the relevant supervisor so that the doctor's recommendations are implemented.

The reports placed in the aforementioned boxes may be submitted anonymously. Likewise, confidentiality in dealings with the company doctor is guaranteed. Also guaranteed is that no retaliation will be taken against an employee who reports an issue relating to safety and/or work hygiene to their supervisor, the Health and Safety Officer, or the plant manager.

If an accident does happen, it is investigated by the site's Health and Safety Office in order to determine the root cause and to understand whether it occurred as a result of a technical shortcoming and/or incorrect behaviour, if safety rules were not followed, for example, or if operational procedures or instructions were not followed precisely. The investigation is coordinated by the site's Health and Safety Officer who will involve the supervisor of the area in which the accident occurred and, as soon as possible, the person (or people) involved in the accident.

If an accident requires detailed technical analysis, external consultants may be used. Near misses and their analyses are currently being collected with the same methods used for accidents. The purpose of a detailed analysis of the cause of an accident or a near miss is to prevent a repeat of the same accident or near miss, both in the same site as well as another Group site which have the same type of processing or systems.

### **Occupational health services**

Each site has a company doctor who is entrusted with safeguarding the health of employees. The doctor is in continuous contact with the site's Health and Safety Officer who provides the doctor with, for each employee, information regarding all the risks to which the employee is exposed using an individual assessment form.

On the basis of the risk analysis, the doctor prepares and updates the periodic medical check-up plan for homogeneous groups of employees and, in collaboration with the Health and Safety Office and with the HR team, organises the medical check-ups for each employee in compliance with health regulations and the individual deadlines.

The doctor, with the Health and Safety Officer, visits the workplace periodically or upon request by an employee or a homogeneous group of employees. Each year, the company doctor attends a periodic meeting pursuant to Italian Legislative Decree no. 81708 called by the Employer and which also see the attendance of the Health and Safety Officer and the Workers' Safety Representative.

### **Worker participation and consultation and communication regarding occupational health and safety**

A project is currently under way involving employees, starting with the Workers' Safety Representatives, to select processes to improve the safety levels and working conditions. Technical-Plant changes which have an impact on risk and health are shared, in the first instance, with supervisors and, within their specific area of responsibility, with the employees concerned.

Information on safety is disseminated through department notice boards and the corporate intranet, "SFERA". The site's Health and Safety Officer organises periodic meetings with the competent Workers' Safety Representative(s) to analyse situations of risk, prepare action plans to mitigate or eliminate risks and to check the progress of the planned work.



TOPIC MATERIAL #5

RIGHTS AND EQUAL OPPORTUNITIES

GRI Standard of reference:	GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016 GRI 406: NON-DISCRIMINATION 2016
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To safeguard individual rights and opportunities for everyone

**Safeguarding diversity, equal opportunities and non-discrimination**

The Saviola Group is fully aware that its personnel are an indispensable component of the company's existence.

Running the companies which belong to the Saviola Group is done with absolute respect for personal rights and differences. That is why the Group is committed to ensuring that its employees are free to associate and free to negotiate collectively, rejecting any unlawful conduct such as forced labour, compulsory or child labour, and every other discriminatory practice. Within the organisation, no element of diversity regarding race, colour, gender, religion, nationality, social origin, political opinion, age or disability has ever been the subject of a discriminatory employment policy.

The companies in the Group refrain from any behaviour that might be inadequate to guaranteeing equal gender opportunities and they operate in such a way as to prevent the risks associated with the emergence of working conditions which do not guarantee such opportunities.

The Saviola Group is committed to promoting diversity and equal opportunities, specifically through the employee selection process. Every company in the Group rejects any and every discriminatory practice. One of the Group's objectives is to develop each person's skills and abilities regardless of nationality, religion, gender, membership of a political party or trade union, sexual orientation or physical or psychological condition. The dedication and professionalism of the Group's employees are the values and conditions which determine the Group's ability to achieve its goals and that is why, in selecting and managing people, the Group adopts criteria of merit and ability and assesses each person's skills and potential.

Assessing which people to hire is done on the basis of matching candidate profiles with the company's profiles and expected needs, in full compliance with equal opportunity legislation. The information requested is strictly connected to verifying aspects of the professional profiles and psycho-aptitude profiles received, in full respect of the private nature and personal opinions of the candidate. The Saviola Group is committed to enhancing and developing the skills and abilities of its employees, including through training activities and providing opportunities for professional growth.

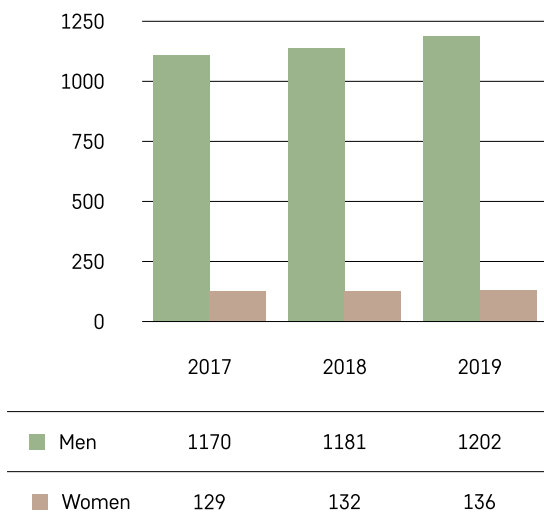
Within the Saviola Group, most employees are male, a result of the traditional scarcity of female candidates for the more technical professions. The number of female employees is, however, growing, partly due to the reflection of general trends in the labour market which sees more women seeking employment.

Over the last three-year period, a slight increase in the number of female employees has been seen, going from 129 to 136, which corresponds to 10.2% of total employees in 2019.

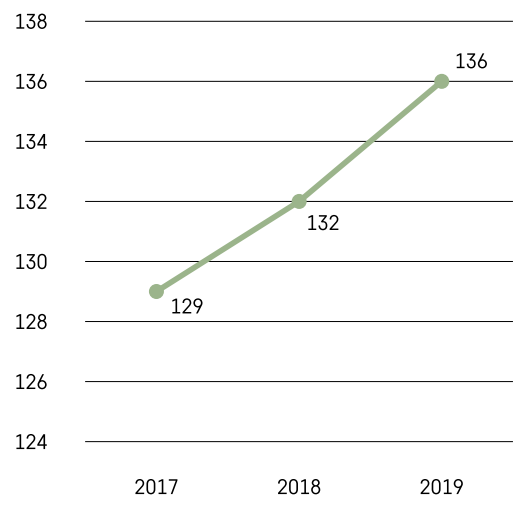
Female employees mainly fall into the 30-50 age group (65.4%), whilst those in the under 30 age group amount to 7.3%. These resources, for the most part, have office duties.

2019 GROUP EMPLOYEES BY PROFESSIONAL CATEGORY, GENDER AND AGE												
Categories	EMPLOYEES			<30			30 - 50			>50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Directors	34	2	36	0	0	0	11	2	13	23	0	23
Managers/Supervisors	24	7	31	0	1	1	17	5	22	7	1	8
Office workers	239	99	338	11	9	20	137	73	210	91	17	108
Factory workers	905	28	933	74	0	74	444	9	453	387	19	406
<b>Total</b>	<b>1,202</b>	<b>136</b>	<b>1.338</b>	<b>85</b>	<b>10</b>	<b>95</b>	<b>609</b>	<b>89</b>	<b>698</b>	<b>508</b>	<b>37</b>	<b>545</b>

**PERSONNEL BY GENDER, LAST 3 YEARS**



**FEMALE PERSONNEL, LAST THREE YEARS**



Throughout the Saviola Group's history, there has never been a reported episode of discrimination, confirmation of a working environment in which there is freedom of expression and respect for diversity. In the same way, the Saviola Group is fully committed to respecting every form of human right and advocates this commitment including amongst its stakeholders. This commitment can be seen in the fact that not one of the companies making up the Saviola Group has ever been involved in a case in which human rights were breached.

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



TOPIC MATERIAL #6

## TRASPARENT COMMUNICATION

GRI Standard of reference:	GRI 417: MARKETING AND LABELLING 2016
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To act responsibly, communicate transparently.

### Communication of an Eco-Ethical Company

The Saviola Group's history is studded with moments of great importance along the path of communicating sustainability. The values, vision and philosophy that run through the entire Group system revolve around communicating the Group's virtuous cycle in terms of protecting and safeguarding the resources that a region has. The process, based on a circular economy and on the concept of "zero waste" as the final goal, sets the framework and scope that enables communications to be supported by facts, by the Group's performance and by the opportunities created for growth and development. Without this focus on objectives, the Group's history would only be partially told.



The Saviola Group, in the way it has organised itself (the holding company and 4 Business Units), has tried, over the years, to emphasize its history through the key values which, today, are part of the collective awareness. Passion for the environment and passion for safeguarding the region form part of this history and are as strongly felt today as they were when the company's story began in 1963. In addition to communicating aspects about the process, a great deal of effort has been dedicated to highlighting how "green" the company's products are. The thinking behind the product is based on a circular economy and the products are a virtuous offshoot which is the result of a purely green vision in an infinite cycle that never ends. Honest, transparent communication is the best culmination of a diligent business and a systematic enhancement of its uniqueness, which, for the Saviola Group and for the relationships of mutual trust with stakeholders, is priceless.

The ultimate goal of transparent communication, based on objective information which has been validated by control and certification bodies, is to raise the awareness of consumers and society as a whole in order to understand the impact that their product and service choices have on their well-being and the environment, when the entire lifecycle is considered. In a context where consumers are increasingly more aware of issues related to conscious purchasing and ethical manufacturing and production chains, each of the Group's communication and marketing actions therefore confirms the choice as being logical, responsible and transparent: the content shared both within and without the organisation is prepared and developed in such a way as to reflect the company's commitments and values, to participate in the debate on ESG issues and to promote sustainable consumption and manufacturing models.

The Group's Code of Ethics states that, in performing an activity which has an impact on customers, the following shall be upheld:

- respect for the principles of competence, accuracy, prudence, wisdom, dedication and efficiency as well as honesty, loyalty, availability and transparency;
- the information given, with regard to the services provided by the Group, is to be accurate, precise and comprehensive.

The Saviola Group's communications with its customers allows the consumer to make informed, aware choices.

### **The activities:**

- Media relations: relationships with local, national and international press to inform parties of the Group's news and important steps over time.
- Social media networks: constant updates and the involvement of the social media community that participates in the Group's activities. The Facebook and LinkedIn channels, as well as Instagram, Twitter and YouTube are constantly updated with various types of content: from presenting product lines to articles and updates on events and meetings.
- Digital - "We have been doing the circular economy before it got a name" is the claim that supports the Group's commitment which is totally oriented towards ecology and safeguarding the region. The site's content is translated into several languages.

### **Brand**

The home page of the Group's internet site uses photographs to identify the brand, the vision and the mission. The content shared on various communication channels describes, in a straightforward, immediate way, different stages of the Group's production processes, whilst at trade shows, the public experience is far more complete and immersive. In order to develop a communication strategy that can promote - in the best possible ways - the transition to a circular economy, sustainability and an ecological vision, the Group is working to give new impetus to its communication and marketing strategies, initiating collaboration projects which extend to the wider public, focusing on the generation born into the era of digital communication and social media.

- multi-channel communication
- digital development
- strengthening the network
- customising the purchasing experience

# SAVIOLATALKS :

“The Circular Economy,  
a strategic asset for  
sustainable success”



Sustainability is becoming a strategic asset and an increasingly greater number of companies are innovating in their strategy, seeking ways to combine profit with a social and environmental commitment.

Many organisations are looking for their own “purpose” and are asking themselves exactly what their social goals are. We also talk about *sustainable success* to emphasise that, today, profit is no longer the only dimension considered important. This is also something recognised by the Borsa Italiana which, in the latest version of its Corporate Governance Code, introduces a significant change: sustainability joins the set of corporate governance principles and becomes one of the duties of company directors, passing from an additional factor to a central duty of creating value for shareholders; a tool for achieving success.

*Sustainable success* also leads to the creation of long-term value by taking stakeholder interests

relevant to society into account. This is a change, therefore, which affects the very way of doing business where governance and the relationship with stakeholders are of great importance.

This situation also includes the requirement for transparency and greater value to be attributed to the relational capital by investors who value the organisation’s intangible assets very highly. The ability to discuss, debate and share strategies with stakeholders is, therefore, to be carefully considered. Companies can, no longer, be closed systems. They have to become something capable of relating with other social players.

Being sustainable also means investing in designing products that are increasingly sensitive to the environment such as, in the case of the Saviola Group, the completely ecological panel which is made from 100% recycled wood. This is a real example of how the principles of the circular economy can be integrated with a company’s strategy.

**Rossella Sobrero,**

writer and social communicator

The image features two hands held together in a supportive grip. The top hand is a natural skin tone, while the bottom hand is a solid, vibrant green. The background is a soft-focus green field. The text 'SHARED WEALTH' is centered over the green hand in white, uppercase letters.

SHARED  
WEALTH

## 8 DECENT WORK AND ECONOMIC GROWTH



### SHARING OF VALUE

**GRI Standard of reference:**

GRI 201: ECONOMIC PERFORMANCE 2016

**Strategy:**

To share the value of supporting the region and to strengthen relationships with stakeholders.

Each result comes from the will to make the present increasingly simpler to the future that has been planned. The Saviola Group generates economic value, shares it with its stakeholders and reinvests it in innovative projects, year after year. Quantifying the value generated, distributed and retained is done by re-classifying the last three years' income statements released by Saviola Holding S.r.l. and the following companies:

- Gruppo Mauro Saviola Srl
- Sitech
- Sitapan
- Trasporti Delta Srl
- Sadepan Chimica Srl
- Composad Srl
- Saviolife Srl

### Economic Value Generated

Specifically, the economic value generated corresponds to revenues coming from net sales (tangible and intangible goods) and financial investments, whilst the economic value distributed is the flow of resources towards the company's stakeholders under various forms:

- Operating costs to purchase materials, structures and services, and the costs of using third-party goods represent the wealth distributed to **Suppliers**;
- Wages and benefits for employees correspond to the remuneration for **Collaborators**. Taxes, duties and penalties are a source of wealth for the **State and Public Administrations**;
- Donations, contributions to charitable associations, non-profits and research institutes, costs connected to social programmes and investment funds where the beneficiaries are external to the organisation deliver wealth to the **Community**;
- Dividends and interest form the remuneration for **Financiers**.

In 2019, the Economic Value Generated amounted to 519,423,770 euro which was down 1.6% compared to 2018 but up by 0.8% compared to 2017.

### Economic Value Distributed

Overall in 2019, the economic value distributed was 450,683,236 euro, down by 2.2% compared to 2018 and essentially unchanged compared to 2017. Specifically, an increase was seen in the following components of value distribution:

- Value distributed to collaborators increased by 3.9% compared to 2018 and by 4.3% compared to 2017;
- Value transferred to capital providers increased by 7.3% compared to 2018 and by 47% compared to 2017;
- Value directed to communities through donations and sponsorships increased by 71.9% compared to 2018 and increased more than tenfold compared to 2017.

The Saviola Group is attentive to the region and to its needs through direct, constant contact with the main institutional, cultural, associative and recreational bodies. That is why it offers its support to numerous causes in order to contribute to the success of their projects.

**Supporting schools and sport.** The Saviola Group helps train young people through projects linked to the region with regard to school and sports initiatives. Specifically, the Group's commitment is focused on creating ecological products.

**Supporting recreational activities in the region.** Regarding recreational events in the region, the Group listened to Pro Loco [local organisations in Italy that work to promote some particular place or area] and Municipalities and participated in and contributed to various community initiatives.

**Supporting health and the third sector.** The Saviola Group helps meet the needs of communities by supporting voluntary and third sector organisations, such as Caritas and the Amurt Association, who work to fight poverty both within the region and at the humanitarian level in developing countries.

**Supporting culture.** The Saviola Group supports cultural initiatives, deeming this sector a priority since it is the greatest expression of a region's attraction and which has, in this regard, so much to offer. Among the many initiatives, support for the Palazzo Te Foundation in Mantua and for artistic initiatives stands out.

**Supporting emergencies.** The Saviola Group supports entities serving the region to ensure people are cared for and safe, including in the emergency phase, by working on prevention and locating the tools necessary. Among the initiatives promoted are: Red Cross, Civil Protection and the Fire Brigade Barracks.

# SAVIOLATALKS :

“An economy and a society on a human scale against the crisis”



As Pope Francis said, “Even worse than this crisis would be the tragedy of squandering it”. We can emerge from it stronger if we have a clear path to making our economy and our society more on a human scale and, therefore, more capable of a future. Sustainability and the green economy are not, today, just a responsible choice: they are an opportunity to make our economy stronger. It is not by chance that the European Union, in its response to the COVID-19 crisis, decided to allocate 750 billion euro to relaunching the economy, of which 209 billion is targeted for Italy, for health-social cohesion, ecological conversion and digital initiatives.

Italy is one of five countries in the world that has a manufacturing surplus of over 100 billion dollars - according to the annual report released by the Symbola Foundation, “*L'Italia in 10 selfie 2020*” [Italy in 10 selfies 2020]. And Italy is the undisputed world superpower when it comes to the circular economy: first in Europe in the recovery of secondary raw materials, double the European average, and far above Germany: 79% of the total. This is the result of our way of being in the world. We have historically been poor in terms of raw materials but, over time we have been able to build increasingly more efficient, more productive and higher quality supply chains thanks to that renewable and non-polluting source of energy known as human intelligence, which goes hand in hand with the wholly Italian way of running an economy which is held together by social cohesion, new technologies and design, global markets and ties with regions

and communities, production flexibility and competitiveness. And what we describe here is also valid in the wood-furniture sector: 93% of the particleboard panels are made from recycled wood. Italy demonstrates its best when its ancient chromosomes, its true identity, are crossed with the challenges of the future. With a way of producing that is attentive to the environment and to human relationships. In the words of Gustav Mahler, for Italians, “Tradition is not the worship of ashes, but the preservation of fire”. According to the data in the report, Green Italy, produced by Symbola and Unioncamere, over the last five years, more than 430,000 companies, in order to overcome the crisis, have invested in the green economy. In 2019 alone, we saw a record investment with an increase of 21%. “Green” employment grew by over 100,000 in 2018, exceeding 3 million jobs, 13.5% of the Italian workforce.

This is also behind the “**Assisi Manifesto**: An economy on a human scale against the climate crisis” promoted by Symbola together with the Sacro Convento of Assisi. Facing both the crisis caused by Coronavirus and the climate crisis with courage presents an extraordinary opportunity to make our economy and our society more competitive.

**Ermete Realacci,**

Chairman of the *Fondazione Symbola per le Qualità Italiane*  
[Symbola Foundation for Italian Qualities]

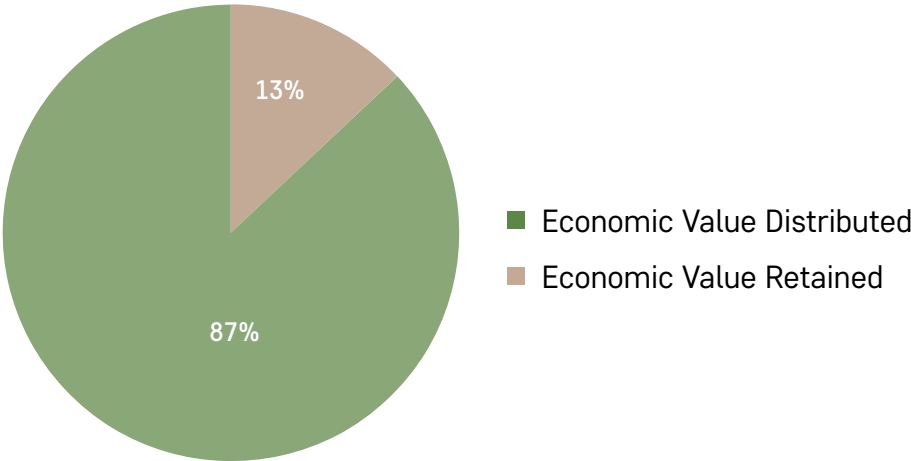


### Economic Value Reinvested

The Economic Value Retained is reinvested in the Group for numerous innovative projects. The companies in the Group carry out research and development aimed at product and process innovation, developing new items, improving the quality of existing items and experimenting with new production technologies.

ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE SAVIOLA GROUP			
VALUE COMPONENT	2019 (€)	2018 (€)	2017 (€)
<b>Economic Value Generated</b>	<b>519,423,770</b>	<b>528,095,546</b>	<b>515,543,745</b>
Economic Value Distributed	450,683,236	460,979,440	463,965,944
Supplier remuneration	347,817,516	359,924,881	367,457,456
Employee remuneration	79,729,026	76,699,957	76,442,773
Financier remuneration	5,883,851	5,484,407	4,002,381
Public Administration remuneration	17,190,940	18,834,179	16,058,474
Community remuneration	61,902.74	36,016	4,861
<b>Economic Value Retained</b>	<b>68,740,534</b>	<b>72,600,513</b>	<b>55,580,181</b>

ECONOMIC VALUE DISTRIBUTED AND RETAINED BY THE SAVIOLA GROUP - 2019



# SAVIOLATALKS :

“Circular design  
as a new approach  
to design”

The design is the fundamental phase of the creative process, which, we note, is a transversal process that encompasses every manufacturing sector. It is not by chance, in the scheme of the circular economy, that design is placed front and centre because it allows a structured system to be put into place, providing working methods and guidelines. Designers, in my opinion, need to be called immediately to the decision-making table, even in the preliminary phase, since they can offer an invaluable contribution on how the entire design of the system needs to be set up.

It is important to have a global vision, thinking, right from the start of a project, which approach to take and whether certain technologies, materials and innovative methods or products can be used to shape the product with a view to sustainability. But we cannot simply stop at execution. We need to take the long view and think about how the product will be used right up to the end of its useful life; we need to think about how it will be disassembled and how the materials used to make it will be re-used in a successive product lifecycle. It is equally important, however, to assess the product's quality of life, designing it in a modular, sectional way that will allow it to be adapted to various functions and situations that can become transversal. Today, design is circular and allows us

to take a wider, more holistic view. In the current climate, transformations take place at great speed, in even shorter timeframes. In this context, the designer will have to increasingly guarantee that a product's life can be extended, ensuring that a product can be repaired and preventing its functional obsolescence.

Another issue that I would like to mention is the increasing need to blend and fuse knowledge and know-how. Including within companies, where the most transversal work groups are those that can guarantee new solutions will be found.

An important methodological approach, in my opinion, is the need to adopt an increasingly broader point of view and not fixate on a single phase of a process. A designer needs to be open and curious, attentive to change. Working within and for just one phase no longer works: we need to ask ourselves new questions by interacting with other disciplines. The circular economy is open and allows us to pit our knowledge against the challenges of sustainability that will only be overcome by looking ahead, investing increasingly larger amounts in scientific research and innovation. Companies, and institutions too, need to place even greater importance on discovering new solutions to address the environmental impact of their operations.

**Giorgio Caporaso,**  
architect and designer

# The Saviola Group and sustainable finance<sup>(\*)</sup>



At the end of 2017, Saviola Holding signed an agreement with the European Investment Bank (EIB). The investment of 50 million euro will be used on research, development, innovation and equipment<sup>2</sup>. This agreement is part of the Saviola Group's long-term strategy that aims to fine-tune a series of development operations: not just structural investments - in this case with regard to the Furniture Business Unit and to develop new products - but also support for growth in a much wider context, which also includes the recent European Green Deal: the roadmap to make the EU's economy sustainable by transforming climate issues and environmental challenges into opportunities in every policy area and by making the transition fair and inclusive.

A significant part of the investment will be in capital: equipment will be installed for new production lines and facilities, and the existing production capacity will be upgraded, including through efficiency improvements. The EIB provides financing under favourable terms for projects that contribute to the EU's objectives (for example, increasing Europe's potential in terms of employment and growth, promoting EU policies beyond the political borders of the bloc, supporting initiatives to mitigate climate change). Resources are allocated on the basis of an assessment of the merits of the projects submitted, in accordance with specific priorities. These institutions look to companies that are focused on these issues and that have a certain degree of awareness: in the case of the Saviola Group, they found unwavering proponents of these values.

This strategy will allow the Group to undertake a similar operation in 2020 with the *Cassa Depositi & Prestiti in Italy*<sup>3</sup>.

(\*) Sustainable Finance<sup>4</sup> is an EU work stream to support the European Green Deal that channels private investment to the transition to a climate-neutral economy. It is part of a broader framework under the International Platform on Sustainable Finance<sup>5</sup>, whose objective is to scale up the mobilisation of private capital towards environmentally sustainable investments. It also provides companies with guidance on how to report the impacts of their operations on the climate and, vice versa, the impacts of climate change on their business.

2 <https://www.eib.org/en/projects/pipelines/all/20160890>

3 [https://www.cdp.it/sitointernet/page/it/nuova\\_finanza\\_per\\_gli\\_investimenti\\_del\\_gruppo\\_saviola?contentId=PRG29366](https://www.cdp.it/sitointernet/page/it/nuova_finanza_per_gli_investimenti_del_gruppo_saviola?contentId=PRG29366)

4 [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance\\_it](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_it)

5 [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/international-platform-sustainable-finance\\_it](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/international-platform-sustainable-finance_it)



# ENVIRONMENTAL RESPONSIBILITY





TOPIC MATERIAL #7

SUSTAINABLE USE OF RESOURCES

GRI Standard of reference:	GRI 301: MATERIALS 2016 GRI 302: ENERGY 2016 GRI 303: WATER AND EFFLUENTS 2018
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To recognise and to enhance resources by optimising their use through a production based on a circular economy.

The raw materials

**SADEPAN**

The materials most used at the Sadepan plants to produce resins and impregnated papers are: methanol, phenol, urea, melamine and additives. In 2019, there was an overall reduction of production input of 6.5% compared to 2018 and of 7.6% compared to 2017.

**RAW MATERIALS, SADEPAN - THREE-YEAR PERIOD 2017-2019**

RAW MATERIAL	Var.% 2018	Var.% 2017
Urea	-5.1	-4.6
Methanol	-8.5	-9.5
Melamine	-0.4	-15.1
Sodium hydroxide	-33	-84.2
Phenol	-7.8	0.3
Diethylene glycol	-10.6	-7.5
Formaldehyde	-2.8	0.7
Non-hazardous additives	7.1	3.8

The uses of the raw materials are directly proportional to production since the processes used are consolidated like technology and already optimised for efficiency and yield. No recycling or material recovery operations are done at the plants in the Chemicals B.U. unless they involve out-of-specification products that are re-processed. Processing the raw materials in the Chemicals B.U. results in the production of the following:

**PRODUCTION OUTPUT - 2019**

RAW MATERIAL	%
Liquid resins	51.3%
Formaldehyde 36%	41.3%
Powder resins	1.6%
Self-hardening resins	1.1%
Sazolene	3.7%
Impregnated paper	1%
<b>TOT</b>	<b>100%</b>

Compared to the previous year, production fell by 5.5%, maintaining an essentially constant distribution between the various outputs and with liquid resins accounting for approximately half of the Sadepan production.

## # SAVIOLATALKS :

“The circularity of packaging: good eco-design practices and recycling results among the best in Europe”



Since 1998, CONAI, the Italian National Packaging Consortium, has been working to achieve the circularity of the materials used to make packaging consumed in Italy: steel, aluminium, paper, wood, plastic and glass. In over twenty years, thanks to the constant support from consortium member companies and the work of the Supply Chain Consortia, the way packaging waste has been managed has been turned upside down: today, four out of five packages are recovered - a result that places Italy among the top countries in Europe.

Packaging sustainability is increasingly becoming a very sensitive topic and we find ourselves called upon to do even more for the hoped-for transition to a circular economy under the European Green New Deal. Everything begins from a growing awareness of the importance of prudent design in constantly reducing the environmental impact of packaging, with interventions which, for the same performance, promote and favour, for example, recycled content, re-usability, ease of recycling. But design, even the most prudent,

is not enough: we need a system that can handle the flows of this packaging when it becomes waste and to direct it to recycling and recovery chains, and this is precisely what the CONAI-Supply Chain Consortia system represents. We also need innovation and plants and systems because sustainability is a “team game”, as well as a process, focused on continuous improvement, that sees more and more parties working together. The environmental sustainability of packaging does not exist by chance: it needs to be designed and built ad hoc, with a “tailored” approach that starts with the objective of increasing the value of packaging by considering its ability to generate other value, even after it reaches the end of its first useful life. This approach is prompting more and more companies to make environmental sustainability part of their overall packaging strategy and competitiveness, something that the Saviola Group has also shown its willingness to follow with its, by now, mature assessment of wood waste, the striking results of which are clearly shown in this report.

**Walter Facciotto,**  
General Manager, CONAI

## COMPOSAD

The main raw material used by the Furniture B.U. is the 100% recycled wood panel which is processed in both plants in the sectioning, squaring and edging, and drilling lines.

RAW MATERIALS, COMPOSAD			
RAW MATERIAL	UNIT OF MEASUREMENT	Var.% 2018	Var.% 2017
Particleboard	m <sup>3</sup>	9.6	+11.5
Glue and adhesives	kg	11.2	3.0
Edging	linear metres	16.1	-9.4
Fitting bag	pieces	15.1	-0.7
Assembly instruction sheets	pieces	19.1	-5.6
Cardboard boxes	pieces	-1.7	-34.1
Polyethylene stretch film	kg	-12.7	12.9

The waste from sectioning scraps and the dust collected by the suction systems on the production lines are deposited in special bins and then taken, as waste, to Saviola Wood which recycles and recovers them.

In the Gerbolina plant, the additional raw materials used are those needed to make up the boxes for the RTA furniture sold to end customers, for example, materials used for boxes, hardware bags and instruction sheets. During the squaring-edging production process, glues and edges are also used.

Compared to the previous year, the number of assembly instruction sheets increased by 19% and the linear metres of edging used increased by 16%. This was achieved whilst reducing by almost 13% the kilogrammes of polyethylene used as film to wrap the furniture. Compared to 2017, a significant reduction of 34% was seen in the use of cardboard boxes for packing.



## SAVIOLA

To make the ecological panel, Saviola uses 100% post-consumer wood which has been collected from 19 Ecolegno centres across Italy and Europe: each year, over 1.2 million tonnes of wood are transformed which would otherwise be sent to landfills. Among the types of wood collected are: cases, crates, pallets, cable reels, scraps from the initial processing of virgin wood and agglomerated panels, broken furniture, building materials for construction and demolition, fixtures, and in general non-contaminated wood waste. Of all the materials entering the Saviola plants, wood waste (post-consumer wood) represents approximately 90% of the total.

RAW MATERIALS, SAVIOLA - 2019		
RAW MATERIAL	Var.% 2018	Var.% 2017
Wood waste	15.0	12.9
Chestnut wood	46.1	5.7
Glues	8,0	22,0
Paraffin	-10.3	-13.2
ABS (Acrylonitrile butadiene styrene)	-7.4	6.1
Urea	31.4	34.4
Soda	-87.2	34.5
Regenerated plastic materials	24.6	35.1
Fireproofing	28.7	29.1
MASTER dyes	6.8	4.0
Synthetic tannin	55.5	4.3
PMMA (acrylic glass)	62.7	63.9

Among the other materials and chemical substances used are insulating materials, hardeners and plasticisers. Starting from the beginning of 2019, the painting and printing line for wood fibre panels and MDF panels was discontinued. Hence, in 2019, consumption of

solvent-based painting products - polyacrylic for transparent finishing without styrene, ink thinners and solvents (acetone) for washing machines, for example - was zero.

PRODUCTION OUTPUT, SAVIOLA - 2019		
PRODUCT	UNIT OF MEASUREMENT	QUANTITY [T]
Raw panel	m <sup>3</sup>	1,108,971
Impregnated paper	m <sup>2</sup>	91,070,710
Faced panel	m <sup>2</sup>	36,523,193
Laminate	m <sup>2</sup>	5,325,064
Tannin	t	3,236
Wood chips	t	50,838
Top soils for agriculture (blend of chestnut fibres)	t	3,500
ABS Edges	m <sup>2</sup>	7,000,000
ABS Surfaces	m <sup>2</sup>	2,425,560

In 2019, Saviola recorded, compared to each of the two previous years, an increase of approximately 10% in the quantities of raw materials used.

## FOCUS

## Ecolegno centres

A widespread collection service throughout Italy to dispose of used wood. An ecological and economic choice, important for safeguarding the environment and for quality of life. If, today, the Saviola Group is able to collect and transform over 1.2 million tonnes of post-consumer wood material each year, it is also because it was the first operator in Italy to implement separate collection of wood. There are two essential levers:

1. the collaboration with Municipal administrations and local municipal companies. The Group's post-consumer wood collection service is based on the cooperation and collaboration of approximately 5,000 contacts with Public Administrations;
2. an organised, widespread system that can promptly meet the various needs connected with disposing of post-consumer wood that relieves the Municipality or the company from the organisational demands and the disposal certification procedures. The Ecolegno collection centres form a network of platforms, located close to major urban centres in Italy and Europe, designed to achieve an increasingly greater recovery volume of this precious resource.

# SAVIOLATALKS :

“Large companies are driving the transition towards sustainability and a circular economy”



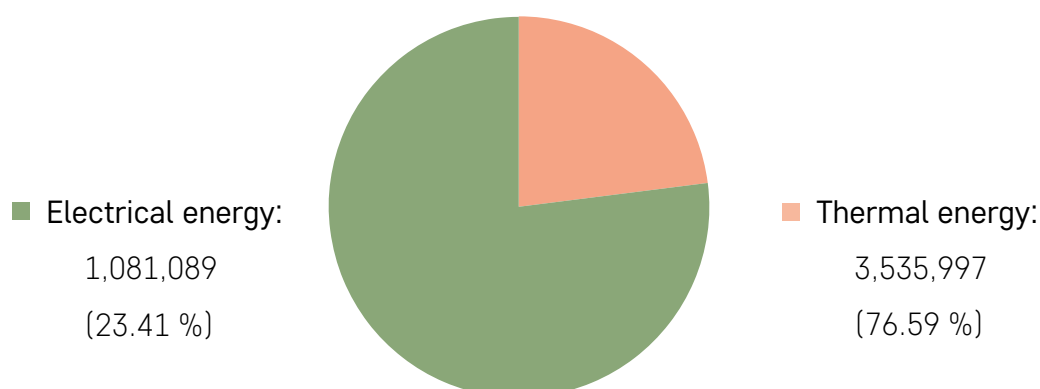
The transition towards sustainability involves global environmental, economic and social challenges. It is a complex process based on de-carbonisation and the efficient use of resources in which the Circular Economy plays an essential and central role. The Circular Economy calls for technologies, methodologies and tools to close cycles at various levels of the supply chain and along the value chains of products and materials. In order to be pursued successfully, it requires the active involvement of every sector affected: institutions, companies, the worlds of research and innovation, civil society. Businesses are among the most important parties and they can provide a significant contribution to the transition by adopting more sustainable and circular production systems. The transition starts with the choice of the raw materials and the product design: products need to be more hard-wearing or durable, repairable, free of any hazardous substances and easily disassembled

and recycled. The production process can also be redesigned in such a way as to minimise the consumption of resources and the production of waste. And if waste is produced, it should be of a quality that renders it re-usable within the same production processes or a by-product for use in another company, in accordance with the principal of industrial symbiosis. The circular approach can be extended to include the consumption phase, for example, by proposing new ways of sharing economy or by offering services instead of selling products. Large companies who decide to adopt more sustainable production models become a guiding role for all the satellite activities as well as the entire supply chain: they demonstrate the feasibility and the advantages of such a transition, becoming more competitive in a market that is increasingly leaning towards sustainability and circularity. Those who have already chosen this path, and who can guide the way for others, should be applauded.

**Professor Federico Testa,**  
President, ENEA

## Energy consumption

In 2019, the Saviola Group saw overall energy consumption (electrical and thermal) of 4,617,086 GJ. Consumption is divided as follows:



## Electrical energy

Within the Saviola Group, 82.4% of the electrical energy is consumed by the Wood B.U., and mainly by the sites at Viadana (MN), Mortara (PV) and Sustinente (MN). Sadeplan follows with 12.8% of total consumption and then Composad with 4.8%.

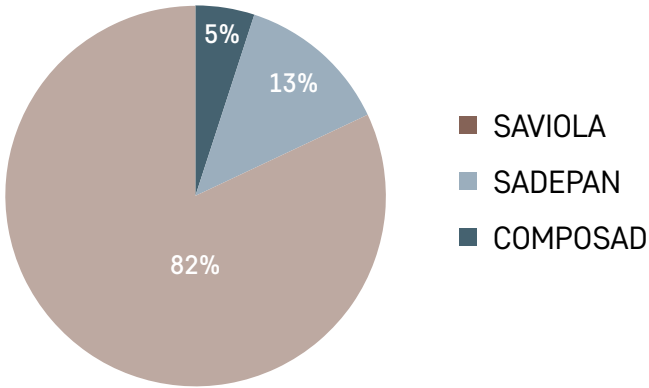
ENERGY CONSUMPTION, THE SAVIOLA GROUP - 2019		
Electrical energy	GJ	%
Purchased	952,164	88.07
Self-generated and consumed	128,925	11.93 (91.18 % of the total self-generated)
<b>TOT. Energy consumed</b>	<b>1,081,089</b>	<b>100</b>
Self-generated and transferred to the grid	12,457	8.81 of the total self-generated

35.86% of the electrical energy purchased, according to the national average, comes from renewable sources (according to the data on the energy mix used to produce electricity supplied by GSE pursuant to the decree by the Italian Ministry of Economic Development of 31/07/09).

A 30 MWth and 6 MWe self-generation electrical power plant with a condensing steam turbine is in operation at the Sustinente (MN) production facility. The steam generator is powered by a fuel mix composed of approximately 75% waste from raw material processing (wood waste entering the Wood B.U. plant) coming from two other plants in the B.U. (Viadana and Mortara) and approximately 20% secondary solid fuel coming from urban waste and delivered by plants producing this sort of fuel. The power plant, with regard to the delivery of secondary solid fuel, is connected to the collection of the material produced by plants that manage the collection.

91.2% of the electrical energy produced by the power plant was consumed by the plant itself, whilst 8.8% was supplied to the electricity grid as excess to requirements.

**ELECTRICAL ENERGY CONSUMED BY THE B.U.S IN % - 2019**



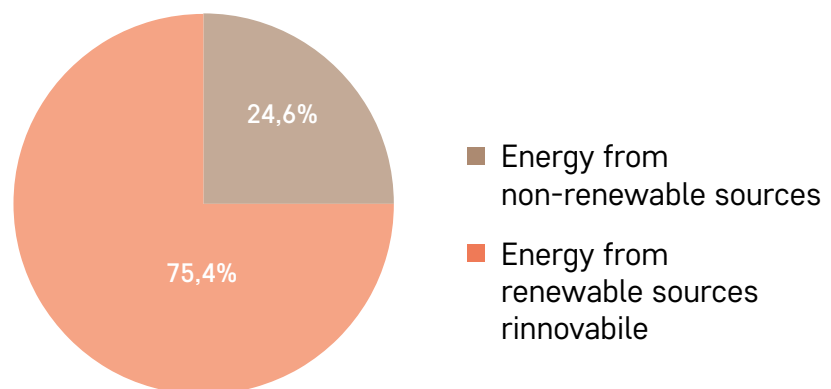
## Thermal energy

In 2019, the Saviola Group consumed a total of 3,535,997 GJ of thermal energy for use in production processes including the handling of materials within plants, to self-generate electrical energy and, in negligible quantities compared to the other uses, to heat working environments.

75.40% of thermal need is powered by renewable sources derived from the use of waste produced by internal processing for the Wood B.U., and from heat recovery by exothermic reactions as regards the Chemicals B.U.

By powering three quarters of its thermal energy needs by recovering residues from cleaning systems (rather than by disposing of them) and by heat recovery, the Saviola Group exhibits its strong propensity for the principles of a circular economy in terms of energy to.

**% USE OF RENEWABLE AND NON-RENEWABLE FUELS, SAVIOLA GROUP - 2019**



Consumption of fuels coming from renewable sources reached 2,665,997 GJ in 2019. 81.94% comes from the combustion of wood waste coming from internal processing at the Wood B.U., whilst 18.06% is made up of recovering heat through the steam produced by exothermic reaction in the production of formaldehyde, used for self-consumption in the formaldehyde production reactors and in the production of resins.

Renewable fuel from waste produced by internal processing	%	Use of fuel in processes
Wood waste	45.8	• heating diathermic oil for processes
Sifting powder	37.7	• heat for direct drying material
Sanding powder	15.7	• heating diathermic oil for processes
Wood particles	0.7	• heating production area

In 2019, the Saviola Group as a whole consumed a total of 870,001 GJ of fuel coming from non-renewable energy sources.

Consumption of non-renewable sources represents 24.6% of the total and is made up of 58.32% natural gas, mainly used to aid or supplement material recovery and heat recovery described above with regard to renewable sources.

A percentage breakdown of consumption is given below:

Non-Renewable fuel	%	Use of fuel in processes
Natural gas	58.32	<ul style="list-style-type: none"> <li>• drying of granular fertiliser</li> <li>• production of powder resins</li> <li>• backup to produce steam for the Liquid Resins department</li> <li>• post-combustors to lower emissions</li> <li>• backup to produce heat for processes (diathermic oil/drying wood particles)</li> </ul>
Secondary solid fuel - Refuse Derived Fuel (100% derived from solid urban waste)	33.96	• self-generation electrical energy power plant
Diesel	7.72	• internal handling/electrical generators/small heaters

BUSINESS UNIT	% ELECTRICAL ENERGY CONSUMPTION	Products (2019)	Processes
SAVIOLA	75.9	<b>PANEL PRODUCTION:</b>	<ul style="list-style-type: none"> <li>• pre-grinding</li> <li>• green grinding</li> <li>• preparing dry material</li> <li>• raw particleboard panel production</li> <li>• impregnating</li> <li>• facing</li> </ul>
		<ul style="list-style-type: none"> <li>• raw particleboard panel</li> <li>• Faced panel</li> </ul>	
	2.6	<b>TANNIN PRODUCTION</b>	<ul style="list-style-type: none"> <li>• processing raw material</li> <li>• pressing</li> <li>• micro-filtering</li> </ul>
		<b>FERTILISERS FOR AGRICULTURE</b>	
SADEPAN	12.8	<b>GLUE AND RESIN PRODUCTION:</b>	<ul style="list-style-type: none"> <li>• Formaldehyde (36%)</li> <li>• Liquid resins</li> <li>• Powder resins</li> <li>• Self-hardening resins</li> <li>• Sazolene (a fertiliser)</li> <li>• Impregnated papers</li> </ul>
		• Formaldehyde (36%)	
		• Liquid resins	
		• Powder resins	
		• Self-hardening resins	
COMPOSAD	4.8	<b>FURNITURE PRODUCTION</b>	<ul style="list-style-type: none"> <li>• sectioning panels</li> <li>• squaring and edging panels</li> <li>• drilling panels</li> <li>• packing</li> </ul>
		<b>RTA FURNITURE</b>	
SITECH (Wood B.U.)	2.2	<b>EDGING PRODUCTION FOR FURNITURE:</b>	<ul style="list-style-type: none"> <li>• extrusion</li> <li>• printing</li> <li>• embossing</li> <li>• cutting</li> </ul>
SITAPAN (Wood B.U.)	1.7	<b>PRODUCTION OF DRAWER BOTTOMS/ BACK RESTS/ SPECIAL PROCESSING FOR FURNITURE</b>	<ul style="list-style-type: none"> <li>• squaring and edging panels</li> <li>• drilling panels</li> <li>• sectioning panels</li> <li>• special processing</li> <li>• facing</li> </ul>
		• Semi-finished/calendered	



ENERGY INTENSITY INDICATOR COMPARED TO 2019 TURNOVER:

7,83 TJ/million €

Investments aimed at limiting the consumption of natural resources and at improving production processes have resulted in reducing specific consumption, i.e. consumption related to the unit of production which then becomes an indicator of environmental performance.

The most significant interventions have focused on:

- the installation of new production lines in order to increase the process's intrinsic efficiency (increasing the volumes produced with regard to the energy consumed),
- the production of compressed air, ventilation, filtration and suction systems,
- grinding systems/preparation of the raw material,
- combustion for process heat, and
- lighting systems with the partial upgrade of lights with LED technology.

Overall in 2019, as part of the efficiency projects carried out, the group was able to report, through the White Certificates incentive system, savings equivalent to 2,650 White Certificates which, considering the additions provided for by the mechanism, are equivalent to approximately 790 tonnes of oil equivalent, TOE.

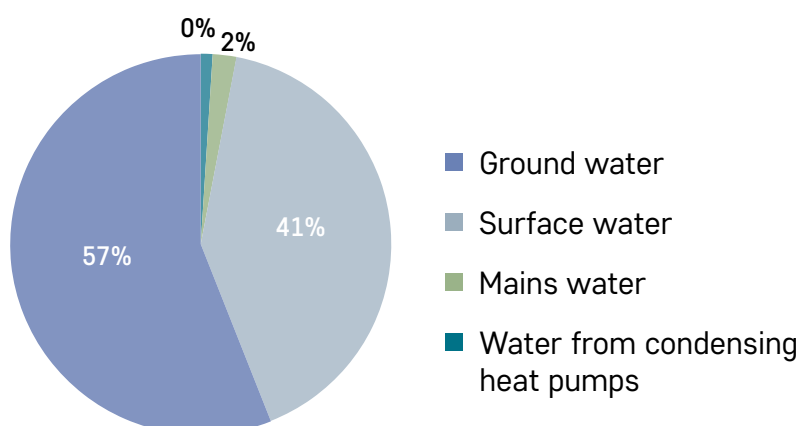
## Water resources

Being aware of the scarcity of this precious resource, the Saviola Group aims to re-use water to the greatest extent possible in the various processes that characterise its production.

Due to increased production, in 2019, the Group's total withdrawal of water amounted to 3,025 megalitres, a slight increase compared to 2018 (+0.3%) and 2017 (+0.7%). There was a significant increase in the withdrawal of surface water and a decrease in the withdrawal of ground water.

THE SAVIOLA GROUP'S WATER WITHDRAWAL BY SOURCE (MEGALITRES - ML)			
Source	2019	2018	2017
Surface water	1,235	338	338
Ground water	1,719	2,603	2,592
Mains water	61	64	64
Water from condensing heat pumps	10	10	10
Tot.	3,025	3,015	3,004

THE SAVIOLA GROUP'S WATER WITHDRAWAL - 2019



With regards to Saviola production, well water is used in several phases of the process:

<b>WATER CONSUMPTION, SAVIOLA - 2019</b>	
<b>Phase used</b>	<b>Management method</b>
Cooling the operating machines during production of raw particleboard panels	Recovered entirely in the cooling circuit serving the electrical power plant (Sustinente plant).  Specific consumption m <sup>3</sup> /unit of finished product: 1.3 m <sup>3</sup> /m <sup>3</sup> of raw particleboard panel.
Cooling the electrical power plant	During prolonged periods when the raw panel production line is shutdown, the necessary water is withdrawn directly from the well. This also includes water used for the regeneration of ion exchange resins and is discharged entirely into the surface water body and, therefore, is not considered in the recovery percentage.
Cooling operating machines during the production of melamine-faced panels	Entirely recovered to wash combustion fumes in the electrical power plant (Sustinente plant).  Specific consumption m <sup>3</sup> /unit of finished product: 3 l/m <sup>2</sup> of melamine-faced panel.
Wet treatment of combustion fumes in the furnace of the electrical power plant with acidic neutralisation scrubber	The plant's needs are met by recovering cooling water from the melamine-faced panel production lines and from the well.
Wet treatment of fumes in the wet systems	Water is lost through evaporation and is contained in the sludge.

At the **Sadepan** plants, cooling water as well as technological water is used within partially closed circuits. By doing this, the same water can be continuously re-used, thereby reducing any waste of this important natural resource to the minimum. Withdrawing well water both in absolute as well as specific terms (m<sup>3</sup> per tonne produced) has remained substantially constant over recent years.

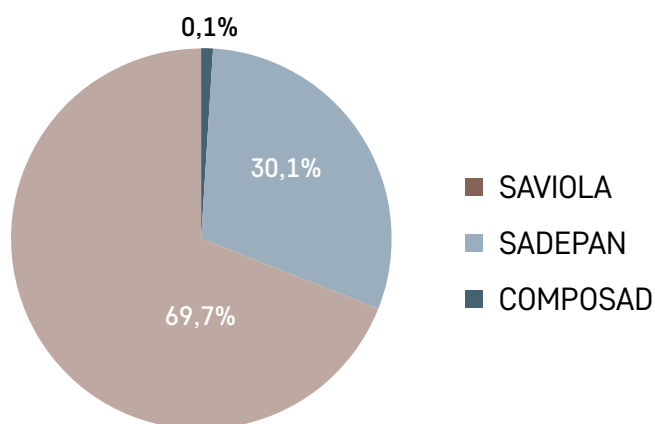
At the **Composad** production sites, water is not used in the production cycle, except for civil purposes. All the water supplied comes from a well with the exception of the warehouse at Cogozzo where there is a connection to the municipal water network. Over the three-year period, 2017-2019, the already low consumption of water was further reduced thanks to the attention paid by staff at Composad. Indeed, in 2019, there was a 59% reduction in the cubic metres of water supplied, for which a consumption of 66 litres/employee/day (for toilets and showers) was calculated.

Water resources are also used to produce steam as a raw material in the production of panels (20 litres per m<sup>3</sup> of panel) and to wash the wood waste.

Approximately 70% of the overall quantity of water withdrawn is for production in the Wood B.U. The remainder is entirely withdrawn by plants where RTA furniture is made.

BUSINESS UNIT	%
Sadepan	30.1%
Saviola	69.7%
Composad	0.1%

## % ATTRIBUTED TO EACH B.U. IN THE SAVIOLA GROUP FOR WATER WITHDRAWAL - 2019



The percentage breakdown between the various Business Units remained essentially unchanged compared to 2018.

Among the Saviola Group's plants, the only one located in an area subject to water stress is the plant at Radicofani, whose water withdrawal accounts for 1.7% of the Group's total water withdrawal. To identify the areas subject to water stress, the map provided by *Water Risk Atlas Aqueduct* (<https://www.wri.org/applications/aqueduct/water-risk-atlas>) was used as reference.

PLANT	LEVEL OF WATER STRESS
Viadana	Low (<10%)
<b><i>Radicofani</i></b>	<b><i>Extremely High (&gt;80%)</i></b>
Sustinente	Low (<10%)
Mortara	Low (<10%)
Truccazzano	Low-Medium (10-20%)
Gerbolina	Low (<10%)
Cogozzo	Low (<10%)

# The recovery of rainwater by Saviola

## Radicofani plant (Siena)

Before the MDF production line was shutdown, at the beginning of 2019, the plant at Radicofani was divided into two production areas: the MDF panel area and the tannin area. Until four years ago, the de-tanned wood, not being able to store it in the warehouse (15,000 m<sup>2</sup>) which was still occupied by the production systems to produce MDF panels, was placed in the plant's yard of 65,000 m<sup>2</sup>. When it rained, the water run-off from the yard retained a part of the tannin still present in the de-tanned wood and this, therefore, represented a potential source of natural pollution to the surrounding area. Hence, the need emerged to direct this water to a purification system. Subsequently, water recovery was also organised for that part of the yard in which the wood was stored whilst awaiting processing, from which the rainwater extracted a small amount of tannin.

All the run-off water from the yard (60 mm) was, then, directed to two tanks connected by rain gauges, level sensors and timers set to select the first drops of rain and, through a pump, to transfer this water to a large collection basin until the pre-established volume of water had been completely conveyed. At which point, the rain gauge stops the recovery action and the remaining water is allowed to flow into the surrounding land.

During summer, the lack of precipitation favours an even greater recovery of water which is re-used in the tannin extraction process: the tannin found in the water is extracted by membrane micro-filtration and introduced into the "broth" phase of tannin production at 4-5%, whilst the water is returned to the autoclaves at the beginning of the process where the tannin is extracted with hot water and steam.

Downstream of these processes, the de-tanned wood is sold for use as pellets, biomass, mulch for agriculture, whilst the finer parts are used as fertiliser. This reaffirms the Saviola Group's attention to recovering resources and a circular economy.



TOPIC MATERIALS #8 AND #9

POLLUTION PREVENTION AND CLIMATE CHANGE

GRI Standard of reference:	GRI 305: EMISSIONS 2016 GRI 306: WASTE 2020
Topic scope:	The Saviola Group
The Saviola Group's involvement:	Direct
Strategy:	To identify the impacts on the environment and to progressively reduce and prevent them.

Waste

In 2019, the Saviola Group produced processing waste as a result of its production activities which amounted to a total of 210,164 tonnes, of which almost 99% was sent to recover the materials or to be transformed into energy. The remaining 1% was sent to landfill. In the Group's co-incineration plant at the Sustinente site (Saviola), a portion of the non-hazardous waste is used to recover energy. In 2019, the Sustinente electrical power plant produced 24,847 tonnes of heavy ash, slag and boiler dust, non-hazardous waste used to recover materials in authorised external plants.

TOTAL WASTE PRODUCED	210,164 [t]	MATERIALS AND EN- ERGY RECOVERED	of which	HAZARDOUS	NON- HAZARDOUS
		98.9%		0.1%	99.9%
		DISPOSAL IN LANDFILLS			
		1.1%			

99.9% of the waste produced by the Group is non-hazardous and is mostly made up of wood waste leaving the various plants. Just 0.1% of the waste produced is hazardous.

BUSINESS UNIT	NON-HAZARDOUS	HAZARDOUS
Chemicals	Paper and cardboard, packaging and wood packaging, reaction residue	Hazardous adhesives and waste sealant
Wood	Metals, mixed material packaging, boiler ash and filter materials	Equipment no longer used
Furniture	Steel bars	Batteries, adhesives and glues

The Business Unit accounting for the greatest amount of waste produced is the Wood B.U. which, in 2019, produced 93% of the Group's waste.

% ATTRIBUTED TO EACH B.U. IN WASTE PRODUCTION - 2019			
	Saviola	Composad	Sadepan
TOTAL	92.9%	6.7%	0.5%

Compared to 2018, the overall production of waste fell by 17.8% essentially maintaining the same percentage of waste that is sent for materials and energy to be recovered.



# SAVIOLATALKS :

“At the root of the circular economy”



Tomorrow's economy is either going to be circular or it is not: a concept which, today, might seem obvious but which, for a long time, has been carried forward by a very small minority of businesses, firms and associations. And if, today, the expression, "circular economy", is being used with increasing frequency, both by the media and by industry gatherings, the challenge over the next few years will be how we can truly make circular that which, at the moment, is still too much of an aspiration than a daily practical reality.

However, as those companies which have been running a circular economy for years know so well, organising a production supply chain such that it becomes circular actually initiates a virtuous motion that, in addition to environmental sustainability, brings with it other aspects that are essential - even today - for any type of company: innovation, quality, research and development.

After too many decades of racing to the bottom - in terms of prices, wages, environmental stand-

ards and even the quality of the end product - today, awareness is spreading rapidly - both with the public and with businesses - that the actual thing we should be aiming for over the coming years is a circular approach: no longer based on the linear "produce-consume-waste" model but a chain that puts the origin, care and sustainability of products at the centre of a circular vision. And this is particularly valid for an economy such as the Italian one, which can, without question, compete if the game is producing large quantities or if it is continually lowering prices, but Italy's economy can also be characterised by its strengths that we know so well: creativity, identity, uniqueness.

Strengths that a tree, in its perceived simplicity, can symbolically summarise: starting with Italy's roots which sink deep into the tradition of the artisan and craftsman-like quality, we must have the courage to aim high by investing, in a structured way, in a circular economy and by creating supply chains that meet the social, environmental and economic challenges we face.

**Barbara Meggetto,**

President of Legambiente Lombardy

## Waste as a new resource

There is only one planet Earth, yet, between now and 2050, the world will consume resources amounting to three planets. In fact, the forecast is that overall consumption of materials such as biomass, fossil fuels, metals and minerals will double over the next forty years. As a result, the annual production of waste will increase by 70% by 2050.

### EU ACTION PLAN 2020

[https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC_1&format=PDF)

## The circular economy and the production of waste

Currently, the European Union economy generates 2.5 billion tonnes of waste each year<sup>1</sup>. The transition from the current linear economic model, *from cradle to gate*, to a circular one, *from cradle to cradle*, is, therefore, obvious and necessary. A circular economy is designed to maximise the value of material as an infinitely renewable resource, thereby eliminating not just waste but the very idea of wasting. The circular economy is a real, economic philosophy based on three principles: eliminating the waste and the pollution derived from goods and services, maintaining the value of products and materials over time, and regenerating natural systems.<sup>2</sup>

**1 EU ACTION PLAN 2020**

[https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC_1&format=PDF)

**2 Ellen MacArthur Foundation**

<https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>

# Emissions

## Greenhouse gases

Reducing energy consumption and using more efficient supply systems represent two decisive challenges in terms of meeting the national and supranational limits of greenhouse gas emissions set by the Paris Agreement, as well as achieving the sustainable development goals set out in Agenda 2030.

The Group's energy consumption and greenhouse gas emissions vary depending on the plant. We identify emissions linked to the production process but also to lighting and heating working environments, to logistics platforms, as well as to the fuel used by the company's fleet of vehicles.

Greenhouse gas emissions (GHG) are mainly tied to the Group's energy consumption and fall into two distinct categories.

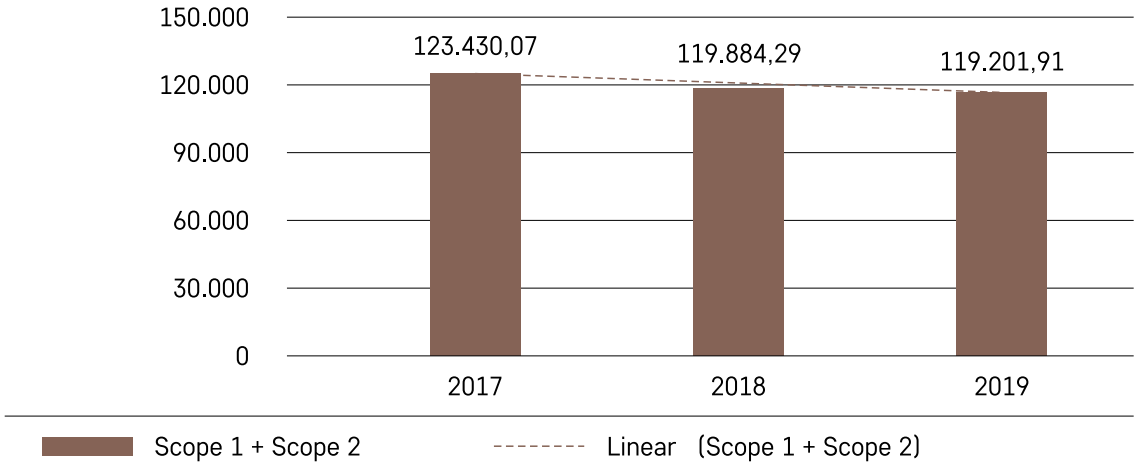
- **Direct** emissions, or *Scope 1* emissions, linked, above all, to the combustion of natural gas to generate heat and - to a lesser extent - the combustion of diesel for internal goods handling and transport.
- **Indirect** emissions of greenhouse gas, or *Scope 2* emissions, which are, on the other hand, connected to the use of electricity (produced by sources external to the company) and we refer to the emission profiles of the national energy mix (*location based*).

These emissions have been calculated - with regard to *Scope 1* - on the basis of the table of the national standard parameters for monitoring and reporting greenhouse gases - ISPRA (2017, 2018, 2019).

The emissions linked to the consumption of electricity have, instead, been calculated by considering the emission factors given in the *Istituto Superiore per la Protezione e la Ricerca Ambientale* (ISPRA) [the Italian Institute for Environmental Protection and Research] report, *Atmospheric emission factors of greenhouse gases from the power sector in Italy and in the main European countries*.

As can be seen in the graphs, there is a slight upward trend in Scope 1 emissions (direct) which is more than compensated for by the decrease in Scope 2 emissions: the sum of the two results in an overall downward trend but this should be set against the simultaneous drop in the emission factors from the national energy mix which has been in continuous fall for the last 15-20 years.

**DIRECT AND INDIRECT EMISSIONS, THE SAVIOLA GROUP - THREE YEAR PERIOD 2017-2019**



## Climate crisis

The climate crisis is the decisive challenge of our time: the last five years have been the hottest ever recorded. To achieve climate neutrality, we need to strengthen the synergies between circularity and reducing greenhouse gases. We also need the carbon currently in the atmosphere to be reabsorbed and this can be done by leveraging nature, specifically by restoring ecosystems; however, the continuous and highly funded efforts to extract fossil fuels, as well as their continued consumption, are pushing atmospheric pollution and global warming to critical levels: environmental damage will be irreparable as a result of the high quantities of greenhouse gas emissions. Subsidies for oil, gas and electricity produced from fossil fuels, fell in 2020 due to weak demand however massive investments going in the opposite direction are, clearly, counterproductive to achieving the SDGs.

**EU ACTION PLAN 2020 SDGs** [https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:9903b325-6388-11ea-b735-01aa75ed71a1.0020.02/DOC_1&format=PDF)  
<file:///C:/Users/c.giuliani/Downloads/The-Sustainable-Development-Goals-Report-2020.pdf>

## Emissions

### Direct/ Scope1 - Indirect/scope2

The European Commission has stated that the current EU policy framework alone will not be enough to enable us to reach our 2050 goals and to fulfil the commitments made under the Paris Agreement.

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Setting up Europe's 2030 climate ambition - Investing in a climate-neutral future for the benefit of our people.

<https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52020DC0562&from=EN>

## Polluting emissions and abatement systems

### SAVIOLA

The biomass power generator and the methane power generator at the Radicofani plant mainly emit NO<sub>x</sub>, SO<sub>x</sub> and dust.

On the other hand, a non-hazardous waste co-incineration power plant produces electrical energy at the Sustinente plant. The power plant runs on wood waste and wood dust (derived from the production of wood panels) and on secondary solid fuel. In the grate furnace used to produce electrical energy, the mix of the solid fuels used can contain a maximum of 30% of secondary solid fuel.

In 2019, wood waste (78%), 2,017 tonnes of wood dust (2%) and secondary solid fuel (20%) were used as fuels.

The plant has emission monitoring and control systems that continuously record, process and store the concentration values, (accessible in real time to supervisory authorities). For each parameter subject to periodic analysis, samples are taken at suitable times and an external laboratory analyses them.

Combustion fumes are subject to the following treatment systems:

- post-combustion chamber;
- selective non-catalytic reduction (SNCR DeNO<sub>x</sub>) in the post-combustion chamber;
- acidity neutralisation by horizontal scrubber with aqueous solution of caustic soda at 30% or by wet electrofilter.

Downstream of the fume treatments, in 2019, the main pollutants emitted by the Saviola plants are nitrogen oxides (67.4%), ammonia (12.9%), volatile organic compounds (8.8%), formaldehyde (4.7%) and dust (4.2%).

ATMOSPHERIC EMISSIONS, SAVIOLA - 2019	
Emissions	% 2019
Nitrogen oxides (NO <sub>x</sub> )	67.4%
Ammonia	12.9%
Volatile organic compounds (VOC)	8.8%
Formaldehyde (CH <sub>2</sub> O)	4.7%
Dust	4.2%
Carbon monoxide (CO)	1.5%
Other	0.4%
<b>TOT</b>	<b>100%</b>

Compared to 2018, overall emissions increased by 0.3%. In detail, emissions increased for ammonia (+68.7%), volatile organic compounds (+18.3%), formaldehyde (+2%), carbon monoxide (+11%). Emissions decreased for dust (-12.6%), nitrogen oxides (-7.9%) as well as for other pollutants including zinc (-61%), sulphur oxides (-53%) and hydrochloric acid (-8%).

## COMPOSAD

In the Composad plants (Viadana and Gerbolina), emissions are monitored from the chimneys relating to the sectioning, squaring-edging and drilling systems, in order to detect particulates, formaldehyde, volatile organic compounds, nitrogen oxides and carbon monoxide. The greatest emissions are those of volatile organic compounds: these are chemicals that can be found, for example, in products used for painting, in degreasers, additives and thinners.

Compared to 2018, a slight increase of 5.3% was seen in total emissions (due to increased production), along with reductions in the percentage of volatile organic substances, particulates and carbon monoxide, and an increase in the percentage of formaldehyde and nitrogen oxides.

ATMOSPHERIC EMISSIONS, COMPOSAD - 2019	
Emissions	% 2019
Volatile organic substances (VOS)	56.0%
Formaldehyde (CH <sub>2</sub> O)	19.3%
Nitrogen oxides (NO <sub>x</sub> )	15.9%
Particulates	8.6%
Carbon monoxide (CO)	0.2%
<b>TOT</b>	<b>100%</b>



## SADEPAN

The Viadana plant's atmospheric emissions are the result of treatment plants for process gaseous effluent, of the granular fertiliser production unit, of dust abatement filters, of the thermal power plant running on methane and of diffuse emissions.

Since spring 2009, a recovery system has been dealing with hot gases emitted from catalytic afterburners which are used to dry air in the production of granular fertiliser (Sazolene); this recovery operation has resulted in a significant reduction in methane consumption to heat the air needed for this process.

The Sadepan emissions must comply with the requirements and limits set out in the *Autorizzazione Integrata Ambientale* (AIA) [Single Environmental Authorisation] issued following the decree by the Italian Ministry of the Environment, Land and Sea, DVA-DEC-2011-0000423 of 26/07/2011 published in the Official Gazette no. 193 of 20/08/2011. The reclassification of formaldehyde in January 2016 as a category 1B carcinogenic substance has led to the Lombardy Region setting tighter restrictions on emissions into the atmosphere: Sadepan has, therefore, carried out a critical review of its emissions that contain formaldehyde, submitting an application to the competent authorities for a partial review of the Single Environmental Authorisation. The procedure concluded with the Italian Ministry of the Environment, Land and Sea delivering a definitive judgement - DVA 99/1177 of 01/03/2019 - that provides for a reduction in the formaldehyde limits across all emissions starting from 01/01/2021.

The emissions from the catalytic afterburners are checked by a continuous monitoring system with measurements taken of the concentrations of Total Organic Carbons, effluent flow and temperatures: the data is filed and made available to the Supervisory Authorities in accordance with UNI EN 14181.

On a bi-monthly basis, a qualified, external laboratory takes samples and measurements of: formaldehyde, methane, dimethylethene, ammonia, oxygen and dust.

The same laboratory, again on bi-monthly basis but on alternating months to those for the previous checks, only monitors and measures formaldehyde on the same chimneys. This check is not required for the Single Environmental Authorisation but is organised by Sadepan in order to increase the checks over its emissions.

One other important issue is the depletion of atmospheric ozone caused by **refrigerant compounds (R22)**. From 2014 to the 1st half of 2015, R22 refrigerant compounds were replaced with F-gas in every plant in Sadepan. The production site is, therefore, free from ozone-depleting substances.

The emissions monitored at the Truccazzano plant come from the impregnation lines, from storage tanks and from the vacuum circuit used by the resin production department.

ATMOSPHERIC EMISSIONS, SADEPAN - 2019	
Emissions	% 2019
Volatile organic compounds (VOC)	24.3%
Nitrogen oxides (NO <sub>x</sub> )	21.9%
Formaldehyde (CH <sub>2</sub> O)	21.5%
Carbon monoxide (CO)	14.2%
Sulphur oxides (SO <sub>2</sub> )	12.0%
Phenols	6.02%
Methanol	0.2%
<b>TOT</b>	<b>100%</b>

There is also a boiler which runs on methane (Babcock Wanson of 2,500,000 kCal/h) to heat the diathermic oil (a carrier fluid used to transfer heat to production processes), whilst less significant are the emissions produced by methane boilers to regulate the temperature in the phenol storage tanks.

The main pollutants in the emissions from the Sadepan plant at Truccazzano (MI) are volatile organic compounds, nitrogen oxides, formaldehyde, carbon monoxide and sulphur oxides.

Compared to 2018, the polluting emissions recorded are, overall, down by 17.2% and, compared to the total, an increase was seen in the percentages of volatile organic compounds, carbon monoxide and sulphur oxides emitted, whilst there was a reduction in nitrogen oxides and formaldehyde.

# SAVIOLATALKS :

## “The Circular Economy as a lever for Sustainable Development”

A circular economy is a particularly effective driver of change in the name of sustainability as it proposes a radical revision to the traditional model of production and consumption. In recent years, businesses and other socio-economic parties have placed increasingly greater attention to the challenges of sustainability, culminating, at the international level, with the publication of the so-called “Agenda 2030”, the United Nations’ strategy aimed explicitly at achieving the sustainable development goals. Agenda 2030 recognises the circular economy as an essential lever for sustainable development. Businesses need to adopt virtuous practices based on circularity that can contribute, in a fundamental way, to creating an economy in which (i) waste and pollution are minimised thanks to the conscious design of products,

processes and services, (ii) the value of resources is maintained as long as possible, and (iii) natural systems are regenerated.

The transition to a Circular Economy is an objective promoted and supported by levels of European policy, some national governments and many companies throughout the world. The concept is also being pushed both by the business community and by policy makers. The great potential of a circular economy is its ability to attract and involve companies which are called upon to apply the concept in order to contribute operationally to the prospect of sustainability.

The logic that best sets out the argument for a circular economy (and to implement it effectively) is this: given the effort to extract resources from nature and to then transform them into products and services, and



which have an economic value, it makes no sense whatsoever to simply use such products and services once, or, in any case, to use them for a limited time. They need to be used many times over and for as long as possible in closed cycles. If you can exploit the value found in a particular resource time and time again, the pressure on virgin raw materials is eased and the overall environmental impact is reduced as we move towards a more sustainable situation. Only if the example set by industry leaders - who have started to operate in accordance with the principles of a circular economy in several sectors - is followed and reflected in the production system in its entirety, will it be possible to effectively pursue the urgent priorities that the United Nations has laid out with the release of Agenda 2030.

**Fabio Iraldo,**

Full Professor of Sustainability Management, the Institute of Management, School of Sant'Anna di Pisa



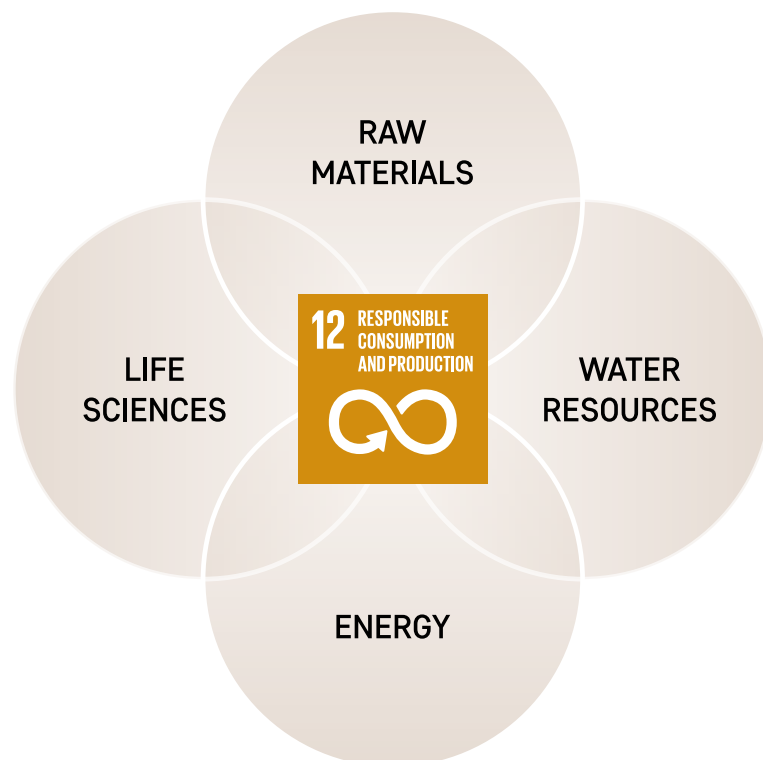


The Saviola Group's  
**SUSTAINABILITY  
STRATEGY**

*“The Group works to continually improve based on well-established and defined principles: a tree which stretches its branches towards the sky whilst remaining anchored by its deep roots.”*

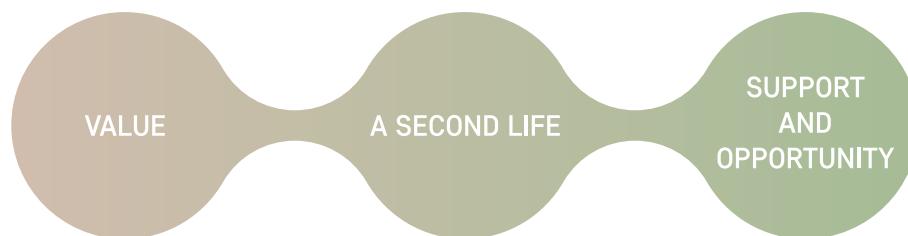
## The Saviola Group today

For many organisations which prepare a Sustainability Report for the first time, measuring and reporting their impacts through specific KPIs can be a tool for reflection and an opportunity to better understand the effects of their actions with regard to environmental and social issues.



Among the Sustainable Development Goals of Agenda 2030, Objective 12 - Responsible Consumption and Production - is the mark of a symbiotic relationship which ties the ecosystem to the Group's activities: the environment generously makes its resources available, the Saviola Group enhances them through responsible production and consumption models, and generously reciprocates with a model based on industrial ecology thanks to a production philosophy that is intrinsically immune to waste. The will to lessen the impact on the environment across every Business Unit in the Group translates into increasingly greater attention being paid to the recovery of water resources, to the production of energy from renewable sources, and to the efficiency in the use of raw materials. It integrates perfectly with the Group's new division which has set itself the objective, not only of having an ethical production system that respects the environment, but also of supporting the ecosystem and the region through natural solutions: the Life Sciences B.U.

The Saviola Group is not a hand which takes. It is a hand which gives:

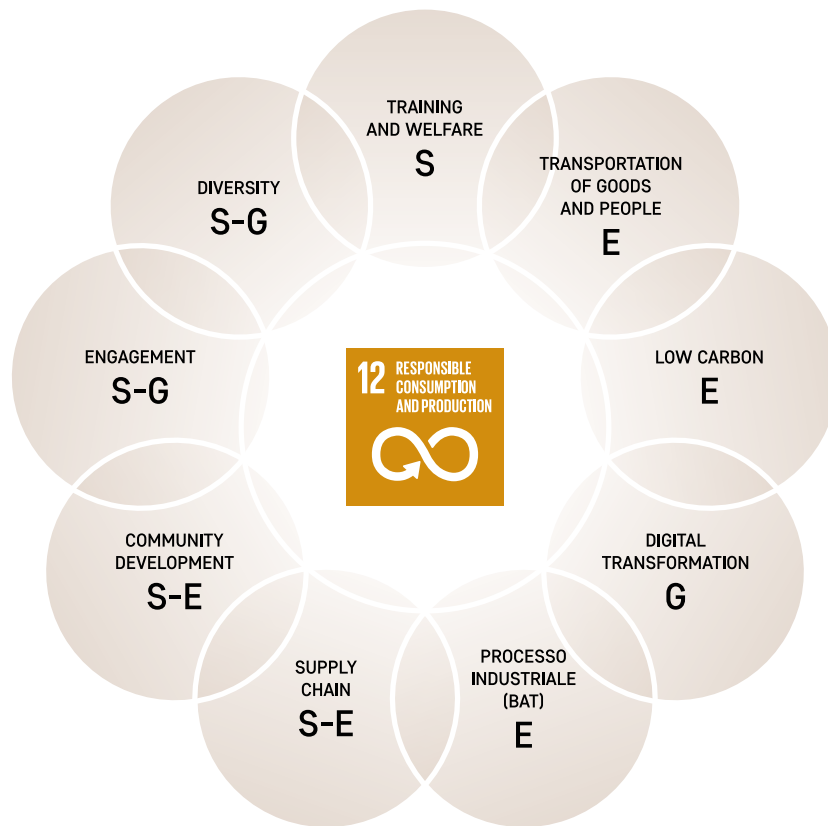


## The Saviola Group tomorrow and the tools to achieve its objectives

Having a clear starting point is the first step in defining the next steps on the path to sustainability in the mid- and long-term.

If the Group continues to recognise itself in the mission set forth by Objective 12 of the Sustainable Development Goals, then the next few years will see, on the one hand, the development of a stronger, more structured planning ability, including with regard to social topics, and, on the other hand, greater awareness and determination that will be focused on certain environmental issues that presently have room for improvement.





The Group will act, with even greater incisiveness and ambition, on a range of issues, some of which are:

### Governance

1. Appointing an **ESG committee** that will set the ESG objectives, integrating them with the business and financial plans, linking their achievement to bonuses for managers (Management By Objective, MBO); these objectives will be assigned to various departments within the company on the basis of investment priorities and available resources - six-monthly checks will be done on how well the set objectives have been, or are being, achieved;
2. Greater sharing of material issues;
3. **Stakeholder engagement** in which the engagement initiatives are scheduled each year for the mid- to long-term, and are diversified by category of target audience, documented by recording the results and the impacts on materiality.

## Environmental

1. The Saviola Group's **environmental meter**;
2. **CDP** for carbon data;
3. Identification of the **indicators** and the **technologies** in which to invest energy and resources: improvement plan and "green" investments;
4. Development policy relating to the **packaging** of products and the **transportation** of goods -> waste and **logistics**;
5. Movement of people (policy to purchase and use company vehicles);
6. Environmental assessment of **suppliers**;
7. CO<sub>2</sub> savings monitoring and impact measurement.
8. The Group, although performing well from the environmental point of view, still intends to extend the implementation of its integrated energy consumption monitoring system to outside the organisation and to include other types of indirect emissions (Scope 3), such as those emitted by suppliers to the Group.  
The Group also plans to assess the opportunity for launching habitat protection and restoration activities.

## Social

1. Increasingly facilitated communication on values, oriented towards the community and the needs of customers who are increasingly attentive to and aware of their choices for products that come from ethical production which respects the environment and the ecosystem;
2. Environmental and social development projects for **communities**: going beyond sponsorships;
3. Social assessment of **suppliers**;
4. Assessing the opportunity to include human rights policies and procedures in training sessions;
5. Assessing the opportunity to identify and implement a service or programme to promote health, offered by the company voluntarily to its employees in order to address the main health risks, including those not strictly connected to work, and how the company can facilitate employee access to these services and programmes;
6. Continuing moving towards the objective of “zero accidents”;
7. With regard to stakeholders, the Group, as a result of the Sustainability Report, will assess their current involvement with the aim of having them participate in awareness and educational programmes and involving them in consultation activities in order to support the identification and management of the highest levels of governance of economic, environmental and social topics, and their relative impacts, risks and opportunities.
8. **Training** programmes on sustainability and ESG factors: the environment, rights, welfare, gender diversity, anti-corruption;
9. Implementation of a **digital platform** to collect, file and monitor data, allowing key KPIs to be monitored from year to year.

## GRI STANDARD CORRELATION TABLE

<b>GRI 101 FOUNDATION 2016</b>		
<b>GRI 102: General disclosures 2016</b>		
Disclosure	Page number(s)	Notes/omissions
102-1 Name of the organisation		Cover
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102-3 Location of headquarters	1, 9, 20, 21	
102-4 Location of operations	20, 21	
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102-6 Markets served	9, 10	
102-7 Scale of the organisation	9	
102-8 Information on employees and other workers	67, 68, 69, 70	
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102-10 Significant changes to the organisation and its supply chain	19, 53	
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102-13 Membership of associations	93	
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102-43 Approach to stakeholder engagement	26, 27, 28, 29	
102-44 Key topics and concerns raised	30	
102-45 Entities included in the consolidated financial statements	37	
102-46 Defining report content and topic Boundaries	37	
102-47 List of material topics	30	
102-48 Restatements of information		No restatements since this is the first edition of the Saviola Group's Sustainability Report
102-49 Changes in reporting		No changes since this is the first edition of the Saviola Group's Sustainability Report
102-50 Reporting period	37	
102-51 Date of most recent report		This is the first edition of the Report
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#### GRI 205: ANTI-CORRUPTION 2016

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205-1 Operations assessed for risks related to corruption	62, 63, 64, 65	
205-2 Communication and training about anti-corruption policies and procedures	62, 63, 64, 65	
205-3 Confirmed incidents of corruption and actions taken	62, 63, 64, 65	

### Economic topics (GRI 200)

#### GRI 301: MATERIALS 2016

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301-1 Materials used by weight or volume	101, 102, 104, 105, 106	
301-2 Recycled input materials used	101, 102, 104, 105, 106	

#### GRI 302: ENERGY 2016

Disclosure	Page number(s)	Notes/omissions
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302-1 Energy consumption within the organisation	108, 109, 110, 111, 112	
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#### GRI 303: WATER AND EFFLUENTS 2018

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#### GRI 305: EMISSIONS 2016

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103-1, 103-2, 103-3 Management approach	71	
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403-4 Worker participation, consultation, and communication on occupational health and safety	82	
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**GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016**

Disclosure	Page number(s)	Notes/omissions
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**GRI 406: NON-DISCRIMINATION 2016**

Disclosure	Page number(s)	Notes/omissions
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Disclosure	Page number(s)	Notes/omissions
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417-1 Requirements for product and service information and labelling	86, 87, 88	





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