

2022 Sustainability Report



The **Eco-Ethical** Company

Edited by:

Saviola Group – ESG Committee

In collaboration with:

Fedabo Spa SB

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The **Eco-Ethical** Company



2022
Sustainability
Report



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Saviola Group The Eco-Ethical Company

1.1

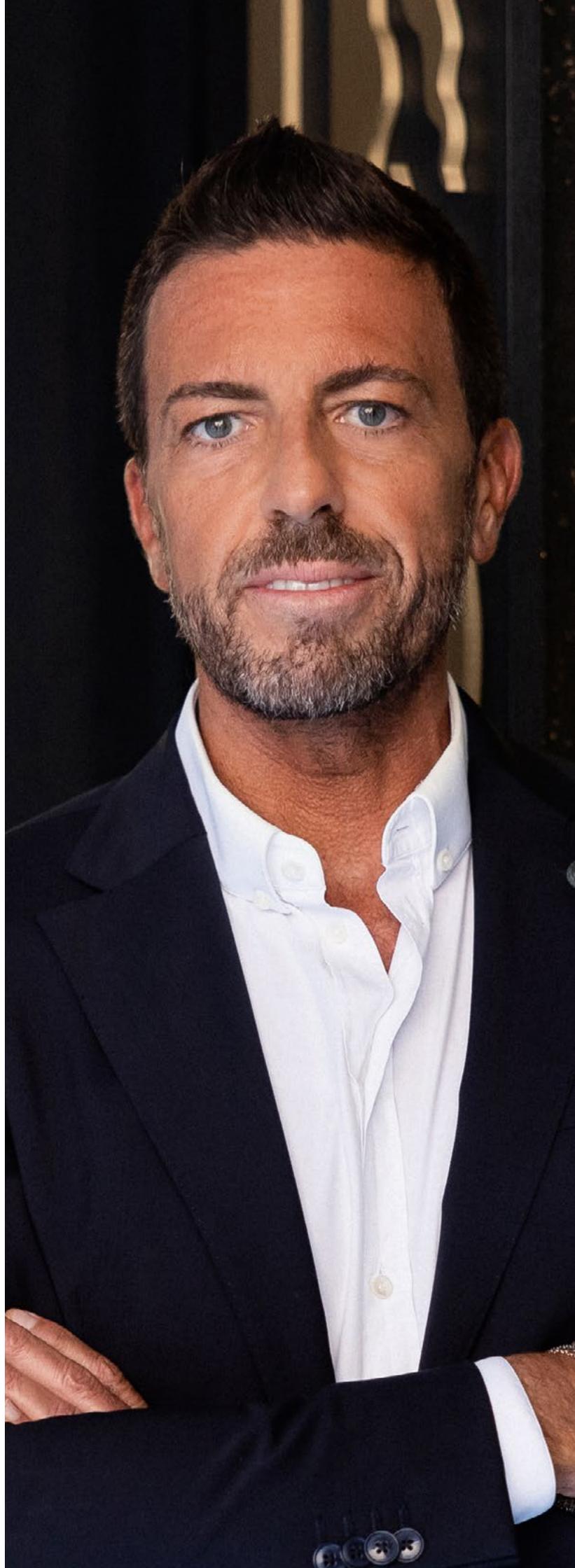
Letter to Stakeholders

Saviola Group presents the fourth edition of the Sustainability Report, a work characterised by the constant commitment of all company functions aimed at representing the Environmental, Social and Governance issues of the Group in a way that is as exhaustive and transparent as possible. It is a path begun in 2019 capable of bringing concrete results, with the aim of always making the Group's mission consistent with the Sustainability Plan. The international scenario of 2022 was characterised by a global energy crisis that led the Group to innovate itself, as it has always been customary to do within our company from its inception to today. Change has always been an opportunity to seize new opportunities: throughout the year 2022 we have expressed at various times the revolution that has distinguished our production process from virgin wood to post-consumer wood. We were the first in the world to invent the Ecological Panel and it is bringing positive results to the market. Today more than ever, because consumers and citizens in general are increasingly respon-

sible and attentive to the environmental and social role of companies, as well as to the quality of their products. Our company strives every day to generate benefits for the ecosystem, for example, by saving the lives of thousands of trees every day, consequently limiting the emission of CO₂, making the use of raw materials more efficient and starting to recover almost all of the waste produced. The urgency of the moment stimulates Saviola Group to improve itself to keep up with innovations, and in moments of uncertainty the strategic decision is always in the most sustainable direction possible. The energy issue has been at the centre of public debate, so Saviola has introduced a five-year energy transition plan that will lead us towards energy self-sufficiency and the optimisation of processes. The same can be said for accompanying the decarbonisation objectives which are an ambitious plan towards the enterprise of the future. We know that companies play a fundamental role, because they are aggregators of communities and never as in this historical moment are they the fulcrum of the generation of change with respect to the world we want. Gruppo Saviola ideally embraces everyone, young people who want to face the challenges of the future with great determination and seriousness, but it acts equally positively towards those who are no longer so young and want to leave a positive trace for the generations to come. With this spirit we

launched our communication campaign "Nuova Vita", on tiptoe we wanted to demonstrate how an industrial system (masterfully interpreted by the female figure who plays the violin) can awaken in all consciences a desire to positively impact the reality that surrounds us, making responsible and sustainable purchasing choices. Today it can and increasingly will be the duty of every responsible citizen to do so. We've learned that zero impact is a utopia, but positive impact is what everyone has to impose on themselves, their family, their company or association. This initiative opens, after a difficult period, to a new vision of the future, aware that trust is the only answer for the implementation of a model that aims at the development of shared value. With this edition of the Sustainability Report, a scenario is consolidated in which the Group, thanks to the maturity developed in reporting, will leave more and more space for internal and external stakeholders to continue to improve, also thanks to the relationship with the world in a perspective of openness and continuous innovation.

Alessandro Saviola
Saviola Group President



1.2

Methodological note and reading guide

Saviola Group publishes the fourth edition of the sustainability report according to the option *with reference to* the GRI Standards of the Global Reporting Initiative, with the aim of communicating to its internal and external stakeholders the virtuous commitment to reporting undertaken on impacts and selected issues related to economic, social and environmental sustainability.

In 2021 the GRI Standards were revised at international level, and Saviola Group with the 2022 edition promptly implemented these changes in accordance with the new version of the same. For this report we have used, therefore, the new references that in some cases can replace almost entirely the previous standards, in others, they work side by side, providing an additional element of analysis.

In drafting the document, the principles of materiality, accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability were adopted.

As better illustrated in the dedicated chapter, relating to the analysis of materiality, in 2022

it was decided to maintain the same material topics identified for the previous reports, in order to allow a coherent comparison, proposing however the reading through an analysis of the actual and potential impacts of the company, positive and negative, on the environment, community and economy. To achieve this result, the reference company figures were involved, with whom the degree of magnitude/severity and, for potential positive and negative impacts, the probability of occurrence were identified for each material theme. This has allowed an effective analysis of the different topics touched on, in light of the importance they have for stakeholders.

For each reported theme, the correlation with the Sustainable Development Goals is proposed.



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY 	2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 
6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 
11 SUSTAINABLE CITIES AND COMMUNITIES 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND 
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 	 SUSTAINABLE DEVELOPMENT GOALS		



Environmental, social and governance topics were presented in an aggregated manner at the Holding level; Focuses were conducted on specific topics of interest to the Saviola Group as well as interviews with authoritative voices on the national and international scene (#SaviolaTalks).

The information reported refers to the Saviola Group organisation, whose Holding is based in Viale Lombardia 29 Viadana (Mantua), for the period from 1 January to 31 December 2022.

The company scope considered is defined by Saviola Group and includes the activities carried out at the Headquarters of Viadana and the offices related to the Saviola, Sadepan, Composad and Saviolife Business Units.

In the 2022 report, the Ecolegno network and the Rheinspan company were also added, which, especially with regard to the environmental sphere, are analysed separately from the rest of the Group, although formally belonging to the Wood Business Unit (Saviola), to allow an effective comparison of the data with respect to the previous reference year, in which they were not reported.

For the collection of data, it was carried out through the ESGeo platform, a system that allowed a timely entry of data that had been identified as relevant by reference figures, without excluding any production or commercial site. The structural complexity of the Group and the variety of its production processes, as well as the human and material resources distributed in it, does not allow total homogeneity in data

collection, precisely because some values are not relevant (or available) for all company sites. In these cases, an analysis of the data available in aggregate form was carried out.

To better understand downstream reporting and analysis, the text also contains information relating to the three-year period (2020-2022).

The 2022 Sustainability Report was approved by the ESG Committee on 6 July 2023. The document has been audited by KPMG S.p.A. in the form of "limited assurance".

The report was carried out with the support of the consulting company Fedabo Spa SB.

For details on the subject of the audit work and the procedures carried out by the independent auditor, please refer to the report published from page 140 to page 143.

For any further information on the topics covered in the Report and for more information, please write to the dedicated email address: info@saviolaholding.com





1.3

The Eco-Ethical Company

Transforming waste, even one as noble as wood, into a finished and quality product, is the purpose that animates the production process of Saviola Group, a leading company in the production and processing of post-consumer wood, in a constant commitment to the protection of the precious environmental heritage of our territory and also beyond these borders.

Circular economy and sustainable development are at the heart of the Group's business model, together with the drive towards innovation and continuous improvement of production processes. The waste wood collected throughout Europe thanks to the Ecolegno network is processed (recovering and allowing the recycling of other materials) in combination with the other elements produced by the Group (resins, glues, edges and decorative finishes) with the aim of

generating a chipboard ready for other processes or directly converted into a finished product (furniture in kits). The Group also has a Trasporti Delta operating unit that allows the recovery of new waste material in a virtuous cycle without limits and without cutting down new trees: New life to wood, long life to trees.

All this is thanks to the complete vertical integration of the supply chain, consisting of four Business Units that allow the Group to reduce waste and minimise production costs and environmental impacts:

Saviola (100% recycled wood)

Sadepan (Sustainable Chemistry)

Composad (Furniture in RTA kit)

Saviolife (Life science)



The **Eco-Ethical** Company

 **saviola**

 **sadepan**

 **composad**

 **saviolife**

Our roots

We believe in a sustainable future

At the centre of our daily commitment are the Sustainable Development Goals (SDGs) to which we contribute through the reduction of emissions, the saving of raw materials, the preservation of the ecosystem.

We do circular economy

Our company is an example at international level of perfect integration of the supply chain: from recycling to the finished product and again to recovery in a virtuous circle in which each phase is optimised and minimises waste.

Manufacturers are responsible for the entire life cycle

Each new product is destined to become waste and it is the duty of all manufacturers to think through the entire process until the end of the cycle through the Extended Production Responsibility model.

The public and the private sectors **must** work together

We promote the adoption of the best environmental standards across Europe. We believe in Green Public Procurement, a tool that can drive the market towards sustainable production.

Recycling before **combustion:** let's not burn Made in Italy

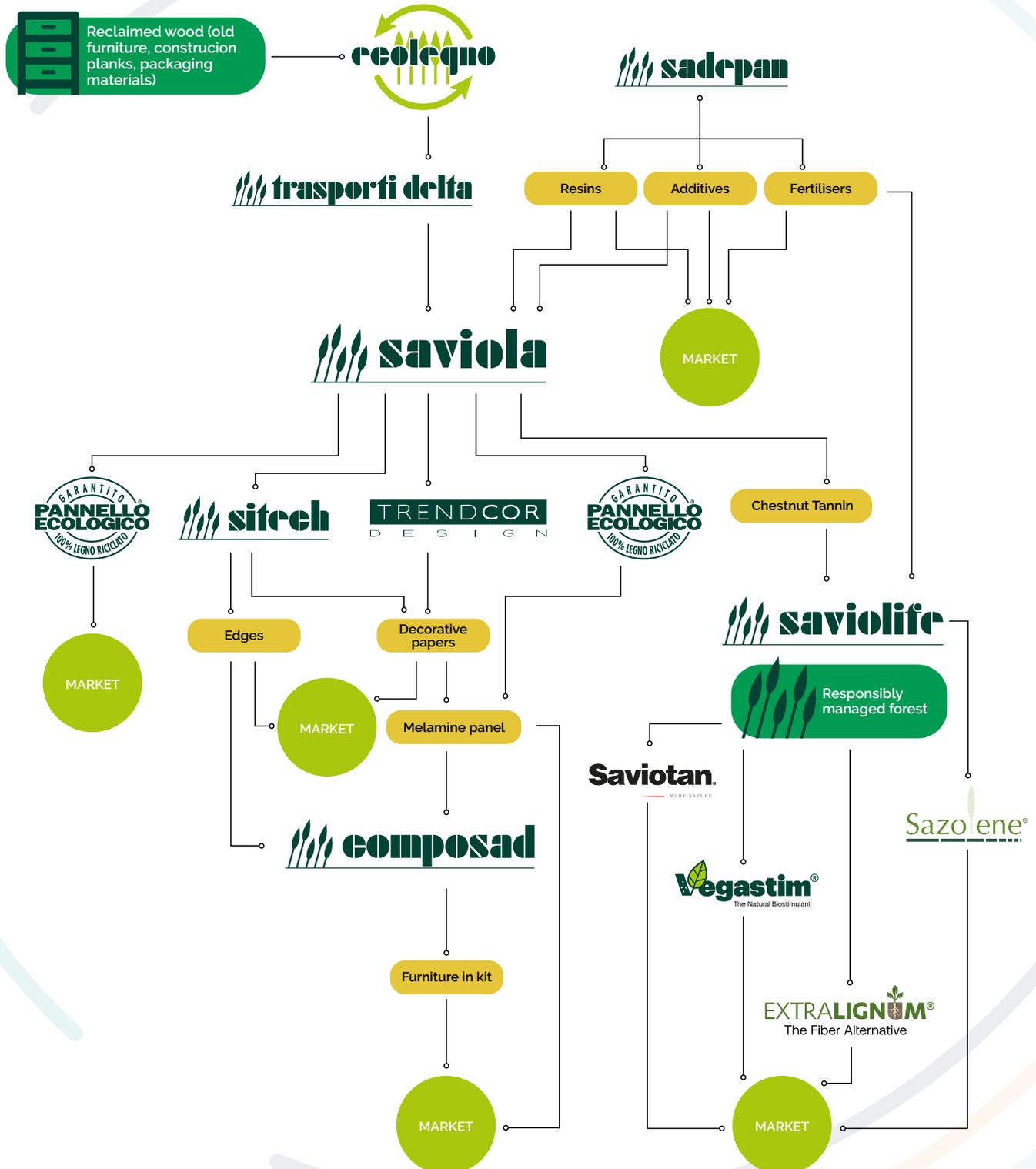
For us, the recycling of wood must take precedence over its combustion. We have a precious resource, we must use it in the best way.

Chemistry can be **sustainable**

Panels with emissions close to those of virgin wood, a natural alternative to antibiotics for farm animals, a plant-based product for leather tanning: for us, sustainable industry means improvements not only in business logic, but also for the world around us.

1.3.1

The Saviola Group's production process: circularity as a business model





OUR
FOOTPRINT
IN THE WORLD
SINCE 1963

The brothers Angelo and Mauro Saviola, together with Dino Del Ton establish Sadepan, a company specialised in the production of particle board.

1963

History of Saviola Group

1973

The Chemistry plant begins operation, specialised in the production of glues and resins. Thus a system based on an integrated production logic is born.

New acquisitions are added to deal with the expansion of the market, thus constituting an industrial system.

1983

The company begins to produce the Ecological Panel, made of 100% recycled wood. The company's Eco-Ethical approach is based on a circular economy system.

1992

The entire production is based on 100% ecological panels from recycled wood.

1997

Composad is established, specialised in the production of furniture in kits. Vertical integration of the supply chain is completed.

2000

2009

Alessandro Saviola assumes the leadership of the Group and starts a path that makes the company efficient and competitive.

2013

The Group launches Trendcor: creative technical workshop in Frankfurt.

2019

Saviolife is established, Business Unit dedicated to Life Sciences: from agriculture to livestock, up to the tanning sector.

2020

Saviola Holding enters the capital of the German company Nolte: thus Rheinspan was established, specialised in the production of melamine-faced panels.

2022

Saviola Group launches its first omnichannel communication campaign "Nuova Vita".

Glimpses
of the
future

Saviola Group acquires Advachem (Belgium) and acquires 74.9% of Rheinspan.

1.3.2

Year 2022: the number highlights

€ 872 MLN

Turnover (millions of euro)

1.811

Number of employees 2022

2.500.000

Square metres of industrial area

€ 200,3 MLN

Ebitda/23% revenue 2022

€ 153,3 MLN

Ebit/18% revenue 2022

€ 110 MLN

Net result (millions of euro)

27

Number of Ecolegno centres

1.500.000

Tonnes of wood recycled

6.000.000

Furniture in kits made

1.3.3

Chips 2022

Kilometroverdeparma project:

A new urban forest is born thanks to Kilometroverdeparma and Saviola Group, participating in the fundraising "Donate new roots to Parma", for the reforestation of a total area of 12,000 square metres in which 750 new trees will be planted.

Ca' Foscari Challenge School:

With Ca' Foscari Challenge School, Gruppo Saviola supports the training of young professionals of the University's Master in "Sustainable environmental sanitation and remediation of contaminated sites".

Sustainability Award for Saviola Group:

Sustainability Award given to Gruppo Saviola as the leading Italian sustainability company in the Best Company sector, by the promoters KON Group, Credit Suisse and their partners Forbes, Università Cattolica del Sacro Cuore and RepRisk.

Myplant&Garden Milano:

Saviola Group is present with Saviolife at Myplant&Garden in Milan, the most important professional trade fair for horticulture, garden and landscaping in Italy.

GreenItaly Report:

Saviola Group is included by Symbola and Enel Group among the 100 successful circular economy cases, considered significant in terms of the solidity of the solutions adopted and originality.

kbb Birmingham Trade Fair:

Present with Saviola at kbb Birmingham, the world's largest exposition of the best brands of kitchens, bedrooms and bathrooms.

High Point Trade Fair:

Composad is the protagonist of High Point Market, the largest furniture and furnishing trade fair in the American territory, guests in the iconic Natuzzi building at Casa Italia, the showroom dedicated exclusively to Made in Italy companies.

Felix Magazine Industry Award 2022:

Saviola Group has been awarded the High Balance Sheet Award of the Felix Magazine 2022 Industry Award as the best large company for management performance and financial reliability Cerved. The Award is among the first awards given on the basis of a company balance sheet survey.

Digital Green Week:

As part of the Digital Green Week, Saviola Group participated in the webinar "Sustainability information as a lever for business development" organised with Ricicla.tv and IEG Italian Exhibition Group. The Digital Green Weeks represent five stages of a virtuous path designed by Ecomondo to guide the community of the green economy through the new scenarios of the ecological transition.

New Ecolegno Valecobois Rhone-Alpes centre in Lyon:

An inauguration that strengthens the supply network in the area south of France, a production area of absolute importance. The Ecolegno centres of Saviola Group deal with the capillary collection of post-consumer wood, which allows the creation of green panels and furniture from 100% recycled wood.

Fuorisalone 2022:

Participation in Fuorisalone 22 in Milan with the installation LEGEND. the renaissance, to discover together a new way of conceiving the house and design.

Meet the Champions:

Saviola Group has been selected as a Champion Company in the context of "Meet The Champions", the initiative of ItalyPost and Corriere L'Economia that tells the story of the best performing Italian companies.

EcoForum:

Saviola Group is Main Partner of the 9th edition of EcoForum by Legambiente, events that took place in Milan and Rome, to talk about Circular Economy, between innovation, development and sustainability.

Flormart Padova:

Saviolife participates in the Flormart in Padua, the international exhibition of nursery, greenery and landscaping. During the event, Saviolife was awarded an award in the category of innovative technologies and technical means for wood-based substrates.

Lema:

"Sustain sustainability" is the theme on which Lema has involved Savioli in order to tell our story and speak of our identity. Guests at the stand of the Allegrini Group at SIA Hospitality Design in Rimini.

Nuova Vita:

Communication campaign that allowed Saviola Group to publish its advertising messages on TV, print and digital channels for the first time with a media strategy that presented the company to the general public.

SICAM Pordenone:

Saviola Group participates in the SICAM Pordenone Trade fair with the proposal "LEGEND. the renaissance" inspired by the issues of Light-Form-Colour presenting three types of furniture.

Ecomondo:

Saviola Group participates in the Ecomondo Trade fair in Rimini with the message "Feeling the Ecological Future", thus celebrating 25 years of collaboration. As part of the event, Saviola Group was also the protagonist of the Green Economy General Assembly.

Mercury Prize:

For its integrated approach to design, circular economy and sustainability in Europe and worldwide, Saviola Group has been awarded the Special Recognition "Green Excellences in the Wood Chain" at the Italian Embassy in Berlin as part of the prestigious Mercury Award.

Più300:

Saviola Group gave its testimony during the event organised by the Gazzetta di Mantova and Confindustria Mantova linked to the excellent economic realities of the Mantua territory.

National Recycling Industry Conference:

Saviola Group participates in the National Conference of the recycling industry, promoted by the Foundation for Sustainable Development, in collaboration with CONAI and Pianeta2030, and with the patronage of the Ministry of the Environment and Energy Security.





READ COMMITMENTS AND RESULTS THROUGH THE SUSTAINABILITY REPORT



Maurizio Marano

Professor of Sustainability Reporting, University of Bologna

The challenge of the transition to sustainability involves businesses, public administrations and citizens. It is a challenge that is won by everyone getting active in it. Some companies have started to get active a long time ago, for others the start is more recent; some instead are only now catching the signs of change and are beginning to wonder how to start their journey.

Of this journey, sustainability reports constitute a kind of reportage, a circumstance certainly true for those companies that base their business model on the circular economy. These reports serve to communicate with transparency and clarity the commitments that the company makes, the actions it develops, the resources it puts in place and, above all, the results it achieves. Communicated according to appropriate metrics and authoritative standards, the results reflect the continuous improvement effort that the company makes over time. These reports are valuable communication tools, as they enable stakeholders to understand the coherence and effectiveness of the system of governance, organisational and management

solutions that the company develops in the implementation of its sustainability strategy and, in particular, in adhering to a circular economy model. In this way, they allow the company to be recognised for its social and environmental qualities, promoting the conclusion of commercial relations with other groups that make sustainability a criterion for the selection of partners, facilitating access to credit and reducing its cost, increasing the motivation of its human resources.

But since sustainability is achieved only through a path made of coherence, the sustainability report is not only a communication tool, but also a governance one. Starting from a strategy based on the identification of the current and potential impacts of the organisation and the contribution it can make to the achievement of the United Nations Sustainable Development Goals (SDGs), governance organises and plans sustainability; at the managerial level, policies and tools are adopted for the management of sustainability, as well as projects are developed to improve social and environmental performance. But in line with the motto "if you can't measure it, you can't improve it!" these strategies require specific tools for measuring results. The authentically sustainability-oriented company therefore has information systems based on performance indicators and selectively conveys the information for the preparation of a report that gives the measure of success achieved on the most relevant sustainability issues. The report we arrive at is the photograph of the existing situation but it is also the "film" of the completed path, an image that is the starting point for innovations.

If the report is a document that summarises the journey towards sustainability and that enables readers to evaluate the companies that write them, understanding their profile, commitments and results, it should be added that the experience gained in reporting sustainability reveals a new opportunity today. Companies that - in line with their own value tension - prepare these reports with seriousness and sincerity will be able to make the accumulated experience a valuable resource to fulfil the obligations that the transposition of the European directive on corporate sustainability reporting (Directive 2464/2022) will put in front of thousands of Italian companies. A measure made necessary by the fact that the march towards sustainability must involve the entire economic system and the production of appropriate information on the paths taken must be pervasive.

That is why as economic operators, investors and citizens we must look closely at the reports of companies that narrate their sustainability. Companies speak about themselves, show themselves, and with our attention we can enhance their commitment and consistency.

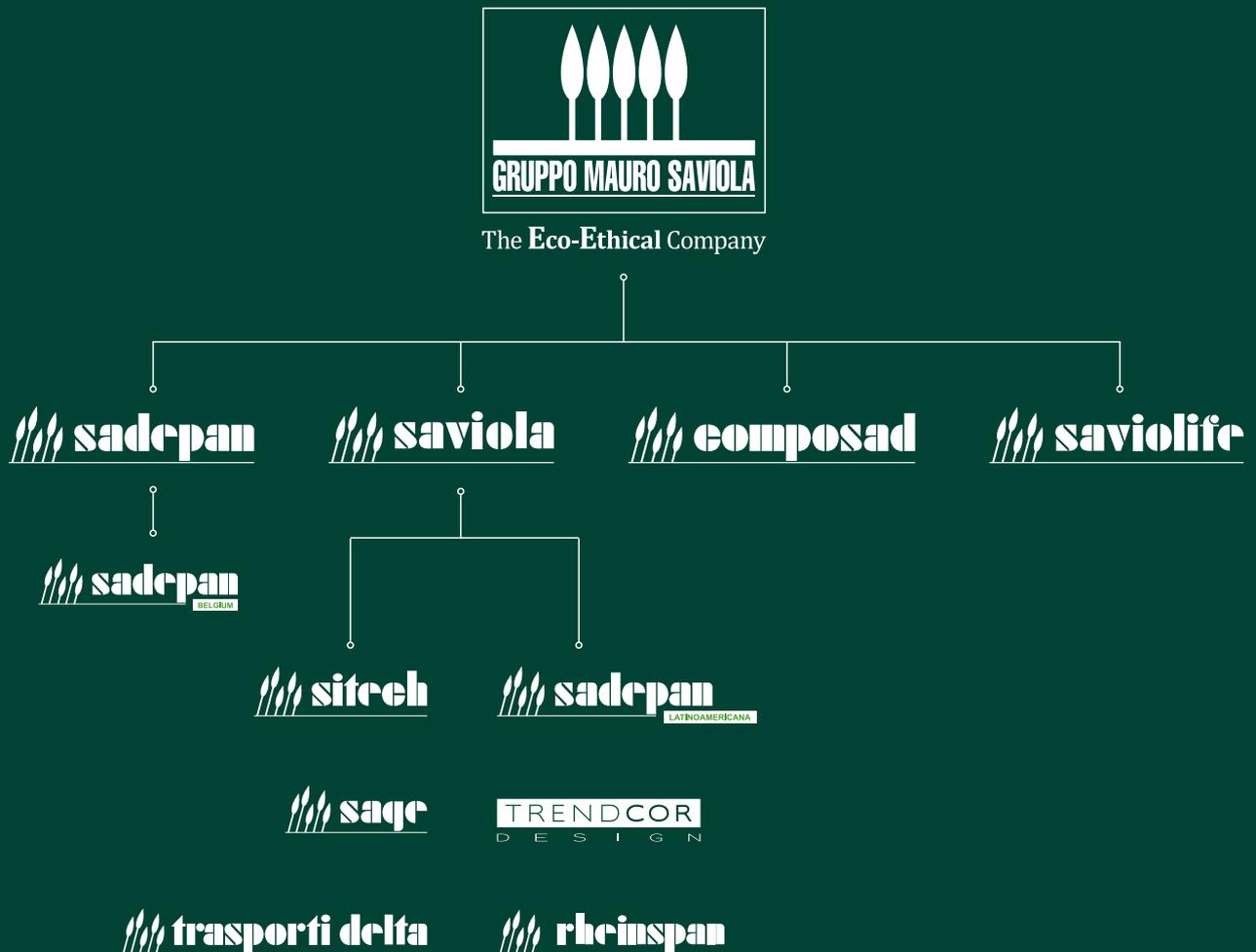
saviola Talks

1.4

Saviola Holding

Today many companies are talking about circular economy or will be forced to do so. For us, it is simply our DNA, which impacts on every business, strategic, design and economic choice. Processes, production, use of resources, product lifespan and end of life of the same: all these elements in Saviola are fundamental and interlinked to create a true Eco-Ethical Company.

Saviola Holding is the Parent Company based in Viadana (Mantua), where it all began. It deals with the management and coordination of subsidiaries in an efficient system that performs the management function: administration, management control and finance, procurement, human resources, energy, environment, health and safety, IT development, communication and sustainability.



Headquarter

Viadana – Mantova (Italia)

1.4.1

Saviola Group Certifications

The performance of a company depends on its ability to respond to the needs of a constantly evolving market. Due to the growing sensitivity that international markets have developed towards production and product standards, adopting certifications and monitoring

systems is an element of increasing relevance in all sectors. These certifications allow us to document the quality and reliability of a product, as well as guarantee a high level of transparency capable of improving relations with stakeholders. These certifications allow companies to maintain a prominent position in the sector in which they operate by ensuring consumers a reliability certified by a qualified entity.

BUSINESS UNIT	SYSTEM			PRODUCT
	ENVIRONMENT	SAFETY	QUALITY	
Saviola Holding	/	/	ISO 9001:2015	/
Composad	/	ISO 45001:2018	ISO 9001:2015	FSC® - (FSC-C011298)
Saviola	ISO 14001:2015 (Sadepan Latino Americana, Trasporti Delta Srl, Ecolegno* EMAS (Rheinspan))	ISO 45001:2018 (Sadepan Latinoamericana and Trasporti Delta)	ISO 9001:2015 (Saviola, Sadepan Latinoamericana, Trasporti Delta, Ecolegno*)	FSC® (FSC-C001524) PEFC (CQ-PEFCCOC-24414) + ICILA- (PEFCCOC-004401) REMADE IN ITALY (sites Viadana, Mortara, Sustinente, Refrontolo, Premaor/ Miane, Montelabbate) 4 STARS, Quality Award E1, CARB P2, TSCA Title VI, CPR Pannello Ignifugo (site Viadana) MED Laminato (site Mortara) Quadrotto Ignifugo (site Sustinente) SCS Recycled Content Certificate (Sadepan Latino Americana)
Sadepan	ISO 14001:2015 (site Viadana, Genk) and EMAS (site Viadana)	ISO 45001:2018 (sites Viadana, Truccazzano, Genk)	ISO 9001:2015 (sites Viadana, Genk)	FSC® (FSC-C116161) (site Truccazzano)
Saviolife	ISO 14001:2015 (site Radicofani)	/	ISO 9001:2015, ISO 22001:2018 (site Radicofani)	FSC® (FSC-C174847), FSC®(FSC-C023376) (site Radicofani) PEFC (CQ-PEFCCOC-30572), FAMI-QS and GMP PLUS FCA, Biologico Ammendanti (site Radicofani)

*All ECOLEGNO sites in Italy controlled in majority by SAGE as of 31/07/2022: - SAGE SRL (Holding Network ECOLEGNO), Ecolegno Brianza srl, Ecolegno Milano Est srl, Ecolegno Airasca Srl, Ecolegno Firenze Srl, Ecolegno Valdelsa srl, Dur.Eco Srl, Ecolegno Forli srl, Ecolegno Brescia Srl, Ecolegno Verona srl, Eco Trans srl, Ecolegno Udine srl.

1.5

Saviola: We take care of (our) resources

Respect and responsibility are the hinges on which the Saviola world revolves. We take care of the environment, focusing on sustainability as a value, working only with post-consumer wood (100% recycled) and constantly searching.

Core Business

The Wood Business Unit, known as Saviola, consists of Gruppo Mauro Saviola Srl, based in Italy, and its Italian subsidiaries (Trasporti Delta Srl, Sitech Srl, Sitapan Srl and the companies of the Ecolegno network), as well as the Rhein-span GmbH Co.KG plant based in Germany.

The main product is the 100% Ecological Panel in recycled wood, in raw or melamine-faced options.

Saviola deals as a first step with the collection of post-consumer wood, the production of edges, the ennobling of panels, impregnated and laminated papers, semi-finished products derived from the panel for the furniture industry and the related transport and logistics services to and from the production site. Each trip is managed with a view to optimisation in order to minimise its environmental and economic impact.

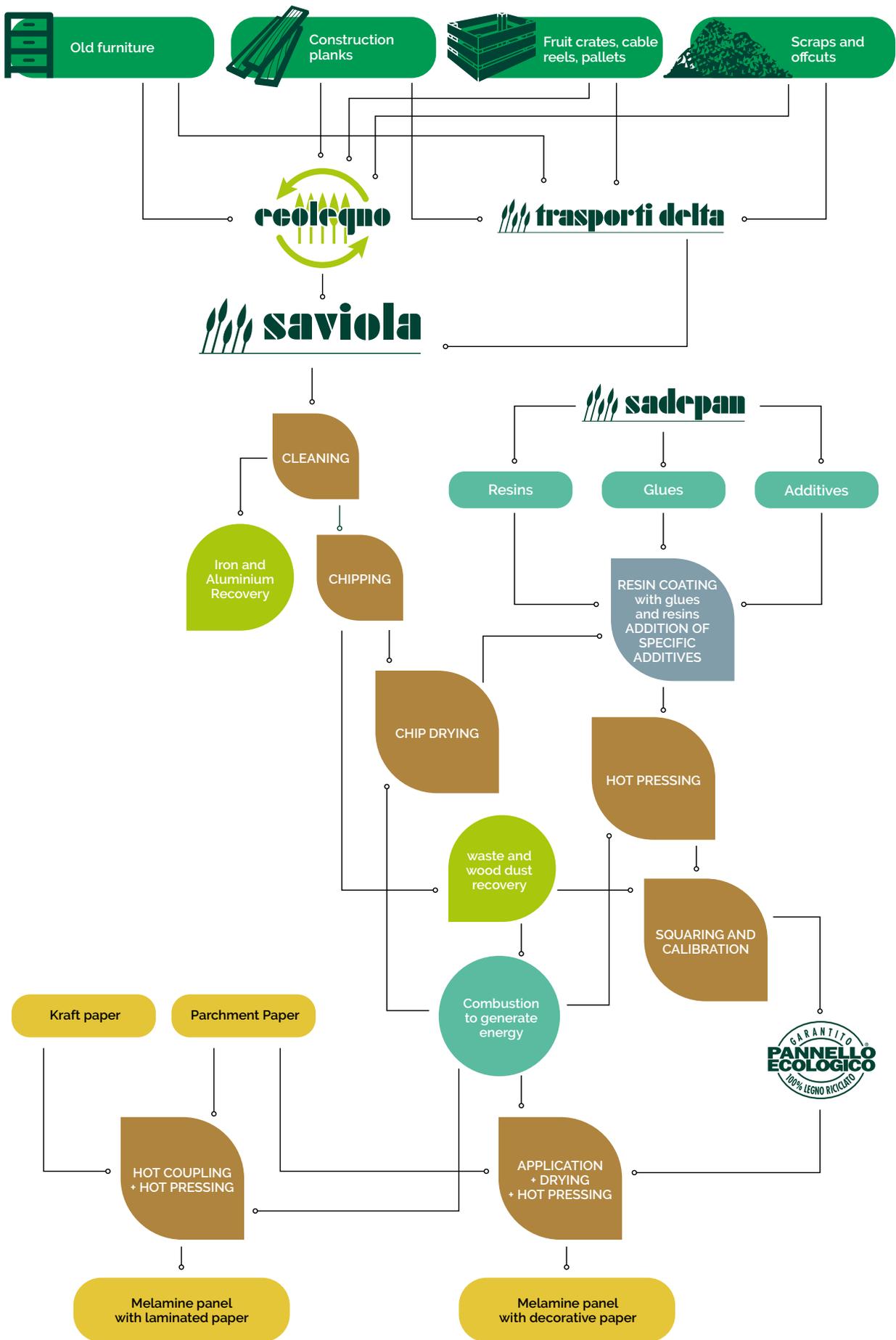
Locations

- Viadana – Mantua (Italy)
- Sustinente – Mantua (Italy)
- Mortara – Pavia (Italy)
- Radicofani – Siena (Italy)
- Refrontolo – Treviso (Italy)
- Miane – Treviso (Italy)
- Montecalvo in Foglia – Pesaro Ubino (Italy)
- Montelabbate – Pesaro Ubino (Italy)
- Conception Del Uruguay (Argentina)
- Francoforte (Germany)
- Germersheim (Germany)

Products

- Raw and melamine-faced chipboard panels
- Continuous plastic laminates
- Fine melamine-faced, chipboard and mdf panels
- Borders in abs and pp
- Furniture components
- Surfaces
- Finished impregnated decorative papers (paintable or finished)
- Digital prints

Ecological Panel Production Process



1.5.1

FOCUS: Elementum 2.0 Collection



GEA



OCEANUS



QUINTUS



VENTUS



VULCANUS

Elementum 2.0 is the new Saviola Collection, a selection of decorative and finishes designed on interior design trends. It is a coordinated kit of melamine-faced panel (100% recycled wood), laminate and edge, which accompanies the choice of a product that supports the care of the environment and the person.

The Elementum 2.0 collection is inspired by the elements of nature and is a design container, offering an exclusive selection of trendy, refined and elegant products.

The coordinated kit is divided into 5 product families and updates the latest creative inspirations regarding the world of wood-furniture, without sacrificing ecology and sustainability.

Vulcanus contains decorative materials inspired by the strength and dramatic richness of the volcano that symbolises light, energy, heat, power, dynamism, creativity, spontaneity, reaction and evolution.

Gea refers to the concept of the earth as an element associated with form, life and origin itself, using panels with a rustic effect.

Ventus is inspired by the element of air: for this reason the solid colour and the patterns of the panels are coordinated to a concept of breath and balance.

Quintus represents the decorative elements in which the texture blends with the design, creating a unique and perfect complicity.

Oceanus is the line that contains the most classic type of design, inspired by the serenity of water. The characteristic of these decorations is that they are extremely flexible, receptive and adaptable to any environment.

1.6

The Ecolegno Network

The Ecolegno Network, created in the nineties by Saviola Group, is confirmed again this year as a pillar for the separate collection of wood in Europe.

Thanks to these centres, which are the real nerve centre of the supply of Saviola's raw material, about 1.5 million tonnes of post-consumer wood are collected annually in the Saviola system that contribute to saving 10,000 trees per day. It should be noted that the Group, with the acquisition of Rheinspan, is working to make post-consumer wood an increasingly important source for the German production plant.

The Ecolegno centres were born in Italy by intuition of Mauro Saviola from the desire to increase the separate collection of wood and at the same time reduce waste. The centres are located near the major urban centres, both nationally and abroad (France and Switzerland). In 2022, the network reached 23 collection centres with the entry, compared to 2021, of a new centre in France and new sites in Italy.

The centres represent the first step of a path that leads wood waste to becoming a finished product, our ecological panel, after the appropriate processing.

The waste collected at the centres is subjected to a qualitative verification in such a way that the raw material collected is compliant, healthy and does not generate problems during the production process. The collection and management of wood involves dedicated resources (vehicle drivers and yard workers involved in sorting and volumetric reduction operations) and equipment of various kinds (trucks, truck-mounted platforms, shovels, grinders, magnetic conveyors).

Trasporti Delta, a company belonging to BU Saviola, provides the vehicles necessary for collection operations at waste producers and for the transport of waste from collection centres to production plants. The processes that take place inside the Ecolegno centres have a reduced environmental impact since they do not involve the use of solvents or chemicals: the only raw materials used are fuels to feed the vehicles and energy.

Along the supply chain, materials are subjected to strict controls, which also occur during their stay in the collection centres through checks on documentation, examinations of the material at the areas from which the waste comes and verification of compliance with environmental

regulations. In addition, an external inspector periodically visits the centres of the Network with the aim of checking, on a sample basis, the quality of the materials.

Saviola Group operates frequently in collaboration with municipalised companies: in some cases, these companies are organised in such a way as to manage first-hand the transfer of the material collected from the ecological islands to the centres set up for selection and accumulation. From these centres, the material is then transported to the Ecolegno centres or directly to the Group's plants.

Inside the centres, wood waste is subjected to a volumetric reduction and a first macro-cleaning that eliminates larger impurities, such as metal nets, upholstered parts, marble tops, etc. The other smaller components are removed upon arrival at the Group's plants, where a further volumetric reduction and removal of all other materials from the wood takes place.

Ecolegno centres represent an important step towards a more sustainable development because they allow the recovery of wood after consumption, preventing wood waste, which is normally very bulky, from being disposed of at landfills and occupying space that can be used for other materials. Recycling also avoids the methanisation process that wood waste undergoes in an anaerobic environment such as landfills, responsible for the formation of gases that contribute to the greenhouse effect.



1.6.1

Ecolegno centres The map



ECOLEGNO CENTRES

- 1 Ecolegno Brianza
Como
- 2 Ecolegno Brescia
Brescia
- 3 Ecolegno Milano Est
Monza Brianza
- 4 Ecolegno Udine
Udine
- 5 Ecolegno Verona
Verona
- 6 DUR.ECO Pesaro
Urbino
- 7 Ecolegno Firenze
Firenze
- 8 Eco-Trans Vicenza
- 9 Ecolegno Airasca
Torino
- 10 Ecolegno Forlì Forlì
Cesena
- 11 Ecolegno Roma
Roma
- 12 CGF Recycle
Monopoli
- 13 Ecolegno Genova
Genova
- 14 Gallici Ronchis
Udine
- 15 Sandei Vignola
Modena
- 16 Ecolegno Valdelsa
Siena
- 17 Ecolegno C.M.
Venezia Venezia
- 18 Sima Cornate
d'Adda Monza Brianza
- 19 Ecolegno
Bergamasca Treviglio
- 20 Ecolegno Modena
Modena
- 21 Ecolegno Picena
Martinsicuro
- 22 Ecolegno Sassari
Sassari

FRANCE

- 23 Valecobois
Aix en Provence
- 24 Valecobois
Provence Vitrolles
- 25 Valecobois
Antibes
- 26 Valecobois
Rhone Alpes Givors

SWITZERLAND

- 27 Biorec Zurigo

1.7

Sadepan: The chemistry of nature

Our most important formula: respect for Man and the Environment. We work with chemistry to guarantee every customer the maximum, from the constancy of quality and performance to the customisation of production. We work with chemistry with respect: our solutions aim at protecting man and the environment.

Core Business

When it was founded in 1973, the purpose of Sadepan, which today has offices in Italy and Belgium, was to integrate upstream the machining process of the chipboard through the production of glues and resins. Today, production is aimed both within the Group, but above all to be in the service of the market

In addition to glues, resins, hardeners, self-hardeners and impregnated kraft papers (ultra-protective papers with characteristics of resistance to cutting, impact, tearing and vibration, robustness and resistance to moisture), the Italian and foreign offices produce solid and liquid nitrogen fertilisers with slow release and npk, liquid fertilisers, all dedicated to agriculture and marketed by Saviolife.

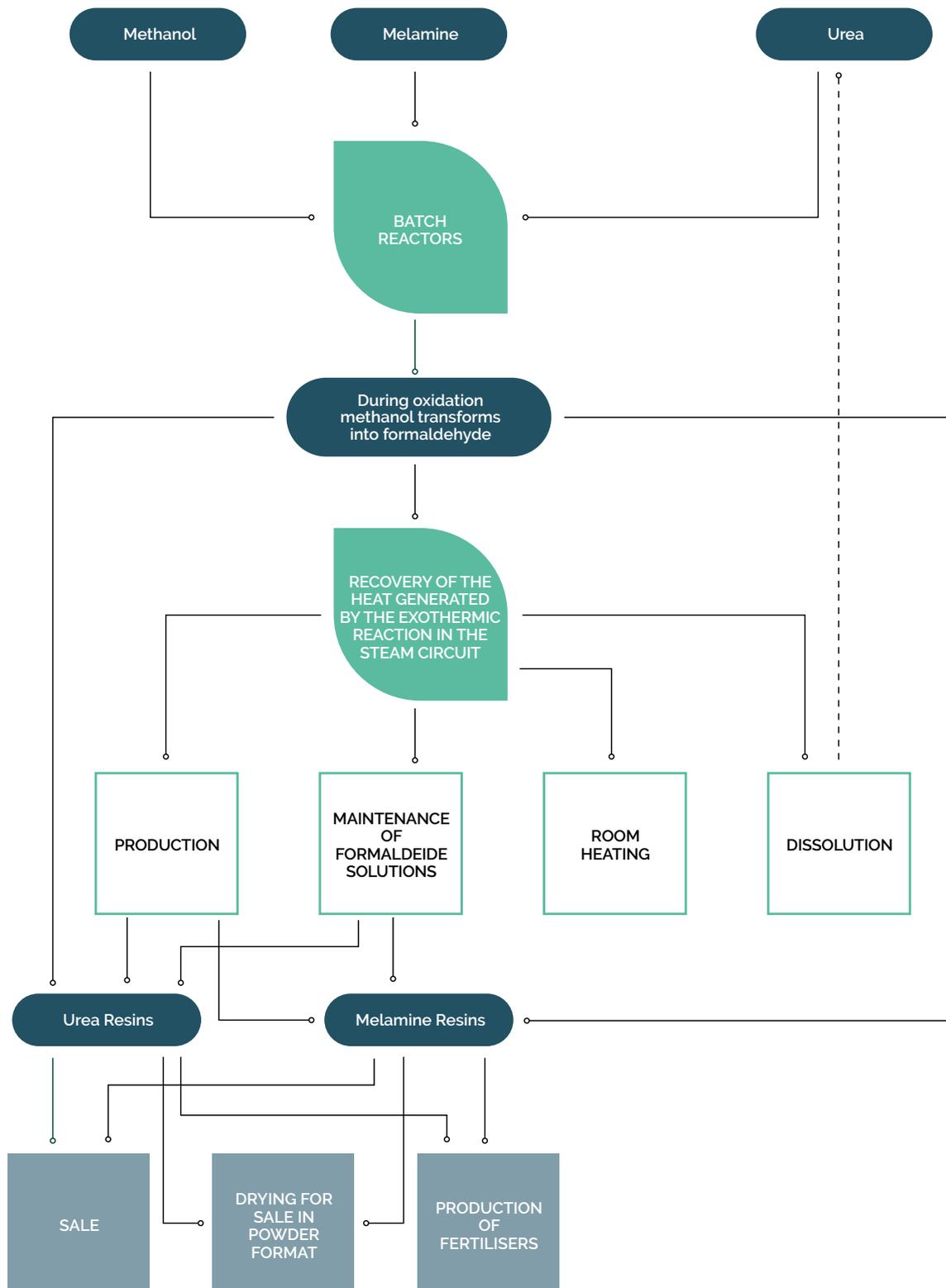
Sedi

- Viadana – Mantua (Italy)
- Truccazzano – Milan (Italy)
- Genk (Belgium)

Products

- Liquid glues and resins
- Glues and resins in powder form
- Formaldehyde
- Phenolic resins
- Cationic amide resins
- Additives and hardeners
- Impregnated kraft papers
- Nitrogen fertilisers with slow release and npk

Production process for glues and resins



1.7.1

Focus: R&D the heart of innovation

Saviola Group, with all the Business Units, carries out research and development activities annually aimed at product innovation, the development of new products, their qualitative improvement and the experimentation of new production technologies aimed at reducing energy consumption and optimising resources also through its internal structure, consisting of highly specialised technical personnel.

The R&D department has the characteristic of involving all Saviola Group departments, encouraging communication and connection by all employees. In the context of innovation meetings, the R&D department, the sales department and the finance department share objectives on innovative products to be developed and included in the reference markets, thus giving precise guidance in addition to the reporting of ongoing projects.

The main projects of the Research and Development activities for the year 2022 were the following:

New resin

The innovation concerns the new aminoplast impregnation resin, which involves replacing melamine with similar chemicals from renewable sources for the same applications and performance. For this reason, the carbon footprint will be improved with a competitive cost.

Fertilisers

Realisation of high-concentration fertilisers to optimise transport, in particular, more nitrogen and less water will be present in the formula.

Collaboration with Public Bodies for research

Use of wood fibre processing waste to be used as an alternative to recycled wood. These fibres are obtained from shrubs that can grow in arid soils and not intended for agriculture for animal and human feed after the extraction of oils and biochemical substances of various interest.

New recipes

Development of phenolic kraft primers as an alternative to the same melamines for use as a barrier in engraved finishes.

Sazolene

Development of granular Sazolene with Glatt technology, to test alternative technologies to the granular one in use.

Bioglue

Innovation in the supply of bioglue from natural sources that do not come from food or feed.

Energy transition

Replacement of raw materials from fossil fuels with similar ones from renewable sources.

Microplastics

In-depth analysis as required by the new fertiliser regulation 1009/19 (including biodegradability) to demonstrate the absence of microplastics within Sadepan (Sazolene) vs Urea coated fertilisers.

Energy consumption

Reduction of energy consumption in the Sadepan Business Unit.

1.8

Composad: Twice eco- sustainable

Beauty and functionality, industrial production and eco-sustainable development: the company's basic values are professionalism and competence, innovation and environmental protection, passion for wood and the use of the most modern industrial technologies. The Composad production takes advantage of the innovation constituted by the Ecological Panel, with which it has revolutionised the furniture market. Pursuing an "ethical" industrial development, Composad does not harm Nature but supports its biological cycles. Our mission is to export a new example of Made in Italy all over the world. Twice eco-sustainable: both ecologically and economically.

Core Business

Composad is the largest Italian manufacturer of kit furniture and DIY furniture for the main brands of Large-scale Distribution. More than 90% of the production is aimed at marketing abroad.

The Composad products were the first products marketed by an Italian company marked by the "Climate Pledge Friendly" label of Amazon and represent the perfect synthesis of vertical integration, enclosing in a functional, ecological and design result the combination between the different products of the other units of the Group.

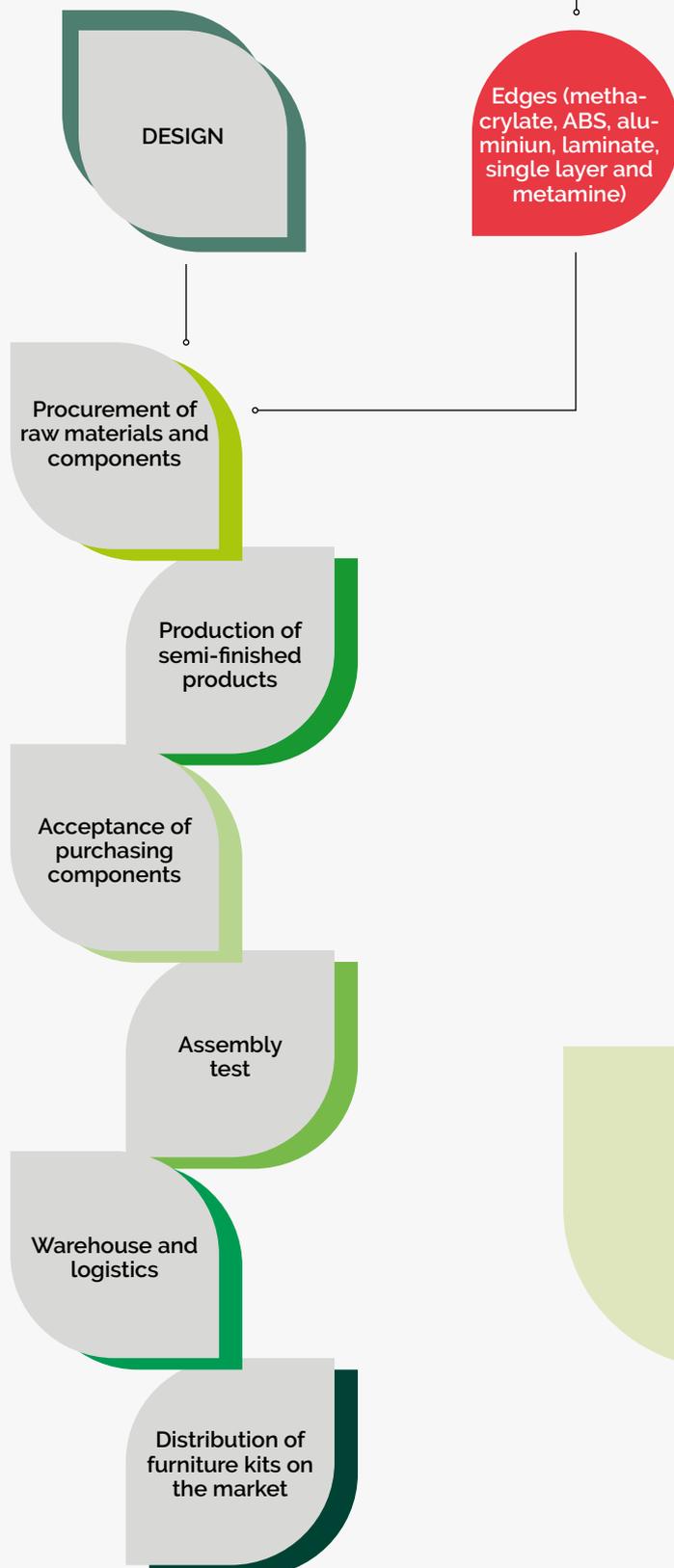
Locations

- Viadana – Mantua (Italy)
- Gerbolina di Viadana – Mantua (Italy)
- Cogozzo di Viadana – Mantua (Italy)

Products

- Bedrooms
- Living and dining rooms
- Home-office
- Bathroom furniture
- Multipurpose

Processo produttivo Composad



1.8.1

Focus: Composad and the Circular Housing Project

The Composad production takes advantage of the innovation of the Ecological Panel, thus closing the cycle of the activity of the entire Group and offering a perfect synthesis of its vertical integration, combining efficiency and ecology in the name of the circular economy.

In 2022, the residential project was realised with the Circular Housing service, promoted by Redo Sgr with the collaboration of Compass Rent and which saw, as suppliers, Composad together with Bosch and Colombini.

The project, developed in Milan 5Square, embraces the concept of circular economy and reduction of environmental impact. In particular, the innovative Circular Housing service allows new residents to rent furniture and appliances with considerable economic savings and zero responsibility for installation, annual maintenance and disposal.

For the project, Composad provided the bedroom, the living and dining rooms and the bathing area proposing the Privilege lines (night and day) and Galaverna (bathroom). Thanks to the brilliant collaboration and the union of sustainable realities it will be possible, for a family, to equip themselves with the complete furnishing of a two-room apartment with an instalment of about €100/month and to change all the furniture every 8 years in line with the classic rental contract (4+4). At the end of the rental period,

the furniture will be collected and sent to the disposal and/or reuse process.

This project perfectly fits the mission of Composad, born in 2000, which aims at exporting a new example of Made in Italy: eco-sustainable both from an ecological point of view and from an economic point of view, because it combines industrial production and ecological transition.

Both for users and for the environment, the advantages in the implementation of this project are many and the responsibility for the installation of annual maintenance and final disposal is the responsibility of specialised subjects. The manufacturer reacquires the products at the end of the contract ensuring their recovery, reuse or proper disposal.

Thanks to this model, a reduction of approximately 370 kg CO₂ eq per year per apartment is estimated, equivalent to the CO₂ absorbed by a forest of 2,000 square metres.



1.9

Saviolife: The natural alternative

In Saviolife's mission there is a true paradigm shift. Sustainability is no longer an obstacle, but a competitive advantage gained through research and development of innovative methods and solutions: supplements for farms, natural pesticides for crops that at the same time improve soil quality, slow release fertilisers that keep pace with plant growth.

Core Business

Saviolife is responsible for distributing the products of the other Business Units on the market, completing the circularity chain that distinguishes the Saviola Group's activity.

Through the patented products Sazolene, a slow-release nitrogen fertiliser free of microplastics and compatible with the nutritional needs of plants and grasses, Saviotan, 100% natural hydrolysable chestnut tannin extracted without solvents and chemical agents only from sustainably managed forests, Extralignum, a high-quality peaty substrate, suitable for organic farming and Vegastim, a natural stimulant obtained from the optimisation of the tannin extraction process and completely free of chemical residues or contaminants, contributes concretely to the preservation and development of the territory, while limiting the environmental impacts due to the dispersion of products in the atmosphere and in the waters.

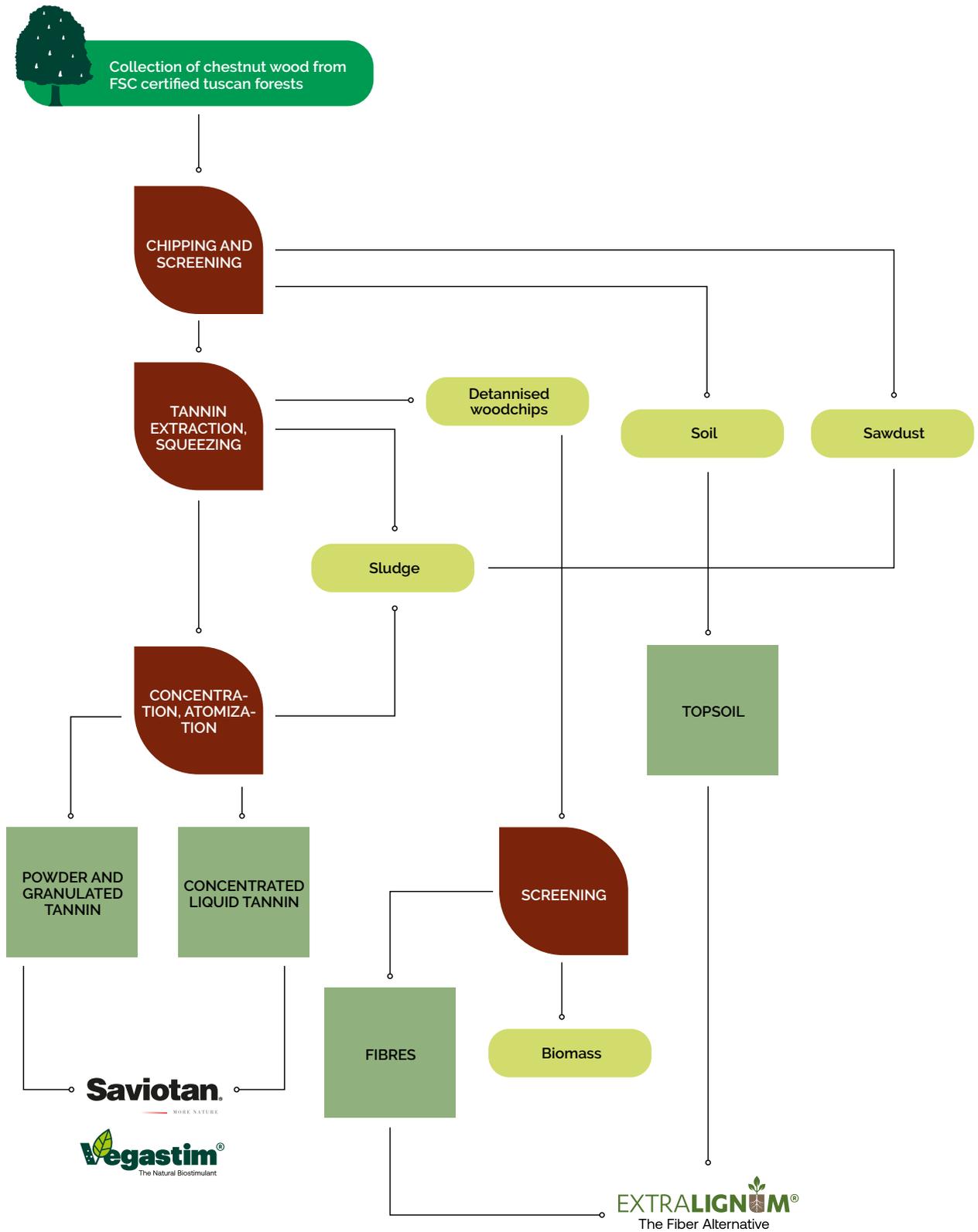
Locations

- Radicofani – Siena (Italy)
- Viadana – Mantua (Italy)

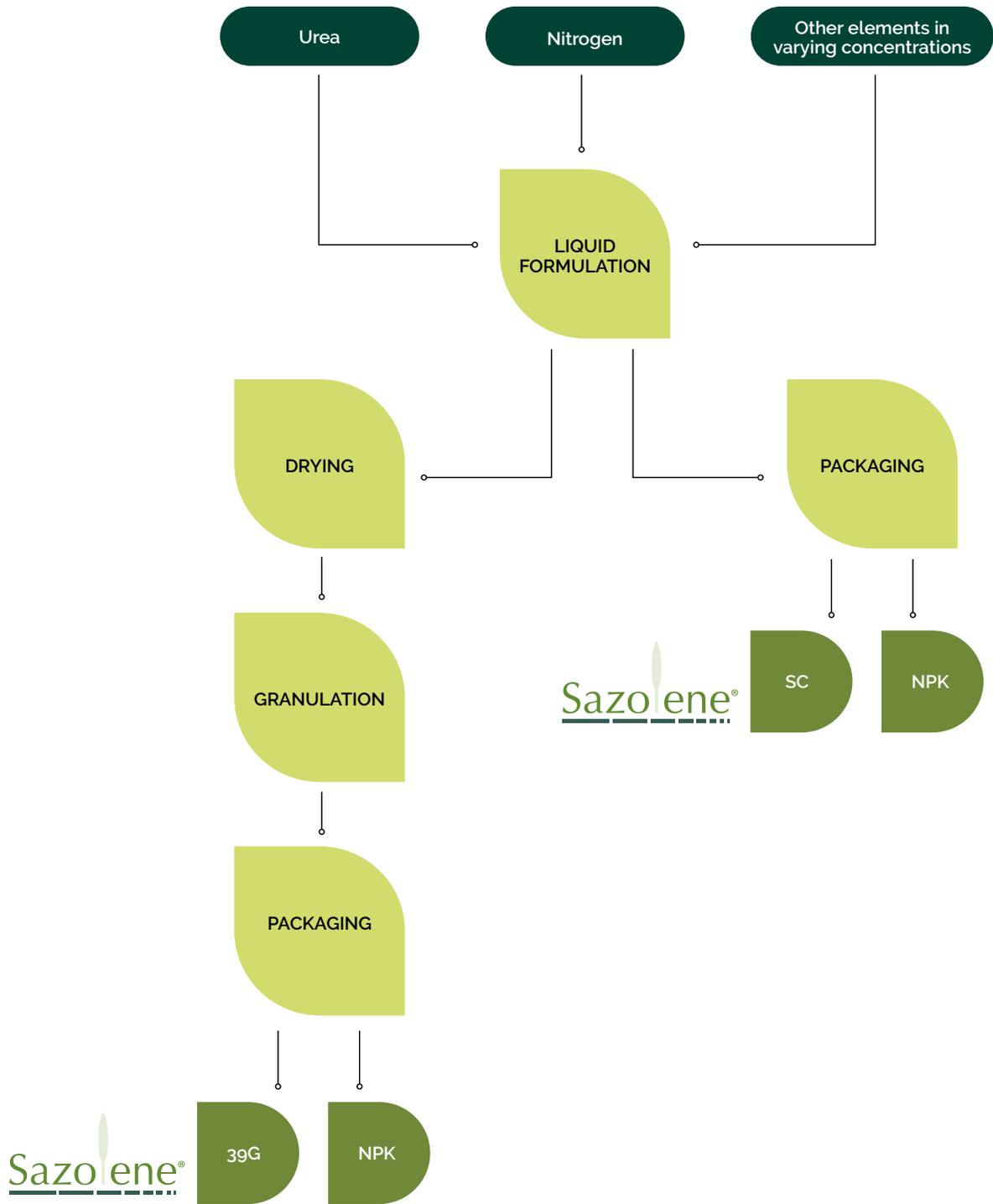
Products

- Chestnut tannin for leather processing
- Natural additives based on tannin for animal feed
- Fertilisers for conventional and organic agriculture
- Fibres for the production of soil and substrates for floriculture and nursery purposes

Saviotan, Extralignum and Vegastim production process



Sazolene production process



1.9.1

Focus: Vegastim and Extralignum, the birth of new products for Saviolife

Between a natural and sustainable alternative and one that is not, Saviola Group has no doubts and always chooses nature. To contribute to this, in 2022 the Saviolife division launched on the market two innovative products for agriculture: Extralignum and Vegastim.

Extralignum represents in the field of organic agriculture a valid alternative, ecological and sustainable, to the organic materials available today for the production of substrates. Extralignum comes from a circular production process in which waste becomes a precious resource and presents the FSC®, PEFC and Organic certifications. The properties of Extralignum are optimal for growing plants in containers. Extralignum is composed of different high quality wood fibres, with different characteristics and weights for the various products that allow the creation of substrates that can have porosity and specific structures according to the different needs of the consumer.

Vegastim is a slow release biostimulant whose main ingredient is tannin extracted from the chestnut tree of certified forests of the Tuscan area. The production is standardised, homogeneous and no type of chemical reagent is used during the production process. This makes Vegastim a completely natural product without any kind of chemical residue. The fields in which its contribution is evident concern those of particular saline and water stress (both in case of stagnant water and in case of water shortage). The acidic pH of Vegastim improves soil conditions for the absorption of nutrients, especially phosphorus and calcium. Vegastim, thanks to its process, is a product with a high concentration of soluble polyphenols.

 **Vegastim**®
The Natural Biostimulant

 **EXTRALIGNUM**®
The Fiber Alternative



THE CIRCULAR ECONOMY IS AN ECONOMY OF RESPECT



Ada Rosa Balzan

Founder&Ceo ARB

Sustainability is a word now present in everyone's daily lexicon, used and abused in advertising contexts, but what exactly does sustainability mean? Let's start by saying what it isn't. It's not just environment. That is, it is not limited only to environmental aspects, while most people associate it only with "green", environmental issues. Sustainability is so much more. This term contains in itself social and economic aspects of governance that make it an unbreakable unicum. On the contrary, we must start with people, their behaviours and how they manage an organisation, because they are the anthropic activities that impact on the environment. Nothing is zero impact. We must be aware that our choices and actions have an impact, not only on nature but also on people. Sustainability is not an abstract principle, but a very concrete way of managing the company in everyday life, according to the key issues of the centrality of people, the circular economy and a finance that becomes value for the community. Here the very aspect of profit turns into prosperity. The concept of profit is closely connected and limited to the perimeter of the company, while prosperity goes beyond those borders, it goes to all stakeholders. Kofi

saviola Talks

Annan, former Secretary-General of the United Nations, often said that he had a mission that he entrusted to each of us as a legacy and objective: to make the concept of sustainable development a concrete element. To give concreteness to something, you have to be able to measure it. What I can measure I can know and improve. Sustainability is a management tool that requires measurement, data. Sustainability is not just marketing and sustainability marketing must be based on objective evidence so as not to fall into cases of green and social washing. The principle of transparency and respect are two pillars of sustainable business management. Transparency passes from data, from sharing them and from the respect that guides the choices to reduce environmental impacts, to protecting people, respecting differences for ourselves and for future generations. The circular economy is an economy of respect for the planet, of people with the aim of producing not only goods and services but prosperity.

On the website of the European Parliament the figure that every year we produce more than 2.5 billion tonnes of waste on the territory of the European Union is immense. The planet is a finite system and the challenge today is to become as circular as possible, reducing the waste produced and considering it a value from which to become protagonists and actors of new more sustainable products that guarantee a better future for all.







2

2.1 The Group's priorities:
impacts and materiality
matrix

54

Materiality Analysis

2.1

The Group's priorities: impacts and materiality matrix

Impact assessment

In line with what is defined by the new international GRI standards, to assess the impact materiality, in 2022 the Saviola Group introduced a materiality analysis of the impacts generated by the Group on the environment, the economy and the community.

The analysis started from a study of the business context and, considering all stakeholders, assessed the positive and negative impacts (actual and potential) generated by business realities.

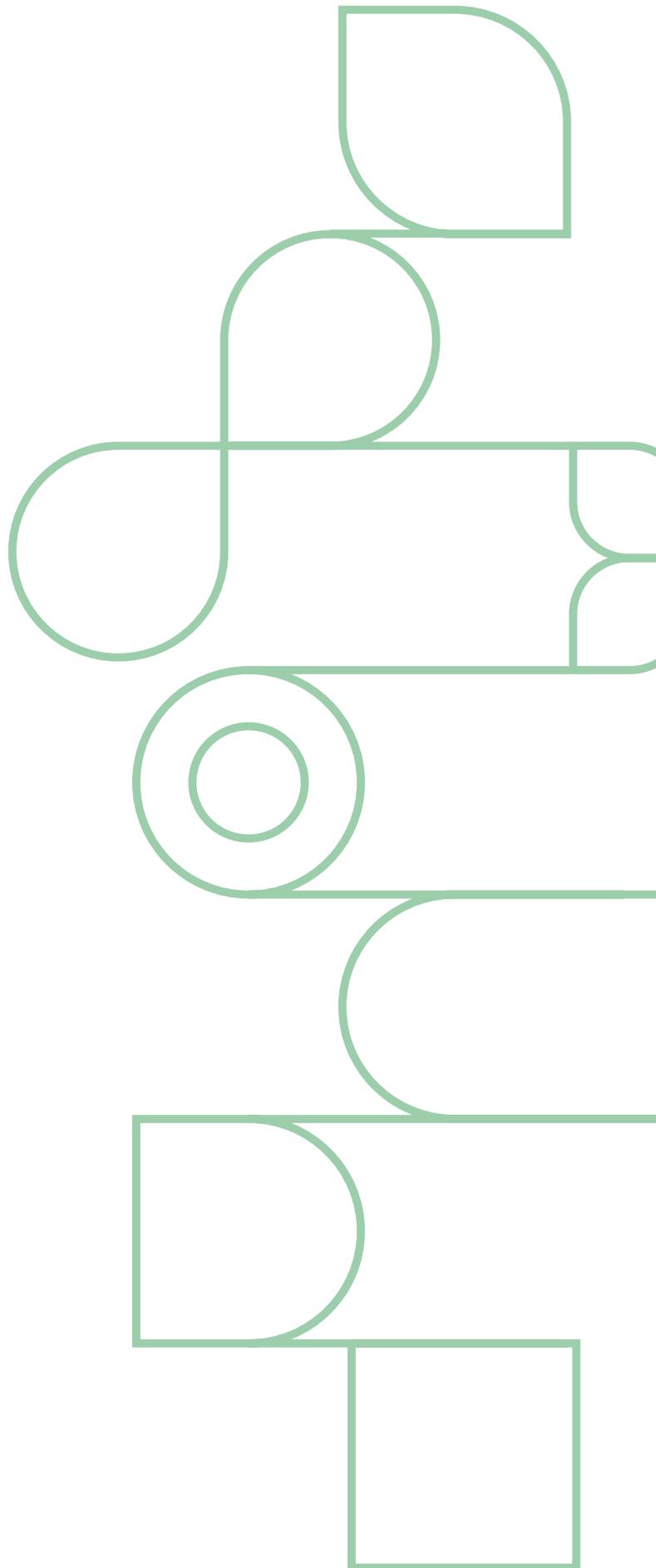
To ensure a homogeneous and representative analysis of the Group's impacts, interviews were carried out with the reference company figures in order to assess the significance of the impacts.

The impacts were classified according to their degree of magnitude and probability of occurrence in the case of potential impacts, while they were identified according to the magnitude (the extent of the damage or benefit obtained) in the case of actual impacts (positive or negative impacts deriving from events whose occurrence has already been recorded).

Values ranging from 1 to 5 have been assigned for the impact assessment scale. Regarding the severity/magnitude, in case of positive impacts (actual or potential), the highest value (5) is to be considered the best/optimal value, while for negative impacts the value 5 shows a very significant threat to the organisation (and therefore assumes a negative meaning). For the probability, however, in the case of potential impacts, the occurrence of an event is considered the more likely the higher the rating scale will be (maximum value 5).

For each impact, the actions already adopted internally for the management or mitigation of the effects generated have also been identified and

any ideas for improvement have been identified.



Identification of actual impacts

Below is a table showing the most significant actual impacts for each material theme identified within the Group's materiality matrix. The table shows the results of the analysis carried out to identify the main actual impacts, positive

and negative, generated directly and indirectly by the company.

SPHERE	PRIORITY TOPICS	IMPACT GENERATED	IMPACT TYPE	GRAVITY/ MAGNITUDE
Environment	Pollution prevention	Implementation of environmental management systems for all companies and investments in line with the best available technologies (BAT). Compliance with existing environmental authorisations and the presence of procedures for the control and maintenance of emission monitoring and abatement systems.	Positive, actual	4
		Identification of interventions for the continuous reduction of emissions below the limits and use of monitoring systems beyond the legal obligations. Attention to the necessary renewals and changes in environmental authorisations for the Group's companies.	Positive, actual	4
	Sustainable Use of Resources	Collection and processing of 1.5 million tonnes of post-consumer woody material per year, combined with the use of other processing materials from recovery. As part of the wood regeneration process, the company recovers other materials present in the waste and distributes them to other companies responsible for recycling them.	Positive, actual	5
		The organisation is active in the search for new materials with low environmental impact to contribute to the achievement of innovation and decarbonisation objectives.	Positive, actual	5
	Climate Change	Implementation of energy efficiency interventions in all business processes and increasing the proportion of energy from renewable sources.	Positive, actual	3
		Partial use of fossil fuels to meet business needs.	Negative, actual	2

Continued

SPHERE	PRIORITY ISSUES	IMPACT GENERATED	IMPACT TYPE	GRAVITY/MAGNITUDE
Social	Occupational health and safety	Implementation of management systems and operational procedures to manage health and safety aspects.	Positive, actual	4
	Working conditions	Increase the quality of life and well-being of staff through the development of smart-working and time flexibility policies.	Positive, actual	4
		Presence of performance evaluation systems for all workers.	Positive, actual	3
	Employment relationships	Guarantee of stable and continuous work, contributing to the professional and personal development of people. Presence of company supplementary contracts.	Positive, actual	4
	Transparent communication	Common work perspective enhanced for the holding company and the individual business units to ensure greater coordination and greater effectiveness of the processes.	Positive, actual	5
		B2B and B2C communication strategies that highlight the ecological and low environmental impact values of the Group.	Positive, actual	5
		Development of an internal communication strategy to involve all the Group's people, both in terms of information and training. Use of social media and digital platforms with the aim of involving all internal and external stakeholders.	Positive, actual	4
	Rights and equal opportunities	Guarantee of the right to work where skills and internal know-how are very developed aspects to always guarantee the best service.	Positive, actual	4
Governance	Fight against corruption	Presence of protocols and measures to prevent the risk of corruption and discrimination.	Positive, actual	5

Identification of potential impacts

In addition to the actual impacts, i.e. those deriving from events already recorded and occurred, the Group also analysed the potential, positive and negative impacts. To do this, the organisation assessed such impacts based on the magnitude of the impact and probability, as explained above.

The potential negative impacts for the Saviola Group

The table below shows the main potential negative impacts linked to the material topics identified by the organisation, divided by sphere (E, S, G).

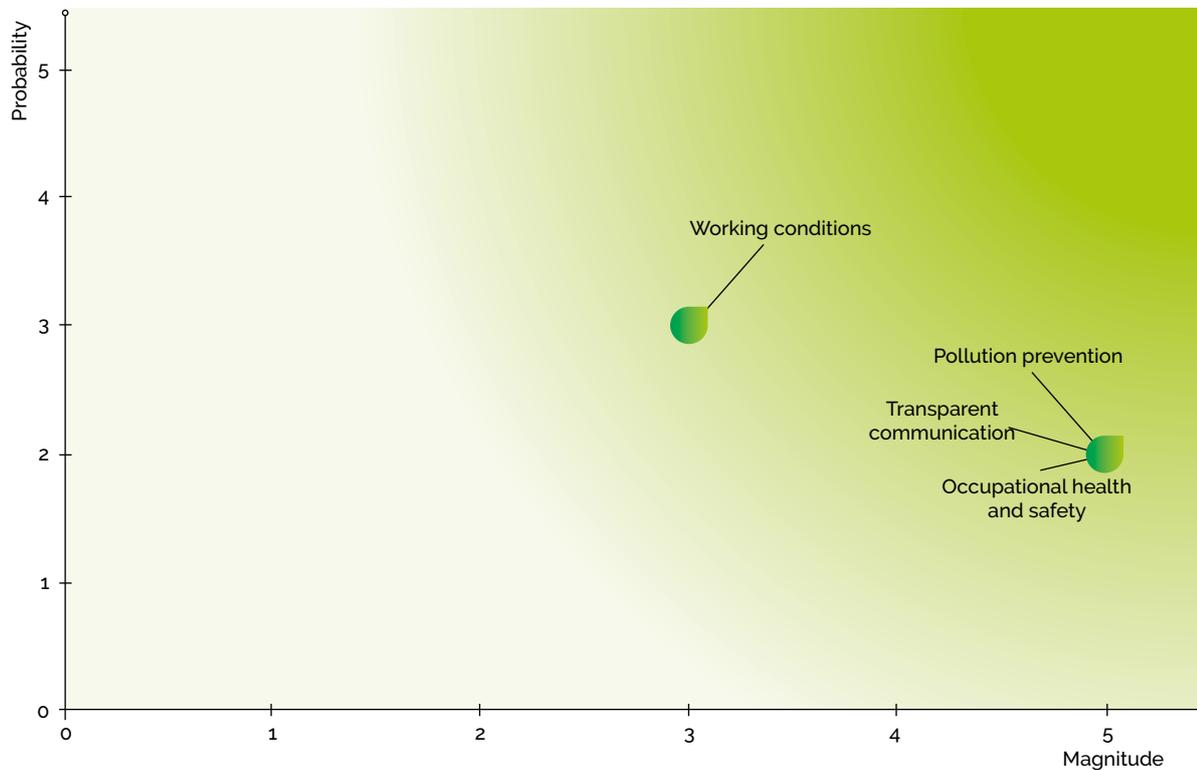
SPHERE	PRIORITY TOPICS	POTENTIAL NEGATIVE IMPACTS
Environment	Pollution prevention	Failure to comply with emission limit thresholds and/or regulatory compliance.
	Occupational health and safety	Risk of serious accidents and/or occupational diseases related to the type of production process.
Social	Working conditions	Risk of increased voluntary turnover due to generational turnover.
	Transparent communication	Falsehood of the information disclosed or willingness to emphasise aspects not yet developed by the company.



In the matrix below, the potential negative impacts identified in the previous table are positioned in relation to their importance, obtained

by combining the magnitude and probability linked to the material topics identified.

Potential negative impacts



As highlighted in the matrix, the potential negative impacts for the Group are those that refer to the issues of "Occupational health and safety", "Transparent communication" and "Pollution prevention". All the impacts related to these material topics, in fact, have a very high magnitude, despite the probability is rather small.

With regard to the issue of pollution, the potential impact may derive from non-compliance with emission limit thresholds and/or regulatory compliance, while for topics related to the social sphere, the risks of *greenwashing* and that relating to accidents have been identified, for which the organisation has adopted the most advanced procedures and technologies to avoid and prevent this risk.

The theme of "Working conditions", on the other

hand, has a higher probability, but a lower magnitude: in this case, the impact is given by the potential increase in turnover due to generational turnover.

For all these impacts, however, the organisation has in place a number of initiatives to mitigate or prevent the occurrence of these impacts

The potential positive impacts for the Saviola Group

The methodology and the context analysis process also include the activity of identifying and

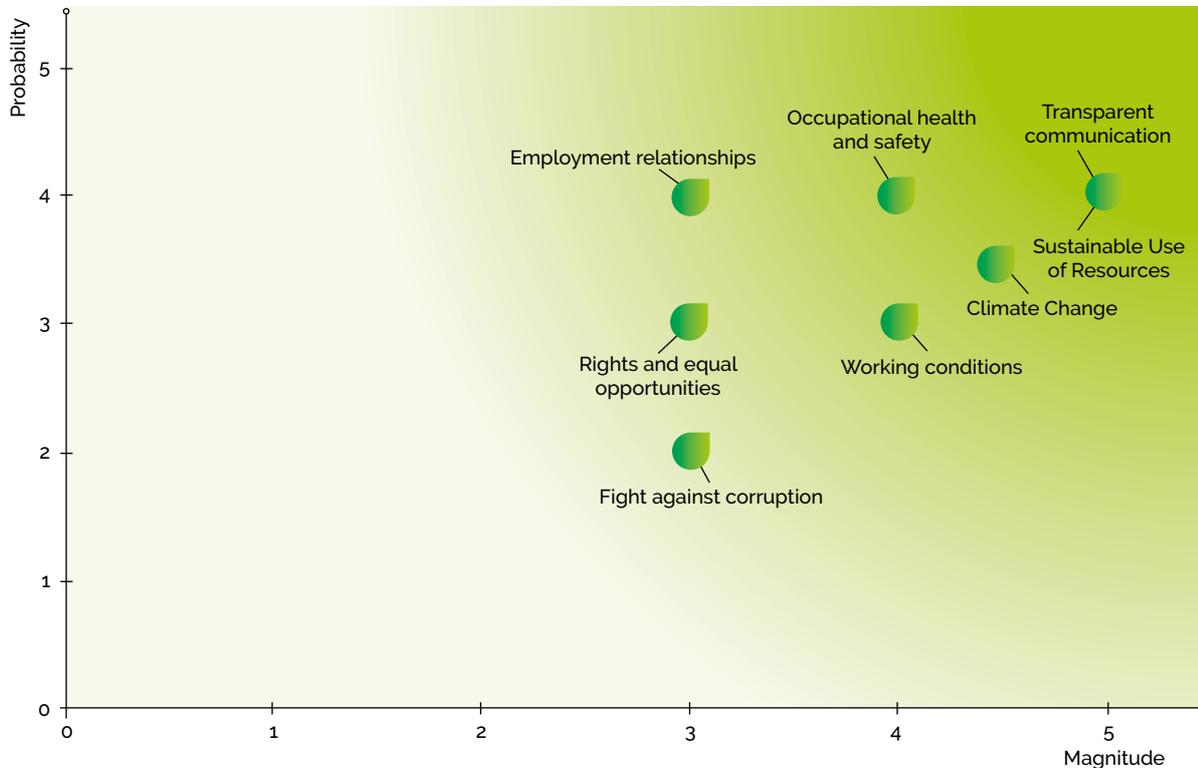
managing potential positive impacts. The table below highlights the main potential positive impacts linked to the Group's material topics.

SPHERE	PRIORITY TOPICS	POTENTIAL POSITIVE IMPACTS
Environment	Sustainable Use of Resources	Development of the supply network in Italy and Europe through a network of capillary and structured collection centres.
	Climate Change	<p>Definition of a decarbonisation plan to contribute to the achievement of national and international climate objectives, in order to limit the increase in the global average temperature (1.5°C – 2°C).</p> <p>Widespread commitment to efficient use of energy through the development of improvement initiatives and the transition to more advanced and efficient technologies, aimed at reducing energy consumption and promoting renewable sources.</p>
Social	Occupational health and safety	<p>Obtaining ISO 45001 certification (Occupational Health and Safety Management Systems) on all Group companies by 2026.</p> <p>Extension of the near miss boundary analysis to all Group plants.</p>
	Working conditions	Development of new structured training plans for staff.
	Employment relationships	Development of a structured system of horizontal and vertical mobility within the company organisation.
	Transparent communication	Constant and structured work to achieve the goal of national and international brand recognition.
	Rights and equal opportunities	Progress in corporate culture through the development of targeted initiatives to enhance diversity among people.
Governance	Fight against corruption	Development of new digital control systems to ensure greater security of data and information.

For the analysis of potential positive impacts, the methodology adopted is in line with what was previously seen in the matrix of potential

negative impacts. Below is the matrix of potential positive impacts with reference to the priority issues of the Saviola Group.

Opportunity analysis



As highlighted by the matrix, the Group identifies as strategic development opportunities the issues related to brand recognition both nationally and internationally, linked to the theme of "Transparent communication", and the possibility of developing the wood supply network through a network specialised in capillary and structured collection ("Sustainable use of resources").

Also very significant are the impacts related to "Occupational health and safety" and "Climate Change". Regarding the first issue, in fact, the Group has set itself the challenging objective of obtaining ISO 45001 certification on all the companies of the group by 2026 and, in addition, of extending the near miss boundary analysis to all the plants.

With reference to climate change, instead, the potential for the development and implementation of a decarbonisation plan structured to achieve climate objectives is identified and the commitment undertaken in the field of tech-

nological innovation in order to carry out efficiency interventions and promote the use of renewable sources is confirmed.

The development of a structured system of horizontal and vertical intra-group mobility ("Employment relationships") has also been identified as a potential potential positive impact, to which is added the implementation of new structured training plans for all staff ("Working conditions").

Finally, although they are likely to have lower assessments, the potential positive impacts related to the topics of "Rights and equal opportunities" have been identified, thanks to the potential development of initiatives aimed at enhancing diversity among people, and "Fight against corruption", for which the Group is studying new digital control systems to guarantee the highest standards of data and information security.

Stakeholder mapping

The constant involvement of all stakeholders is a fundamental condition for the proper development of business activities and is a key factor for successfully implementing the strategies and achieving the objectives that Saviola Group has set itself.

To define the materiality of the individual topics identified by the Group, the company, during the first edition of the Sustainability Report (2019), involved 60 of the most strategic stakeholders of the organisation. To proceed with the process of identifying the material topics, it was first necessary to select the different stakeholders of the Group, which ended with the breakdown of these subjects into five macro-categories. The stakeholders involved in the process of identi-

fying the material topics were divided into the following categories:

- Customers
- Suppliers
- Public administration
- Trade Unions
- Community (e.g. local associations, NGOs)
- Administration and finance experts
- Employees

For each of these categories of stakeholders, we proceeded with the identification of the interactions in place with each of these subjects. Below are identified the interactions between Saviola Group and the different categories of stakeholders that have been involved in the materiality analysis.

Stakeholder category	Main channels of interaction
Customers	<ul style="list-style-type: none"> • Agents and business meetings • Web and social media channel • Visits • Survey • Trade fairs • Direct contacts
Suppliers	<ul style="list-style-type: none"> • Web and social media channel • Newsletter • Dedicated meetings
Public administration	<ul style="list-style-type: none"> • Web channel • Press releases and conferences • Innovation and research projects • Events and conferences
Trade Unions	<ul style="list-style-type: none"> • Meetings • Web and social media channel • Survey
Community	<ul style="list-style-type: none"> • Web and social media channel • Public events • Direct contacts • Press releases
Administration and finance experts	<ul style="list-style-type: none"> • Direct contacts • Web and social media channel • Dedicated meetings • Signalling channel
Employees	<ul style="list-style-type: none"> • Work team • Survey • Web and social media channel • Newsletter

Once the different stakeholders and ESG topics potentially relevant to the Group were identi-

fied, an analysis was carried out with the direct involvement of strategic stakeholders.

Our priorities: material topics

Saviola Group conducted its own materiality analysis during the first Sustainability Report (2019), identifying the sustainability topics that are most influential at the company level, the so-called "material topics".

These, in particular, refer to issues that reflect significant environmental, social and economic impacts for the organisation or that profoundly influence stakeholder assessments and decisions.

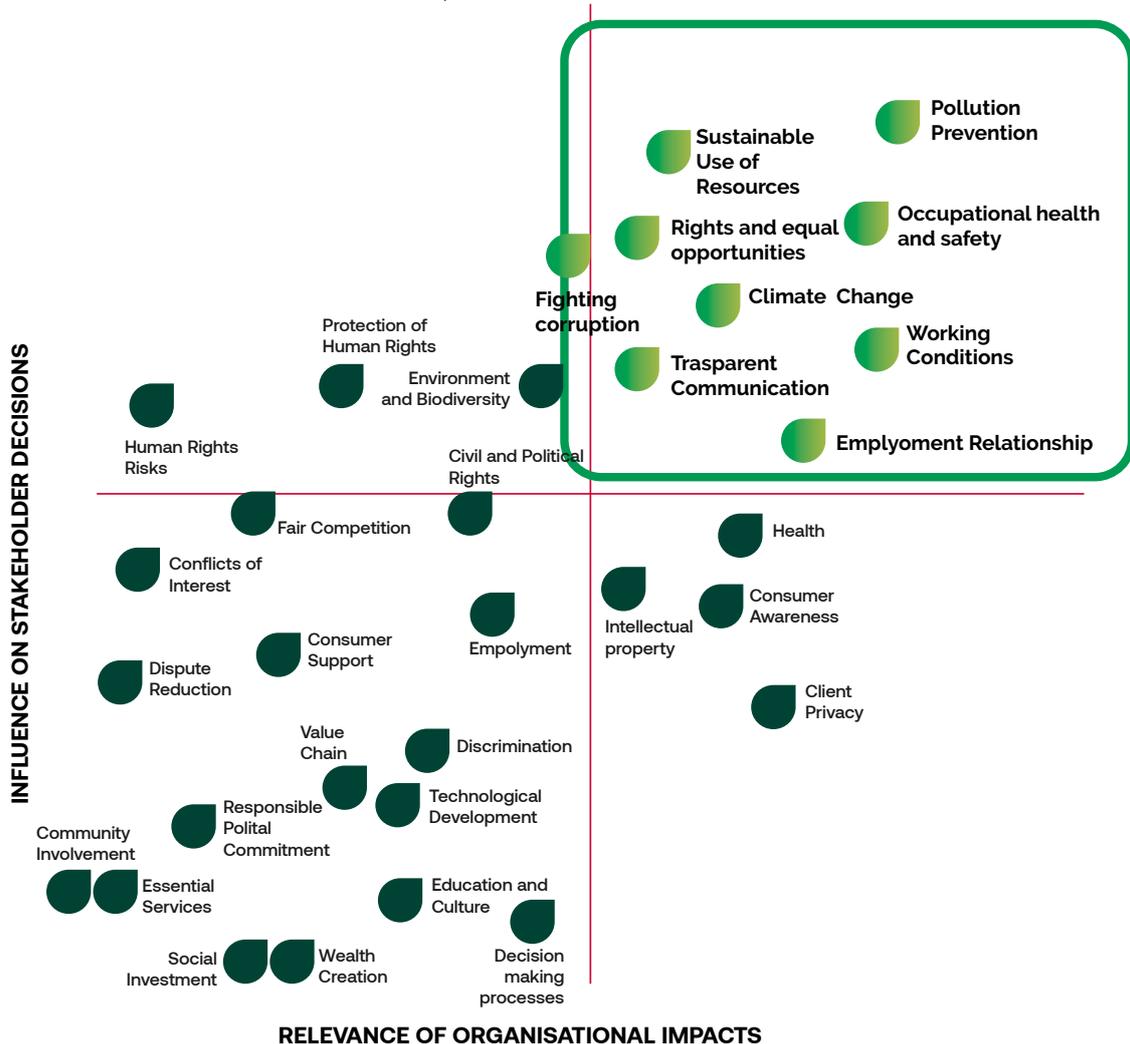
The material topics therefore correspond to the same priority areas of action in which the Group undertakes to measure, report, monitor and improve its sustainability performance over time. The focus of the materiality analysis is represented by an investigation aimed at prioritising material topics and identifying the main interests and information expectations of the organisation and its internal and external stakeholders.

The identification of material issues represents

the outcome of the stakeholder engagement process adopted by the company during 2019.

Below is the materiality matrix, which shows the material topics of the Saviola Group:

- **Environment sphere:**
 - Sustainable use of resources
 - Pollution prevention
 - Climate Change
- **Social sphere:**
 - Occupational health and safety
 - Employment relationships
 - Working conditions
 - Rights and equal opportunities
 - Transparent communication
- **Governance sphere:**
 - Fight against corruption



Saviola Group tomorrow: tools to achieve the goal

Sustainability is in the DNA of Saviola Group, which from its inception to the present day has always taken the path of efficiency against waste of resources. With the journey taken through the sustainability report in 2019, measurement, reporting and evaluation have entered the daily life of the sustainable approach that every year accompanies the Saviola universe towards an increasingly accurate manifestation of its performance to all internal and external stakeholders. The results achieved in these years are briefly listed:

- Analysis of all Group plants including abroad for greater uniformity of reporting.
- Establishment of the ESG Committee.
- Opening of a platform for digitised data collection that can always be consulted.
- Review of the Sustainability Report by an accredited third party.
- Adoption of the GRI Standard and Core Option.

Saviola Group looks with confidence to the sustainability objectives of the future and wants to be part of a continuous improvement process that affects all industrial systems and more generally the community. The areas of work cover ESG issues and have been identified within a well-defined perimeter. The sustainability plan is updated annually and is based on a comparison with the main corporate functions involved and the Board of Directors.

ENVIRONMENTAL

- Monitoring of CO₂ savings and measurement of impacts.
- Saviola Group environmental meter.
- Evaluation of suppliers in an ESG key.
- Progress on monitoring indirect emissions (Scope 3).

SOCIAL

- Environmental and social development projects for the community (internal and external stakeholders).
- Communication increasingly based on values, oriented to the community and the needs of customers increasingly attentive and aware in their choices towards products resulting from ethical and environmentally and ecosystem-friendly production processes.
- Service and welfare programme offered by the organisation to its workers.
- Training programmes on sustainability and ESG factors for Group employees (environment, rights, welfare, gender diversity, anti-corruption).

GOVERNANCE

- Presentation of the Sustainability Plan of the ESG Committee of the Saviola Group, periodically aligning the Board of Directors.
- Sharing of material topics inside and outside the company perimeter.
- Stakeholder Engagement through actions programmed every year in the medium-long term, diversified by category of interlocutor, documented through the recording of results and impacts on materiality.





3

3.1 Pollution prevention	66
3.2 Combating climate change	69
3.3 Sustainable use of resources	74

Environment

ENVIRONMENT

As shown by the materiality assessment, the most relevant environmental issues for the Group are pollution prevention, combating climate change and the sustainable use of resources. Saviola's business strategy was already moving in these directions because protecting the environment, for the Group, means maximising the concept of circular economy. Environmental sustainability has underpinned business strategies from the very beginning. It is the constant focus behind the introduction of innovative solutions to reduce the impact of production processes.

As a production company, Saviola is well aware that it has an impact on the environment, but endeavours to minimise any negative effects through its choices. These include the recovery of wood to produce panels using 100% recycled wood, thus avoiding the felling of trees, the progressive decrease in the concentration of formaldehyde in resins, ongoing research to transform all production waste into new input for internal production processes and the market.

3.1

Pollution prevention



7 AFFORDABLE AND CLEAN ENERGY



11 SUSTAINABLE CITIES AND COMMUNITIES

The prevention of pollution is a central material topics for the Saviola Group which focuses on consumption and energy efficiency in order to optimise management of emission sources and related abatement systems, whilst constantly striving to maximum the efficiency of the facilities.

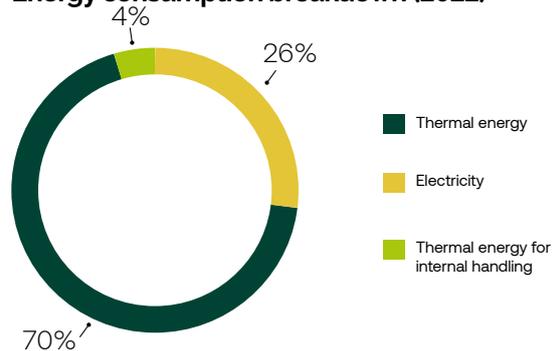
Energy

The Saviola Group is an "energy-intensive" consumer in terms of running its production activities and developing its business in general. Overall, the Group's consumption can be classified according to three main categories:

- **Electricity** primarily taken from the grid and, to a lesser extent, self-produced in its plants.
- **Thermal energy** for process uses and heating workplace environments.
- **Thermal energy** for the handling of materials within its production facilities.

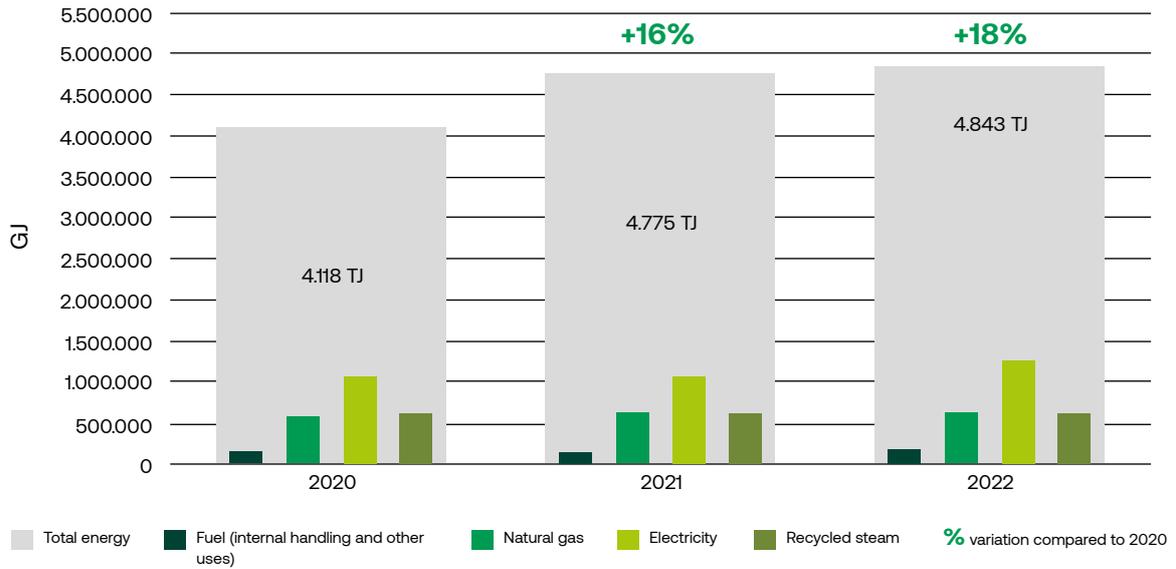
Saviola Group's energy consumption in 2022 can be broken down into the percentages with the following diagram:

Energy consumption breakdown (2022)



The company's main energy carriers are: waste biomass discarded from the production process, which meets almost 60% of total needs, plus electricity, natural gas and fuel (mainly diesel) for the handling of materials, raw materials and finished products. Among the energy carriers, it is worth mentioning the recovery of thermal energy from the exothermic reaction to produce formaldehyde from methanol. This recovery is used, in the chemical plants, to power the heat requirements of the production departments and partly to self-produce electricity (*Sadepan Viadana/Genk*).

Energy consumption

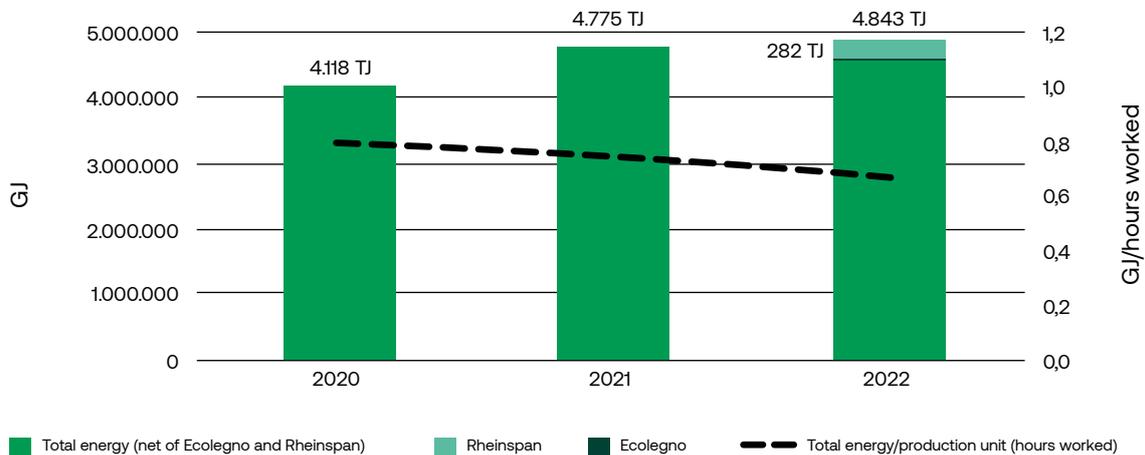


The grey section of the diagram clearly shows the amount of self-produced energy through the use of waste biomass discarded from the production process. This is the difference between the total energy consumed and energy delivered by external energy carriers (fuel, natural gas, electricity, recycled steam).

The consumption trend over the three-year period shown in the diagram confirms a largely stable distribution of the energy carriers used. The increase in total consumption (+ 1.4%) is a result of the expansion in the reporting scope. Due to the expansion of the scope and wide range

of products manufactured by Saviola Group's different Business Units, also shown by the simplified diagrams in the previous sections, this sustainability report introduces a new analysis to assess energy consumption. The indicator selected for this assessment is the hours worked which can thus be used to indicate specific consumption due to intense production. The results of this analysis are shown in the following diagram.

Total and specific consumption



While in absolute terms, the data show an increase in overall energy consumption, specific energy consumption, in relation to hours worked, is decreasing. Compared to 2021, there is an 11% reduction in specific consumption. By separating the consumption data of the Ecolegno network and the Rheinspan factory added to the reporting scope as of this year, the overall consumption data also show a reduction as a result of an all-round improvement in energy efficiency.

In 2022, Saviola Group consumed 28,760 MWh of electricity, which it self-generated in the Sadeplan Genk and Saviola Sustinente plants, thus reducing the amount of electricity taken from the grid.

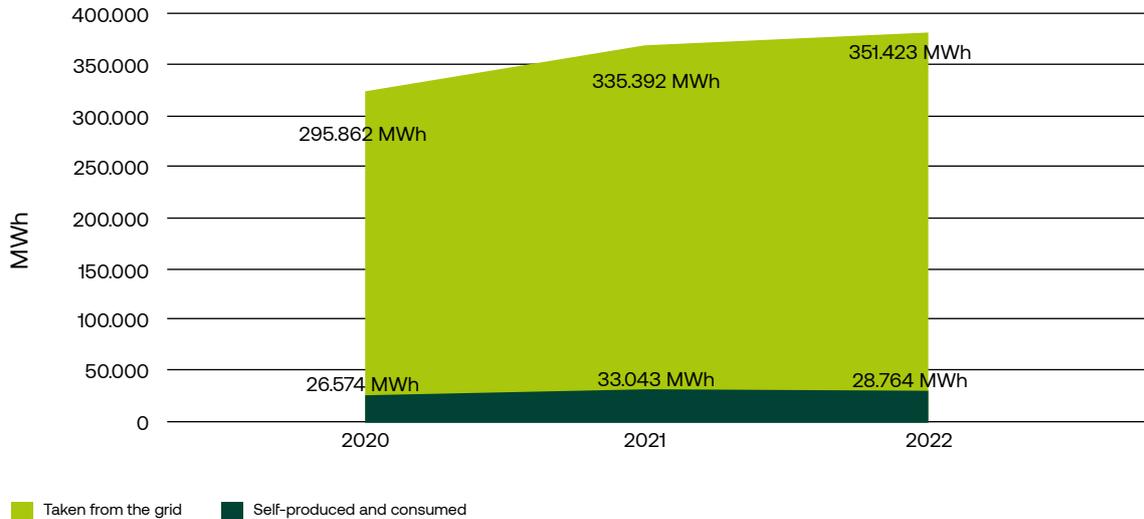
This self-consumption (net compared to the

auxiliary devices of the self-production systems) represents 8% of the group's total electricity needs. The figure is slightly lower than in 2021, i.e. 10%, due to the expansion of the reporting scope to the new plants and a fall in self-production in the Genk plant.

The electricity production plant of the Sustinente facility has resulted in 11,885 GJ of electricity being fed into the grid, exceeding the plant's consumption.

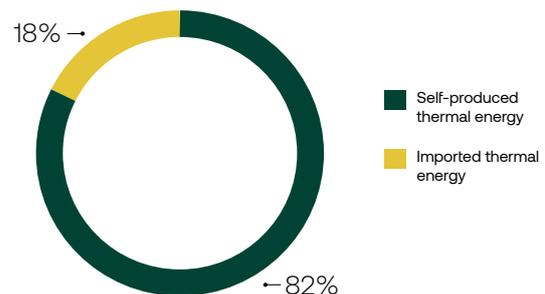
1022 TJ of thermal energy was transformed into electricity. The auxiliary equipment of the self-production plants consumed 25.4 TJ.

Electricity



Saviola Group self-produced 82% of the total energy, using waste biomass discarded from its production processes, thus limiting the use of mains gas in terms of thermal energy for production processes and the heating of workplaces.

Thermal energy consumption (2022)



3.2

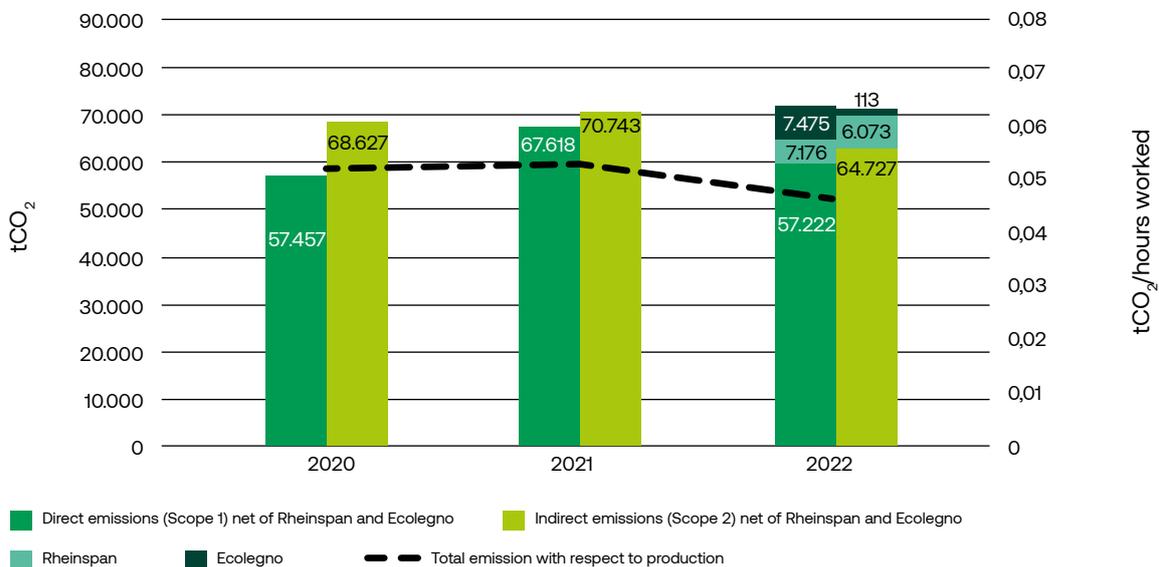
Combating climate change



Saviola is very aware of the centrality of the theme of the fight against climate change and its impacts on people, communities and economies. Taking action against climate change means, above all, preventing climate-changing emissions, monitoring them from year to year

in order to implement a reduction strategy. As with energy consumption, the aim is to increase efficiency, i.e. decrease specific emissions with respect to production. Saviola Group monitored emissions divided into Scope 1 and Scope 2. Scope 1 refers to direct emissions, i.e. those generated by combustion for production processes and by the fuel for the vehicles needed to handle materials within production plants. For these emissions, the approach used refers to the Emission Trading System which applies a zero emission factor to the renewable fraction of carbon present in biomass and used in combustion systems. Scope 2 emissions, on the other hand, refer to indirect emissions for imported energy, i.e. those related to energy taken from the electricity grid. The following graph shows the distribution of emissions between these two categories (scope 2 – location based).

Emissions

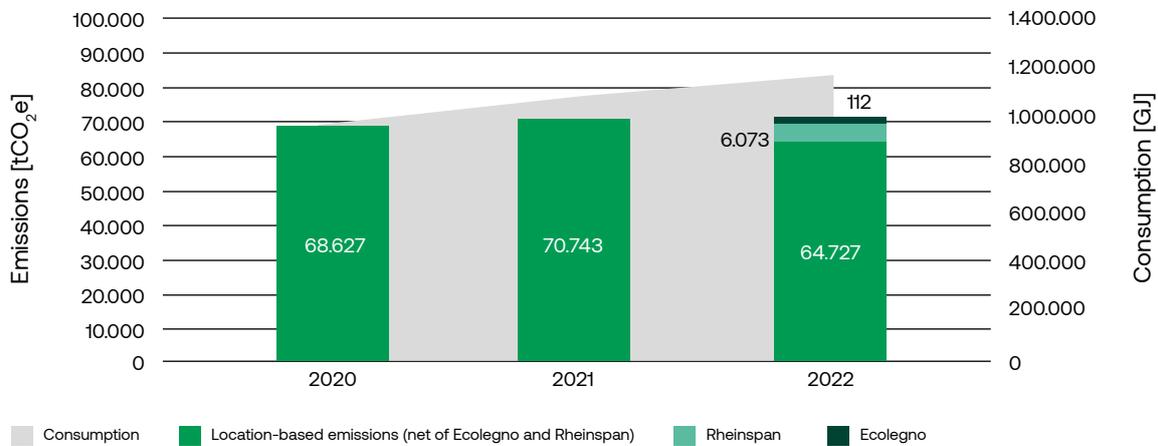


Overall emissions increased slightly in absolute terms in 2022 (+3.2%), while specific emissions decreased by 11.5% compared to hours worked. The increase in absolute terms is due to the widening of the reporting scope to include the Rheinspan plant and the Ecolegno Centres, as shown in the various diagrams.

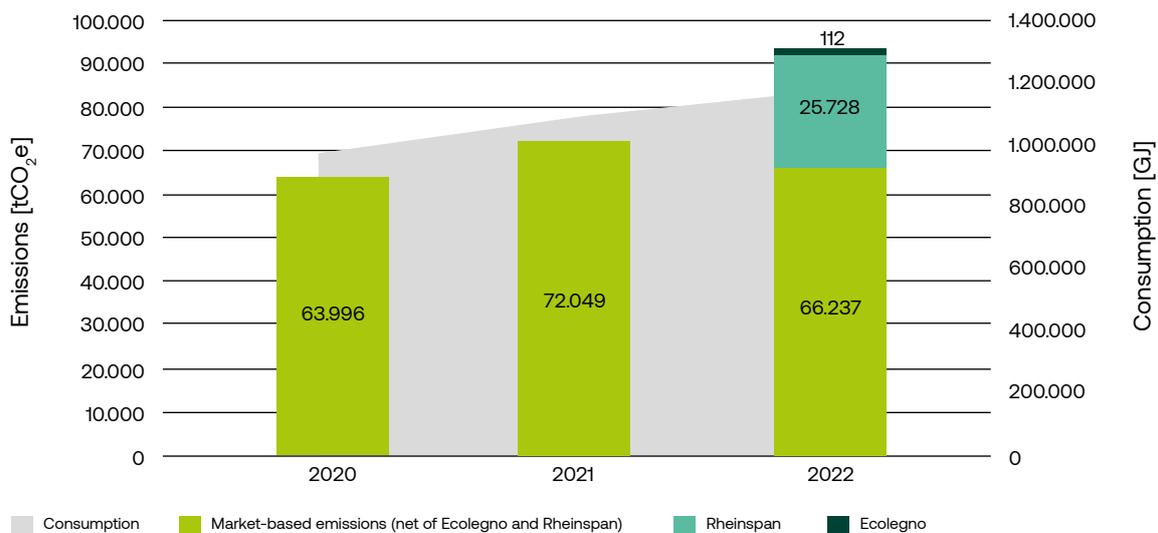
For 2022, the Saviola Group calculated the emissions from Scope 2 including the so-called market-based approach, i.e. starting from the mapping of the electricity suppliers of each Business Unit or production plant, to derive the energy mix of each supplier, thus obtaining a specific and non-domestic emission factor (as in the location-based approach).

The following diagrams show the comparison between the two approaches.

Scope 2 emissions (location-based)



Scope 2 emissions (market-based)



The widening of the reporting scope highlights an overall increase in Scope 2 emissions.

However, when considering the location-based approach, the emission level is essentially maintained due to the decrease in emission factors resulting from the progressive penetration of energy production from renewable sources in Italy and the other reference countries.

The market-based approach, on the other hand, shows an increase in emissions in 2022. The

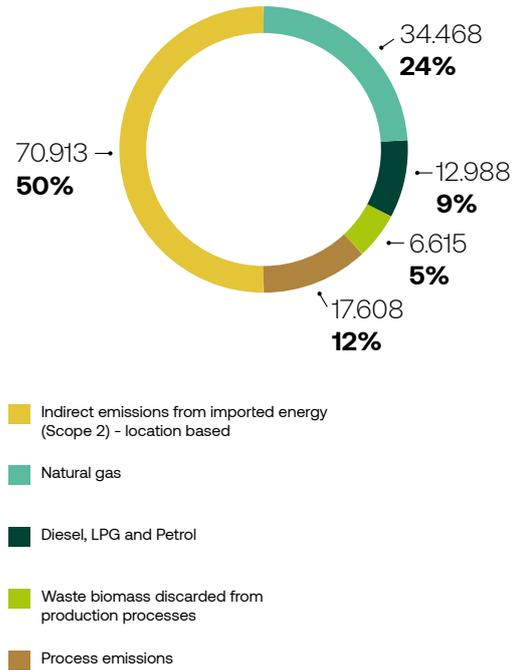
diagram highlights the separate contributions of the new reporting scope. It is interesting to note the significant contribution of the Rheinspan plant which, according to the market-based approach, depends on the production mix of the electricity supplier.

There was a specific focus on the analysis of the sources of CO₂ emissions for the year 2022, i.e. the breakdown between the individual fuel consumption items and the company activities that generated emissions. In addition to the

emissions from imported energy, the following are the emissions related to:

- **Natural gas:** mainly used for processes and the heating of workplaces and, to a lesser extent, inside the Sustinente facility.
- **Diesel, LPG and petrol:** used for the handling of materials inside the production plants.
- **Waste biomass** discarded from production processes: mainly used for process and the heating of workplaces and, to a lesser extent, in the Sustinente self-production facility.
- **Process emissions:** for the production of formaldehyde from natural gas.

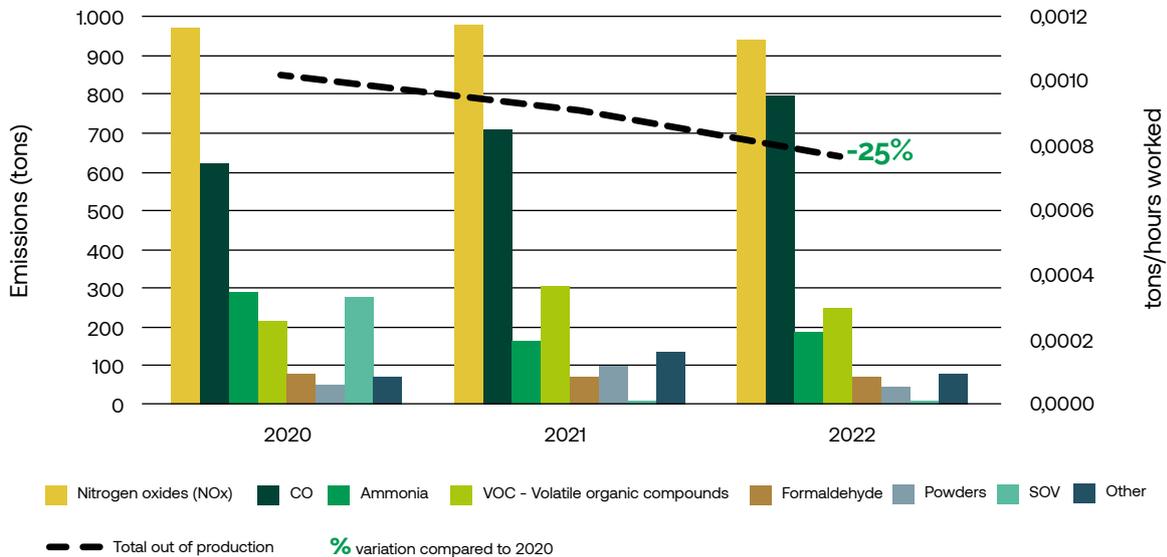
Origin of emissions in tCO₂e (2022)



Other emissions are directly related to Saviola's production processes.

The emissions resulting from the monitoring are shown in the following graph.

Significant emissions



Overall, the diagram shows a 1.9% reduction in emissions in 2022 compared to 2021. Also in specific terms, a 15.9% reduction is shown

through the hours worked indicator.

For the emission factor for location-based electricity, 235.02 tCO₂e/GWh was used (National energy mix 2021 + FE Ispra 363/2022). The emission factors for market-based electricity were derived from the residual mix of suppliers (indicated in the bill), when present; when this data could not be provided, the location-based emission factor was instead used the related location-based emission factor for the specific country as present in Ecoinvent 3.9.1 database.

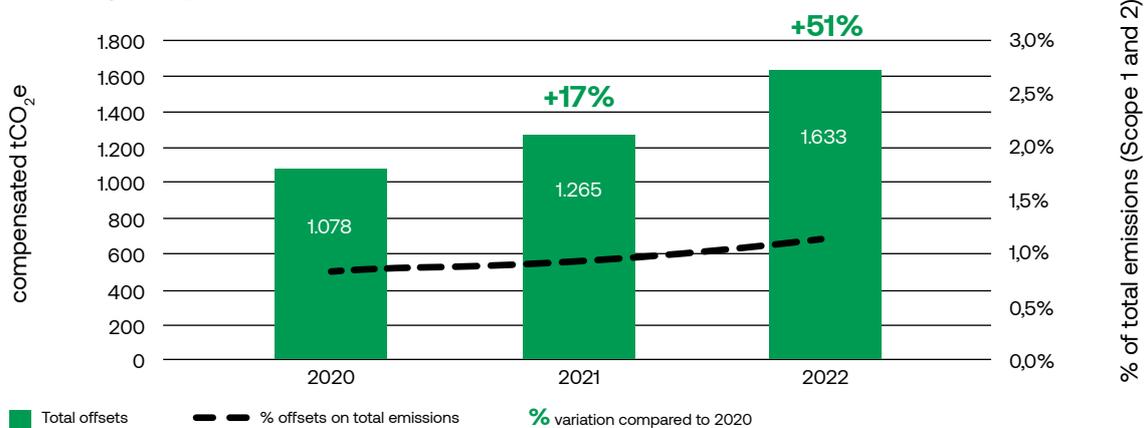
3.2.1

Focus: Voluntary compensation

Given that Saviola is well aware that every production activity comes with an impact, in 2022 it again pursued a policy of developing ener-

gy efficiency projects that were recognised by the GSE (Italian Energy Services Operator) as eligible for an incentive through the "Certificati Bianchi" scheme. This is an incentive scheme provided by GSE based on the achievement of certified energy savings, obtained through efficiency projects. Each certificate is equivalent to one ton of oil equivalent (toe). In 2022, Saviola was issued with 1860 "Certificati Bianchi", i.e. 1632.8 tCO₂e, the equivalent of the annual carbon dioxide absorption of 9,700 trees!

Voluntary compensation



3.2.2

Focus: Decarbonisation plan

During 2022, the Saviola Group began the development of its Decarbonisation Plan, which will be published in 2023, in conjunction with the annual Sustainability Report. The plan is developed according to the criteria defined by the PATH Framework of the European Investment Bank (EIB) stemming directly from the Paris Agreement and the Science Based Targets Initiative, ensuring the contribution to maintaining the global temperature increase within 1.5°C compared to pre-industrial levels. The Decarbonisation Plan consists of a series of internal and external levers to be implemented to achieve the goal of reducing greenhouse gas emissions. Internal levers consist of direct initiatives taken by the Group to reduce emissions,

while external levers reflect possible decarbonisation scenarios, for example in the energy sector or supply chain.

The plan consists of:

- A benchmarking analysis, carried out to assess the Group's performance with respect to national and international peers, regarding the reporting of emissions and emission reduction targets, energy efficiency, renewable energy, circular economy and Net Zero, through the information disclosed in the Sustainability/ESG Reports, Integrated Reports, Annual Reports, company websites, the Science-Based Targets Initiative website and other public documents.
- An analysis of baseline emissions in equivalent tCO₂ carried out according to the GHG Protocol for the year 2021, in relation to Scope 1 and Scope 2, and by screening Scope 3 emissions.
- A definition of the medium and long-term emission reduction goals, with clear and precise indications on the timing of

the achievement of these goals and the corresponding action plan containing the planned projects and relevant expected CO₂ equivalent reductions.

The medium-term action plan has been "clustered" according to four fundamental pillars:

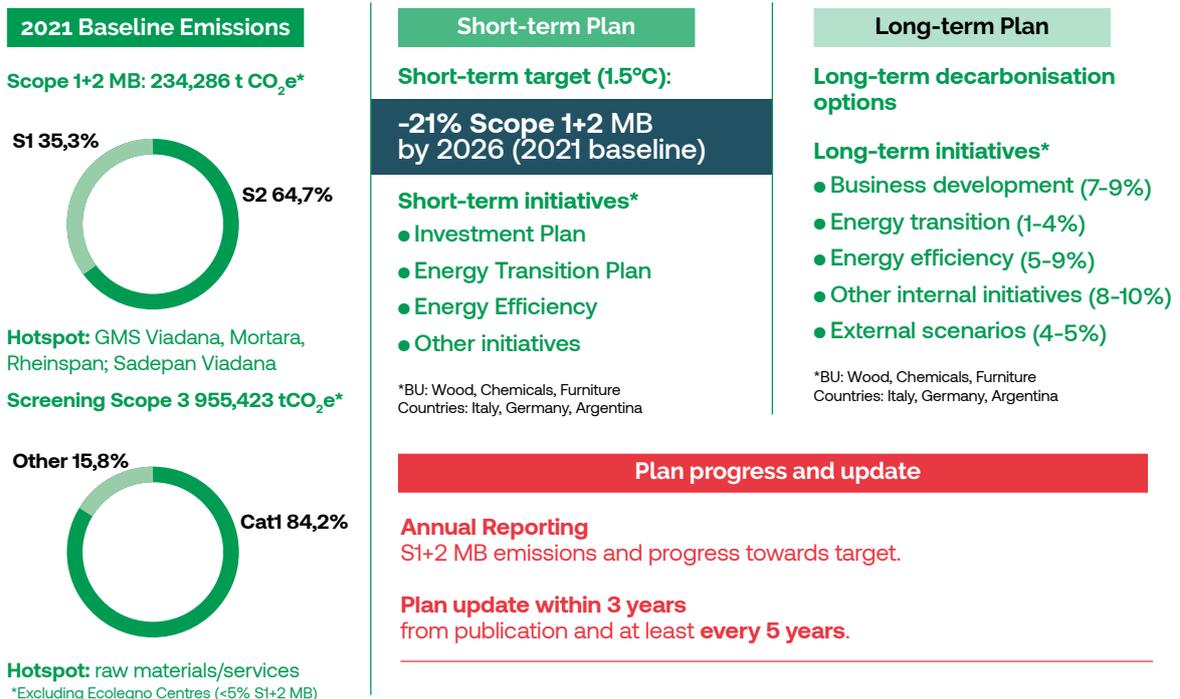
- **Investments embedded in the Business Plan** with inherent CO₂-equivalent emission reduction characteristics, such as the complete replacement or revamping of production lines or a schedule to replace heavy goods vehicles with more efficient latest-generation equipment or vehicles.
- **Investments related to an (internal) Energy Transition Plan.** This is the heart of the Decarbonization Plan: self-production of electricity from renewable sources (for example photovoltaic panels and biomass) to be implemented in the industrial plants;
- **Energy efficiency interventions to be implemented in the production process through new technologies** and the best performance of the installed machinery, for example with regard to the generation and distribution of compressed air, suction and filtering systems, cleaning technologies and selection of recycled wood.
- **Other reduction initiatives**, such as the

possible development of renewable energy plants outside of the industrial sites, or possible agreements for the purchase of energy from renewable sources (Power Purchase Agreement).

These initiatives demonstrate Saviola Group's commitment to reducing Scope 1 and 2 (market-based) emissions by 21% by 2026 compared to the 2021 baseline, in line with the Paris Agreement. In the long term, starting from 2026, the Group is committed to continuing the decarbonisation of its emissions by extending the interventions (e.g. energy efficiency and renewable energy production) to a greater number of facilities. Saviola Group will provide an annual report on progress towards achieving the target, as part of the Sustainability Report, together with an update of the Scope 1 and 2 emissions inventory. Three years after publication, the initial progress of the Decarbonisation Plan will be reported while developing its update. The reporting period will then be every five years.

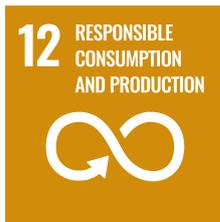
Executive Summary

Decarbonisation Plan - Saviola Group



3.3

Sustainable use of resources



For the Saviola Group, the issue of resources can be divided into three different subcategories: material flow, water consumption and waste management. The environment, in terms of sustainability and the ethics of recycling, is one of the key focuses of the Saviola Group. The company has focused its consolidated technical and scientific knowledge on identifying and introducing new solutions to reduce the potential environmental impact of the Group's products.

Materials



The production philosophy is based on the recovery and reuse of a raw material that can be given a second life and reused, without the need to cut down trees, thus achieving an economical and ecologically sustainable process. Saviola Group is the leading transformer of post-consumer wood in the world. Choosing to recycle wood has many benefits:

- **It helps to protect forest resources** and safeguard biodiversity.

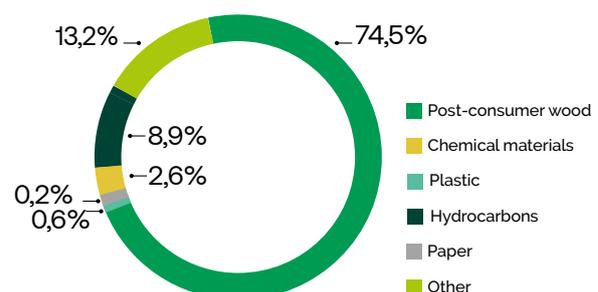
- **It reduces the volumes sent to landfills.**
- **It reduces the environmental impact** and greenhouse gas emissions.

In terms of weight, Saviola Group uses almost 2 million tons of material for its production processes. 75% of this is wood waste sourced from furniture, packaging, processing waste, construction site material and non-contaminated wood waste, in general. The material undergoes a complex industrial cleaning process that is divided into several phases:

- Quality control: to ensure compliance with current regulations and internal quality control procedures.
- Immersion in tanks: the wood is immersed in water to separate heavy inert materials.
- Cleaning, screening through various systems (traps, magnets, centrifuges): wood is separated from any other foreign material (sand and aggregates, nails, hinges, hardware applied to furniture, glass, etc.) without the use of chemical solvents or reagents.

The remaining 25% of material flows consists of chemicals and hydrocarbons that include true raw materials, chemical components to support production and consumption processes for reducing emissions, plastics and polymers, decorative papers, metallic materials, and packaging components. The distribution of materials by weight is shown in the following graph.

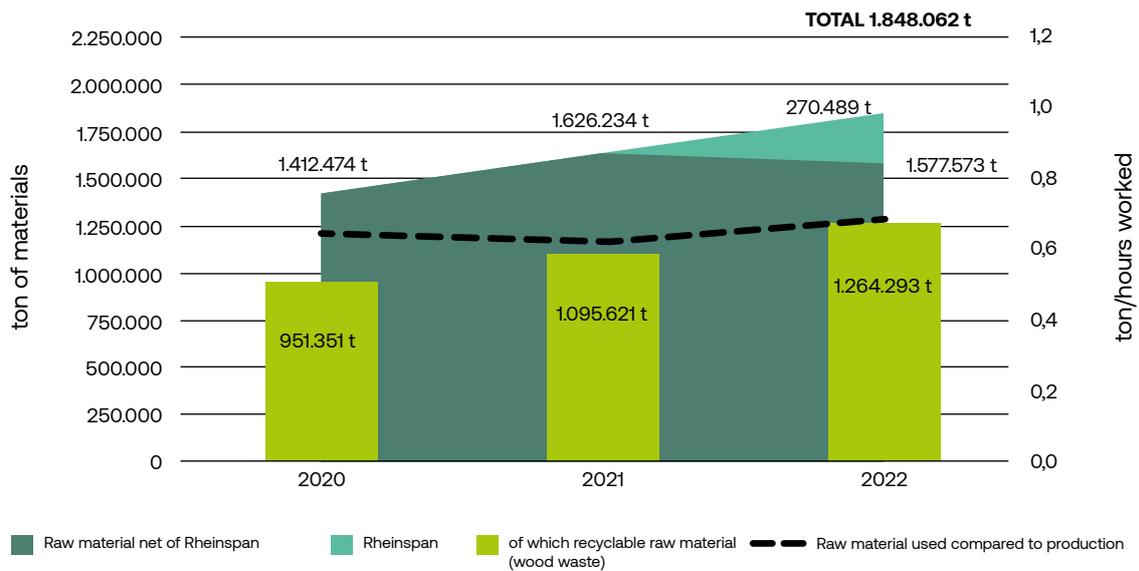
Materials used (2022)



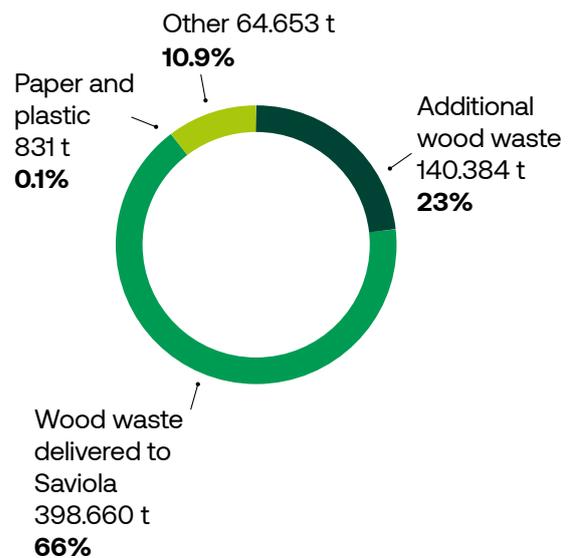
Below is a diagram showing the trend of the total flow of raw material both in absolute terms and with respect to production (hours worked). The quantity of materials has risen over the ye-

ars in proportion to the increase in production and the widening of the reporting scope, while the percentage of material from recycling has decreased slightly (62%).

Use of raw material for production (Saviola Group)



Ecolegno waste (2022)





Ecological panel

For over 30 years, ecological panels have graced the homes of the future

The ecological panel lies at the heart of Saviola's products - a unique product sourced from 100% recycled wood, certifying that is made exclusively from post-consumer wood.

For over 30 years, not a single tree has been felled to produce this product for the wood-furniture chain.

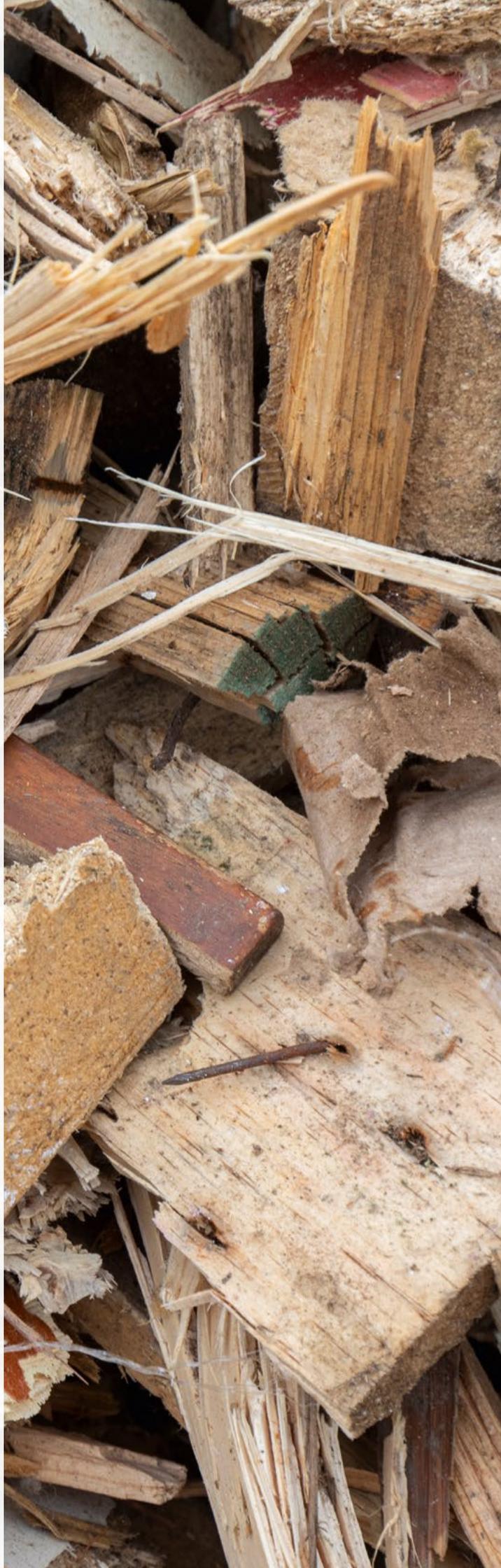
Saviola Group saves 10,000 trees a day thanks to this innovation.

The panel comes in a number of variations showcasing Saviola's customer- and market-centric approach. First and foremost, the LEB version of the lowest emission ecological panel in the world, a feature that goes hand in hand with the concept of sustainability that the founder of the Group, Mauro Saviola, the inventor of the ecological panel, had in mind. This product is intended for the furniture market and thanks to its unique characteristics has an impact on the entire global market for ecological furniture. The panel is both unfinished and melamine-faced; the latter is covered with decorative paper that gives it an almost identical visual and tactile appearance to the textures recreated and applied on the surface.

There are more than 70,000 combinations of decorations and textures that recreate marble, stone, fabrics, colours, wood and metals.

This process known as melamine facing lies at the heart of Italian expertise, showcasing the hallmark style, taste and design that Saviola Group has created through an innovative process of research and development.

A specific Consortium was also set up involving municipalities, schools, manufacturers and customers at the end of the 1990s to raise awareness of the importance of recycling wood. These aspects have all led to the generation of an awareness over the years about the ecological panel combined with design and environmental protection.



Water

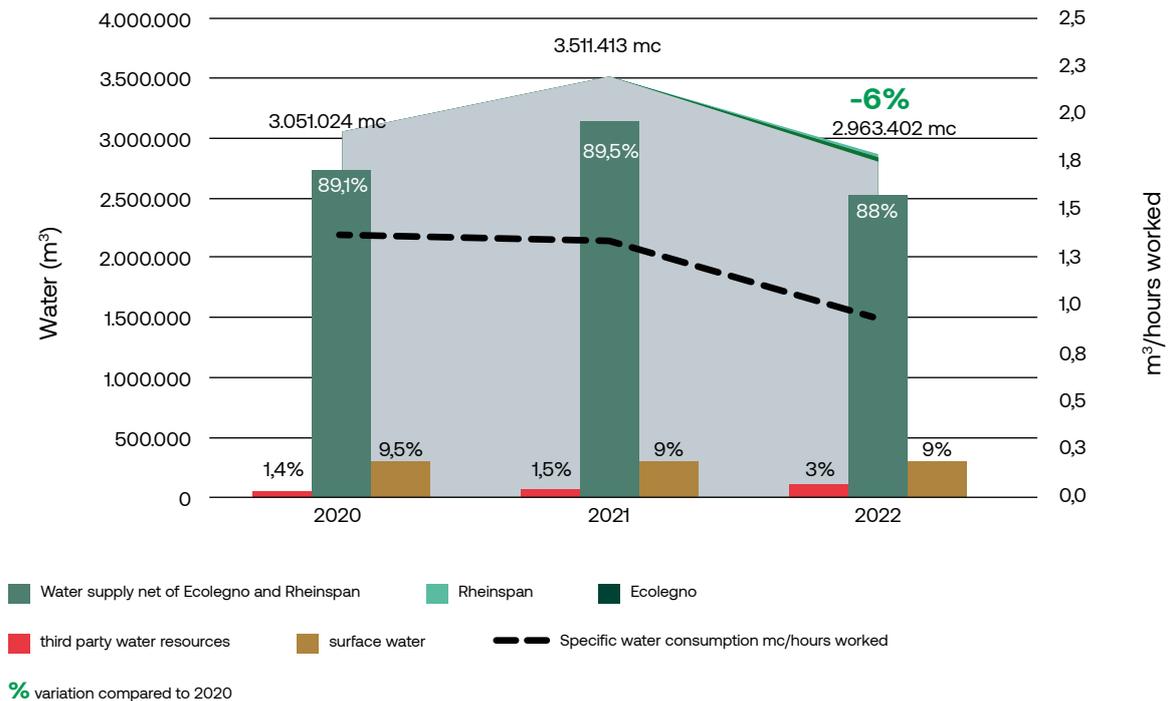


The main production activities of the Saviola Group that require the use of water resources are:

- **Washing of wood waste**
- **Cooling of industrial processes**
- **Production of liquid resins**
- **Tannin extraction process**
at the Radicofani plant (Siena)

Drawing groundwater from wells contributes 88% of the total water requirement, while a small part is provided by surface water and third parties.

Water extraction

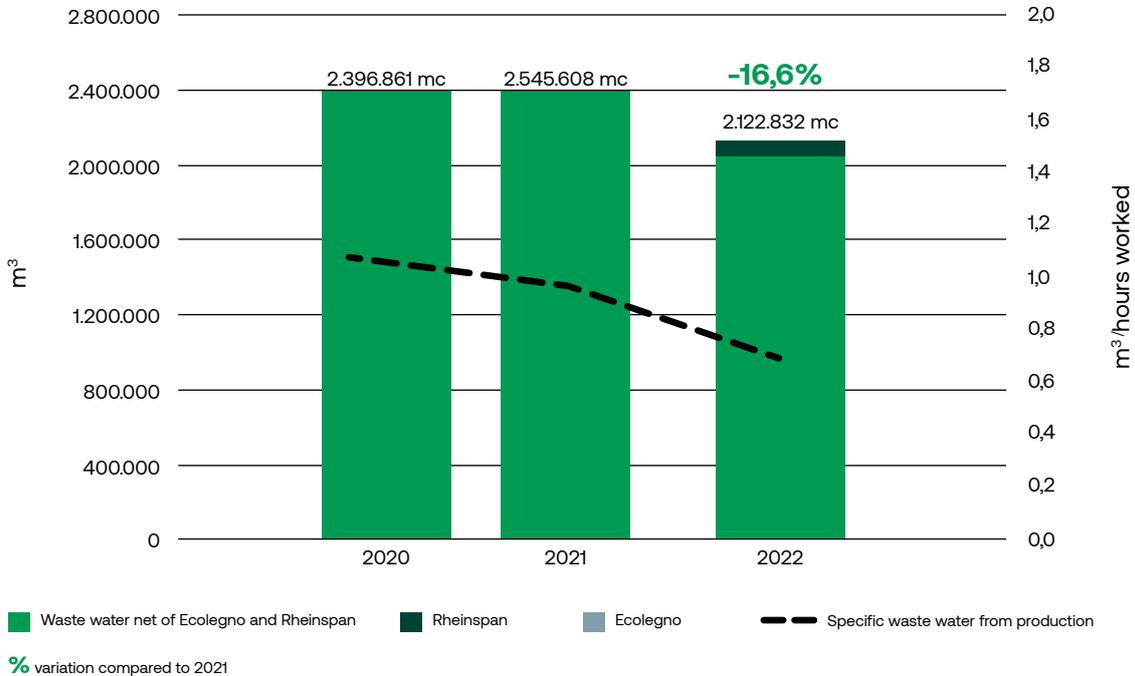


The main contributors to waste water are:

- Waste water from clarification systems-flocculation treatment for flushing and neutralising flue gas from wood waste boilers
- Purge water from evaporative towers or cooling circuits
- Waste water from demineralised water production plants connected to steam circuits
- Non-industrial waste water

The graph below shows the trend of waste water over the years.

Waste water



Waste water decreased by 16.6% in 2022 compared to the previous year.

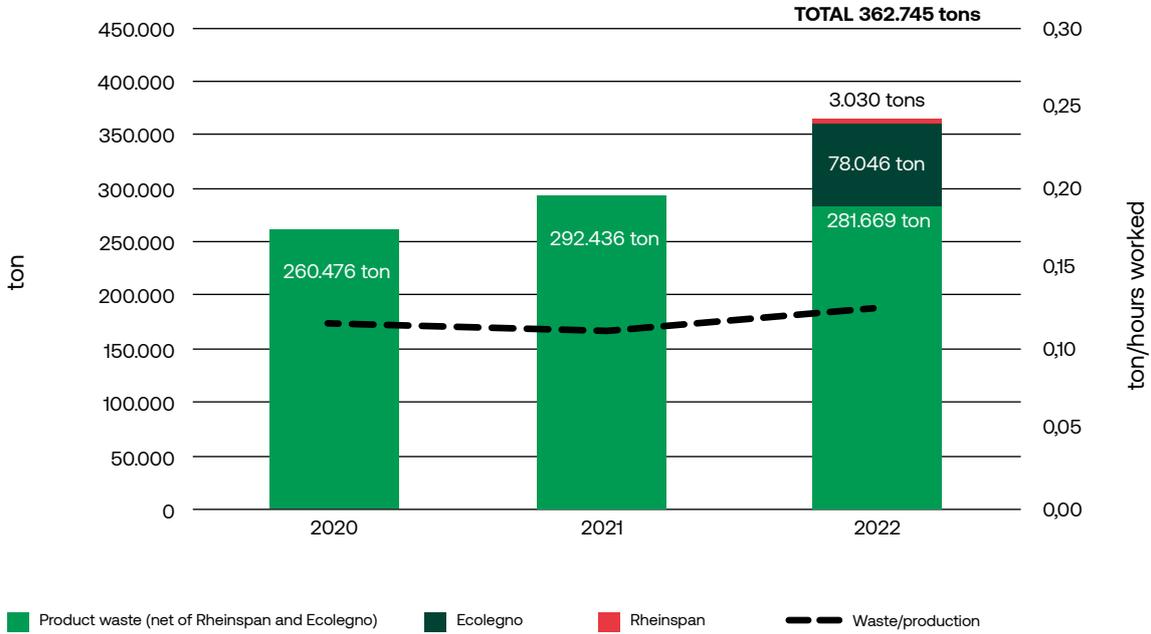
Waste



Waste management is a key issue for Saviola which, as shown above, has a vision of its resources and materials aimed at circular economy. In addition to using wood waste as the main input material for production, the Group has a strict policy of limiting its waste production

and is committed to prioritising recovery and/or reuse rather than disposal.

Waste generation trend

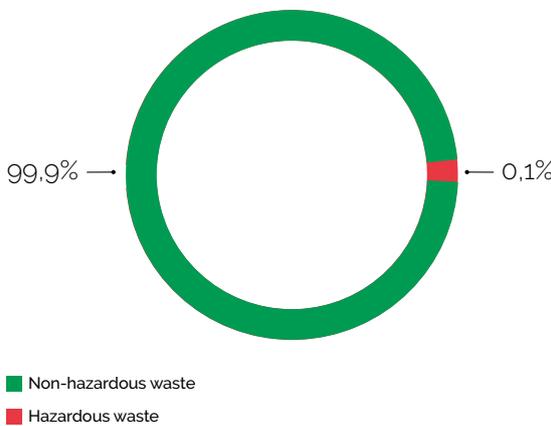


The graph above shows that the amount of waste produced has increased both in absolute and specific terms compared to the hours worked.

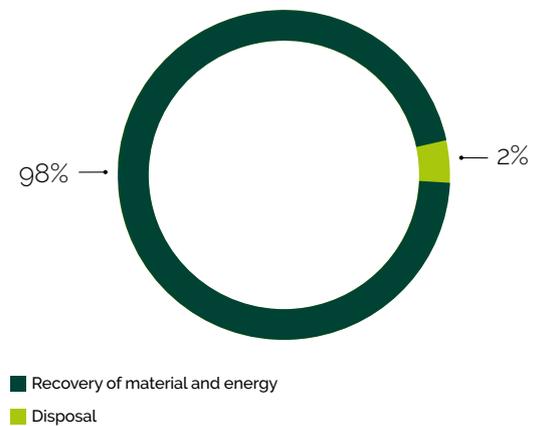
This increase (+24%) is almost entirely attributable to the expansion of the reporting scope to include the Ecolegno network, while the remaining part is in line with production trends.

In 2022, more than 98% of all waste was destined for recovery operations, including energy recovery. Of the total waste produced, more than 70% consists of additional wood waste, which is used entirely for recovery and/or reuse operations. In terms of the type of waste, the Group produces more than 99% non-hazardous waste, a percentage that has remained constant for several years.

Hazard level of waste (2022)



Destination of waste by weight (2022)



Record numbers

EVERY YEAR

from post-consumer wood cleaning, we recover:



NAPLES

LONDON



28 tons
of **COPPER**

The equivalent of a 1mm cable
running
**from Naples to
London**
and back again



956 tons
of **ALUMINIUM**

Equal to one can for every person

**living in Italy,
Switzerland,
Slovenia and
Austria**



16 thousand tons of
IRON

Equal to
2 EIFFEL TOWERS

Record numbers

The production capacity of our ecological panel factories:

DAILY

COVERING
THE DISTANCE
BETWEEN **MILAN**
AND **BRESCIA**

97 km

MILAN

BRESCIA



ANNUAL

Record numbers

The production capacity of our ecological panel factories:



COVERING
EVERY DAY
**28 Serie A
football
pitches**



COVERING
EVERY YEAR
**7,800 Serie A
football
pitches**

Record numbers

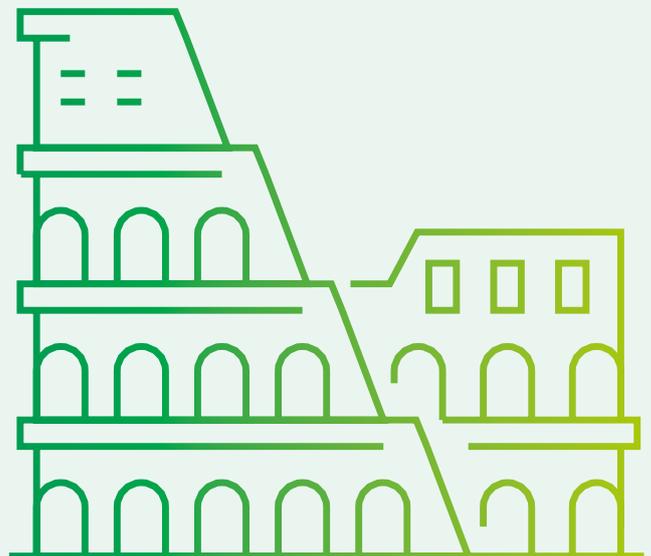
EVERY YEAR

The maximum recycling capacity is:

Colosseum
1.5 million
of post-consumer
wood equal to
30 times
the size of
the Colosseum



Colosseum



EVERY YEAR

Thanks to our
production process:

**We save
2.8 million
trees**

equal to **the area
of the municipality
of Rome**



Record numbers

EVERY YEAR

The emissions saved by self-produced energy are equivalent to:



-2 milioni tons



EVERY YEAR

Our self-produced energy
would cover:

the annual
needs of
10,700
households



Final appendix

ENERGY CONSUMPTION

ITEM	2020	2021	2022	Var 2021/2022
Electricity [GWh]	296	335	351	+4,8%
Self-produced [GWh]	27	33	29	-12,9%
Electricity fed into the grid [GWh]	6	3,1	3,3	+8,2%
Natural gas [Sm ³]	16.210.132	17.702.419	17.373.208	-1,9%
Diesel [l]	3.609.029	3.710.946	4.804.751	+29,5%
Other fuel for internal handling and other uses (GJ)	140.656	147.251	178.616	+21%
Recovered steam [GJ]	619.491	727.555	604.070	-17,0%
Total energy consumption [GJ]	4.118.085	4.775.334	4.843.083	+1,4%

EMISSIONS

ITEM	2020	2021	2022	Var 2021/2022
Direct emissions (scope 1) [tCO ₂ e]	57.457	67.618	71.872	+6,3%
Natural gas [tCO ₂ e]	32.161	35.122	34.468	-1,9%
Fuel [tCO ₂ e]	4.510	4.482	13.181	+194,1%
Biomass [tCO ₂ e]	3.922	6.699	6.615	-1,3%
Process emissions [tCO ₂ e]	16.864	21.315	17.608	-17,4%
Indirect emissions (Scope 2) location-based [tCO ₂ e]	68.627	70.743	70.913	+0,2%
Indirect emissions (Scope 2) market-based [tCO ₂ e]	63.996	72.049	92.077	+27,8%
Total emissions (location-based) [tCO ₂ e]	126.084	138.361	142.785	+3,2%

WATER

ITEM	2020	2021	2022	Var 2021/2022
Groundwater extraction [m ³]	2.718.698	3.142.901	2.519.845	-19,8%
Surface water extraction [m ³]	289.130	315.265	257.147	-18,4%
Extraction of third-party water resources [m ³]	43.196	53.247	86.410	+62,3%
Total water extraction [m³]	3.051.024	3.511.413	2.863.402	-18,5%
Total waste water [m³]	2.396.861	2.545.608	2.122.832	-16,6%

MATERIALS

ITEM	2020	2021	2022	Var 2021/2022
Raw material [tons]	1.412.474	1.626.234	1.848.063	+13,6%
Recycled raw material [tons]	951.351	1.095.621	1.264.293	+15,4%
Recovered post-consumer wood	1.023.320	1.140.507	1.529.316	+34,1%

WASTE

ITEM	2020	2021	2022	Var 2021/2022
Total waste produced [tons]	260.476	292.436	362.745	+24%
Sent for recovery and/or reuse [tons]	254.877	286.908	355.322	+23,8%
Sent for disposal [tons]	5.600	5.528	7.422	+34,3%
Hazardous [tons]	358	442	495	+12,0%
Discarded wood waste [tons]	200.753	235.623	284.591	+20,8%

ALIGNING NATURAL AND ARTIFICIAL WORLDS TO BUILD THE CITIES OF THE FUTURE



Carlo Ratti

Founding Partner of CRA-Carlo Ratti Associates
and Director of the MIT Senseable City Lab

Over the past two decades, the anthropocene view has emerged which theorises that the major changes in the Earth's conditions stem from human activity. This seemingly philosophical concept is key to how we should set our priorities in the coming years, whether as designers, businessmen or citizens. Working in this context means changing the way we look at the relationship between the natural and artificial world: they are opposites, but increasingly interconnected elements.

Once this change has been recognised, we should start thinking about the tools needed to reverse this dangerous trend of environmental degradation that is affecting our planet - or, at least, to tackle the consequences. From a designer's point of view, the first set of tools to make the artificial and natural world work together are calculations. Designers today have explored the possibility of a living architecture that can "feel and respond" on many levels, from personal property to entire neighbourhoods. The digital revolution and the "Internet of Things" result in the possibility of "animating the artificial". Sensors, actuators and artificial intelligence are able to infuse new life into the environment.

Making buildings more responsive gives us the ability to adapt them to the needs of the users. For example, we often heat and cool our buildings in a standardised way, ignoring the presence and preferences of individuals and wasting a significant amount of energy to heat and light empty or partially occupied buildings. Sensors can instead be used to control how warm and illuminated a given space is. This living system not only promotes comfort, it also entails considerable energy savings.

By "animating the artificial" through calculation, architecture can cover us with a third skin, an infinitely reconfigurable space that adapts to human needs, rather than the other way around.

A second set of strategies animates the artificial world through the direct incorporation of natural elements into design. We can find new ways to connect the historic urban-rural divide and create buildings as spaces where humanity coexists with other life forms. The New York High Line, an elevated greenway built on a converted rail track that opened in June 2009, was one of the first projects to capture this new ambition in urban planning. The French designer, Patrick Blanc, on the other hand, incorporates nature into enclosed spaces, inventing "green walls" or "vertical gardens" that now adorn buildings around the world. Sometimes, such green interventions can be aided by new technologies, as in the case of urban farming, where advances in hydroponic and aeroponic farming techniques make it easier to grow vegetables in confined spaces. Cities will never replace rural areas as the world's main source of food, but a much higher percentage of crops can be grown in urban areas to keep the carbon footprint linked to food distribution at a lower level.

In addition, plants could become an integral part of architecture from a structural point of view. For example, the German firm, Baubotanik, is inspired by the centuries-old practice of shaping trees into fences and bridges. By manipulating plant growth through pruning, bending and other techniques, walls and pavilions can be created with trees. Given that materials used in the construction sector are responsible for a substantial share of global energy consumption and pollution, the use of organic waste in construction – primarily wood, but also food waste such as ground coffee or orange peel – could be a valid contribution to our fight against climate change.

These strategies are motivated by a certain awareness:

we can no longer afford a strict divide between the artificial and natural world. The two worlds will either save or destroy each other and both designers and companies will play a key role in deciding which future will come about. In the words of Buckminster Fuller, what is at stake is the possibility of being "architects of the future, not its victims".





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Social

SOCIAL

Health and safety in the workplace, rights and equal opportunities, working conditions and relationships and transparent communication are the key topics identified by the materiality assessment in relation to the social environment. Protecting resources is, in fact, a fundamental issue for Saviola Group, both when it comes to external resources (stakeholders and, more generally, the area around us), and when it comes to "our" people.

Saviola Group cares about its employees: it operates in strict compliance with the rules concerning health and safety in the workplace, and goes even further, through the meticulous monitoring and management systems for this issue, including ISO 45001 certification recognised in many of the Group's key plants and the subject of an ambitious project to expand it to all plants by 2026. Saviola Group employees should feel safe, respected and protected which is why the company is committed to guaranteeing the highest standards in terms of recognition of the human and civil rights of its employees and collaborators.

Saviola Group relies on people to achieve the set goals - working for the company means embarking on a path of personal and professional growth to improve the workers' expertise and skills, while achieving a work-life balance. The company has taken this direction by creating a stimulating work environment based on dialogue and exchange of ideas, plus induction paths that encourage learning and reward employe-

es' commitment and adherence to company values and, where possible, the continuation and integration of remote working (WFH) even after the Covid emergency.

Saviola Group has strong ties to the local area where it was founded, namely Viadana and Mantua, but its vision extends beyond to all of Italy and abroad. It constantly strives to boost the economic, intellectual and social welfare of every country and community in which it operates.

Focus: The Saviola People Project

With Saviola People, the Saviola Group has launched a project that fulfils the social function indicated in the sustainability report. It focuses on all the Group's staff by implementing projects that offer more tools within the employees' area of competence and in specific fields including HR (Human Resources), HSE (Health and Safety), IT (Information Technology and Telecommunications) and Communication.

In addition to being employee-centric, Saviola People also aims to keep staff up-to-date on the across-the-board projects that the Group has initiated or will initiate in the future, in order to let them know about the initiatives in which they can participate or which they need to take note of.

Among the activities that have been included in the Saviola People project are, for example: the dissemination and in-depth understanding of the Code of Ethics to ensure that it is shared by all workers, and the initiatives that the Group is launching in the field of sustainability, projects

to boost talented employees, the Welcome book that provides a general overview of the Group to new hires, the upgrade of the Sfera intranet network, the main tool used to keep employees informed, and the empowerment courses that the Group offers to employees who are interested in expanding their training beyond mandatory courses.

Saviola People is an open project available to the people who work within the Group and represented by a circular logo that recalls the goal of disseminating knowledge towards all employees. The logo also includes the infinity symbol that represents both the circular economy applied by the Group in its production process, adding infinite value to wood, but also a bond between two circles, a sign of the collaboration that takes place within the Group between the different organisational areas.



4.1

Occupational health and safety



The issue of occupational health and safety is often identified as one of the most important aspects in terms of a company's impact, especially by its employees, and is also the first material topics, in the social sphere, identified by stakeholders in the materiality assessment.

Saviola Group has always undertaken to ensure that the health and well-being of its workers are protected in the workplace, by guaranteeing the safety standards required by current regulations and regularly checking compliance with them in order to reduce the risk of accidents.

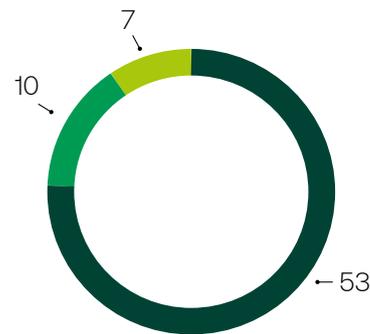
This commitment has been enshrined in the policy for health and safety in the workplace: workers are trained in the prevention of accidents and occupational diseases at every Group production site and specific procedures are implemented when external companies are called in or visitors are on site.

In addition to the national occupational health and safety standard in force - for Italy, Legislative Decree 81/2008 - the Group has voluntarily chosen to add the ISO 45001 standard management system in the Composad, Sadepan

Latinoamericana, Delta Transport and Sadepan Viadana, Trucazzano and Genk facilities, which aims not only to assess risks, but also to detect management opportunities by promoting the involvement of all stakeholders.

In 2022, there were a total of 70 accidents in the workplace in the Saviola Group overall. The accidents reported refer only to employees and temporary workers, excluding external collaborators or members of cooperatives.

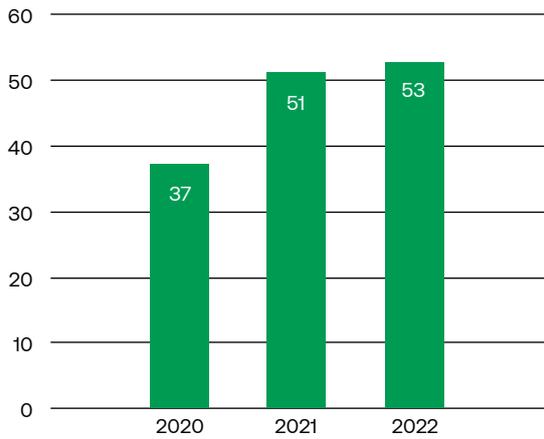
Accidents (2022)



- Saviola Group accidents, net of Rheinspan and Ecolegno
- Rheinspan accidents
- Ecolegno accidents

The increase in the overall number of accidents compared to previous years (+19) is justified by the inclusion, in the reporting scope, of the Rheinspan and Ecolegno sites. A consistent analysis of the accident rate compared to previous years shows that the increase in the number of accidents (+2 compared to 2021) is much smaller.

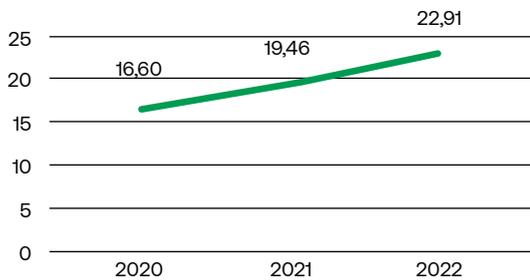
Saviola Group accidents (net of Rheinspan and Ecolegno)



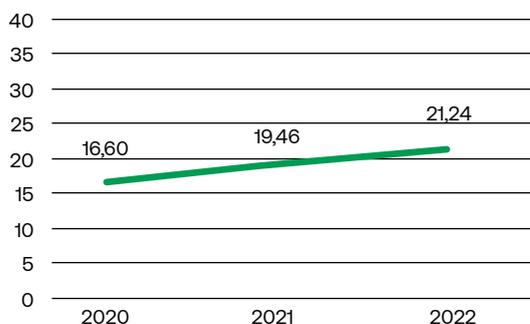
■ Total accidents, net of Rheinspan and Ecolegno

This situation is also reflected by the trend of the frequency index¹ illustrated in the graphs below both by including the previously unreported units (+3.45) and net of them (+1.78), to provide an overall view of the data consistent with the previous years' analyses

Saviola Group frequency Index



Saviola Group frequency index (net of Rheinspan and Ecolegno)



— Frequency index net of Rheinspan and Ecolegno

Saviola Group systematically investigates the accidents that occurred to ascertain if the cause is due to technical deficiencies, incorrect behaviour by the employee or the need to supplement the operating instructions related to the process involved in the accident.

The analysis strategies are based on the Fact-Tree-Analysis (FTA), Causal-Tree-Method (CTM) and Five-Whys-Technique (FWT) methodology, depending on the sites and the people in charge, which aim to highlight the relationship between the events prior to the accident and the incident itself. In the event of accidents in which an in-depth technical analysis is required, the support of external consultants is also called upon.

Near Misses are also analysed with the same level of accuracy: this type of analysis is often highly preventive with respect to serious accidents, in order to minimise the degree of risk and likelihood that the accident will occur by taking all possible actions. Serious injury is now known to be at the top of a pyramid of minor events that could, if analysed and corrected in time, mitigate or eliminate its effects. The safety department is constantly engaged in this type of investigation, with the aim of extending the process to all plants involving workers, who are the first to detect the warning signs of impending accidents.

The importance that Saviola Group attaches to the issue of occupational health and safety is also evident from its Code of Ethics and the Organizational, Management and Control Model required by Italian Legislative Decree no. 231/2001, which highlights related infringements and strategies aimed at strict compliance.

¹The frequency index is calculated by dividing the total number of accidents by the total hours worked and multiplying this result by 1,000,000, thus allowing an effective comparison between different periods, with respect to the overall numbers. In this case, the geographical scope of reporting varies in 2022 compared to the previous two years because the data relating to the Rheinspan and Ecolegno units are not available for the years prior to 2022. As a result, we decided to show both scenarios (both with a limited scope and with a scope that includes these units).

Saviola Group's policy for the prevention of accidents and occupational diseases, therefore, rests on a number of fundamental pillars:

- theoretical and practical training and raising of awareness among employees about health and safety in the workplace.
- the qualification of suppliers and contractors of goods and services, who are required to comply with the established practices and procedures.
- cooperation with public authorities in order to define effective emergency procedures and deal with possible incidents while minimising the potential consequences.
- the systematic execution of safety studies including the identification of hazards which may result in major accidents and investment in new technologies to improve the reliability and safety of plants and processes.
- surveillance and monitoring of production processes and their potential effects on the surrounding area.

Training and information strategies in the field of health and safety

The processes of training and informing workers about occupational health and safety are demonstrated by different procedures: upon recruitment, whether in-house or on a contract basis, the individual receives appropriate training, a copy of all internal regulations, the safety manual and emergency plans for their role. Subsequently, personnel receive the updates required by the standard and all specific training, both internal and external, related to the use of machinery or particularly dangerous or sensitive procedures.

In 2022, in particular, employees were trained in areas such as:

- Annual QSA (Quality, Safety and Environment) training.
- Training for industrial rescuers.
- Training in the use of mobile work equipment.
- Firefighting training.
- Self-contained breathing apparatus

training.

- Refresher Training for Safety Officers (RLS).
- Specific training of managers and supervisors.
- Working at height.
- Working in confined spaces.
- Electrical work (Expert - Informed person training).
- Coronavirus prevention and containment – Covid 19.
- Compressed air.
- Safe driving.
- Postural education.

External staff are trained in site security practices during their first visit to the company and, subsequently, take a test before being able to operate in the Group's plants.

The risk assessment is constantly updated in case of changes to the organisational/ procedural structure and following any reports of hazardous situations by workers, who can communicate directly with the HSR, with the supervisor, company physician or through the internal notification system (mailboxes located in the different sites) that allows both the perceived risk to be reported, and proposals of any security measures to be implemented.

Responsibility for safety within the company lies with the employee: Saviola Group intends to get as close as possible to the ideal of a "zero risk" working environment through a system of involvement, participation and empowerment of workers at all levels.

In 2022, the dissemination of the culture of prevention was also coordinated by the Prevention and Protection Service (PPS) with the supervision of the HSE Holding structure. The training sessions also allowed a discussion with the workers to take on board any observations and assess possible improvements in the field of health and safety protection in different situations.

Participation and consultation of workers and communication on health and safety in the workplace

The participation of workers in the field of occupational health and safety is particularly important for Saviola Group.

Direct participation is demonstrated through different strategies, all based on the analysis of the workers being responsible for their own safety but also aware of their specific task and the practical feasibility of certain applications and possible improvement actions on the issue. The actions are, therefore, shared with the HSRs of the various sites and, if they include technical-plant modifications, they are reviewed by the engineering service. The key information relating to the processes of improving safety levels and procedures aimed at maintaining high standards of health in the workplace is, therefore, disclosed through different channels (direct transmission, periodic meetings, communications by supervisors and HSR) and through Sfera, the company intranet bulletin board, which played a particularly important role during the pandemic emergency.

In Sadepan Latinoamericana, there is also a specific committee for health and safety in the workplace aimed at guaranteeing and promoting the health and safety of employees.

This committee, which is chaired by the company's board and made up of directors and area managers, meets once a month. Its members are a mixed group of employees from different areas and hierarchical levels, aimed at representing the company at all levels and, therefore, being able to effectively report the voice of each member of the production site community. At the Argentine site, there is the "Zero Accidents" award, a special prize to reward employees who have excelled in upholding occupational health and safety in the workplace. At Sadepan's two Italian plants, a bonus is also paid, separate from the bonus linked to economic and production targets, for reaching specific targets in the area of occupational health and safety.

Promoting health

In 2022, Saviola Group maintained compliance with legal obligations in all its facilities to ensure the presence of a physician whom workers can contact for any workplace-related health issue. The physician, as laid down by Italian Legislative Decree 81/2008, visits the production sites at least once a year, coordinates with the HSO for any investigations or specific limitations related to the health of employees and participates in the annual coordination meeting with the employer, HSO and HSR.

In 2022, insurance coverage was also confirmed in the event of an occurrence of Covid in Italian sites. Sadepan Latinoamericana has implemented a specific protocol for the prevention of coronavirus by adopting the necessary measures to prevent contagion and safeguard health while keeping company activities operational. This protocol is demonstrated through various initiatives, first of all training and raising of awareness, but also the organisation (prioritising meetings and remote meetings, reorganisation of workstations, strategic leave to work groups at risk), ongoing distribution of specific PPE and CPE and strict health monitoring.

Sadepan Latinoamericana also offers a medical assistance service through which employees can access non-work-related health consultations, which in 2022 were particularly numerous due to the persistence of the pandemic emergency and related illnesses. It has also been certified as a "Tobacco Smoke-free Institution" by the Ministry of Health of Entre Rios Province, thanks to its "Sadepan Zero Tobacco Smoke (HAT)" program which aims to get all its employees to quit smoking. This initiative is part of the "Sadepan Healthy Life Program", a program promoted by the provincial Ministry of Health aimed at promoting a healthy lifestyle based on proper nutrition, physical activity and no consumption of tobacco for employees and their families.

In Sadepan Genk, there is an emergency room and many employees have received training as industrial rescuers, for which they also take part in annual refresher courses.

4.2

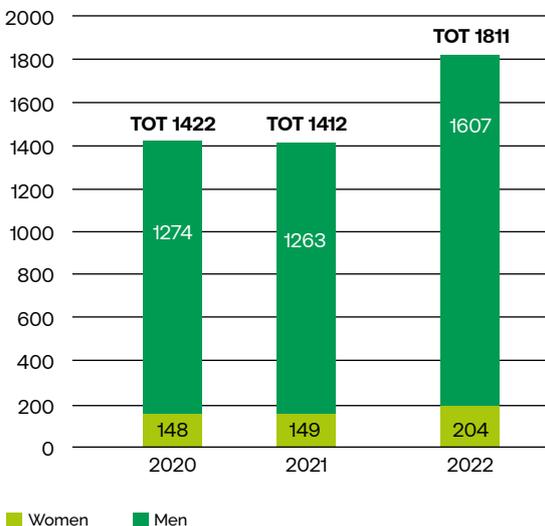
Protection of rights and equal opportunities



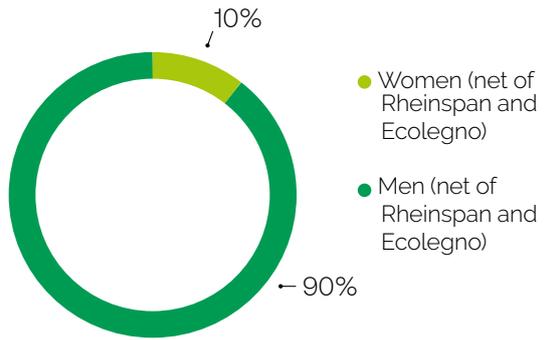
2022 saw a 37% increase in female resources out of the Group's total, which rose from 149 to 204.

The breakdown of resources by gender in the past three years is shown below, both, with reference to 2022 only, for the Group as a whole, and with the data analysed separately for the new production units reported:

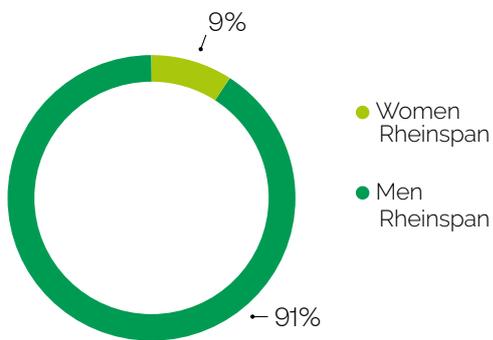
Saviola Group employees by gender (total)



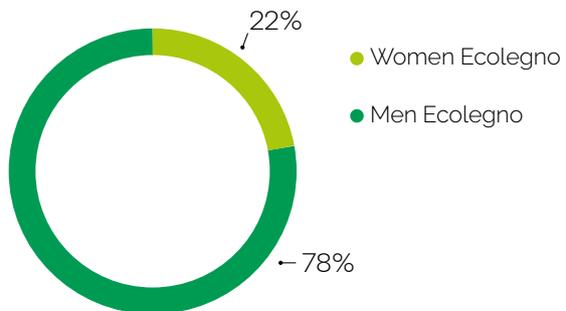
Saviola Group employees by gender (net of Rheinspan and Ecolegno) - 2022



Rheinspan employees by gender - 2022



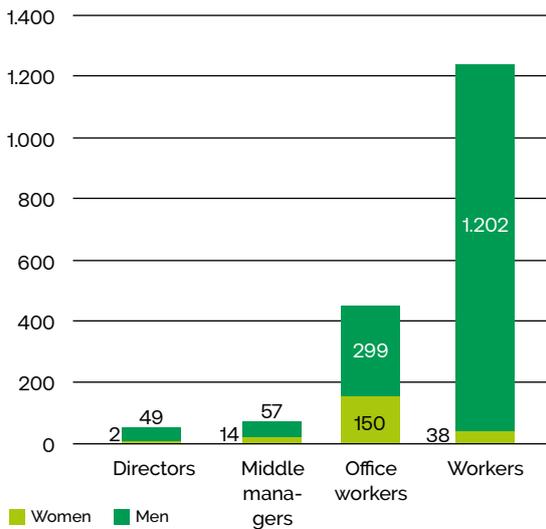
Ecolegno employees by gender - 2022



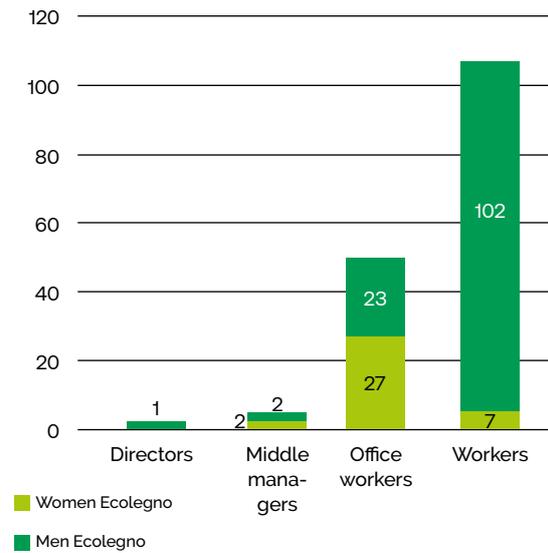
As can be seen from the graphs, the Group has a total 11.2% of women out of the total number of employees, with a percentage of female employees increasing to 22% on Ecolegno sites.

The following graphs detail the distribution by gender and job continuing with the analysis of the breakdown of company resources. As a general Group-wide trend, 2022 saw an increase in the presence of women, compared to 2021, for all jobs.

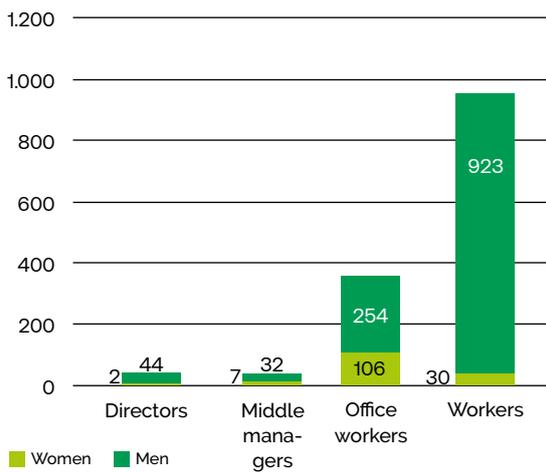
Saviola Group employees by category and gender (total) - 2022



Ecolegno employees by category and gender - 2022

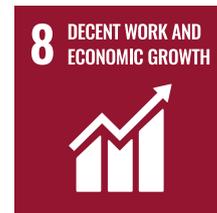


Saviola Group employees by category and gender (net of Rheinspan and Ecolegno) - 2022

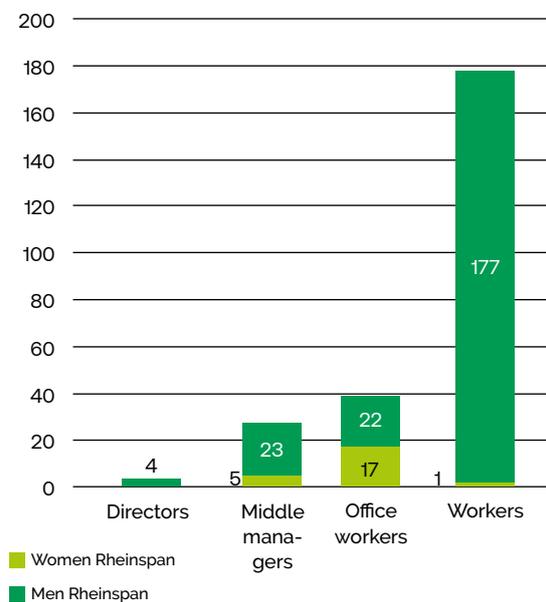


4.3

Working conditions and employee welfare



Rheinspan employees by category and gender - 2022



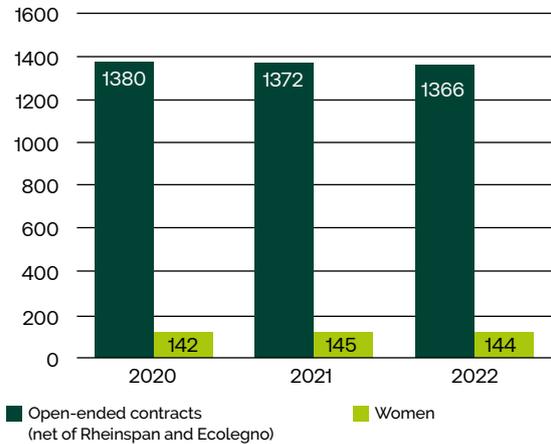
The number of Saviola Group employees increased by 399 as of 31 December 2022 compared to the same date in 2021, rising from 1,412 to 1,811. Net of the Rheinspan and Ecolegno staff, the variation, on the total for the group, would be -13 employees.

The National Collective Bargaining Agreement applies to 100% of the group's employees. Any employee not covered by collective bargaining agreements has working conditions and wages that are better than the National Collective Bargaining Agreements.

Most of the contracts are open-ended, account-

ting for 96% of the total active contracts in 2022, with a 38% increase in open-ended contracts for women.

Saviola Group open-ended contracts (net of Rheinspan and Ecolegno)

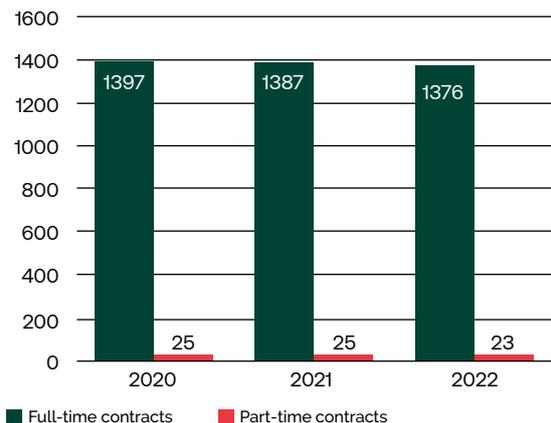


Saviola Group open-ended contracts (total)



The most common type of contracts are full-time, accounting for 98% of all active contracts in 2022.

Saviola Group contract type (net of Rheinspan and Ecolegno)



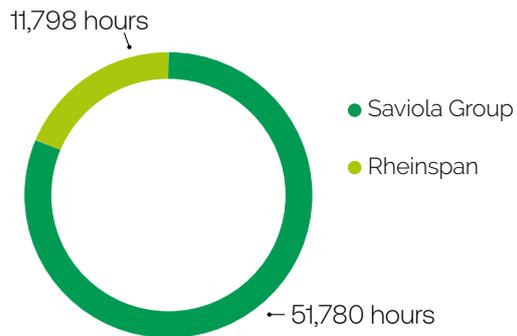
4.3.1

Focus: Remote working that is good for the environment

In order to ensure a better work-life balance, the Group offers flexible solutions on request, tailored to the type of activity and task, through part-time contracts, WFH and flexible hours. In 2022, 230 Group office workers were able to take advantage of WFH, with benefits both for their personal well-being and the possibility of reconciling their working and private life, as well as saving commuting emissions (home-work trips). Saviola monitored the WFH hours during 2022 and the mapping involved all locations except for the Ecolegno network.

A total of 63,577 hours were worked from home (the equivalent of 7,947 working days), i.e. 2.1% of the total hours worked.

WFH hours (2022)



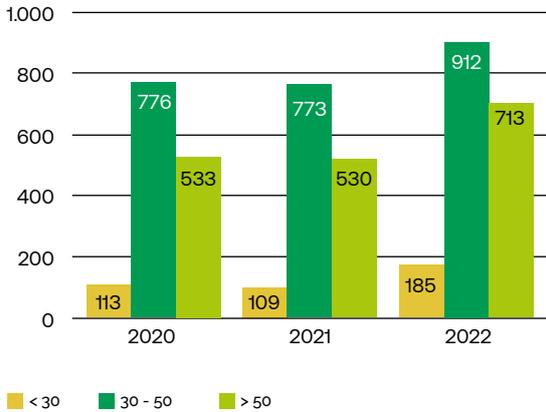
Based on the WFH hours recorded for each employee and the distance each person normally drives in their home-work commute, Saviola Group was able to calculate the emissions saved by adopting this policy. Emissions were also taken in to account for WFH for a value of about 0.34 kgCO₂e for every hour working from home. The emissions saved by working remotely were equal to 69 tons of CO₂, i.e. the annual absorption of 85 trees, calculated on the difference between emissions avoided with transport and those produced by WFH.

4.3.2

Relationships and working conditions

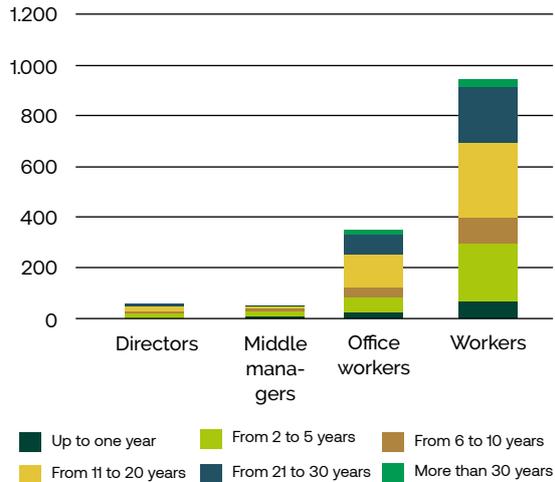
A sense of loyalty to the company is one of the aspects that define employees of the Saviola Group and this is also reflected in the distribution of resources. There was a steady increase in the group of under-30 workers in the three-year period analysed, mainly due to new hires, along with an even more marked increase in the age group between 30 and 50 and over 50s, due to the increase in the age of the resources already employed by the company.

Saviola Group employees by age group (total)



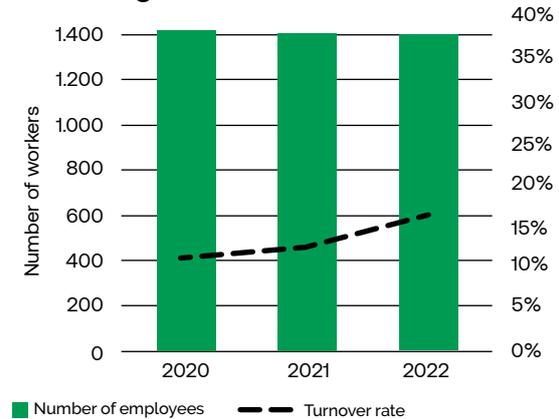
Length of service is, in fact, an indication of Saviola Group's excellent ability to retain its resources. The Group, net of the Rheinspan unit, for which no data is currently available, has an average length of service of 13.6 years (a slight increase compared to previous years), with a marked trend towards stability among factory workers and office employees and less marked for managers who, due to the nature of their job, tend to have more dynamic working relationships.

Saviola Group employees by length of service (net of Rheinspan and Ecolegno) - 2022

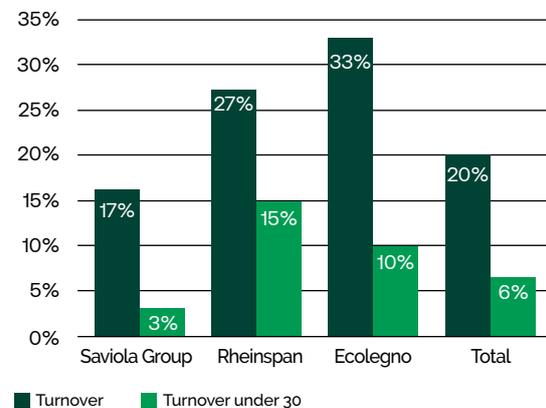


There is an uptick in the turnover rate (+5.7%), net of the new units reported, compared to the two-year period 2020-2021, but generally stable, as is the number of employees.

Saviola Group turnover (net of Rheinspan and Ecolegno)



Turnover rates (2022)



The total number of new hires in 2022 stands at 179. The total number of terminations recorded was 174, of which 21.84% due to retirement.

Performance evaluation and professional growth

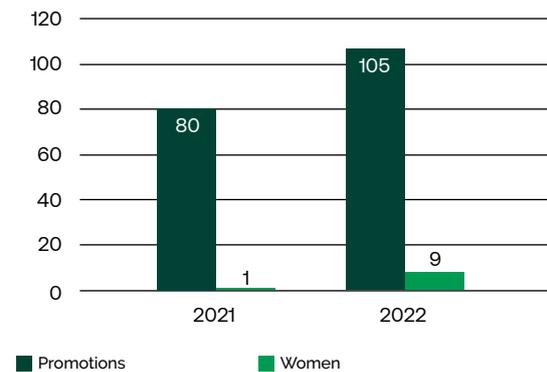
The performance evaluation system implemented by the Saviola Group is designed to boost the potential of each worker and allow them to develop professionally in line with their expectations and their commitment to advancing the company's values and objectives.

The evaluation system includes management by objectives (MBO), implemented through individual bargaining with directors, middle managers and some employees and based on qualitative/quantitative performance indicators, and recognition in terms of bonuses, paid to all employees, based on the achievement of specific company objectives.

Horizontal and vertical mobility

Saviola Group promotes the flexibility of workers looking for jobs within the company better suited to their expectations. In 2022, it contracted 105 vertical level changes (of which 9 were women) and 68 changes in job description².

Vertical mobility



Horizontal mobility 2022	Men	Women	Total
Relocations	1	0	1
Job changes	67	1	68
Total resources	68	1	69
Directors	1	0	1

When there are significant organisational changes with repercussions on working conditions and relevant contracts, the Group involves the staff concerned and trade union representatives, in compliance with national collective agreements and those stipulated with individual workers. The minimum notice period guaranteed by law is defined by the Italian Civil Code and national collective agreements. In 2022, as in 2021, there were no collective redundancies, relocations of groups of workers or unscheduled contractual changes.

4.3.3

Focus: Employee bonuses

In 2022, Gruppo Saviola sponsored a major allocation of funds to its employees, divided into two initiatives. In line with the expectations of its stakeholders, the company aims to continuously improve its performance in line with the Sustainable Development Goals (SDGs) and European targets.

The measure championed by the company was introduced in addition to the June salary. The bonus is the result of the commitment shown by employees who contributed to the excellent

² Analysis relating to the entire Group, net of the Rheinspan production unit, for which this data is currently not available.

results achieved in 2021, despite the complicated overall post-pandemic situation during which the workforce demonstrated its ability to cope with the challenges arising from the specific socio-economic climate. It is a bonus of up to 2,000 euros in the pay slip and divided between a result bonus and an additional payment offered by the company owners.

A second bonus was approved in December 2022 - a recognition that extends to the 14 facilities in Italy and abroad and consists of 1,500 euros net paid together with the January 2023 pay slip. This decision was taken by virtue of the extraordinary results achieved by Saviola Group despite the challenging international context. This is an initiative championed by the Saviola family to start 2023 on a note of positivity and trust.

The company's goal is to consolidate an aspect highlighted in the materiality assessment that has seen the involvement of external stakeholders. Saviola Group, leader in the production of ecological panels, confirms its focus on social impact issues in favour of its employees.

The human resources asset is confirmed as the most valuable and the tenacity shown by the company is the result of a sustainable policy aimed at promoting, on the one hand, the topics considered most sensitive by external stakeholders, and the commitment and dedication, on the other hand, demonstrated by employees.

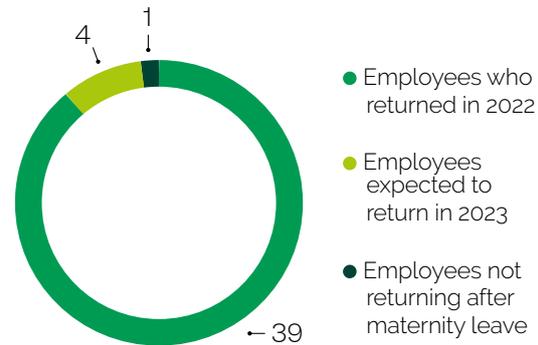
Parental leave

In 2022, there were 32 births. Assisting young people and families by offering supportive parenting policies, such as part time work and flexible hours agreed at all levels, is a winning strategy to combat the ongoing trend which sees parents of young children, and more often mothers, leave work in the months immediately following the use of parental leave.

In 2022, 89% of the resources (100% of men and 50% of women) who took parental leave, had already returned to work, 9% are expected to return in 2023 (the leave fell between the two years) and only 2% (1 employee) opted for voluntary resignation after the birth of their child.

This data confirms Saviola Group's intention to successfully meet the needs of families and new generations.

Saviola Group post-parental leave employee return (total) - 2022



Employee wellbeing

In line with the choices made in previous years, in 2022, Saviola Group again confirmed its membership in the Altea Fund for all employees of the sites of the Wood sector in Italy. The Fund offers members a system of subsidised schemes with private health facilities that offer high standards of professionalism and medical-health technology for workers, with a subsidised contribution for employees and families. The Standard formula includes full or partial coverage of the cost for health, accident or supplementary care services up to the limits provided. In Sadepan Latinoamericana, there are also welfare initiatives offered to 100% of employees, divided into 3 macro-areas:

- **Health Care - Initiatives for health and well-being:** preventive healthcare, corporate wellness initiatives, accident and life insurance policies, supplementary health coverage, contracted healthcare institutes.
- **Family Care - initiatives for the family and children:** Scholarships, liability policies, employee assistance program, institutes contracted to provide parental support.

- **People Care - Engagement, time-saving and work-life balance initiatives:** Car-pooling and corporate car-sharing, company canteen or meal vouchers,

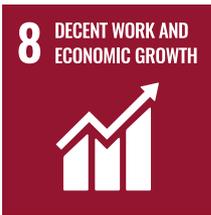
initiatives for the management of diversity (gender, age, etc.).

Below is the breakdown of resources in 2022:

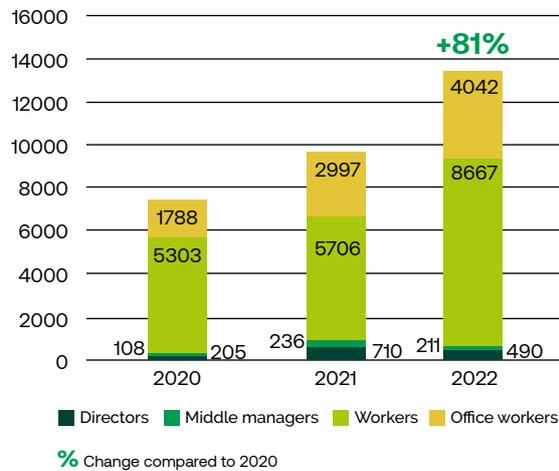
Area of intervention	Contribution paid by the company	Total beneficiaries
Health Care (including Altea fund)	297.228 €	956
Family Care	6.541 €	119
People Care	91.188 €	119

4.4

Training



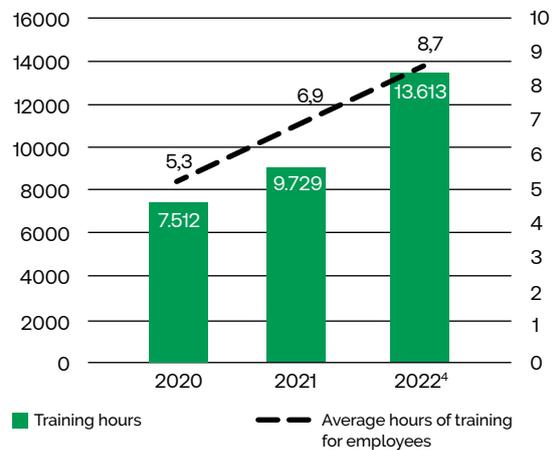
Annual training hours per job



Saviola Group recognises that personnel training is an important element in maintaining and increasing its reliability and competitiveness in the market and keeping its employees' individual interest and satisfaction alive. Training hours³ are constantly increasing, with most of the hours dedicated to occupational health and safety (75%), followed by hours related to vocational training (24%), and a small percentage dedicated to training on privacy, anti-corruption and the organisational management model.

The average increase in training hours per employee (with a clear emphasis on the workers' category, typically more involved in specific training on health and safety) shows an uptick from 5.3 in 2020, to 6.9 in 2021, up to an average of 8.7 hours of training per employee provided in 2022.

Employee training



³ Analysis relating to the entire Group, net of the Rheinspan production unit, for which this data is currently not available.

⁴ The hours of training referred to the year 2022 also include the hours for the Ecolegno sites, for a total of 1.796.

COMPREHENSIVE CORPORATE RESPONSIBILITY

**Paolo Braguzzi**

B Lab Europe Supervisory Board

There is finally a growing general interest in the issue of corporate responsibility as a solution for social and environmental problems, starting by not contributing to the addition of new ones.

Companies that recognise this, and act accordingly, are now increasingly favoured by people, by other companies when they have to decide who to buy from, and by investors when they have to decide who to invest in. The statement by Milton Friedman, the leading proponent of neo-liberalism, over fifty years ago that: "There is one and only one social responsibility of business: to use its resources and engage in activities designed to increase its profits" is less and less popular, even though it still remains the basis of the "normal" way of understanding and engaging in business. A strong cultural change is needed to shake off this way of thinking which must start in universities and business schools and also be promoted by business organisations, to focus on the business system and renew its legitimacy. The new way of acting that this change requires must take companies beyond philanthropy and mere Corporate Social Responsibility, or CSR, at least as it has been put into practice, i.e. through "episodes" that have not changed the way companies act in the ordinary course of their business. In this scenario, conditions are being created, however, to affirm a new level of responsibility that can be defined

as Integral Corporate Responsibility. This form of responsibility has three dimensions.

The first dimension of Integral Corporate Responsibility considers its impact not only from an economic point of view, but also from a human, social and environmental point of view.

The second dimension of this form of Responsibility is the one that considers the effect of these different forms of impact on all stakeholders, inside and outside the company, ensuring that each of them sees their interest in it fulfilled.

Finally, the third dimension of Integral Corporate Responsibility involves not only the activities carried out directly by the company, but also those upstream and downstream of it, i.e. its entire value chain. In particular with regard to what happens upstream of its business activities, according to this principle a company can be considered virtuous to the extent that its supply chain is virtuous, which unfortunately is still often only managed and considered in relation to the prices that are paid, the quality of what is received and the level of service attached. Instead, it is only the virtuous management of the sustainability of its supply chain that allows both an increase in the positive impact of the company and the tangible avoidance of taking part in negative behaviour towards people, society and the environment, while also assuming the related risks.

It is no coincidence that the new European legislation on non-financial reporting will require larger companies to account for the social and environmental impact along the entire supply chain. For this reason too, in addition to being inherently right, it becomes essential to choose to deal with companies whose business models and practices guarantee a profound and real focus on the circular economy, the preservation of biodiversity, the reduction of pollution, respect for both people's rights and moral integrity, and finally the vitality of the community in which they operate. And thus contribute to creating progress and prosperity for everyone.

4.5

Communication



Environmental issues, including climate change, ecological transition and the concept of circular economy have moved out of academic circles and the narrow circles of activists to reach the general public, with more or less effective strategies, but now present at all levels of modern communication. They are part of our daily experience and, almost inevitably, guide and will progressively guide more and more our choices, both as end consumers and as entrepreneurs, professionals, administrators, figures in any capacity impacting a community. The quality of the product is no longer assessed merely in terms of final yield, intrinsic value of the material or process, but also in terms of momentum for that product and the company that produced it. Customers, and consequently all stakeholders in this process that starts from the raw material and reaches the final consumer, want to know the history of the product and the company, and where it stands in terms of positive or negative impact on the environment and the socio-economic system in which it operates. The philosophy that determines the creation and development of a brand, the accuracy and credibility of the promises that it makes, the constant tension towards the achievement of sustainable objectives are analysed and compared with the rest of the market and must, therefore, represent a decisive element in the final choice. This year, Saviola Group chose to venture beyond the company walls because being sustainable at heart is sometimes not enough. You need to share ideas externally as well and let the world, your customers, suppliers and consumers know that the Group's circular

economy system contributes to the wellbeing of everyone, to the preservation of the forest heritage, i.e. to the upkeep of the resource that literally allows us to breathe. Making use of urban forests (recycling and collection centres) instead of real forests, recycling 1.5 million tons of wood every year, the equivalent of 30 times the volume of the Colosseum, means turning an important and ubiquitous piece of furniture into something truly sustainable: New life for wood, long live trees.

4.5.1

Focus: Nuova Vita communication campaign

For the first time in its history, Saviola Group has launched a communication campaign: the TV commercial aired for the first time on October 16 on the major Italian broadcast platforms. The campaign is Saviola Group's way of communicating its sustainability values to a mixed audience throughout Italy. The Nuova Vita communication campaign commercial features a violinist walking barefoot in the Bosco dei Violini area in Trentino: the musician symbolically restores life to all the felled trees in the world through her music. The violinist embodies the spirit and energy of the company with the consequent symbolic effect that wood recycling has on society. Even the video clips are "recycled" since they were made using existing video material and, therefore, no trees were felled. The campaign is a tribute to wood recycling and reiterates the Group's commitment to saving trees by implementing the concepts of recycling and upcycling that minimise environmental impacts and preserve natural resources in a circular economy.



Our strenght
is nature

Employee participation

The strength of the Saviola Group is the result of the synergistic horizontal and vertical integration of all its business units with a view to sharing the sustainability strategy that forms the basis of its business model.

The Organizational and Management Model and the Code of Ethics, adopted by most of the Saviola world and currently being implemented everywhere, clearly define a willingness to adhere to overall transparency values.

The Group's strength is based on a model geared towards sharing and collaboration, where everyone, at all organisational levels, contributes their views, ideas and experience to common strategies, policies and goals.

Every month, specific meetings are organised at board and management level on organisational, operational, commercial and innovation strategy highlights, in order to ensure constant growth, including improvement of internal processes.

The involvement of the various business levels is what allows us to react to the challenges and changes that necessarily affect any company, even more so in an era like the one we are living in, marked by events with major global repercussions.

Employee participation is expressed through the use of different communication tools:

the company website, the Intranet and the social media platforms are constantly updated in order to ensure the visibility of this business strategy both inside and outside the company. Some of these tools, and in particular Atmosfera, allow us to share the Group's developments, ideas and values.

The use of the ESGeo platform has allowed us to gather the opinions of a very high number of contributors, from all over the world, in the effort to better integrate the needs, opportunities and possible impacts of all production sites into the Group's development strategies. The resulting Sustainability Report is an important tool for achieving the goal of communicating the company's path in this area.



4.5.2

Focus: Sfera, Saviola Group's smart tool

Saviola Group celebrates the second anniversary since the launch of Sfera. The Intranet was created in 2019 thanks to a joint project between the Communication and IT departments, and became fully operational in January 2020. This initiative was aimed at strengthening business interaction by ensuring better circulation of information. Two years later, Sfera has fully met expectations and is in line with the European Union's objectives for the digitalisation of the economy.

The Sfera interface is split into intuitive horizontal bands to distinguish the contents. The first band at the top bears the Sfera logo, which recalls the Group's brands, the content search bar and the symbols of the Holding and its business unit. It is also easy to access the Corporate and Governance areas (with the complete Sustainability Report and the link to the ESGeo Platform), the Organizational Management and Control model, Code of Ethics and Reports for the Supervisory Body, Procedures and Policies (documents on procedures, General Data Protection Regulation), Communications (dedicated to the circulars of the Human Resource and Health Safety Environmental offices) and the Services (Helpdesk, coordinated image, manuals, address book, travel hotel reservations, Inaz website).

The home page of the platform allows you to scroll the information content: this is the section called SaviolaNews, similar to a news website, in which the latest news is highlighted.

In 2022, Saviola People was launched to con-

solidate and expand the participation of all employees in the life of the Group. The Welcome Book was also presented as part of Saviola People, one of the main objectives of which is to define the company's approach by first and foremost considering teamwork extended to all employees. The book is given to each new employee to ensure that they understand the business dynamics and to optimise their integration into the relevant departments of the organisation. The features of this initiative, as stated in the Chairman's Letter, has allowed the entire system to grow and turn technological, process and thought innovation into Saviola Group's winning strategy. The values shared within the Welcome Book, which define the identity chosen by the company, can be grouped into five keywords: Environment, People, Territory, Quality and Innovation.

The choice of Sfera reflects Saviola Group's interest in consolidating and respecting the contents prevailing within the materiality assessment that represent the focal points recommended by stakeholders. The application allows you to access the work sections and business areas of interest in a few clicks.

Transparent communication, including in-house, thus becomes a key driver that makes the company's work visible to everyone and ensures the effective dissemination of information in order to expand and improve the quality of work.





SUSTAINABLE GROWTH: A NEW CURRENCY IN CIRCULATION



Sebastiano Zanolli

Manager, speaker and inspirational writer

It was the 1970s when the need for economic growth that was respectful of the environment was perceived for the first time. The epiphany came when a collapse of the global ecosystem, caused by the traditional development model, became a less remote possibility than we might previously have thought. It was 2020 when, with the arrival of the virus, we had the opportunity to reflect on the quality of our life, highlighting the imbalance in our habits and toxic approach compared to our well-being, in now way geared towards safeguarding the place in which we live. And we turned it upside down, adopting new daily habits that headed in the direction of this collective awakening. There is a common feature in contemporary global society, perhaps about to be disproved by the next generations, which concerns our inherent inability to enact prevention. It could be said – without wishing to generalize, and bearing in mind the percentage of forward-looking people in every sector slow down the escalation of certain dynamics – that human beings are mostly involved in adjusting the everyday rather than moving to act in perspective. And this occurs in every area of human intervention: from health to relationships and, of course, to work. Companies represent a unit of measurement in which ill-advised human activity and its direct or latent consequences are laid bare. Although some virtuous compa-

panies try to make changes well before they become necessary and urgent, just as in other types of organisations of people, not all of them always act on time. The evolution of the working methods we have witnessed in recent months has been emblematic, for example. Both in form (hybrid work) and concept (productivity to performance). Long before the pandemic, companies had all the elements required to revolutionise their workflow, by introducing remote working. They had enough information to realise that the myth of work as sacrifice had started to become outdated and unpopular with their staff, especially the younger generations, and that individual and professional well-being had started to become a priority over everything else. Yet, instead of devoting resources to responding to a growing feeling of discontent, disaffection and distrust, companies waited for an external factor to initiate the first move and for the consequences to directly affect them. The same thing happened with the issue of social and environmental responsibility. In 1992, after the UN Conference on environment and development, it became clear to companies that sustainable and conscious growth was no longer a benefit in their production experience. But it was about to become a prerequisite for operating and prospering in the market. It took years for a series of instruments to transform the message of protection for people, the planet and the next generations into action programmes. These undoubtedly include the United Nations 2030 Agenda Goals, as part of a more comprehensive programme of action, consisting in total of one hundred and sixty-nine associated goals, to be achieved in the environmental, economic, social and institutional fields by 2030, which have contributed to speeding up the process. The Agenda's SDGs have also existed for years, but they only made their way into the corporate world when production on a global scale for the first time stopped and asked itself who was going to lose out. For the first time, the answer fell not only on the environment, or on a less developed part of the hemisphere, but on any entity – even local – that is involved upstream or downstream of the production process, even indirectly. It basically fell on everyone. What is needed in the labour market today, more than in the past, is a new heartfelt human pact that goes beyond the contractual aspects and individualism. A virtuous strategy that works daily on a shared plan, opening up to new values such as mutual support, the championing of common causes, availability. To elements that are connected to the ability to relate to each other and the environment. In the era we are preparing to live in – more social media than social – everything is destined to be viewed from a different perspective than the one adopted in previous decades. It is an era that places itself in a dynamic relationship both with the needs of society and business opportunities. It is only through their balanced merger that the ways in which companies can achieve results and, above all, thrive consciously take shape.

saviola Talks





5

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Governance and sustainability strategy

5.1

Governance

In the topics identified as most relevant by the materiality assessment that we have used to assess the Group's current and potential impacts in the management field, the fight against corruption and transparent communication stand out, as well as an emphasis placed by external stakeholders on the importance of fair competition.

These issues have been analysed by collecting essential data relating to the management structures within the company.

Business strategies geared towards ecological sustainability often translate into economic benefits as well, in terms of market leadership and brand identification as stable, reliable and future-oriented.

Quality that is the hallmark of all the products of the Saviola Group's business units has allowed it to become a symbol of Made in Italy, capable of exporting all over the world. This is coupled with a "perceived" quality, inherent in each product, in terms of aesthetics, durability, performance, design, variety of the range and technical know-how recognized internationally, and an "official" quality, recognized by the numerous certifications of the Quality and Product System.

Innovation, on the other hand, is a goal that the company constantly strives towards and is a common theme running through all the Saviola Group's business units.

In recent years, the Group's researchers have succeeded in expanding the product range to reach new market segments: products that, once again, reiterate the logic of the Eco-Ethical Company.

5.2

Structure and participation in governance



Saviola Holding is engaged in control, management and planning as a private law entity. The Holding is an operating parent company engaged in management activities and shareholdings. In addition, it provides services to subsidiaries and investee companies covering various areas that allow the efficient management of the entire Group system such as: administration, finance, security, sustainability, energy, purchasing, communication, human resources and information technology.

The governing bodies of the companies consist of a Board of Directors with management functions and a Board of Statutory Auditors with control functions over the administration.

Saviola Holding's Board of Directors is appointed by the Shareholders' Meeting, and consists of 5 members. It is vested with very broad powers for the ordinary and extraordinary management of the Company, with all the powers to implement and achieve the company's goals. The members of the Board of Directors, who may also not be shareholders, as decided by the Shareholders' Meeting, remain in office until their membership is revoked or resigned. Stakeholders do not participate in the appointment of the BOD.

Saviola Holding directly or indirectly controls all the companies of the group, exercising direct management and coordination activities over

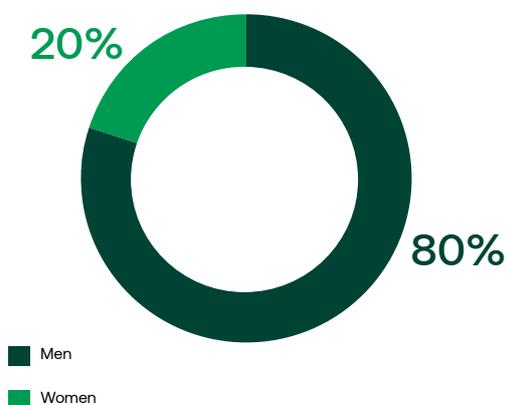
its subsidiaries. The governance model includes the presence of the following governing bodies:

Saviola Holding governing bodies	Number of members
Shareholders' Meeting	Sole shareholder GMS s.r.l.
Board of Directors	5 (1 President and 4 Directors)
Board of Statutory Auditors	3 (1 President and 2 Statutory Auditors)
Supervisory Body	3 (1 President and 2 Members)
Committees:	
Privacy Committee	5 (1 President and 4 Members)
ESG Committee	4 (1 President and 3 Members)

BDO

EXECUTIVES	3
NON-EXECUTIVE	2
INDEPENDENT	0
NON-INDEPENDENT	5
<30 YEARS	0
>50 YEARS	3
30-50 YEARS	2
WOMEN	1
MEN	4
ITALY	5
OTHER COUNTRIES	0

Board of Directors by gender



Privacy Committee

European Regulation 2016/169 lays down how personal data must be processed, including how it is collected, used, protected and shared.

The main goals of the Regulation are to restore control of personal data to individuals and make the application of privacy legislation the same within the EU.

To this end, in 2020, Gruppo Saviola set up a Privacy Committee consisting of a Chairman and 5 members to collect the documentation, organisational and technical processes for the protection of the natural and legal person, entities or associations, identified or identifiable, to whom the personal data held by the Saviola Group refer.

The Privacy Committee deals with the management of the General Data Protection Regulation (GDPR) and privacy for all Group companies, producing the necessary documentation to ensure adequate and timely training for staff. Securing data is crucial and involves defining a plan of action according to the level of risk.

2022 Activities of the Privacy Committee

- Updating of the data processing register and risk analysis according to the indications of the individual contacts within the departments involved, for all companies.
- The Privacy Committee has verified the correct compliance of the GDPR documentation of the various Group companies for 2022 through official channels.
- Completion of GDPR compliance and collection of the information and documentation required for the commercial network (Sage) defined as Ecolegno. DataConSec has prepared the necessary GDPR compliance documents for the network.
- Preparation of compliance with documents of the companies Emporio Kit (2022), and Sadepan Chimica NV (Belgium) and initiation of the compliance process for Saviola Immobiliare
- Completed the system of intercompany liability art. 28 for formalization of the deeds of appointment against other companies present in the corporate group, and in relation to specific activities carried out in favour of the same group.
- Organized access to the repository of documentation necessary for GDPR compliance in favour of the DPO, the Board Delegate and all subjects included in the Privacy Committee.
- Completed the documentation on the topics of driver geolocation on Transport Delta, signed and shared with the general management.

ESG Committee

Since 2020, the ESG Committee has been working within the company to develop and coordinate the group's sustainability strategy. The Committee is made up of four members, which include a Chairman supported by three members, belonging to the top managerial levels of each area of competence. The composition is determined in such a way as to include all the skills useful for the strategic management of

sustainability issues.

The ESG Committee provides information and proposes lines of action on environmental, social and governance issues, business ethics and risk management to the Board of Directors and the company departments concerned. The Committee undertakes to implement and publish the Sustainability Report and identify corporate Key Performance Indicators (KPIs) related to the sustainability strategy and timeline of these projects.

The ESG Committee aims to consolidate within the company and towards stakeholders, the knowledge and application of the concept of Corporate Social Responsibility (CSR), the Group's pillar for its continuity and success. In particular, the Committee collects the proposed projects from the various company departments which are then analysed and harmonised with each other to define an unequivocal direction of action.

When examining key ESG topics, the Committee cooperates with all stakeholders and company committees in order to implement information exchanges that lead to the achievement of the respective goals in areas of common expertise.

The Code of Ethics and its suitability, as well as its effective implementation with regard to ESG issues, are used to verify the main corporate rules and procedures that are relevant to ESG strategies.

Lastly, at the request of the Board of Directors, the Committee gives opinions on ethical and sustainability aspects.

2022 Activities of the ESG Committee

- Plenary meetings throughout the year for coordination of the Committee's activities, documentation management and reporting.
- Coordination of activities related to the implementation of the Sustainability Report
- Formal approval of the financial statements and presentation to the Board of Directors.
- Relationship with suppliers and partners

delegated to support the implementation of the budget and all activities related to ESG content (scientific partner, auditing company, online platform management, graphics and translators).

- Coordination of business functions (data owners) and management of the compilation hierarchy.
- One-to-one interviews and questionnaires dedicated to company department heads for greater synergy on projects implemented or to be implemented.
- Launch of a Group sustainability plan based on ESG criteria and keeping the sustainable development goals (SDGs) of the United Nations firmly in place.
- Support and consultation with the Board of Directors on environmental, social and governance programmes.

5.3

Fight against corruption

The materiality assessment shows that the fight against corruption is perceived as an effective and ongoing impact, thanks to the effective management and presence of protocols and measures to prevent the risk of corruption and discrimination, but it also constitutes a future opportunity to develop new control systems and procedures aimed at ensuring greater security in the data and information management.

Code of Ethics and Organization and Management Model

The Group recognises the importance of a system that ensures that the values of fairness, honesty, integrity, legality, transparency, good faith and protection of human and environmental resources are well-established and long-lasting and respected in the running of business and company activities. Saviola Group has adopted its own Code of Ethics - the latest version was approved on 23 September, 2019.

Likewise, the Group companies have adopted and approved their own Organization and Management Model (OMM currently under review) in accordance with the provisions of Italian Legislative Decree 231/2001 on the administrative liability of entities.

The values and principles of the Saviola Group Code of Ethics are, therefore, effectively implemented in the precautionary protocols included in the Organizational and Management Models of the various Group Companies aimed at:

- integrating and strengthening the Corporate Governance system.
- minimising the risk of committing crimes related to business activities.
- making anyone who operates in the name and on behalf of the Group Companies aware of the risk of incurring, in the event of violation of the provisions contained therein, criminal and administrative sanctions also imposed on the Company.
- informing anyone who operates with the Group Companies that the violation of the provisions will result in the application of sanctions or the direct termination of their working contract.
- confirming that the Saviola Group does not tolerate illegal conduct regardless of the purpose, even if it may possibly benefit the company, as it is contrary to the principles on which the Group's business activity is based.

The Code of Ethics and OMM, therefore, identify the areas and processes vulnerable to the risk of crimes and potential crimes (i.e. "alleged crimes"), the principles applied to prevent their occurrence and the sanctions applied.

Particular importance is attributed to the system of proxies and mandates, aligned with the guidelines laid down by Confindustria and compliant with the standards included in Italian Legislative Decree 231/2001.

The procedural system is equally important and is designed to govern the execution of corporate activities, while also laying down specific checks to be carried out in order to ensure their correctness and effectiveness.

The general auditing principles adopted by the Group are based on the separation of duties and powers, the transparency of operations, the suitability of internal rules based on specific procedures and the traceability of documentation.

The Supervisory Board (SB), appointed by the board of directors of the individual Group companies, supervises the implementation of the OMMs and the Code of Ethics in accordance with the provisions of the above-mentioned decree, verifies their effectiveness, identifying and proposing updates and amendments to the top management team for changes in legislation and/or variations in terms of company requirements or conditions.

The Saviola Group Supervisory Body is collegial and made up of three members who meet the requirements of autonomy and independence, professionalism and continuity of action laid down by Italian Legislative Decree 231/01.

The information and update on the OMMs and, in particular, on the precautionary protocols and procedures included in them are manifested through:

- an initial communication to all the resources in the individual companies.
- a specific training activity on the key principles of Italian Legislative Decree 231/2001 and on the structure of the Saviola Group Organizational Models.
- the availability, in a specific part of the company intranet and on all company bulletin boards, of all the documents that make up the Organization and Management Models.

Third parties that are set up as counterparties at all corporate levels of the Saviola Group are informed of the adoption of the Code of Ethics and the OMMs and invited to consult them on the website and endorse the acceptance of these behavioural principles and the consequences deriving from non-compliance with them, in specific contractual clauses.

To fulfil the obligations of information to the Supervisory Body by internal or external stakeholders to the companies in case of violation of the provisions of the Organization Models and Management, differentiated communication channels have been set up, in order to guarantee confidentiality for anyone submitting reports while facilitating the flow of reports and information to the SB.

More specifically, it is possible to send an email or to fill in, including anonymously, an online form on the intranet channel or, alternatively, to submit a hardcopy communication in a sealed envelope through a dedicated mailbox, provided in the Group's various sites.

The SB evaluates the reports received and gives feedback to the whistleblower, ensuring the utmost confidentiality (or, where possible and requested, anonymity) and the absence of retaliation, discriminatory acts or penalties for any reason against the whistleblowers.

Every year, the SB presents an "Annual Plan of Control Activities" to the administrative bodies of the Group Companies that defines the areas at risk of crime and/or the vulnerable processes that will be under surveillance.

In 2022, the SBs of the various Saviola Group companies carried out a total of 20 supervisory audits at production sites and administrative offices, referring to various "crime risk areas" including the environment, health and safety in the workplace, the handling of gifts, gratuities and donations, the management of communication, marketing and events, the management of information systems and the management of staff incentive and reward systems.

Following the supervisory audits, the SB draws up reports with observations, suggestions and recommendations that are distributed to the departments concerned, allowing them to take charge and carry out possible reviews and/or updates of the relevant precautionary protocols and internal procedures, thus contributing to the continuous improvement of the effectiveness

of the Organizational Models. A Final Report is then promptly sent every year to the board of directors of the individual companies, summarising the supervisory activities carried out by the SB and making the appropriate assessments on the effectiveness and compliance with the respective OMMs.

Transparency in the supply chain

The procedure for purchasing supplies of goods or services includes for strict rules aimed at countering possible corruption. The information relating to quotation requests to be sent to suppliers is managed through an exchange platform which can be accessed by various company departments, aimed at diversifying participation, activating a form of mutual checks, preventing the centralization of decision-making and constantly monitoring the related expenditure.

All expenses above a certain threshold, whether consultations, investments, purchases of services or spare parts, vehicle rental or maintenance work, are subject to an assessment that includes at least three offers and are subject to the joint approval of the Group President and the managers in charge of the specific business

sector involved.

It is also possible to request a single quotation, but this must be objectively motivated and is not the standard method of purchase of goods or services.

For 2022, the single-source template approval caseload was around 20% of the total number of requests approved by management.





WINNING IN GREEN MARKETS



Alan Iny

Global Lead for Creativity & Scenarios at BCG

Sustainability is becoming an increasingly critical issue and it is important to understand it and strive to find "New Boxes" when it comes to climate, if we really want to change our perspectives and then, create a concrete impact.

How can we do that? Let's focus on using technology to act differently. Achieving the ambitions set out in the Paris Agreement to substantially reduce global greenhouse gas emissions and limit global rise in temperature will require massive technological changes across all economic sectors.

Non-fossil solutions already exist, but for many green materials, the products and processes the costs are higher than their traditional equivalents. This cost challenge is not insurmountable, and early movers are already showing us what it might take to succeed in fast-growing green markets.

First, there is a hitherto untapped market for green solutions. A consumer survey conducted by BCG in June 2022 found that while less than 10% of consumers currently buy sustainable products just to "save the planet", the number of consumers in a given category who would opt for sustainable choices increases by about 2-4 times when sustainability is linked to other benefits such as health, safety and quality. These numbers further increase when dealing with sensitive issues

such as convenience, information and cost. Innovative companies that can find ways to offer additional benefits and reduce consumer barriers can access an important hitherto untapped market.

Secondly, the commitment to decarbonisation will give further impetus to green markets. By November 2022, around 2,000 companies had set certified emission reduction targets and another 2,100 had committed to doing so - a significant increase in many sectors.

As companies translate these commitments into action, premium green markets will begin to emerge. Operators in different sectors have started to introduce low-emission materials and services to the market, thus gaining an advantage over pricing.

Third, the scarce availability of raw materials is likely to be a problem for some green success factors. There is a significant gap between the commitment of downstream operators to decarbonise their upstream value chains and the commitment of upstream operators to provide the low-emission materials needed to achieve these targets. This divergence in commitment level creates a serious risk of scarcity for some green materials.

Although global action to contain climate change is increasing, many companies are unprepared.

They underestimate the magnitude of the change that awaits them and are too conservative in their approach running the risk of finding themselves with obsolete assets and business models.

The most innovative companies in many industries are beginning to show that the transition to net-zero is a business opportunity that can bring with it a significant competitive advantage. This is particularly important for companies processing materials such as wood. These leaders are not just creating added value. In many cases, they are changing the rules of the game in their industries, pointing the way to a profitable and sustainable future.

In conclusion, three facts can be highlighted for early movers on climate change, who by changing their mindsets have started to change their business models as well:

- They gain a competitive advantage. Climate leaders can attract and retain better talent, achieve higher growth, cut costs, avoid regulatory risks, access capital at lower costs, and achieve higher shareholder returns.
- They can achieve considerable emission reductions at low cost. By becoming more energy efficient and switching to low-cost renewables, for example, market leaders can achieve significant savings, which they can then use to fund more expensive decarbonisation levers. Almost all companies are able to achieve at least one-third of the emissions reductions needed at zero cost for their business.
- They raise the bar in their industry. Sustainability is now a competitive factor. At a minimum, companies do not want to be seen to be dragging their feet: if one company moves, the others feel the pressure to follow suit. As a result, goals move quickly. A single company that has the courage to set ambitious goals can set the entire industry in motion.

5.4

Sharing economic value



The European and international guidelines, together with an increasing awareness that aims to focus economic activities on the individual rather than being at their service, suggest re-evaluating the financial performance of each company based on how much value it has offered

and can offer to the environment, local area and community in which it operates.

This revaluation must take place by analysing the financial statements and highlighting the wealth transferred to the main stakeholders: suppliers, employees, investors, public administration and local communities.

2022 was a record year for the Saviola Group, marked by an excellent result in terms of economic growth. The Group's strategic skills have enabled it to cope with market fluctuations and the extremely careful energy plan has made it possible to minimise costs, despite the dramatic increase in energy prices due to the current international political situation.

The economic data for the specific reporting period are shown below:

Economic value directly generated and distributed

	Year 2021	Year 2022	Var 2021/2022
Generated economic value	730.331.470	921.275.044	+26,14%
Distributed economic value	658.274.524	779.611.488	+18,43%
Suppliers	524.578.314	616.529.374	+17,53%
Employees	96.794.026	99.798.002	+3,10%
Capital providers	10.837.219	22.242.951	+105,25%
Public administration	25.579.973	40.152.551	+56,97%
Donations and sponsorships	484.992	888.611	+83,22%
Economic value withheld	72.056.947	141.663.556	+96,60%

A study analysed the system of symbiotic networks in Canadian forests which led to the hypothesis of an underground system that allows the roots of trees to exchange information, water and nutrients. When you walk in a forest, you see trees, but there is an active part of this ecosystem under the ground, in the network

of fungi and mycelia interconnected with each other in a vast and efficient network of exchange nodes, directed by the largest trees (called hub trees or mother trees) that are responsible for maintaining and directing these exchanges making them increasingly efficient and ready to react to changing conditions.

If you imagine the Saviola Group as one of these mother trees, then its task is to ensure the cooperation with the countless stakeholders that interface with the company, at all levels. The aim is to do this by following the targets

of Sustainable Development, fostering inclusion and sharing, protecting the environment, stimulating the healthy and positive growth of society, as an Eco-Ethical Company.



63%
Italy

37%
Export



Saviola	52%	
Sadepan	34%	
Composad	9%	
Saviolife	5%	

Contribution to the community: sponsorships and donations



For years, Saviola Group has for years been committed to supporting the local area through direct and constant contact with the main institutional, cultural, associations and recreational organisations to provide support in times of difficulty and to respond to needs and reward excellence.

As previously mentioned, 2022 was a particularly positive year in terms of economic growth: to this substantial increase in turnover, Saviola Group has chosen to match a proportional increase in donations, coming close to the impressive total figure of 890 thousand euros or +83.22% compared to the year 2021.

The main areas in which the Group has contributed, through donations and sponsorships, concern:

- **Youth and Sports:** support for local teams (football, volleyball and rugby) and national sports associations with the aim of inclusion and support for young generations.
- **Recreational and communal activities in the local area:** managed by Pro Loco, offices and local authorities, Saviola has supported projects with communal and recreational purposes for the communities concerned.
- **Health and care of people:** initiatives to promote access to care and support the prevention of diseases, especially in the field of oncology, both related to adults and children, and support to associations that create services and reception facilities for disabled people without economic and/or family support.
- **Cultural initiatives:** focusing on culture is a successful approach in an area that has such a rich artistic, musical, literary and theatrical heritage and viewed as a model all over the world.
- **Fight against poverty and support for the voluntary sector:** donations to associations involved in the fight against poverty in Italy and abroad, with no geographical limits.

GOVERNANCE ALSO MEANS MEASUREMENT



Veronica Tibiletti

President of the Master's Degree Course in Business Administration and Management, University of Parma

Companies have always dealt with sustainability, and in the essays of one of the greatest experts in business economics, Gino Zappa, had in 1957 already defined the company as "the economic institution intended to endure over time, which, for the satisfaction of human needs, orders and undertakes in continuous coordination the production or the procurement or the consumption of wealth". All the ingredients were already there: long-term durability and what we now call stakeholders, with the relevant needs to be balanced. Italian companies are a virtuous case of lasting action, respecting the needs of stakeholders.

Today, it is even more important, for the lasting success of the company and for a harmonious relationship of its purposes with society in a broader sense, to integrate issues of medium-long term sustainability and circularity in the strategy and management of the company. How can the ultimate sense of business sustainability be translated into concrete actions? The starting point must be a cultural change in companies, driven by the tool of governance. And therefore, in the acronym ESG, the last letter, the G, which represents the "government" of the company, can be seen as the strategic and operational "arm" of the "E" (the environment) and the "S" (the social), i.e. the instrument with which to bring the objectives of environmental and

social sustainability down to earth.

Once the environmental and social actions deemed strategic for the sustainable development of the company have been identified, the internal processes of governance are responsible for identifying the operational tools to implement and monitor them. More and more companies appear to be making the decision to set up an ESG Committee to drive and coordinate the sustainability strategy, made up of individuals with specific experience who act as a "conveyor belt" within the company.

But governance also means measurement, because without measurement there is a risk of implementing self-serving actions and losing sight of strategic goals. When embarking on a path of sustainability, it is, therefore, impossible to avoid setting up a serious and rigorous system for measuring sustainability KPIs, which are essential to establish a starting point and from which to build a plan to align all the company's business practices and then, be able to produce a report. These issues assume even more importance in the perspective of the circular economy, where it is useful and advisable to detect not only the personal contribution of the company to the system, but also that of the different actors in the supply chain. The measurement tool allows the company to be seen in its own context, inevitably setting goals for improvement, involving the supply chain in the process.

The strategic nature of the measurement of the circular economy was "sanctioned" by the Ministry of the Environment in June 2022 and confirmed by its collaboration with the UNI 057 Technical Commission, which is working on the development of standards on the circular economy.

This stage is also significant in the framework of the project "Advanced policy instruments for circular economy" aimed at developing useful indications in order to accelerate the transition towards the circular economy in Italy also through a harmonization of the monitoring framework.

There are many medium and large Italian companies that have adopted a suitable adequate ESG governance and measuring and reporting tools, the real challenge will now, therefore, be to involve even the smallest companies on these paths, especially the ones belonging to the "circular economy" chains, to implement additional ecological and social transition processes.







6

GRI Content
Index and
Review

For each individual material topics identified, the correlation with the main international reference standards for sustainability reporting, the GRI (Global Reporting Initiative) is outlined.

No relevant industry GRI standards have been issued related to Saviola Group's business.

Declaration of use	Saviola Group has submitted a report referring to the GRI Standards for the period 01/01/2022 – 31/12/2022.
GRI 1 used	GRI 1 – Fundamental Principles – 2021 version

GRI 2 - General information 2021

GRI Standard	Disclosure	Reference paragraph
<i>The organisation and its reporting practices</i>		
2-1	Organisational details	Saviola Group The Eco-Ethical Company
2-2	Entities included in the organisation's sustainability report	Saviola Group The Eco-Ethical Company
2-3	Reporting period, frequency and reference contact	Saviola Group The Eco-Ethical Company - Methodological note and quick guide
2-4	Restatements of information	Any changes are indicated in the text
2-5	External assurance	GRI Content Index and Review
<i>Activities and workers</i>		
2-6	Activities, value chain and other business relationships	Saviola Group The Eco-Ethical Company
2-7	Employees	Social – Working conditions and employee welfare
2-8	Workers who are not employees	Social – Working conditions and employee welfare
<i>Governance</i>		
2-9	Governance structure and composition	Governance and sustainability strategy - Structure and participation in governance
2-10	Nomination and selection of the highest governance body	Governance and sustainability strategy - Structure and participation in governance
2-11	Chair of the highest governance body	Governance and sustainability strategy - Structure and participation in governance
2-12	Role of the highest governance body in overseeing the management of impacts	Governance and sustainability strategy - Structure and participation in governance - ESG Committee
2-13	Delegation of responsibility for impact managing impacts	Governance and sustainability strategy - Structure and participation in governance - ESG Committee
2-14	Role of the highest governance body in sustainability reporting	Governance and sustainability strategy - Structure and participation in governance - ESG Committee

Continued

Strategy, policies, practices

2-22	Statement on sustainable development strategy	Letter to stakeholders
2-23	Policy Commitment	Governance – Fight against corruption
2-27	Compliance with laws and regulations	Social – Health and Safety in the Workplace Governance – Fight against corruption

Stakeholder engagement

2-29	Approach to stakeholder engagement	Materiality assessment - The Group's priorities: impacts and materiality matrix - Our priorities: material topics
2-30	Collective bargaining agreements	Social – Working conditions and employee welfare

GRI 3 - Material topics - 2021 version

GRI Standard	Disclosure	Reference paragraph
3-1	Process to determine material topics	Materiality assessment- The Group's priorities: impacts and materiality matrix - Our priorities: material topics
3-2	List of material topics	Materiality assessment- The Group's priorities: impacts and materiality matrix - Our priorities: material topics
3-3	Management of material topics	Materiality assessment – The Group's priorities: impacts and materiality matrix - Identification of the actual impacts; Identification of potential impacts; Our priorities: material topics

Topic Standard: Economic Scope

201-1	Direct economic value generated and distributed	Governance and sustainability strategy – Sharing economic value
205-1	Operations assessed for risks related to corruption	Governance and sustainability strategy – Fighting corruption
205-2	Communication and training about anti-corruption policies and procedures	Governance and sustainability strategy – Fighting corruption
205-3	Confirmed incidents of corruption and actions taken	Governance and sustainability strategy – Fighting corruption

Continued

GRI 3 - Material issues - 2021 version		
GRI Standard	Disclosure	Reference paragraph
<i>Topic Standard: Environmental scope</i>		
301-1	Materials used by weight or volume	Environment – Sustainable use of resources - Materials
301-2	Recycled input materials used	Environment – Sustainable use of resources - Materials
302-1	Energy consumption within the organization	Environment – Pollution prevention - Energy
302-3	Energy intensity	Environment – Pollution prevention - Energy
302-4	Reduction of energy consumption	Environment – Pollution prevention - Energy
303-3	Water withdrawal	Environment – Sustainable use of resources – Water
303-4	Water discharge	Environment – Sustainable use of resources – Water
303-5	Water consumption	Environment – Sustainable use of resources – Water
305-1	Direct (Scope 1) GHG emissions	Environment – Combating climate change
305-2	Energy indirect (Scope 2) GHG emissions	Environment – Combating climate change
305-7	Nitrogen oxides (NOX), sulphur oxides (SOx) and other significant air emissions	Environment – Combating climate change
306-1	Water discharge by quality and destination	Environment – Sustainable use of resources - Waste
306-3	Significant spills	Environment – Sustainable use of resources - Waste
306-4	Transport of hazardous waste	Environment – Sustainable use of resources - Waste
306-5	Water bodies affected by water discharges and/or runoff	Environment – Sustainable use of resources - Waste

Continued

GRI 3 - Material topics - 2021 version		
GRI Standard	Disclosure	Reference paragraph
<i>Topic Standard – Ambito Sociale</i>		
401-1	Nuove assunzioni e turnover	Social – Condizioni di lavoro e benessere dei dipendenti
401-3	Congedo parentale	Social – Condizioni di lavoro e benessere dei dipendenti – Congedo Parentale
402-1	Periodo minimo di preavviso per cambiamenti operativi	Social – Rapporti e condizioni di lavoro – mobilità orizzontale e verticale
403-1	Sistema di gestione della salute e sicurezza sul lavoro	Social – Salute e sicurezza sul lavoro
403-2	Identificazione dei pericoli, valutazione dei rischi e indagini sugli incidenti	Social – Salute e sicurezza sul lavoro
403-3	Servizi di medicina del lavoro	Social – Salute e sicurezza sul lavoro – Promozione della salute
403-4	Partecipazione e consultazione dei lavoratori e comunicazione in materia di salute e sicurezza sul lavoro	Social – Salute e sicurezza sul lavoro
403-5	Formazione dei lavoratori in materia di salute e sicurezza sul lavoro	Social – Salute e sicurezza sul lavoro – Strategie di formazione e informazione in ambito salute e sicurezza
403-6	Promozione della salute dei lavoratori	Social – Salute e sicurezza sul lavoro – Promozione della salute
403-7	Prevenzione e mitigazione degli impatti in materia di salute e sicurezza sul lavoro direttamente collegati da rapporti di business	Analisi di materialità - Le priorità del Gruppo: impatti e matrice di materialità
403-9	Infortuni sul lavoro	Social – Salute e sicurezza sul lavoro
404-1	Ore medie di formazione annua per dipendente	Social – Formazione
404-2	Ore di formazione per tematica	Social – Formazione
404-3	Percentuale di dipendenti che ricevono una valutazione periodica delle performance e dello sviluppo professionale	Social – Rapporti e condizioni di lavoro – Valutazione delle performance e crescita professionale
405-1	Diversità negli organi di governo e tra i dipendenti	Governance e strategia di sostenibilità – Struttura e partecipazione nella governance



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Relazione della società di revisione indipendente sul Bilancio di Sostenibilità – GRI Standards

*Al Consiglio di Amministrazione di
 Saviola Holding S.r.l.*

Siamo stati incaricati di effettuare un esame limitato ("*limited assurance engagement*") del Bilancio di Sostenibilità del Gruppo Saviola Holding (di seguito anche il "Gruppo") relativo all'esercizio chiuso al 31 dicembre 2022.

Responsabilità degli Amministratori per il Bilancio di Sostenibilità

Gli Amministratori di Saviola Holding S.r.l. sono responsabili per la redazione del Bilancio di Sostenibilità in conformità ai "*Global Reporting Initiative Sustainability Reporting Standards*" definiti dal GRI - *Global Reporting Initiative* ("GRI Standards") secondo l'opzione "with reference", come descritto nella "Nota metodologica" del Bilancio di Sostenibilità.

Gli Amministratori sono altresì responsabili per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di un Bilancio di Sostenibilità che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono inoltre responsabili per la definizione degli obiettivi del Gruppo Saviola Holding in relazione alla performance di sostenibilità, nonché per l'identificazione degli *stakeholders* e degli aspetti significativi da rendicontare.

Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza dell'*International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* emesso dall'*International Ethics Standards Board for Accountants*, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale.

La nostra società di revisione applica l'*International Standard on Quality Control 1 (ISQC Italia 1)* e, di conseguenza, mantiene un sistema di controllo qualità che include direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.



Gruppo Saviola Holding

Relazione della società di revisione indipendente sul Report di Sostenibilità
31 dicembre 2022

Responsabilità della società di revisione

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

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

Le procedure svolte sul Bilancio di Sostenibilità si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Società responsabile, per la predisposizione delle informazioni presentate nel Bilancio di Sostenibilità, nonché analisi di documenti, ricalcoli ed altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

- analisi dei temi rilevanti rendicontati nel Bilancio di Sostenibilità, con riferimento alle modalità identificazione in termini di loro priorità per le diverse categorie di stakeholders e alla validazione interna delle risultanze del processo;
- comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nel Bilancio di Sostenibilità.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione del Gruppo Saviola Holding e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione del Bilancio di Sostenibilità.

Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo Saviola Holding:

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



Gruppo Saviola Holding

*Relazione della società di revisione indipendente sul Report di Sostenibilità
31 dicembre 2022*

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Bilancio di Sostenibilità del Gruppo Saviola Holding relativo all'esercizio chiuso al 31 dicembre 2022 non sia stato redatto, in tutti gli aspetti significativi, in conformità a quanto richiesto dai GRI Standards, opzione "with reference" come descritto nella "Nota metodologica" del Bilancio di Sostenibilità.

Parma, 7 luglio 2023

KPMG S.p.A.

A handwritten signature in blue ink, appearing to read 'Gianluca Tagliavini', with a large, stylized flourish extending to the right.

Gianluca Tagliavini
Socio





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