

Letter to stakeholders



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

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

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

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

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

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

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

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

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

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

Massimo Pasquini
President and CEO

A handwritten signature in black ink, appearing to read 'Massimo Pasquini', written over a light blue horizontal line.