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1966 - 2016

50 years
of growth into
the future

SOFIDEL



ENDLESS CARE, INNOVATIVE LIFE

50

1966 - 2016

50 years
of growth into
the future

SOFIDEL



ENDLESS CARE, INNOVATIVE LIFE

Mission

“Making everyday life tidier,
cleaner, safer, more practical
and pleasant by investing in people
and innovation and promoting conduct
based on sustainability, commercial
transparency and respect
for regulations, with the aim
of creating value for customers,
employees, partners, shareholders
and the community.”

50

1966 - 2016

The present / p. 6

The 60s-70s / p. 10

The 80s-90s / p. 16

The noughties-Today / p. 22

The future / p. 30

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50

1966 - 2016

A soul
that embraces
half a century
of innovation

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50

1966 - 2016

A soul
that embraces
half a century
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ENDLESS CARE, INNOVATIVE LIFE



For 50 years Sofidel's soul has been the fulcrum of a new future. And this is not just a metaphorical image referring to the cardboard cylinder that paper is wound around. Over the years it has turned into a substantial, strategic and ethical objective. In half a century of history, innovation has taken on many forms for the Group, from technology to marketing, to sustainability. In the beginning, it meant plant quality and consequently production efficiency, offering high level products to the Italian market; later, it meant growth in Europe together with mass international distribution. In the eighties, with the appearance of consumers one could relate to and competitors to stand out from, innovation embodied functional and emotive benefits to address the new demands. Thus

was the Regina brand created, the most popular one, later to be joined by other important brands acquired in the main European markets. Starting from the new millennium, Sofidel further strengthened its ethical approach to safeguarding our planet's resources. Innovation became "Less is More": a corporate philosophy aiming at more sustainable production - with strict policies limiting environmental impacts, lower greenhouse gas emissions and a growing use of renewable sources - and at promoting responsible consumption. In line with this commitment, Sofidel is the first company in the tissue industry, in Italy and worldwide, to join the international WWF Climate Savers programme to become an active player in the low-carbon economy.

50

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The origins
and productive
leadership
in Italy

60s | 70s



A large blue '50' with a circular pattern inside the zero, set against a white background.

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IN RICORDO DI GIUSEPPE LAZZARESCI
AL QUALE SI DEVE L'IDEA DI QUESTO IMPIANTO
CUI LAVORO CON TENACIA E LUNGIMIRANZA
20 SETTEMBRE 1994 DELICARTA S.P.A.

The origins
and productive
leadership
in Italy

60s | 70s

From production to converting:
setting out to conquer market shares.



The history of the Sofidel Group, now one of the global top players in paper production for sanitary and household use, started in Lucca, in the mid sixties, on the initiative of its founders Emi Stefani and Giuseppe Lazzareschi. Two great entrepreneurs who - together with other far-sighted captains of industry - would shortly thereafter lead the development of what is today internationally acknowledged as the most important Paper Industry Cluster in Europe. The sixties and seventies were the years when

everything revolved around production and companies mainly focused on quantity to meet the growing demand of the market. Technological ability was the main driver. In those years the Group bet on its natural proclivity for innovation and increased its market share by extending the supply chain by opting for vertical integration: not only paper mills, but also converting plants, folding and cutting paper into the finished product. Italy was the geographic, social and economic horizon. But not for much longer.

60s|70s

The origins and productive leadership in Italy



The founders

It all started in 1966, when Emi Stefani and Giuseppe Lazzareschi first set up in business. Their entrepreneurial creativity - combined with a modern vision of the business and sector development - found good breeding ground in the history, know-how and work ability and innovation of the area, thus laying the foundations for the future of a Group that is now one of the global landmarks in the tissue sector.



The first paper mills in Lucca

The first paper mill, Stefani & Lazzareschi, was set up in 1966, in Pracando (Villa Basilica - Lucca), an area with a centuries-old tradition in paper production. The new Fine Paper mill was set up in 1969 in Porcari, in the Lucca plains, an area rich in water, a fundamental resource for the production process.

The Group started producing two-ply paper there.



The origin of the Group's first paper converting facilities

In the seventies, the consumption of paper for sanitary and household use increased throughout the country. These were the years of consolidating the Group's presence on the Italian market. Converting plants to offer the finished product started being regarded with interest, in addition to paper production. The first Italian paper converting facilities were set up: Soffass in 1972 and Delicarta in 1979 in Porcari.



The beginning of exports to European countries

The end of the seventies also saw the start of export activities of finished products to other countries. The Italian market was no longer sufficient to contain the buoyant production capacity of the Group's innovative plants. New markets were sought and France and Germany became the new European horizon, being close not just geographically but also as models of habits and consumption. This was the time of the first encounter with large distributors.

50

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The European
market
and the launch
of Regina

80s | 90s





The European
market
and the launch
of Regina

80s | 90s

Cooperation with Mass Retail Chains
and advertising investments on the brand.



After the first few years spent meeting the functional needs of a growing market, Sofidel's soul started embodying new meanings. Consumers showed new demands in terms of hygiene and well-being. Sofidel's natural focus on innovation thus led to the launch of the first brand, featuring qualitative and competitive advantages, thanks to the Group's well-established technological and productive leadership.

The eighties, with the establishment of commercial TV and great advertising campaigns, allowed a growing number of consumers to be reached, conquered and retained.

The Group's innovative spirit seized this opportunity and thus the "Regina" ads were launched, which portrayed the product's benefits in an effective, captivating and fun way.

In the meantime, the European horizon broadened and the relationship with important international mass retail groups consolidated. In fact, in the mid nineties, sensing the potential of their private brands, Sofidel and other Italian producers started the internationalisation process of its production, with the three-fold aim of raising the quality of service to customers, lowering logistics costs and pursuing environmental advantages.

80s | 90s

The european market and the launch of Regina



The growth of productive investments

In the eighties - within a well-established European market - the company laid the foundations for further productive growth thanks to significant investment in new plants. In 1982, the first machine in the new Delicarta paper mill was commissioned, soon to be joined by a second one. In 1994, with the commissioning of the third machine, the Group's production capacity reached 140,000 tons per year.



The genesis of Sofidel

In 1988, Sofidel was set up by merging the companies that made the Group what it is, and that initiated a fifty-year history of continuous growth. Sofidel is, in fact, the acronym of Soffass (So), Fine Paper (Fi) and Delicarta (Del). The new company in Porcari had the task of coordinating the strategies of the other Group companies and providing centralised services, with innovation always as the guiding beacon.



Advertising investment and the formation of the Regina brand

These were the years of commercial brands thanks to TV ads and in 1987 Soffass joined the trend and bet on the new brand, Regina. The claim "Plus paper" sums up the new promise to consumers: soft and affordable toilet paper. This promise was consecrated with the launch of Regina Rotoloni (Big Toilet Rolls) and Asciugoni (Big Kitchen Rolls) in the mid nineties, made possible through a minimum adaptation of the productive process, thanks to the technological level and plant flexibility. The Rotoloni and Asciugoni - with their larger diameter and greater number of sheets - actually created a new market segment with great advantages: for the company, the increase in plant production capacity and marked improvements in logistics; for mass retail, the increase in shelf yield per linear metre; for the end consumer, lower purchase frequency and less space required. Regina Rotoloni and Asciugoni quickly established their presence on the market also thanks to a constant and massive TV campaign, and this sales strategy turned out to be the winning one again, allowing the Company to start a substantial investment campaign abroad.



Production reaches European markets. France's Delipapier

September 1997 also saw the start of construction of Delipapier, the Group's French company, marking a first strategic change: the start of production directly in the European target markets, to support internationalisation of the main mass retail chains, to increase service quality and lower logistics costs. Delipapier is also the first integrated plant (paper mill plus converting, since 1999) in the Group's history. This was the first step in a strategy of being close to customers (never farther than 350/400km from production plants) to be replicated in several countries. In the meantime, still in 1997, in Italy, Sofidel entered the "Away-from-Home" market by setting up the Papernet company. By then the Group's presence was established in all business lines.

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1966 - 2016



Sustainability,
international
expansion
and the USA

2000|Today



Sustainability,
international
expansion
and the USA

2000|Today

Innovation and environmental and social commitment
underlie the "Less is more" philosophy.



Sofidel's soul has evolved once again and achieves a new awareness, abreast of cultural changes and the challenges of the new millennium: feeling part of an ecosystem and respecting its balances without neglecting market needs; working to promote environmentally and socially efficient production and consumption models; striving to assure benefits throughout the entire value creation chain. These principles inspire the Group to embrace the "Less is more" philosophy, to provide more and better at less, from strategic planning to the operative stages. Sofidel's soul has suggested new values of social, environmental and economic sustainability, leading to the implementation of an Ethical Business model and the creation of shared value with its stakeholders. In 2008 the Group joined the international WWF Climate

Savers programme and in 2010 it joined the United Nations Global Compact: sustainability has become a lever for economic, social and environmental growth. In the meantime, the internationalisation process gained momentum. After an initial phase of significant *greenfield* investment, peaking in Europe between 2003 and 2006, a new acquisition phase started, which was to lead Sofidel to becoming the second European producer in a matter of few years. The next step was landing in the USA: an investment that Sofidel aims to use to strengthen its competitive ability, entering a diverse market yet rich in opportunities, a stimulus for growth and an exciting industrial and marketing challenge, embarked on after the long-standing expertise accrued in Europe. At the same time, a multi-brand marketing strategy was launched.

2000|Today

Sustainability, international expansion and the USA



The Group's organisation and the emergence of the holding

In 2001 the Group carried out two important rationalisation initiatives: in August, the merger of Soffass and Fine Paper into Soffass S.p.A.; in December, Sofidel changed from a service company into a holding of Group Companies, resulting in economies of scale and corporate synergies to tackle the new challenges of an increasingly wider and competitive market.



Expansion throughout Europe. From *greenfield* investment to the takeover phase

With the new Millennium, the Group's expansion in Europe gained momentum. These were the years of large *greenfield* investments. Sofidel built a series of integrated plants, first with Delitissue, in Poland, then between 2003 and 2006, all at the same time, Intertissue in Great Britain, Ibertissue in Spain and Delipapier in Germany. In the meantime, in 2004, the Group's development continued in Turkey, with the takeover of Sofidel Kagit, and in Germany, by setting up the trading company, Delisoft, as well as by purchasing the historical Werra group in Germany's Thuringia region in 2007, well-established in the Away-from-Home segment. Sofidel achieves a comprehensive offer range on the German market and obtains a privileged position in the heart of Europe, with significant economies of scale and remarkable logistics advantages. This marks the beginning of a new growth phase, featuring a number of subsequent takeovers. In the meantime, in France, in 2006, a new paper converting firm was acquired in Buxeuil, while in 2009, the Group entered the Greek market by acquiring Papyros.



The new growth in Italy and the multi-brand strategy

Geographic expansion goes hand-in-hand with production growth in Italy with the acquisition of the Monfalcone paper mill and Imbalpaper, the first integrated plant in Italy, which also brings as dowry a number of customers in the Away-from-Home sector. In 2007, all the new production plants of the Group worked at top production capacity for 12 months. Production went from 458,000 to 583,000 tons/year. Furthermore, the Group launched a multi-brand growth strategy by acquiring new brands: Softis, leader in paper tissues in Germany, Sopalin kitchen rolls and Le Trèfle toilet paper, with over 100 years of history in French distribution.

The Group is now one of the main European players.



The environmental commitment

During these years of productive, commercial and marketing growth, Sofidel strengthened its strategic-cultural path towards sustainability, as a lever for growth and competitive advantage. In keeping with its Mission, it drew up a Sustainability Charter that set out principles and objectives and a Decalogue that publicly discloses in utter transparency the ten main advantages the Group expects in the medium/long-term. Its first Sustainability Budget was published in 2008. In the same year, it joined the international WWF Climate Savers programme: Sofidel became the first Italian company and the first one worldwide in the tissue sector to voluntarily implement innovative solutions, able to significantly reduce direct and indirect CO₂ emissions. At the same time, it increased investments in technology and management methods to restrict the use of water resources and implement responsible raw material procurement policies.

2000|Today

Sustainability, international expansion and the USA



The confirmation of a global sustainable commitment

With the new decade the Sofidel Group confirmed its whole-hearted adhesion to the new international credo of Sustainability and its aptitude to working in partnership. In December 2010, in fact, it joined the United Nations Global Compact, a strategic platform for companies aimed at applying and fostering fundamental principles in terms of human rights, labour, environment and the battle against corruption. In 2011, it published its first Integrated Budget, an even more synthetic and exhaustive reporting tool that integrates sustainability in the report on the economic and financial management and the consolidated financial statements. In April 2014, the "Less is more" principle was introduced, an underlying guideline to the company's Modus Operandi, which entails seeking solutions to give "more" in terms of values, products and services, "at less" in terms of consumption and waste. The aim is to offer products with an ever shrinking environmental impact yet ever more performing. Products to enclose lower shares of natural capital thanks to the higher functional qualities and innovative performance.



Second in Europe and continuously growing. The organic growth phase is launched

Between 2010 and 2013 the Group acquired Comceh in Romania and LPC Group with plants in Great Britain, Sweden, Belgium and France. This was another fundamental step: Sofidel becomes the second European player. The operation also involves the acquisition of other important brands in the United Kingdom, Ireland, Belgium, Holland and Luxembourg. In 2011, the new "Papernet" brand is launched for the Away-from-Home market, followed over the years by Nalys and Cosynel in Belgium and Lycke in Scandinavia. In 2015, the new Swedish Tissue converting plant is started in Sweden, featuring a pioneering automatic warehouse: Scandinavia thus acquired its integrated plant, the last European area of the Group. At the same time in France, the Ingrandes converting plant was completed, replacing the Buxeuil plant and increasing its productive capacity. A new phase of strategic growth started for Europe: that of organic growth, which essentially goes through the productive increase of existing sites.



A new continent: landing and growing in the USA

In 2012, Sofidel further widened its horizons and landed in the USA, the largest market worldwide per capita consumption. Here, it acquired the company Cellynne - which became Sofidel America - active in the Away-from-Home market with three plants: an integrated one in Florida (Haines City) and two converting ones in Wisconsin (Green Bay) and in Nevada (Henderson). In 2014, a new converting plant was opened in Oklahoma (Tulsa) and the Nevada one was upgraded. In 2015, the path to growth and consolidation gained further momentum with the acquisition from the company Green Bay Converting Inc. of a converting plant in Wisconsin (Green Bay) with related business and a building in Mississippi (Hattiesburg), where another converting plant is set up. At the same time, the Group carried out a new *greenfield* investment in Ohio (Circleville) to build an important integrated plant and opened new offices in Pennsylvania (Philadelphia). In just three years, Sofidel established a presence in 7 States with a productive capacity of 200 thousand tons.



The ongoing environmental commitment

Five years after joining the international WWF Climate Savers programme, in 2013, the Group achieved its pre-set objective of reducing CO₂ emissions by 11%. Building on these results and consistently with its "Less is More" philosophy, Sofidel has set even more ambitious objectives for 2020. In addition to reducing direct and indirect specific emissions, the company is committed to also increasing the use of renewable energies and to carrying out an active role in fostering the Low Carbon Economy within its industrial sector and among its stakeholders.

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1966 - 2016

The creation
of shared economic,
environmental
and social value

The future



The creation
of shared economic,
environmental
and social value

The future

Integral environmental friendliness and innovative
solutions for a diversified growth strategy.



The future is Now and Sofidel's soul has always believed that. A future-present, where the people who consume and the companies that produce become ever more aware of the fact that our planet's resources are not endless. Where the ongoing cultural revolution leads to implementing responsible consumption styles and, for companies, ever more sustainable productive methods.

The Group is currently fostering a new "integral ecology" and diversifies its development strategies, betting on organic growth in Europe and in the USA with *greenfield* investment and acquisitions. Technological innovation, made possible by planned and constant investment, still translates into greater

economic, productive and energy efficiency, while the company strives to increasingly map out and segment customers and consumers in order to offer purpose-designed solutions and higher performance products. In-company training prepares Sofidel employees to tackle tomorrow's challenges with excellent courses carried out in cooperation with university institutions.

But the most thrilling and innovative cultural challenge for the Sofidel soul is considering stakeholders as travel companions, to work together to assure benefits along the entire value creation chain, in order to safeguard the Planet and future generations. Happy future!



Sofidel companies in the world

Today, Sofidel has business concerns in 12 countries worldwide:
Italy, Spain, Sweden, the United Kingdom, Belgium, France,
Germany, Poland, Romania, Greece, Turkey and the USA;
and over 5,400 employees.

www.sofidel.com

50

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