

## SOFIDEL GROUP: 50 YEARS OF GROWTH INTO THE FUTURE

From a company from the province of Lucca to a multinational - particularly well-known for the Regina brand - which is currently present in 13 countries in Europe and in the USA, with a turnover of 1,809 million euro and over 5,500 employees. An Italian organisation which has succeeded in interpreting the future with a vision that unites growth and sustainability, recording a 197% increase in turnover in the last 10 years despite the financial crisis.

The opening event of the celebrations for the **50th anniversary of the Sofidel Group**, the **second European player and sixth in the world for the production of paper for hygienic and domestic use**, took place today in Milan. A company - the maker of the *never-ending rolls* - with 50 years of growth behind it, which **looks to the future with the optimism of one that has successfully combined economic and business growth with an idea of responsible development**, that has made sustainability a fundamental competitive leverage point, without ever forgetting its roots in the territory of Lucca where its story began.

Sofidel is one of the first companies in Italy to have made corporate social responsibility a central element of its growth, paying particular attention to environmental matters. This takes form, for example, through the international programme **WWF Climate Savers - Sofidel was the first Italian company and the first in the world for the tissue sector to join** - as well as with a more general constant commitment to the limitation of its environmental impact.

An approach which has been confirmed and strengthened over the last few years, despite the financial crisis which has heavily hit the fabric of Italian and international industry, and which has led the company of the Stefani and Lazzareschi families - with its headquarters in Porcari (Lucca) and currently present in 13 countries in Europe and the USA (7 States) - to undergo significant growth, reaching in 2015 a turnover of **1,809 million euro, three times that of only ten years ago (608 million)**, with important increases also in

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the number of **employees (5,514, 179% more compared to 2005)** and **productive capacity** (which currently totals **1,058,000 tonnes, compared to 426,000 tonnes in 2005**).

A positive industrial story, which has led Sofidel to **first consolidate its position in the national market and open to European markets (1966-1990)** and, **at the end of the 1990s, to successfully put into action a strategy of internationalisation** - beginning with France - aimed at transferring production to the various target markets in order to better follow the requirements of large-scale international distribution, to reduce logistic costs, and obtain important economies of scale. A strategy which took place in two stages: the first with a series of **greenfield investments which took place in the pre-crisis years (1990-2007) and in markets with high growth rates**; and the second, which was characterised by the **acquisition of existing brands and production plants**, carried out principally **from 2008** in a situation in which the addition of productive capacity in markets would have led to an excess of supply.

And in the very midst of the most difficult moment in the industrial crisis, the Sofidel Group successfully relaunched with **new investments**, arriving in the **USA** in 2012. Now, only four years later, the Group currently boasts a productive capacity in the States of **200 thousand tonnes**, and has recently activated a greenfield investment in Circleville, in Ohio, for that which will become Sofidel's Northern American production centre.

*"If Sofidel's first 50 years have been characterised by positive results, this is due in part to a constant eye to the future. In present times this, for us, means committing ourselves to being an increasingly responsible company which seeks to face up to markets, products, technologies and lifestyles which are in continuous evolution. Committing ourselves to being a company which, in guaranteeing hygiene and well-being to all of its stakeholders, seeks to respond to the increasing demand for 'integral ecology' which is spreading throughout the world", declared Luigi Lazzareschi, CEO of the Sofidel Group. "Ever aware that alone one can do little, and that the results achieved up until now are also thanks to our companions along the way - from employees to suppliers, from our clients to consumers and competitors - who have permitted us to continuously reach new challenging goals and to do the very best we can".*

It is precisely such constant attention to the future and to the understanding that one does not grow without a vision, which has led Sofidel to commission the **Sofidel Monitor** from **Doxa**<sup>1</sup>, a research project on a European level - Italy, France, the UK, Germany and Poland - in order to better understand **what, in the opinions of the general public and the business communities in these countries, the priorities for the next 10 years are: to understand not only their challenges, projects and dreams, but also to understand their “level of optimism” regarding the reaching of the objectives they consider to be priorities.** The Sofidel Monitor demonstrates that:

- **the Italians are shown to be a population which cares about the health of the planet and important environmental challenges:** over the next 10 years, they consider of prime importance the **reduction of global warming** and **the elimination of waste through a rational use of resources.** Both themes are indicated as priorities for 39% of the subjects interviewed;
- the attention of the Italians regarding environmental themes is also confirmed on a more personal level, and the adoption of **alternative systems for the procurement of energy** (37%) and **the adoption of a more responsible and sustainable lifestyle** (36%) are considered important trends;
- Italy, second only to Poland, demonstrates an **index of ‘global’ optimism of 60%, the highest among the Western European countries** involved in the survey;
- **the Italian business community and millennials share an index of long-term optimism which is more encouraging compared to that of the population as a whole:** this is true both regarding the global future (62% and 67%) and their personal - with respective values of 74% and 79% - and territorial futures (60% and 66%).

**Interpreting the growing spread of environmental sensibility,** Sofidel has for some time now adopted **ambitious policies regarding the limitation of the environmental impact of its own products and processes,** obtaining impressive results. Between 2008 and 2015 **direct CO<sub>2</sub> emissions into the atmosphere have been reduced by 17.8%** and, as of today, the application of **strict policies for the sourcing of raw materials from forest sources** has brought the Group to have **99.97%** of cellulose utilised certified according to the principal certification programmes for responsibly managed forests (FSC, PEFC, SFI).

<sup>1</sup> Sofidel Monitor carried out by Doxa Marketing Advice. Sample: 1,000 interviews with the general public + 200 business community interviews in each of the five targeted countries (Italy, France, the UK, Germany, Poland). Survey period: February 2016

Within this context lies Sofidel's close collaboration with the WWF which, as well as the participation in the *Climate Savers* programme, has also led to the development of a joint action for raising awareness among younger generations through the school project "*Mi curo di te (I'll take care of you)*" which has involved over **100,000 Italian students** and which Sofidel is considering taking abroad. As confirmation of the close collaboration between Sofidel and the WWF, **Luigi Lazzareschi has recently been nominated Ambassador for the 50<sup>th</sup> anniversary of WWF Italia.**

*"There are practical gestures that one can make every day for a more sustainable future"* commented **Gaetano Benedetto, Director General of WWF Italia.** *"Safeguarding the environment means investing in the future of all of us. Businesses play a fundamental role from this point of view, and can be extraordinary bringers of change by acting on the reduction of the movement of materials and energy used for the production of goods and services, on the reduction of direct and indirect emissions into the atmosphere, as well as by substantially investing in renewable energy and the efficiency of plants. Institutions, businesses and civil society working together for a sustainable future can fulfil the 2030 Agenda and the Sustainable Development Goals approved by the United Nations in September 2015. This is the challenge that Sofidel has successfully met in time, being able to count on a higher level of innovation, efficiency and competitiveness in the market, becoming a veritable example of best practice".*

Milan, 20 April 2016

### The Sofidel Group

The Sofidel Group, a privately held company owned by the Stefani and Lazzareschi families, is a world leader in the manufacture of paper for hygienic and domestic use. Founded in 1966, the Group has subsidiaries in 13 countries – Italy, Spain, the UK, France, Belgium, Germany, Sweden, Poland, Hungary, Greece, Romania, Turkey and the USA - with more than 5,500 employees. With a consolidated turnover of 1,809 million Euros (2015), Sofidel is the second ranking group in Europe in terms of production capacity in the tissue sector (1,058,000 tonnes per annum - 2015). "Regina", its most well-known brand, is present on almost all the markets. Other brands include: Softis, Le Trèfle, Sopalin, Nouvelle, Thirst Pockets, KittenSoft, Nalys, Cosynel, Yummy, Soft & Easy, Volare, Onda, Lycke, Forest, Nicky, Papernet, Heavenly Soft. A member of UN Global Compact and the international WWF Climate Savers programme, the Sofidel Group considers sustainability a strategic factor with regards to growth and is committed to promoting a sustainable development.



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