

SOFIDEL GROUP OPENS ITS NEW PRODUCTION PLANT IN OKLAHOMA (USA)

This is the second integrated, greenfield plant built by Sofidel – after the one opened in 2018 in Circleville, Ohio – with an overall investment of \$360 million.

The Italian tissue manufacturer strengthens in the first half of 2020 the good results achieved last year, despite the Covid-19 pandemic impacts.

Porcari, Lucca (Italy), 5 October 2020 – The new Sofidel plant in Inola, Oklahoma, is now fully operational. Based in Porcari, Lucca (Italy), Sofidel is a global leader in the production of tissue paper for hygienic and domestic use, and it is mostly known in Italy and in Europe for its Regina brand. The company is owned by the Stefani and Lazzareschi families.

The Inola production site is **the second built from scratch (i.e. greenfield) by Sofidel in the United States** – after the one in Circleville, Ohio, opened in 2018 –, and joins the already operating Group's sites in Green Bay (Wisconsin), Circleville (Ohio), Las Vegas (Nevada), Hattiesburg (Mississippi), Haines City (Florida) and the U.S. head office in Horsham (Pennsylvania).

The **integrated plant** – i.e. including both the papermill phase (which leads from the raw material, the cellulose, to the production of paper) and the converting phase (which leads to the finished product, such as toilet paper, kitchen towels, napkins, tissues) – has involved **a total investment of about \$360 million**, and employs **over 300 people**.

“The U.S. market is fundamental for the growth of the Sofidel Group and the new plant, enabling an enhanced production capacity and a further improvement of the geographical coverage, strengthens our position and creates the conditions for further growth,” said Luigi Lazzareschi, CEO of the Sofidel Group. “This is an important step, of which we are proud, all the more so in light of the results achieved in the first half of 2020 which improve last year’s already good performances.”

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Sofidel is a WWF Climate Savers member

Inola plant characteristics

The Inola plant is located on **240 acres (97 hectares) of land**, in an area rich in water, gas and electricity, as well as a skilled workforce. The area is **close to a strategic logistics hub with excellent intermodal connections** (roads, waterways, railways) thanks to which the Group further increases its ability to better satisfy large-scale retail operators and end-consumers in the **central-southern and central-western areas of the United States**.

In the Inola plant, **two conventional paper mill machines, AHEAD-2.0L manufactured by Toscotec**, have been installed – for a **total production capacity of 120,000 tons per year (60,000 tons/year each)**. The machines have a **format of 5,500 mm and can reach a maximum speed of 2,000 m/min**.

With regard to the **converting phase, 14 lines** are installed for the manufacturing of products for both the Away-from-Home (e.g. cafés, restaurants, hotels, offices) and Consumer markets.

The Inola plant has been designed focusing on **energy saving, reduction of water consumption and fiber loss in the production process and recovery (water, exhausts, and mechanical energy)**, in line with the company's sustainable development strategy.

Sofidel sales in 2020

The start-up of the new plant fits into in an economic context that, despite the Covid-19 pandemic impacts, sees **Sofidel strengthen in the first six months of 2020** the already good performances achieved in 2019.

Compared to the first half of 2019, Sofidel records a **17.88% increase in net sales, from €945 to €1,114 million**.

The Sofidel Group

The Sofidel Group is one of the leading manufacturers of paper for hygienic and domestic use worldwide. Established in 1966, the Group has subsidiaries in 12 countries – Italy, Spain, the UK, France, Belgium, Germany, Sweden, Poland, Hungary, Greece, Romania and the USA – with more than 6,000 employees, net sales of 1,919 million Euros (2019) and a production capacity of over one million tonnes per year (1,308,000 tonnes in 2019). "Regina", its most well-known brand, is present on almost all the reference markets. Other brands include: Softis, Le Trèfle, Sopalin, Thirst Pockets, KittenSoft, Nalys, Cosynel, Lycke, Nicky, Papernet. A member of the UN Global Compact and the international WWF Climate Savers program, the Sofidel Group considers

sustainability a strategic factor with regards to growth and is committed to reducing its impact on natural capital and maximising social benefits, setting as objective the creation of shared added value for all stakeholders. Sofidel's greenhouse gas (GHG) emissions reduction targets to 2030 have been approved by the Science Based Targets initiative (SBTi) as consistent with reductions required to keep warming to well-below 2°C, in line with the goals of the Paris Agreement.

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