

Summary of 2024 Integrated Report

Investments in North America
and strengthening competitive
position in Europe

Clean Living
A sustainable business model

**Commitment to a low-carbon
economy and reduced consumption
of natural capital**

Responsibility toward our stakeholders



At Sofidel, we believe «Clean Living» it’s a way of caring for the world and the people who call it home.

We transform hygiene into something greater - a force for good that brings cleaner, healthier and more harmonious living to everyone, everywhere.

With every product we create, we weave together innovation, quality and sustainability to protect health, elevate daily life, and leave a lighter footprint on the planet.

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Group figures

2024.
A snapshot

Sofidel Group, founded in 1966 and with Italian capital, is one of the world’s leading producers of tissue paper for hygiene and household use, including toilet paper, kitchen towels, napkins, handkerchiefs and tissues.

58
years in the business

1,860,000 t
annual production capacity (vs 1,440,000 in 2023)

84.8%
primary packaging
with easily recyclable materials

58
countries in which we sell
our products

100%
pulp certified
under forestry certification schemes

90%
finished products with ESG credentials
(vs 90% in 2023)

9,044
people
(vs 7,071 in 2023)

-19.5%
CO₂ scope 1 e 2 carbon intensity
(compared to 2018)

96.5%
road transport in Europe using
Euro 5 and Euro 6 trucks (vs 95% in 2023)

3,225 €/mIn
Group net sales
(vs 3,129 €/mIn in 2023)

-45%
reduction in the use of virgin plastic in packaging
compared to 2013 (vs -39% in 2023)

Offices and plants

Sofidel in the world

At the end of 2024, the Sofidel Group is present in 13 countries worldwide (Europe and the United States) with 21 companies¹.

Sofidel America Corp

- 1. Las Vegas NV | Converting
- 2. Inola OK | Integrated
- 3. Duluth MN | Paper Mill
- 4. Green Bay WI | Converting
- 5. Hattiesburg MS | Converting
- 6. Circleville OH | Integrated
- 7. Philadelphia PA | Services
- 8. Haines City FL | Integrated

Sofidel Las VegasTad LLC

- 9. Las Vegas NV | Integrated

SofidelTissue LLC

- 10. Lewiston ID| Integrated

Sofidel Elwood LLC

- 11. Elwood IL | Converting

Sofidel Shelby LLC

- 12. Shelby NC| Integrated

1. The Group also includes Intertissue Ltd, which sold its assets and business to Sofidel UK Ltd and began winding-up procedures on 1 June 2019.

Sofidel Spain

- 13. Buñuel ES | Integrated

Sofidel France

- 14. Ingrandes FR | Converting
- 15. Roanne FR | Integrated
- 16. Frouard FR | Integrated

Sofidel Ireland

- 17. Dublino IE | Services

Sofidel UK

- 18. Baglan UK | Integrated
- 19. Lancaster UK | Paper Mill
- 20. Leicester - Hamilton UK | Integrato
- 21. Leicester - Rothley Lodge UK | Converting

Sofidel Benelux

- 22. Duffel BE | Integrated

Sofidel Germany

- 23. Colonia DE | Trading
- 24. Schmalkalden - Wernshausen (Plant O, T, W) DE | Integrated
- 25. Arneburg DE | Integrated

Sofidel Germany Holding

- 26. Schmalkalden - Wernshausen DE Services

Hakle Markenhaus

- 27. Schmalkalden - Wernshausen DE Services

Sofidel Sweden

- 28. Kisa SE | Integrated

Sofidel S.p.A.

- 29. Lucca - Porcari IT | Services

Soffass

- 30. Lucca - Bagni di Lucca IT | Paper Mill
- Lucca - Borgo a Mozzano IT | Paper Mill
- Lucca - Capannori IT | Converting
- Lucca - Porcari IT | Paper Mill/Converting
- 31. Gorizia - Monfalcone IT | Integrated

Sofidel Hungary

- 32. Lábatlan HU | Converting

Sofidel Poland

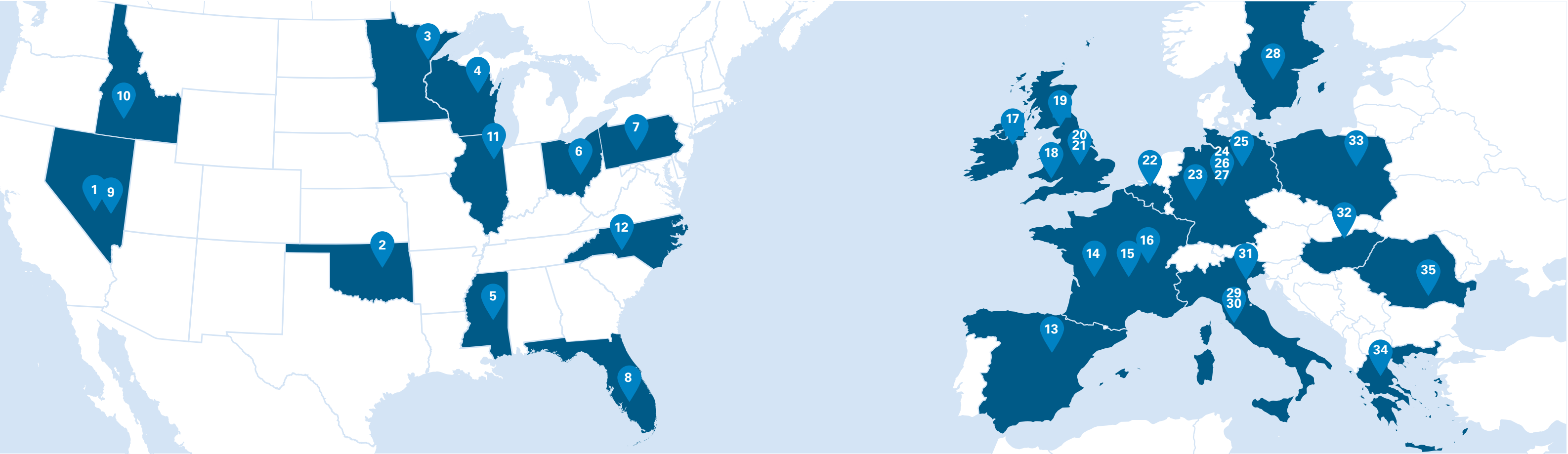
- 33. Ciechanów PL | Integrated

Sofidel Greece

- 34. Katerini EL | Integrated

Sofidel Romania

- 35. Calarasi RO | Integrated



Strong growth in North America

A positive year with an American aura

Interview with CEO Luigi Lazzareschi on Sofidel Group’s strategy and future developments.

Mr. Lazzareschi, how would you judge the past year?

If 2023 was marked by organic business growth, 2024 has been defined by strong expansion in North America, achieved through **two acquisitions and an additional investment in increasing production capacity**. Despite an average price of raw materials higher than that of the previous year, the Group achieved **positive economic and financial results**, also supported by the excellent performance recorded on the British and North American markets, which confirmed its driving force with growth of 3% in the value of sales. Consolidated turnover was Euro 3.2 billion (65% in Europe and 35% in North America), and EBITDA stood at 17.85%.

And what investments were made in 2024?

At the beginning of the year, **we acquired from ST Paper a paper mill in Duluth**, Minnesota, located in the Upper Midwest. The facility is equipped with advanced technology and has an annual production capacity of 65,000 tons, employing 80 people. This acquisition immediately helped meet the growing demand that had solidified throughout 2023. Subsequently, **we acquired the tissue division of Clearwater Paper Corporation**, a major player in the North American market. Valued at approximately \$1 billion, this transaction represents the largest acquisition in the Group’s history. As a result, four new production facilities located in Shelby (North Carolina), Lewiston (Idaho), Las Vegas (Nevada), and Elwood (Illinois) were integrated into Sofidel’s operations, along with 1,700 new employees. This expansion **increased the Group’s production capacity by 342,000 tons per year**, equivalent to a 25% rise in total output.

An important acquisition for the Group. What benefits have you gained?

It was a *transformative* acquisition that enabled Sofidel

America to **enhance its geographical coverage** (as three out of the four new production sites do not overlap with existing facilities); **expand its commercial offering** (thanks to two new TAD—Through Air Drying—machines, a widely used technology in the U.S., particularly in the paper towel segment); secure all major U.S. retail chains as Private Label customers; and **establish the conditions for further growth**. At the end of the year, a new investment worth approximately USD 200 million was launched at the Duluth facility to equip the plant with converting lines and an automated warehouse.

And what have you done in Europe?

Here, the markets have remained more mature and stable, allowing us to focus on **strengthening our competitive position**. Key highlights included the launch of Regina Rotoloni in five new countries—Spain, Poland, the Netherlands, Hungary, and Romania—along with **significant advertising investments** in our brands: Regina in the UK, Italy, and Poland; Hakle in Germany; and Le Trèfle in France. Additionally, we introduced a new multipack format across various markets, including Regina Rotoloni in Italy, Regina Gentle Soft and Regina Blitz in the UK, and Le Trèfle Soft Bamboo in France. At the same time, **production process efficiency measures** were carried out in numerous Group plants: in Sweden, in Kisa; in France, in Roanne; in Germany, in Arneburg; in Romania, in Călărași; and in Hungary, in Piske.

Mr. Lazzareschi, how have you pursued your policy of ecological transition?

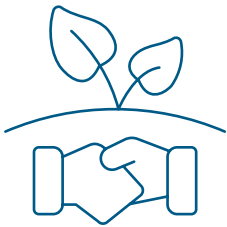
In an economic scenario marked by continued instability in energy markets and volatility in commodity prices, Sofidel has pursued its **multi-option energy strategy**, which leverages a diverse range of available technologies while adapting to the varying climatic, infrastructural, and regulatory contexts of the countries in which it operates. This approach has en-



abled us to align market developments with our long-term environmental goals, advancing our energy transition with a **19.5% reduction in specific emissions compared to the 2018 baseline**. Our progress remains fully aligned with our commitment under the Science Based Targets initiative (SBTi) to **achieve Net Zero by 2050**.

What can you tell us about the Group’s future strategy? What are the challenges and opportunities for Sofidel in 2025?

In a disinflationary environment and amid forecasts of a slow recovery in global GDP, numerous uncertainties continue to weigh on the geopolitical and economic landscape. In particular, uncertainties stem from ongoing conflicts in Ukraine and the Middle East, whose developments could significantly impact energy prices, raw materials, and supply chains. Additionally, political and administrative decisions by newly elected leaderships in Europe and the United States add further complexity to the outlook. The primary objectives of the year 2025 include the full integration of the new plants acquired in the United States; the commissioning of the new



In an economic scenario that has continued to experience instability in energy markets and volatility in commodity prices, Sofidel has pursued its ecological transition policy, achieving positive results.

paper mill with 70,000 tonnes of annual production capacity in Circleville, Ohio, and the new converting plant in Duluth, Minnesota; the further commitment to accelerate growth in the North American market; the consolidation of profitability and volumes on the European markets; and the implementation of energy and digital transitions. In other words, confirmation of the strategies that have defined the **sustainable growth path** pursued and implemented by the Group in recent years.

The profound loss following the sudden passing of the Group’s President Edilio Stefani

On January 30, 2025, the Group was struck by the profound loss of its President and shareholder Edilio Stefani, who passed away suddenly and prematurely. A painful loss for the entire Sofidel community.

Key events during the year

January

NEW PAPER MILL ACQUIRED IN DULUTH, MINNESOTA
In early 2024, Sofidel acquired a paper mill in Duluth, Minnesota, in the Upper Midwest from ST Paper. The facility features state-of-the-art technology and has an **annual production capacity of 65,000 tons**. This acquisition has allowed Sofidel to immediately meet the growing demand in the United States. The expansion project also includes the construction of a converting plant and an automated warehouse. Once completed, the project is expected to create 160 new jobs.



March

SOFIDEL UK BETS ON HYDROGEN
At its Baglan plant in Wales, Sofidel UK has joined a project led by **H2 Energy Europe**. **A former oil refinery will be converted into a green hydrogen production facility**, using water electrolysis powered by renewable energy. Hydrogen is expected to be delivered in gaseous form by truck starting in 2026. Another initiative involves the Leicester Hamilton Park plant in England. Sofidel UK has become a member of **East Midlands Hydrogen**, an industrial partnership comprising 44 entities, including producers, distributors, and users, dedicated to attracting and activating investments for hydrogen utilization. Starting in 2030, the production site will be able to receive hydrogen through a dedicated distribution infrastructure.



November

SOFIDEL HAS UNVEILED A NEW CORPORATE LOGO
At the end of 2024, Sofidel **modernized its brand identity** with a new corporate logo. As part of this rebranding process, guidelines for the correct application of Sofidel’s identity were updated to provide a **more engaging experience and seamless daily use**.



THE ACQUISITION OF CLEARWATER PAPER CORPORATION’S TISSUE DIVISION HAS BEEN FINALIZED
The transaction included an **annual production capacity of 342,000 tons** across four manufacturing sites: Shelby (North Carolina), Lewiston (Idaho), Las Vegas (Nevada), and Elwood (Illinois), employing over 1,600 people. With this operation, Sofidel has become the fourth-largest tissue paper producer in North America and the leading company in the Private Label sector. Valued at \$1.06 billion, this is the largest acquisition in the Group’s history.



Clean Living

Our contribution to the world to come

Clean Living

“For everyday needs. For a healthier planet. For integrity and respect”
A concept that guides our way of doing business.

At Sofidel, we believe “Clean Living” is a way of **caring for the world and the people who call it home**. We transform hygiene into something greater — a force for good that brings cleaner, healthier and more harmonious living to everyone, everywhere. With every product we create, we weave together innovation, quality and sustainability to **protect health, elevate daily life, and leave a lighter footprint on the planet**.

Guided by values like loyalty, courage and humility, we act with pragmatism and foresight, always seeking to **build trust and inspire progress**. Our vision is rooted in care: **care for our consumers**, by making hygiene accessible, safe and easy; **care for our people**, by fostering a workplace where fairness, growth and collaboration flourish; and **care for the world** around us, by championing practices that respect nature and nurture communities.

For Everyday Needs

“Clean Living” originates from our products, designed and developed to contribute to daily hygiene and wellness in homes, public spaces, and workplaces. Our tissue paper products, made from cellulose fibers derived from wood processing or recycled paper, are naturally renewable and recyclable. The raw materials and processes are certified according to the highest forest management, as well as food and personal contact safety standards.

For a Healthier Planet

Sofidel is committed to promoting the transition to a low-carbon economy with reduced natural capital consumption. This commitment translates into responsible sourcing of forest raw materials, careful water resource management, energy efficiency in our production plants, waste reduction, and minimizing the use of conventional plastic in packaging.

For Integrity and Respect

Building a sustainable corporate culture requires collaboration and respect for the communities in which we operate. Our relationships with all stakeholders are guided by professionalism, practicality, honesty, and transparency. We strive to promote inclusion, participation, and accurate information, fostering integrity and mutual respect to create a positive future for people and the planet.

These three pillars define our areas of commitment, positioning us as **active contributors to shaping tomorrow’s world**. Our goal is to build a healthier and cleaner future, fostering a more equitable and inclusive society. This means finding new solutions to meet consumer and business partner needs while prioritizing safety, hygiene, and personal well-being.



**Humankind, through its actions,
is strongly interconnected
with natural ecosystems.
There are not two separate
challenges, one environmental
and one social, but a single
socio-environmental challenge
to which we must contribute.**

“Clean Living” is our response to the *call to action* for the future. It defines our role in society and the benefits we intend to bring to people and the planet.

In the Company

- Occupational health and safety
- A fair and dignified work environment
- Inclusion, equal opportunities, and non-discrimination
- Professional training and development
- Freedom of association
- Protection of company resources
- Transparency in accounting records and company documentation
- Information security
- Privacy and personal data protection
- Professional approach to business travel
- Proper management of gifts and gratuities

In Society

- Respect for human rights
- Environmental protection
- Support for local communities
- Integrity in relations with Public Administration, Institutions, and political parties
- Combating corruption and money laundering
- Transparent communication

In the Market

- Fair competition
- Rejection of conflicts of interest
- Product quality and safety
- Innovation
- Responsible supply chain management
- Transparency and accountability towards consumers
- Compliance with national and international trade laws and regulations

Clean Living



Creating shared value with a strategic, global, and multi-stakeholder approach.

Clean Living



Sustainability creates value

A sustainable business model

Sustainability creates value

Sustainability and innovation are two key levers for driving change, seizing new market opportunities in advance, and creating shared value.

For Sofidel, sustainability is a strategic development lever. Our goal is to integrate it into all aspects of the business to reduce the impact of our activities on natural capital and generate benefits for all our stakeholders.

We consider **sustainability closely tied to innovation**—a crucial combination for ensuring the economic, social, and environmental sustainability of our business. From raw material sourcing to production processes, from products to logistics, and promoting responsible consumption and proper information. The ability to innovate and look ahead allows us to drive change and seize new growth opportunities early. This mindset drives us toward continuous improvement to reduce the impact of our activities on natural capital.

Consistent and “clean” growth

Sofidel’s constant growth is the expression of a long-term strategy. At its core, a management and operational approach based on a system of principles. Professionalism, concreteness, honesty, sustainability, and transparency permeate the company in its entirety.

To promote responsible growth and the sustainable development of the company, Sofidel focuses on three fundamental levers:

- Sustainability;
- Quality of production facilities;
- Geographical coverage.

Together for sustainable development

A company’s environmental, social, and economic responsibility starts with the system of principles that guide its approach to business. Since 2010, Sofidel has adhered to the **United Nations Global Compact**, a pact that binds companies committed to contributing to the development of sustainable business and building a better world. We embrace the Ten Principles of the United Nations Global Compact in **human rights, labor conditions, environmental protection, and anti-corruption**. We are committed to integrating them into our strategies and our way of doing business to create a corporate culture based on integrity and lay the foundations for genuinely sustainable long-term development.

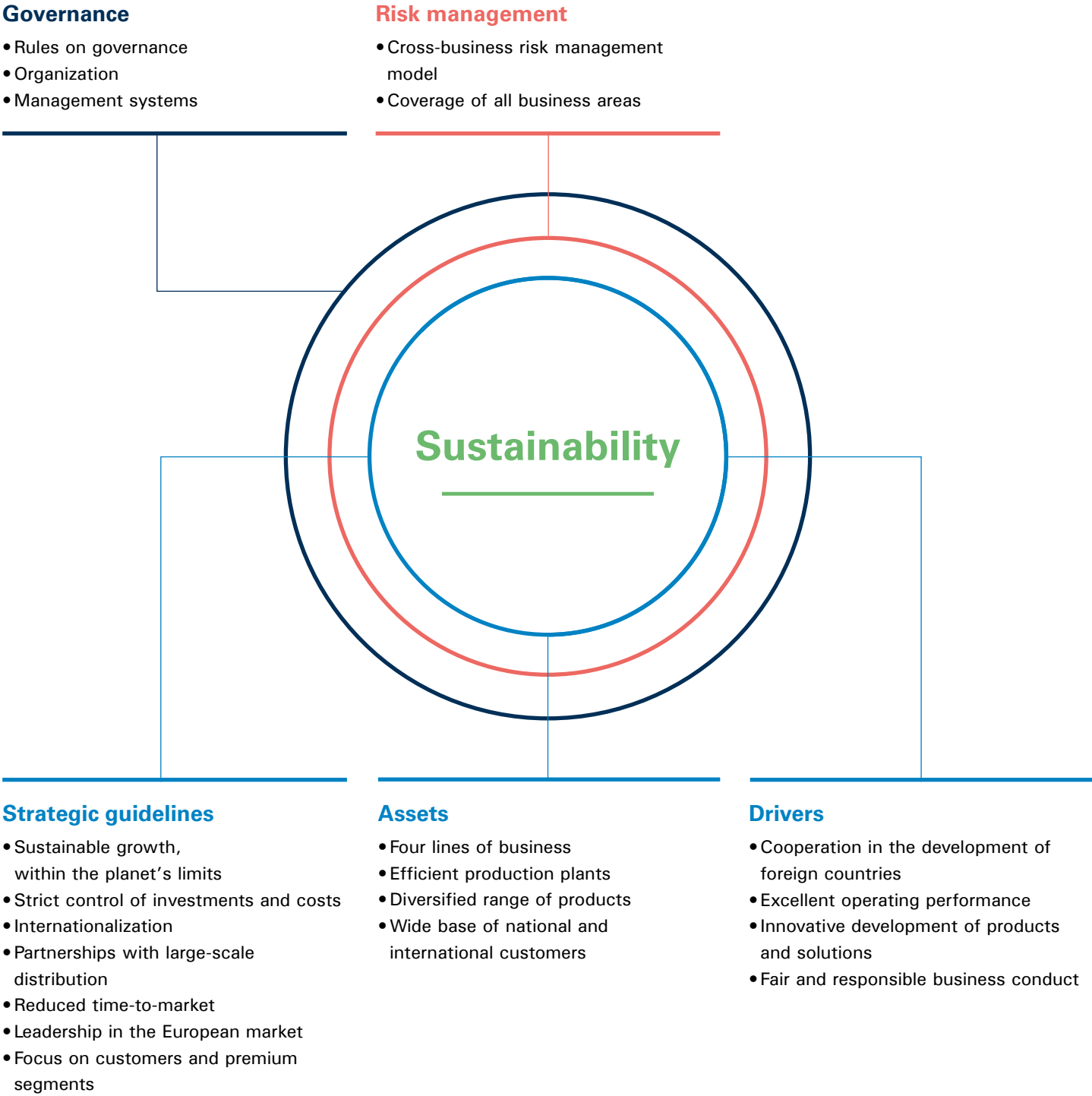


2024-2026 Sustainability Plan

In 2023, Sofidel developed the “2024-2026 Sustainability Plan,” considering the Group’s business strategy, the results of the materiality analysis conducted in 2022, the risk catalog, and input received from all key management levels, the Risk and Sustainability Control Committee, the CEO, and the Chairman. **The identified objectives are developed into actions covering the three-year period**, except for some that, by their very nature, extend over a longer timeframe.

The integration of sustainability and innovation into our organizational culture enables us to pursue truly responsible development.

Sustainability at the heart of the organizational model



The UN 2030 Agenda

Our growth strategy is fully aligned with the United Nations 2030 Agenda and its **17 Sustainable Development Goals (SDGs)** to build an inclusive, sustainable, and resilient future for people and the planet. We have identified eight goals as priorities because they are directly related to our sphere of influence. We focus our efforts here to generate a concrete and positive impact for people and the planet.



Companies have a social and environmental responsibility that goes beyond the perimeter of their activity. This is why we want to commit ourselves not only to transforming our way of producing but to the entire ecosystem in which we operate.

Products for hygiene and well-being

Consumers and commercial partners at the center

Products for hygiene and well-being

We develop innovative products, solutions, and services that guarantee consistent quality and meet the highest safety standards to protect health.

A responsible outlook toward the future

We are committed to generating value for consumers and our commercial partners by developing **innovative tissue paper products that respect natural resources**. These products aim to improve comfort and hygiene in daily life, fulfilling consumers’ desire for well-being and cleanliness at home and outside.

Today, consumers, large-scale distribution, and public opinion expect companies to make a tangible commitment to **environmental protection** and promote responsible behavior to reduce waste and regenerate resources. Sofidel is committed to being part of the solution and offering a contribution that goes beyond the products.

By 2030, 50% less plastic on the shelf!

To combat plastic pollution, Sofidel has worked over the years to **reduce the use of virgin plastic from petrochemical sources in product packaging**. From 2013 to 2024, the company reduced the incidence of virgin plastic in the production process by 45% and plans to reduce it by 50% by the end of 2030.

To achieve this goal, we have worked in several directions. In addition to limiting consumption, the first step was to **reduce the thickness of the plastic film**. Over the years, we began introducing **recycled plastics** into primary and secondary packaging. The most recent innovation has been the introduction of **paper packaging** for many of our products, even involving customers. Paper is the most widely recycled material, comes from a renewable resource, and, if accidentally dispersed in the environment, is biodegradable in two to three months.

In 2024, all packaging for the Private Label business of Sainsbury, for which Sofidel holds 100%, was transitioned from polyethylene to paper, resulting in an estimated plastic savings of approximately 485 tons. The change affected over 53 million packages on an annual basis.



The quality of the products

In our plants, product quality is constantly monitored through the **Product Conformity Index**, a parameter that takes into account “non-conformities” detected during production and resolved before products are released to the market. In 2024, the data showed excellent results across all the Group’s converting plants, **with an average compliance rate of 98.43%²**.

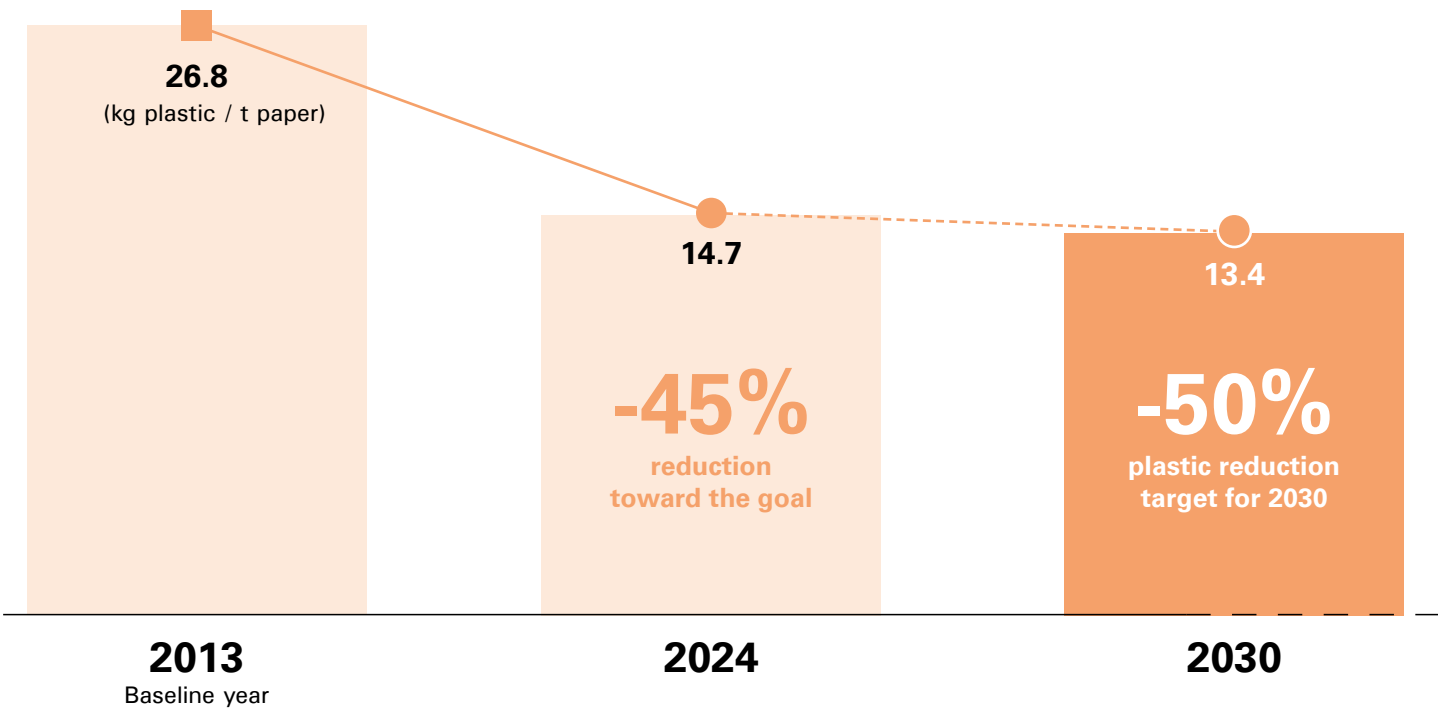


We put people at the center because meeting their needs is the key to business success and the creation of authentic value.

2. The data related to Sofidel Tissue plants, which became part of the Group in November 2024, is currently unavailable.

Plastic reduction 2013-2024

Incidence of plastic packaging per ton of paper produced (kg plastic/ton paper)



● Reduction compared to baseline year



The 120th anniversary of Le Trèfle

In 2024, Sofidel celebrated the 120th anniversary of its brand Le Trèfle. Founded in Paris in 1904, it is **the oldest toilet paper brand in France**. To mark the occasion, around 500 in-store activities were organized, along with promotional campaigns on digital channels.



The Nicky range grows in the United States

A roll of Nicky Super Shine toilet paper.

Sofidel has continued to provide its customers and consumers with **premium products featuring sustainable packaging** through the Nicky brand, which includes paper packaging for kitchen rolls, toilet paper, napkins, and tissues. At the end of 2024, Sofidel America introduced Nicky Super Shine, household paper towels. The product builds on the success of the Blitz line in Europe.

A woman wearing sunglasses and a white shirt is cleaning a surface with a paper towel. A starburst graphic is next to her.

Regina paper towels conquer Europe

In 2024, the Regina brand launched its Regina Rotoloni toilet paper in the large-scale distribution in **five European countries: Spain, Poland, the Netherlands, Hungary, and Romania**. The introduction of the “never-ending” Regina Rotoloni was aimed at responding to consumer purchasing needs and supporting category value growth, offering tissue rolls with Sofidel’s high-quality products, with double or more length than standard rolls and occupying half the shelf space.



Innovation as a strategy

Innovation in our products' heritage

We have one goal: the well-being of people and the protection of the environment. Innovation and sustainability inspire everything we do.

New products to meet consumer needs

In 2024, we once again introduced several innovations to improve consumer experience and meet their hygiene and cleaning needs in everyday life.



The “Infinity” packaging format. This format has been designed to optimize product storage in home environments thanks to its compact shape. In addition to functionality, the design of the “Infinity” format has been developed to ensure a modern and attractive aesthetic compared to the neutral and transparent packaging typically used for products of similar size. The launch in hypermarkets and supermarkets included various Sofidel products in key European markets, such as Regina Rotoloni and Regina Blitz.

Regina moist toilet paper. With larger sheets compared to standard products and premium quality, it is dermatologically tested for skin contact. Practical for daily personal hygiene, both at home and on the go, it is also free of microplastics, water-soluble, and biodegradable. An innovative and sustainable solution that, in 2024, expanded the Regina product range in Poland and the United Kingdom.



Papernet High Fast dispenser. With a capacity of over 2,100 folded towels, it is ideal for high-traffic restrooms. It holds up to 3.5 times more than a standard dispenser, reducing re-fill time, facilitating daily cleaning operations, and ensuring significant time savings.



Papernet DissolveTech Plus. A professional, dermatologically tested range of toilet paper, developed with innovative technology that helps prevent limescale buildup, keeping the toilet clean and fresh while reducing maintenance costs and the use of chemical products.

The “Sofidel 2030” project:
the Group envisions future innovations

Innovation is not just about technology or new products—it is a mindset shift. At Sofidel, we have embraced this philosophy by launching the “Sofidel 2030” project, a structured initiative that brings together colleagues from different departments, each contributing unique expertise and perspectives, to collaborate on shaping the future. Guided by proven methodologies from the Politecnico di Milano, we foster **innovation on multiple levels: product, process, and, most importantly, mindset**. We believe true progress emerges from the intersection of diverse viewpoints, the courage to challenge the status quo, and the ability to transform ideas into tangible solutions.

In 2024, the fifth edition took place, and in 2025, the sixth is underway. The first edition, back in 2020, engaged top management, **defining a clear vision** that still continues to guide all innovation efforts. The second phase expanded participation, introducing online training sessions on **“Innovation and Design Thinking”** to cultivate new ways of working and co-creating. The third one, **“Leadership-MIND”**, focused on interactive group workshops, integrating design thinking methodologies into Sofidel’s business environment. Since the second half of 2023, the project has been internalized, allowing us to fully leverage the synergy between established methodological expertise and deep organizational knowledge—ensuring that innovation remains a driving force for our future.

Collaboration with universities and research centers

In 2024, Sofidel continued to strengthen its collaboration with universities and research centers both in Italy and internationally, as well as partnerships with cutting-edge suppliers. Among them is the four-year research project (2021-2024) with RISE, a Swedish national research center specializing in **innovation in the**

paper sector, and collaboration with the consortium led by VTT, a Finnish national research center, to study new paper drying technologies. In 2024, another project with VTT began focused on reducing water and energy consumption in the paper production process.



“Limited Editions” in
the paper towel category

In 2024, Sofidel introduced new limited editions in the paper towel category, enhancing its most well-known brands in various European markets. In Romania with the Regina brand, in the Benelux region with the Nalys brand, and in France with the Sopalin brand.

These limited editions feature modern graphics and vibrant colors, **designed to capture attention and provide a distinctive experience** in line with local customer expectations.



We consider attention to hygiene, well-being,
and care for the health of the planet
as the guiding principles of our value creation process.
Over 90% of our finished products have
at least one eco-label issued by an external body,
following audits conducted by independent third parties.

Responsible supply chain management

Virtuous suppliers

Responsible supply chain management

Labor, human rights, the environment, and anti-corruption are at the heart of our sustainability concept. This vision extends throughout our value chain.

For Sofidel, integrating sustainability into the purchasing processes is crucial, rewarding suppliers and products that generate a positive impact on the environment and society. Our procurement process follows a set of **corporate social responsibility principles**, enabling us to make decisions that are not only economically viable but also socially and environmentally responsible.

In 2024, out of a **total expenditure of over two billion euros**, Sofidel distributed a significant share among raw material suppliers, followed by suppliers of machinery, energy and natural gas, and logistics services.

Sofidel was among the first companies to adopt the **ISO 20400** guidelines, an international standard that integrates sustainability into our procurement policy. The application of these guidelines helps us manage risks throughout the supply chain, mitigating potential reputational, environmental, social, and economic damage from poor supplier performance.

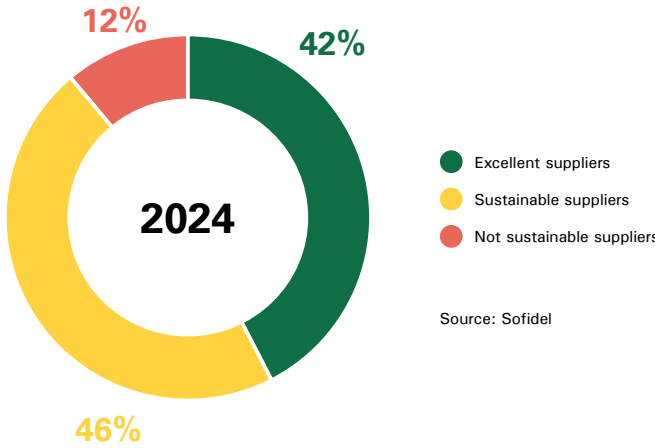
Supplier evaluation

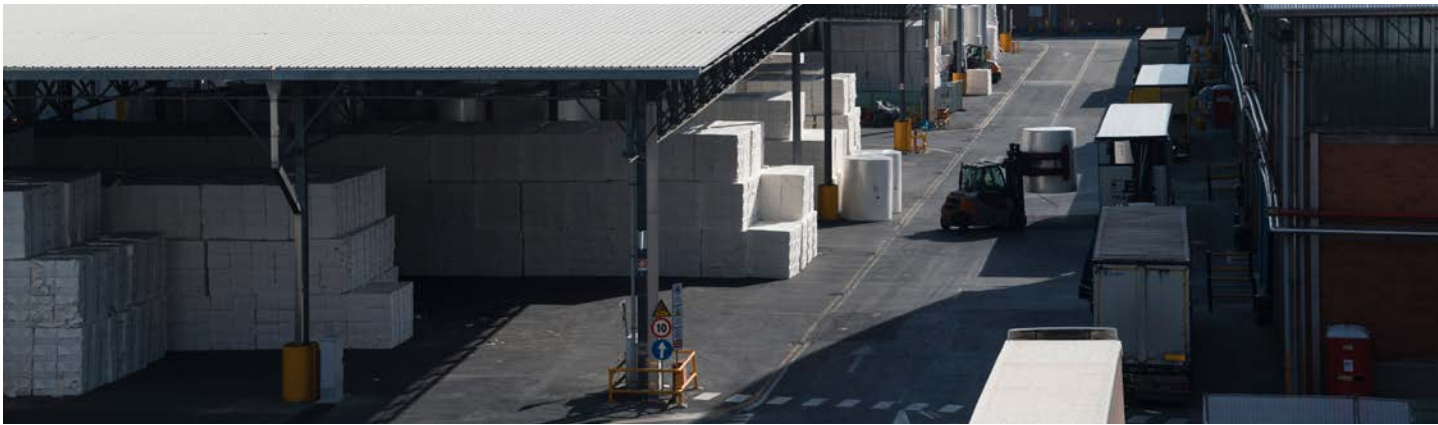
Sofidel has developed a system to assess the sustainability of its suppliers in collaboration with the Global Compact Network Italy, of which it has been a founding member since 2013. This system, called “TenP Paper,” is based on **the Ten Principles of the Global Compact** and evaluates the supply chain in four areas: **working conditions, human rights compliance, environmental protection, and anti-corruption**.

Based on their score on the “TenP Paper” platform, suppliers are divided into three categories: “Excellent” (high scores across all areas), “Sustainable” (good sustainability levels but with room for improvement), and “Non-Sustainable” (those who need to align with our principles).

2024 confirmed the merit profile of the Group’s supplier portfolio. The percentage of suppliers belonging to the “Sustainable” merit class has slightly increased, while the “Non-Sustainable” suppliers have slightly decreased. The evaluation system did not involve the suppliers of Sofidel Tissue, which became part of the Group in November 2024. Starting in 2025, these suppliers will also be subject to the evaluation system designed by Sofidel to monitor its supply chain.

Breakdown of Sofidel suppliers by merit class





Solid relationships with suppliers and strategic partners

Recent years, marked by global crises such as the pandemic and widespread raw material shortages, have been challenging for the Group’s procurement activities. However, **strong relationships** with suppliers and strategic partners have made a difference.

Supplier Code of Conduct

The primary tool regulating the relationship between Sofidel and its suppliers is the Supplier Code of Conduct, a document developed to define **the minimum standards to which all the Group’s suppliers must adhere**. The Code aims to ensure a supply chain that applies Sofidel’s sustainability values and encourages suppliers to share these same values in their business partnerships.



Sofidel requires its suppliers to sign the Supplier Code of Conduct, committing to ethical and responsible behavior, respecting human rights, and preserving life on Earth.

Effective monitoring

The effectiveness of supplier monitoring is measured through the coverage index, which represents the ratio between the expenditure monitored via the “TenP Paper” platform and the total expenditure. In 2024, **the coverage index related to critical spending (in terms of reputational risk) stood at 98.4%**, showing a slight increase compared to 97% recorded in the previous three-year period.

The impact of the Corporate Sustainability Due Diligence Directive (CSDDD)

Sofidel has initiated a process that will lead to a **comprehensive restructuring of the supplier qualification system** in 2025 to develop a stronger integration of sustainability criteria into the operational aspects of procurement processes. This revision is necessary considering the approval of the Corporate Sustainability Due Diligence Directive (CSDDD), the European directive on

corporate sustainability due diligence, which mandates a risk-based approach to value chain management and promotes a **holistic management of risks related to procurement processes**. The implementation of the new supplier management system began in the first quarter of 2025.

Pilot bioeconomy project in the Amazon



The three-year pilot project **“Together We Plant the Future”** was launched by Sofidel and Suzano in May 2023 with the aim of promoting **ecological conservation and restoration**, while supporting **socio-economic development** in a region of the Brazilian Amazon.

The project is carried out with the support of IABS, the Brazilian Institute for Development and Sustainability, and Amazônia Milano ETS, an Italian non-profit organization active in **defending the forest and Amazonian communities**.

In 2024, the project continued with planning, development, implementation, auditing, and monitoring activities (including field visits, technical assistance, and training with local communities) focused on the project’s four main objectives: strengthening beneficiary **socio-productive organizations**, contributing to **food sovereignty** for the involved families, strengthening **local production structures**, promoting the organization, transformation, and commercialization of community production, and **restoring so called Permanent Protection (forest) Areas**.



Care and respect for the planet

A measurable commitment

Care and respect for the planet

Sofidel is committed to promoting the transition to a low-carbon economy and reduced consumption of natural capital.

Forest protection



Nature and respect for life on Earth are central to our development policy. 100% of the cellulose used in our products is certified by independent third parties according to **chain-of-custody and sustainable forest management standards**, ensuring the traceability of the raw fiber. In 2024, Sofidel purchased 1,374,340 tons of virgin fiber, mainly from Europe and South America. 85.25% was FSC® certified, and the remaining portion was certified PEFC and FSC® Controlled Wood.

Certification schemes allow us to ensure **sustainable management of forests**, respecting environmental, social, and economic standards. This includes tree regeneration practices, biodiversity conservation, and respecting the rights of local communities.

Our policy for purchasing forest-based raw materials was developed in collaboration with WWF, following **AFI (Accountability Framework initiative) guidelines**, which involve major global organizations committed to protecting forests, ecosystems, and indigenous peoples' rights.

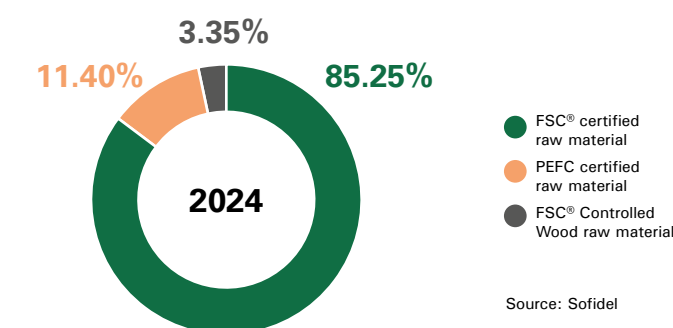
Responsible Forest Procurement

In 2024, audit activities were carried out to assess the **legality risk** of non-EU companies from which Sofidel sources its materials. These activities were conducted by an independent third-party entity qualified as a Monitoring Organization under the **EU Timber Regulation** (Regulation EU 995/2010).

The policy includes important objectives, such as:

- Ensuring a supply chain free from deforestation (**zero deforestation**).
- Developing a supply chain that does not contribute to environmental degradation of natural ecosystems.
- Verifying that suppliers comply with Sofidel's Supplier Code of Conduct and do not harm the rights of indigenous communities or other stakeholders in the supply chain.
- Conducting active controls in high-risk countries to ensure the legality of forestry operations, cutting, processing, and trading of wood and raw materials derived from it.

Purchases of virgin fiber raw material by forest certification scheme



Preserving biodiversity is essential to ensure a sustainable future for present and future generations.



Commitment to climate

Sofidel is committed to **reducing its greenhouse gas emissions** to help halt global temperature rise and its dangerous consequences for life on Earth. Our climate commitment began in 2008 when Sofidel became the first Italian company and the first in the tissue sector worldwide to join the “WWF Climate Savers” program (now called the “**WWF Climate Business Network**”). In just over

10 years, through an investment of more than 100 million euros in cogeneration plants and renewable energy production, we achieved a 24% reduction in CO₂ emissions in 2020. This significant milestone motivated us to set decarbonization targets for 2030 in line with the necessary reductions to **limit global warming to well below 2°C, as required by the Paris Agreement**, and approved by the Science Based Targets initiative (SBTi).

Science Based Targets initiative (SBTi) 2030 Goals

-40%

Reduction in CO₂ emissions per ton of paper by 2030, compared to 2018 (Scope 1 and 2 emissions from our activities and Scope 3 emissions from the production of pulp by our suppliers).

-24%

Reduction in CO₂ emissions per ton of paper by 2030, compared to 2018 (Scope 3 emissions from all other activities of our suppliers).

At the end of 2023, we made another important step by committing to setting a long-term science-based target to reach **net-zero greenhouse gas emissions across the entire value chain by 2050**, in line with the “SBTi Net-Zero” standard, and to validate it with the SBTi by the end of 2025.



We are guided by a sustainable development project in line with the UN 2030 Agenda and the European Green Deal to achieve Net Zero by 2050.



Actions to reduce emissions

The strategy to achieve climate neutrality by 2050 is based on a detailed plan focusing on the industrial activities directly managed by Sofidel, involving the entire supply chain, and the gradual development of technological options that are currently not cost-effective. Key activities in 2024 included:

Renewable energy procurement

- Work has begun on the installation of a **ground-mounted photovoltaic plant** with a peak electrical capacity of 4.9 MW at a decommissioned area of Sofidel Romania. This plant will be able to supply approximately **15% of the company's industrial electricity needs**.
- Another **photovoltaic installation** has been in development since September 2024 at Sofidel Spain. It is a ground-mounted plant, with a peak electrical capacity of 8 MW, that will be built on a property adjacent to the production facility. This will allow a direct electrical connection to the company's plant. Similar to the Romanian installation, it will be able to **supply 15% of the paper mill's electricity needs** through self-production.
- At Sofidel America's Circleville (OH) plant, work is underway to increase the production capacity of the **paper mill department**. The building that will house the new paper production facility will be **equipped with** a 4.8 MW peak power **photovoltaic system**. The system will be integrated into the roof, thus avoiding the use of additional ground space.

Use of bio-based fuels

- The **bio-syngas generation plant by Meva Energy** has started operations at Sofidel Sweden's production facility. The plant produces combustible gas (bio-syngas) from wood pellets. Sofidel uses the produced gas at its Swedish site with the goal of **replacing nearly all current fossil fuel sources** (LPG) once the plant reaches full operational capacity.
- At Sofidel France's production facility in Roanne, **ENGIE** has begun supplying biomethane through a 10-year **Biomethane Purchase Agreement (BPA)**. The biomethane is produced from a fermentation plant processing waste from the local agri-food sector and sewage sludge from the Municipality of Roanne. The contract includes the sale of 25,000 MWh/year of biomethane to Sofidel, leading to a **reduction of 4,600 tons of CO₂ emissions annually**.
- Additionally, Sofidel France has started work on constructing a new biomass boiler at the Frouard facility. The construction is set to be completed by the end of 2025, enabling the company to decarbonize a significant portion of its thermal energy needs, with an estimated **reduction of approximately 9,000 tons of CO₂ emissions per year**.

Other significant actions

- The Sofidel decarbonization plan also includes:
- The introduction of technologies and solutions capable of **further increasing the energy efficiency of the Group's plants**, with future electrification of certain production processes that are currently powered by fossil fuels.



- An increase in the share of **self-generated electricity from renewable sources**.
- Use of green hydrogen, in collaboration with technology partners and public agencies. In the United Kingdom, Sofidel UK has joined the government’s “East Midlands Hydrogen” project for **conversion of methane gas use to green hydrogen**. This initiative aims to support and accelerate plans for the production, distribution, and industrial use of hydrogen at the regional level.
- Furthermore, at the Baglan production plant in South Wales, a project has been completed to **convert a petro-**

leum refining industrial plant into a green hydrogen production facility. Participation in the project involves the withdrawal of a significant amount of hydrogen by Sofidel UK, which will replace natural gas.

Throughout 2024, numerous other initiatives were planned to **reduce the carbon footprint of Sofidel’s activities**, many of which will be implemented during the 2025-2026 period.



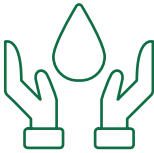
Responsible water resource management

Sofidel has been committed for years to reducing water consumption to protect the environment and ensure production continuity in **water-stressed regions**.



To **reduce water usage** in our facilities, we have invested in improving management, rationalizing consumption, and re-using industrial wastewater. For example, we have implemented a rainwater collection system at our Baglan facility in the UK and a “Waste Water Reuse” plant at our Porcari (Lucca) plant in Italy.

Over the years, optimizing production cycles and carefully designing industrial plants have allowed us to achieve **water consumption levels well below industry averages**. In 2024, **the water recycling rate at Sofidel mills exceeded 95.4%** and the water usage value was 9.2 liters/kg of paper produced – an increase compared to the 7.6 l/kg recorded in 2023 due to the acquisition of a paper mill in Duluth (MN) from ST Paper, whose water consumption is not aligned with the standards of Sofidel.



Water is the foundation of life itself.

Its proper management is not just an obligation but a necessity to preserve our planet and ensure the well-being of future generations.



The value of people

Sofidel people

The value of people

Integrating the value of human resources into corporate culture is crucial for fostering innovation, flexibility, and competitiveness in a globalized market.

Passion, professional competence, reliability, and a sense of belonging are the distinctive traits that characterize the **human capital** of Sofidel. Our personnel management policy is based on a practical approach, enhancement of skills, and the promotion of internal growth.

The attention we dedicate to our employees translates into investments and initiatives aimed at **safeguarding their development and physical-psychological well-being**, professional training, and strengthening the culture and improvement of health and safety policies in the workplace.

We value **the talent of our people** and encourage collaboration, respect, and mutual trust. We promote equal opportunities, and fair treatment for all our employees, and we continuously work to improve health and safety policies,

the development of individual skills, and lifelong learning.

We are also committed to promoting **work flexibility** and facilitating the balance between private and professional life. We pay particular attention to the **future of younger generations** and work to develop initiatives and collaborations between the educational world and the corporate world.

We have also developed targeted **actions to attract and retain staff**. In 2024, specifically, a company climate survey, the **“Sofidel Engagement Survey,”** was conducted with the aim of understanding employees’ current work experience and gathering insights for improvement at the individual, team, and organizational levels to enhance employee engagement.

The “People & Paper” magazine

The magazine, translated into 10 languages and distributed in 12 countries, is an **internal communication tool to share information** and develop a sense of belonging and shared culture. We aim to share our values, people, choices, and significant moments that shape our corporate life with those who work with us.



Sofidel People

9,044 people, of which 73.34% blue collars, 18.36% white collars and 8.30% managers, contributed to the Group’s results in 2024. Sofidel people work in 13 different countries. This ensures we have first-hand knowledge of the markets we work in and can count on **a multitude of different cultures and points of view**. The country with the most employees is the United States (40%), followed by Italy (15%), the United Kingdom (9%) and Germany (9%).

The majority of contracts are permanent (97.50%), and almost all employees work full-time (98.25%). The majority of the Sofidel population is between 30 and 50 years old (53.55%), but the Group intends to **add to the number of young people**, to bring in new energy and ideas.

Human rights, diversity, equal opportunities, and equity of treatment

Sofidel has developed a human rights policy inspired by the United Nations guidelines and the principal international agreements. The Group is committed to providing a **work environment free from bias, respecting the individuality and dignity of employees**, and free from harassment, where recruitment, hiring, training, and career development plans are carried out without any form of discrimination.

Within the Sofidel Group, women represent 18.14% of employees, 22.64% among managers, 41.93% among white collars and 11.68% among blue collars. **Fairness and equal treatment** of men and women are essential: we have therefore developed rules for “compensation” and skill development based on the principles of fairness and equality, with the aim of reducing differences in pay as much as possible.

The “Imagine Your Planet” calendar

This project was created to bring to life a 2025 calendar featuring contributions from Sofidel employees, with a shared theme: **safeguarding the planet**. Group colleagues were invited to share photos and texts depicting the natural wonders of Earth. An internal jury selected the 13 contributions that best represented

the beauty and fragility of our planet. Artist Florencia S.M. Brück reinterpreted them through artificial intelligence and transformed them into extraordinary illustrations, expressing shared hopes for a greener future. Each illustration is created using symbolic paper to remind us of our bond with nature and our shared commitment to its protection.

Employee training and development

Sofidel invests in training and continuous updating to develop new skills, motivate people, and promote dialogue, innovation, and individual initiative. In 2024, 110,673 hours of training were provided. Of these, 37,754 hours were dedicated to **workers’ health and safety**. Other initiatives included: the training project on change management topics for the Supply Chain function at the European level, training activities on digital transition and artificial intelligence, the development of managerial skills, and workplace harassment prevention, the “Embedding Sustainability” project dedicated to the Marketing & Sales function, the “Sofidel Language Learning Program” linguistic project, and the **“Sofidel 2030”** project to promote creativity and innovation capacity.



Our corporate culture promotes behaviors that foster a conscious, safe, and fair participation in corporate life.



Youth and the future

#ourbestcard

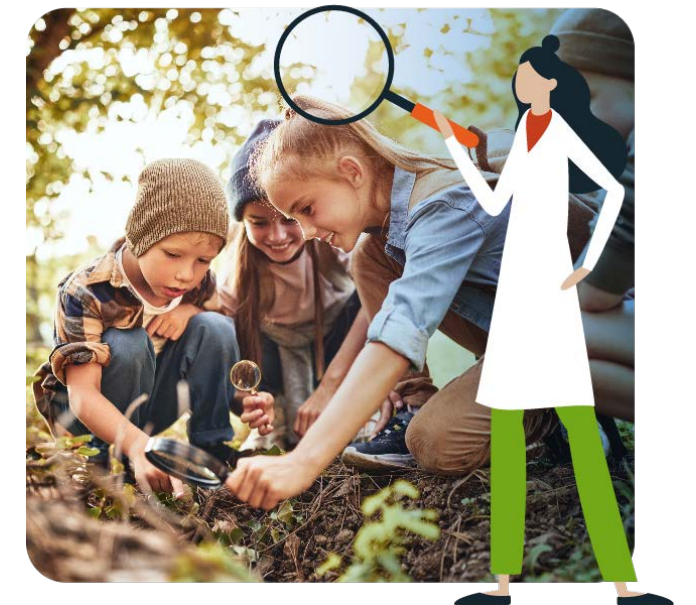
Youth and the future

Our commitment to young generations and a more sustainable future.

Among the main initiatives:

“I’ll Take Care of You”: Acting the Natural Way

The environmental education project “I’ll Take Care of You”, promoted in Italian schools by WWF Italy and our brand Regina, has been renewed. The free educational program aims to instill love for nature and raise awareness about the UN Agenda 2030 goals among students. The 2024/2025 edition (the 11th) focused on **responsible consumption and production (SDG 12)**, highlighting examples of biomimicry—how the behaviors and characteristics of plants, animals, and ecosystems can inspire better human activities and technologies, contributing to the protection of planet Earth. Since 2014, more than 900,000 young people have participated in the initiative.



“Lucca Film Festival for Future”

Sofidel supported the second edition of the “Lucca Film Festival for Future,” a competition for **short films addressing environmental and social sustainability themes**, held as part of the Lucca Film Festival (LFF) in Italy. The ten finalist short films, selected from over 200 entries from directors and filmmakers worldwide, were screened for free to the local community and secondary schools in the area.



Training and know-how in the area

For years, Sofidel has collaborated in Italy with educational institutions—**secondary schools, technical institutes, and universities**—and with its industry association to coordinate partnerships and collaborations with the educational sector to provide students with useful skills to ease their entry into the workforce. In 2024, we held orientation meetings for students, lectures and in-depth seminars with company experts, curricular internships for thesis preparation,

and practical internships for students at technical institutes, where they engaged in hands-on, professional activities. The school-work alternation project “**Paths for Transversal Skills and Orientation**” continued, including an active collaboration with the Paper Technology course at the “Marchi-Forti” technical institute in Pescia.

Training in the paper sector

Among other significant collaborations, Sofidel was a partner in the creation of the first **master’s degree course** in Italy, specializing in the paper sector, in “**Paper and Cardboard Engineering**” at the **University of Pisa**. The course aims to train professionals with strong multidisciplinary knowledge in products, processes, and plant management for the paper industry. Since its inception, Sofidel has participated annually in the Management Committee and the Technical Scientific Committee of the master’s program, providing highly qualified teaching and organizing participation in the course for some of its employees to enhance their technical skills.

In the UK, as a member of the “**Confederation of Paper Industries,**” Sofidel is part of a working group that creates and supervises an industry-recognized approach and develops a more solid career path in paper production. Started in 2022, the work to revitalize the **creation of a standardized apprenticeship as a recognized qualification in the UK** continued in 2024. The project aims to ensure that the apprenticeship continues to meet the qualification standards set by the UK government for these courses, aimed at 16-17-year-olds who do



Commitment to society

Constructive relations

Commitment to society

Dialogue with stakeholders is based on the values of honesty, inclusion, and accurate information. Our goal is to have a positive impact on people and the planet.

Among the main initiatives:

17 years with WWF

Our long-standing collaboration with WWF, which has also involved the Regina brand over the years, has made us stronger and more aware of our role as a responsible business. We are stronger in **defending biodiversity and natural ecosystems**, fighting climate change, and educating young people about the importance of overcoming environmental challenges. Since 2008, Sofidel has been part of the international “WWF Climate Savers” program (now “WWF Climate Business Network”) for the voluntary **reduction of climate-altering emissions**. Over the years, Sofidel has also improved its forest sourcing process, reaching 100% certified raw material use by 2016. In 2021, Sofidel was among the first companies to join “Forests Forward,” WWF’s multi-stakeholder platform aimed at accelerating global environmental sustainability commitments.



Ongoing commitment with the United Nations Global Compact

In 2024, Sofidel participated in the working group that developed a “**Position Paper**” on Goal 16 (Peace, Justice, and Strong Institutions) of the UN 2030 Agenda. The paper aims to promote so-called “transformative governance,” which goes beyond simple profit (the interests of shareholders alone) to include the interests of all other stakeholders. Additionally, Sofidel continued its participation in the “Sustainable Procurement” working group, a project for a small group of Italian companies to provide them with a space for in-depth discussion, comparison, and experience exchange on **sustainable supply chain management**, especially in light of future climate challenges and recent regulatory developments.



Sofidel as “Main Sponsor” of Pianeta Terra Festival

Sofidel supported the third edition of “Pianeta Terra Festival,” an event designed, planned, and organized by Editori Laterza, held in Lucca, Italy, in October. This multidisciplinary event aims to **raise awareness on the issues of ecological and social transition** and sensitize people to sustainability topics. Sofidel shared its experience at the round table discussion: “Ecological Transition, How Difficult Is It to Communicate?”.



Sofidel at the “CSR and Social Innovation Fair”

Sofidel participated in the 12th edition of the “CSR and Social Innovation Fair,” one of the main events in Italy dedicated to sustainability and **Corporate Social Responsibility** (CSR). The company spoke in the session “Climate Journey: Defining the Path, Assessing the Results,” which focused on the need for businesses to define a responsible and measurable roadmap to accelerate the ecological transition.



Sofidel in support of Telethon in Italy

Sofidel renewed its partnership with the Telethon Foundation for the 13th year, supporting **research into rare genetic diseases**. Since 2012, Sofidel has made an annual donation to the Telethon Foundation.



Sofidel, with Papernet, supports the Ronald McDonald Foundation in Italy

Papernet, Sofidel’s Away-from-Home brand, has provided support to the Ronald McDonald Children’s Foundation in Italy by donating tissue paper products to the Foundation’s homes and family rooms. The non-profit organization offers **accommodation and assistance to sick children and their families during hospital stays** to ensure children’s healing journeys are as peaceful as possible.



Sofidel supporting “Multibank” donation centers in the UK

Founded by former British Prime Minister Gordon Brown and Amazon in response to high levels of **poverty and social distress** in the UK, the “Multibank” centers distribute essential goods to people in need through a network of partners, such as teachers, social workers, community groups, local charities, and health workers. In 2024, Sofidel donated **toilet paper and kitchen rolls** to two of these centers: “Cwtch Mawr” in South Wales, managed by the “Faith in Families” association in Swansea, and “Felix’s Multibank,” managed by “The Felix Project” in London.



Our commitment to a better future.



Local territories and communities

Social programs

Local territories and communities

Projects, initiatives, and support for communities in Europe and the United States. A focus on some activities carried out by the Group.

In 2024, the Group’s companies continued to **strengthen their relationships with local communities and institutions**, school districts, universities, chambers of commerce, and non-profit associations in the regions where Sofidel operates. They also carried out social interventions in favor of communities and local areas. Among the main initiatives:

Donations and charity initiatives in Europe and the United States

All the Group’s companies made donations to non-profit organizations active in the regions where Sofidel has facilities, supporting local or national entities in the fields of **education, culture, and sports; park and green area maintenance**; support for families in **economic hardship** or facing **serious illnesses** of children or relatives; and **assistance to the elderly** to combat loneliness and ensure active aging.

In Italy, for Easter, Mother’s Day, and Christmas, Sofidel organized donation initiatives **for families in socially and economically disadvantaged situations** residing in the Municipality of Porcari (Italy), where the Group’s headquarters are located. The initiatives involved collaboration with local volunteer associations and national non-profit organizations, such as AIL (Italian Association Against Leukemia, Lymphoma, and Myeloma) and the AIRC Foundation for Cancer Research.



Donation of products for floods in Italy and Poland

In September and October 2024, the Emilia-Romagna region in Italy was severely affected by a series of flood events. Sofidel, with the Regina brand, donated products to the **Italian Red Cross**, which distributed the materials according to the needs of the population. In September, another flood emergency occurred in southern Poland, to which Sofidel contributed by donating toilet paper and kitchen rolls to **Caritas Poland**.



We focus on the needs of
the local communities and
territories in which we operate.



To consult the
full version of the
2024 Integrated Report,
visit the website:
www.sofidel.com



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Our vision

Driven by responsibility, transparency and integrity, we empower our people to innovate and create hygiene solutions that make everyday life tidier, cleaner, more convenient, safe and enjoyable, enriching the lives of our customers, employees, partners, shareholders and the community.