SAIB

Sustainability Report 2020

Today we produce our future

Contents


“We never liked
talking much about us.
We are used to
“doing rather than talking”.
However, today is not enough.

Letter to stakeholders

SAIB

We never liked talking much about us. We are used to "doing rather than talking". However, today is not enough.

***Transparency in the new gold standard for a company**. Nowadays, businesses are not only evaluated by their economic value but also by their ability to **generate value on the long term** as well as being able to manage sustainably natural, financials and human resources.*

***Social and environmental awareness** is growing exponentially among the new generations. Our collaborators and their families, our clients, suppliers and the whole community are increasingly conscious about the sustainable and **ethical values** promoted by companies. They are demanding to know the ideals on which a company has based its strategy.*

*In SAIB, we believed that at the center of a company's vision, there is the need to **create wealth** and **improve the life's quality** of the community where it performs.*

*In the 90s, when the principles behind **circular economy** were almost unknown, we saw the potential in replacing virgin wood with 'end of life' wood. **We developed a recovery supply chain** unlike anything that had existed until then. We reinvented our production process and produced a chipboard panel with the same features of a virgin wood one.*

*We recover every year 500 thousand tons of **wood waste** at the end of its life thanks to which we prevent 600 trees a day to be cut down. Moreover, by using residual wood, we contribute to **reduce CO_2 emission** in the atmosphere. Indeed, the CO_2 previously captured by trees remains strapped in the wood during its whole life cycle.*

*Our last initiative is a **new filtration plant** which completed a series of investments aimed at reducing CO_2 emission, making SAIB one of the lowest environmental impact chipboard production sites in Europe.*

*A recent study showed that nine out of ten young adults would not choose to work in a **company** which does not comply **with sustainable** environmental and social **standards**.*

*This reason is what urged us to produce our **first sustainability report**.* **We share with you the great efforts we make** *every day to make this world a better place.*

In this first edition of environmental and social sustainability, **we decided to share the path we have taken** *through our work, achievements and future goals.*

We do it with transparency, honesty and pride.

SAIB 2020
Sustainable by choice

SAIB

114.6

million euros **turnover**

22.6

million euros **EBITDA**

20%

of **turnover**

10%

employees-in turnover

441.500

tons of waste **wood** reused

600

trees preserved per day

99,95%

material **recovered and regenerated**

37%

thermal energy used
generated from **sustainable biomass**

+56%

investments in product **innovation**

+74%

donations to support the community

+30%

pro-capite expenditure **per SAIB employee**
compared to the sector average

1 SAIB Spa: who we are

SAIB

Our story

SAIB **story** is made **of foresighted visions**. It is a story about women and men who are able to look forward and seize new opportunities while bringing together intuition and willingness to make sacrifices.

SAIB was founded in 1962 by Eva Bosi, her husband Giorgio Rinaldi and her brother Guido Bosi.

Italy was just starting the 'economic boom', which enabled the country to rise after the Second World War.

Houses, roads and industries were being built and furniture was one of the many things needed.

Furniture was built only with solid wood during that time and it was very expensive. For this reason, families were furnishing houses when getting married and used to keep the same furniture their entire life.

The **chipboard panel** was a revolutionary idea: to use waste from poplar and sawmills in order to produce an **innovative and competitive product**. In few years, the chipboard panel revolutionised the interior furniture industry by lowering manufacturing costs, therefore making it a democratic and fast-moving consumer good.

Now, 60 years on, the chipboard panel is at the heart of every piece of furniture, from the cheapest to the most prestigious.

In the 70s, the family's second generation takes the lead with Adriana, her husband Carlo Conti, and her sister Valeria. In order to meet the market demand of more finished and personalised products, SAIB adopts two strategies: the development of a melamine faced panel (by using decorative paper) and a stronger partnership with furniture and kitchen manufacturers.

In the early 90s, there was a severe crisis in the Italian panel industry due to the shortage of raw material. On the other hand, as a consequence of the fall of the Berlin Wall, Germany had a surplus of wood coming from the demolition of old buildings in the East. The German recycling centres had difficulty in managing the large quantities of wood.

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The German panel manufacturers did not take into consideration the possibility to incorporate that surplus of wood due to the high quantities of virgin wood. However, three Italian companies, including SAIB, saw its potential and developed a technical know-how for the **wood cleaning**. In ten years, these companies were able to completely abandon the use of virgin wood.

In the year 2000, the family's third generation takes the lead with Clara and Giuseppe, the children of Adriana and Valeria's son, Sergio Doriguzzi. The generational change at the top of the company allows to face with courage the daily challenges, in the entrepreneurial tradition of the family.

Today SAIB is one of the leading companies in the furniture industry, working at a national and international level with the most renowned brands in the sector.

> *To gain people's esteem you must express commitment, enthusiasm and dedication, particularly in difficult times*
>
> *Eva Bosi*

Sixty years of work, passion and innovation

2020 REMADE in ITALY® certification
Start of installation of new electrofilter

2019 "spaziocinque/A" showroom project

2018 LEED® certification

2016 Installation of second Siempelkamp ContiRoll continous system

2014 Start-up of new synchronised pore melamine facing press

2011 Development and production of Light rawboard

1998 Installation of Siempelkamp ContiRoll continous system

1997 100% use of recycled wood

1994 Conversion of production from use of virgin wood to use of end-of-life wood

1990 Second melamine facing line installation

1980 First melamine facing line installation

1977 Installation of Bison single-daylight press

1968 Installation of Pagnoni multi-daylight press for the production of rawboards

1962 Start of production of raw chipboards panels

1962

1

SAIB

Mission & Vision

In a market in which not many express themselves in terms of sustainability, SAIB wants to give a strong signal of alignment to those values which always inspired the company's business, today more than ever. Values that embrace the **development of human capital and the territory, environmental protection, technological innovation and a sustainable economic model**.

In SAIB we believe that dreams help people and companies grow.

In SAIB we are used to grow together, with our suppliers, our clients, the institutions and the community that hosts us.

In SAIB we believe that united we stand. Sharing our ideas and goals is the only way to keep being leaders in the market.

1

SAIB

Governance

Thanks to an adequate generational shift, SAIB governance holds true to the **family values,** which have characterised its growth and success. This attitude in the company's governance successfully supports an industrial approach meant to **create value**, not only in the short term, but in the long one too. This method allows first-level managers to operate and plan medium and long-term actions, so to continue growing significantly among the main players in the industry.

SAIB adopted a traditional corporate governance model. It involves the presence of the **Board of Directors** chaired by the family to this day. It holds all management power of the company, except in cases where the law requires a specific authorisation. It also involves the **Board of statutory auditors** which monitors legal compliance and observance of the principles of correct administration.

A fundamental role is played by the **Supervisory Board** which has unlimited access to corporate information for investigation, analysis and control activities in order to supervise and update organisation, management and control model pursuant to Legislative Decree no. 231/2001.

SAIB Governance

BOARD OF STATUTORY AUDITORS

SUPERVISORY BOARD

BOARD OF DIRECTORS

BOARD CHAIRMAN
Valeria Rinaldi

MANAGING DIRECTORS
Clara Conti
Sergio Doriguzzi

ADVISORS
Giuseppe Conti
Mario Doriguzzi
Adriana Rinaldi

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Code of ethics and organisational, management, control model

On December 23rd 2019, SAIB adopted the **Code of Ethics and the Organisational, Management, Control Model** in accordance with Italian Legislative Decree 231/2001. The company believes that the activity of an enterprise must be in the respect of ethics and law.

The benefits deriving from the implementation of the model are evident both on an **ethical level** and on that of **business continuity**. For both aspects, the Organization, Management, Control Model is an effective tool as an act of prevention against crimes as well as safeguarding of business continuity and the company's image. The model's eligibility allows, in case the opening of legal proceedings, the avoidance of application of heavy pecuniary penalties (prohibition of exercising the activity).

In addition to the advantages listed above, the adoption of an effective organizational model improves the management of the internal control system. Moreover, it favours the **consolidation of a corporate culture** based on values (respect for rules and fairness, transparency, ethics) which benefit the company, its external image and the trust placed by its partners.

The Model of Organisation is based on the following components:

/ **code of ethics**

/ **system of delegation and functions**, coordinated by the Board of Directors in accordance with organisational and managerial assigned responsibilities which are periodically updated according to organisational changes.

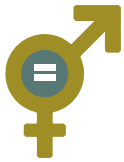
/ **procedural system,** which comprises procedures, manuals, operating instructions and internal communications aimed at effectively regulating relevant processes and providing operating and control methods for the performance of company activities.

The Board of Directors is responsible of the internal control system. It establishes the **guidelines and executes periodic audits** to identify and properly handle corporate risks.

The Supervisory Board has the task to supervise the effectiveness of the control system. It **collects data** from the department managers and **organises meetings with the legal auditor**, so to exchange mutual data.

SAIB has also set up a **supervisory board** with autonomous power of intervention and control, with the task of supervising the performance and respect of the code of ethics and business model.

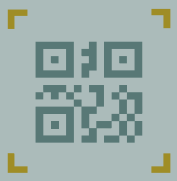
Compliance with legislation



Dignity and equality

Spirit of cooperation

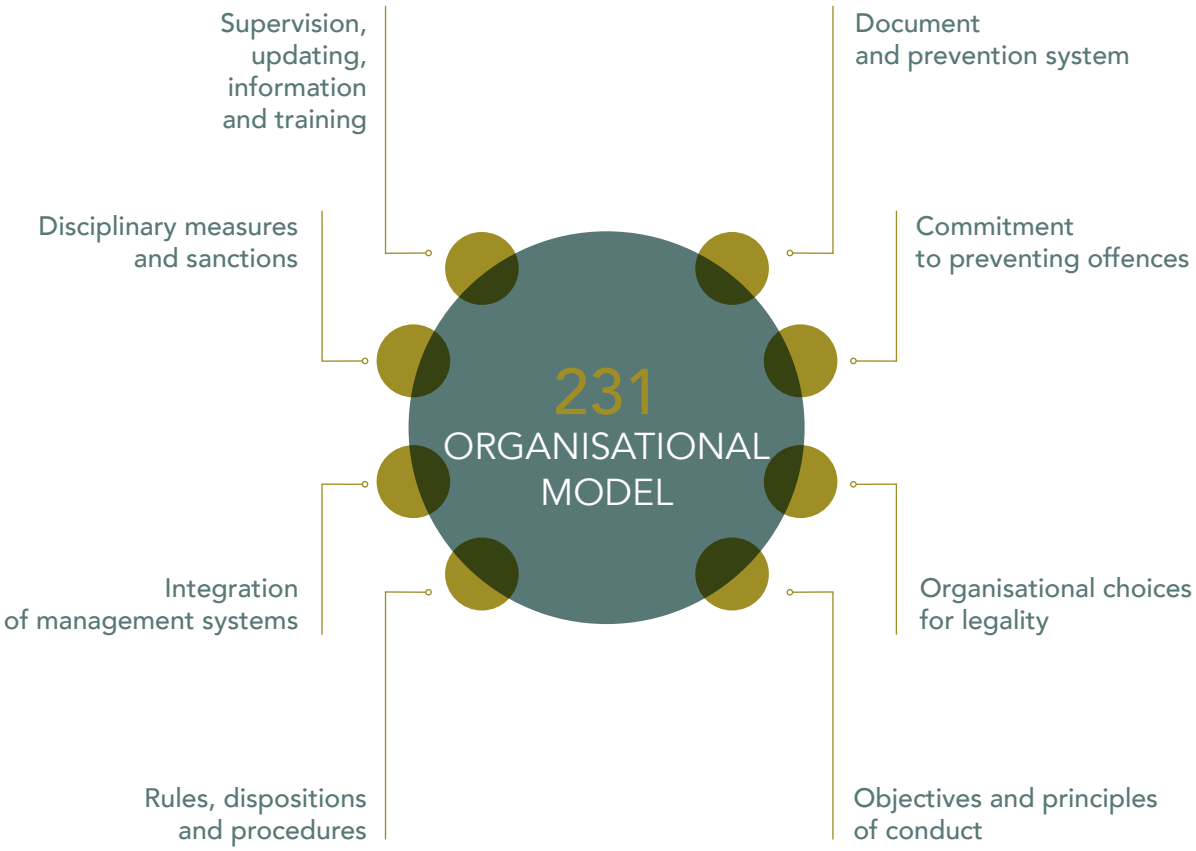
Efficiency and cost-effectiveness



Traceability

Data confidentiality

231 organisational model



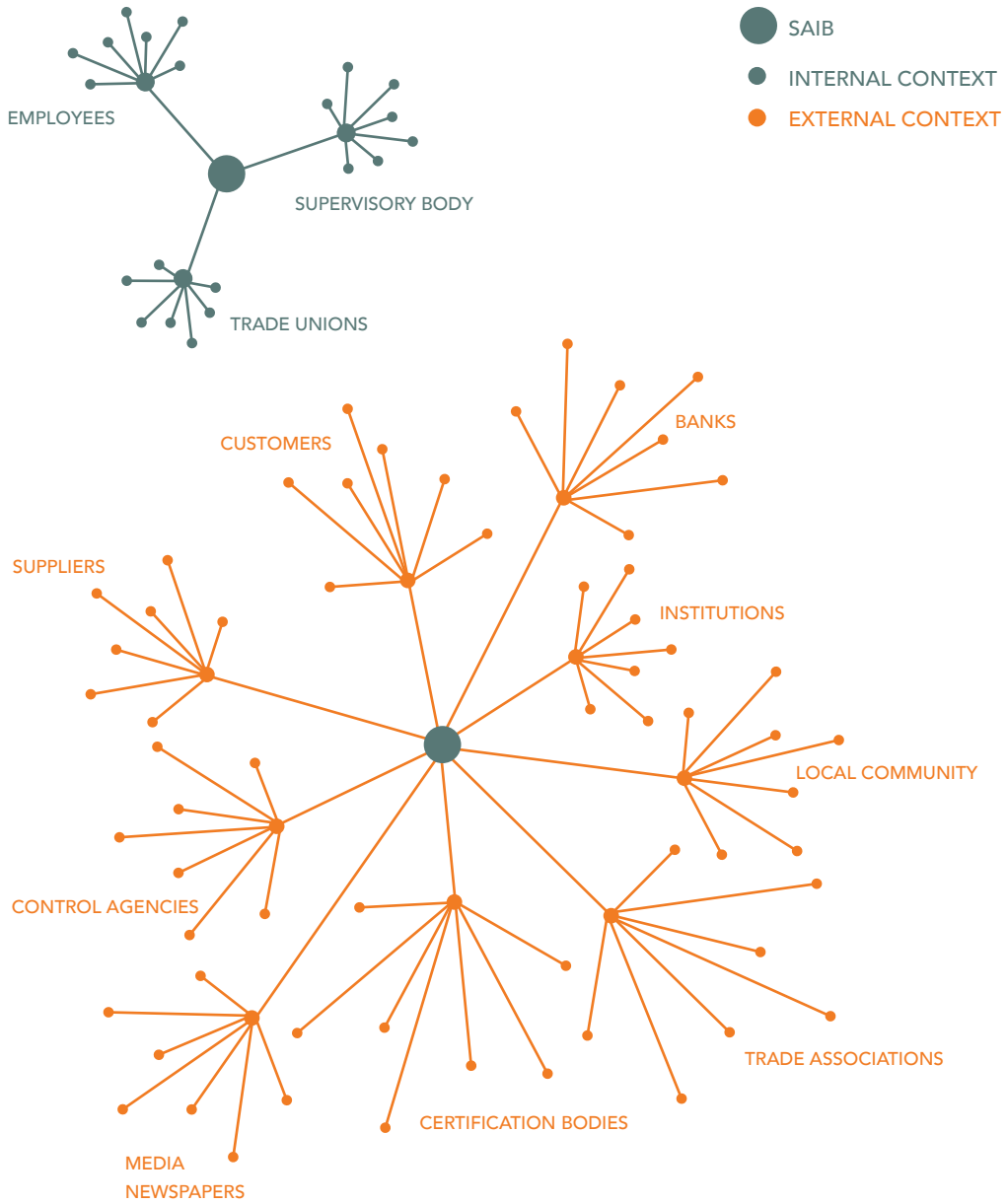
2 Sustainability plan

SAIB

Corporate **sustainability** is a challenge that **generates opportunities** and value for the people and the environment. Companies committed to integrate sustainability into their business model are able to efficiently manage natural resources, thus **creating value for the company**. Sustainability becomes excellence, through the research and development of innovative solutions and constant attention to **all those involved** in the company.

Our stakeholders

Dialogue and communication with stakeholders represent the driving force needed in order to grow and develop.



Materiality assessment

To conduct a materiality assessment means to identify those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large[1]; in other words, it means to understand the issues of social responsibility relevant to the context in which the organization operates, and in which way they influence the company's strategic guidelines.

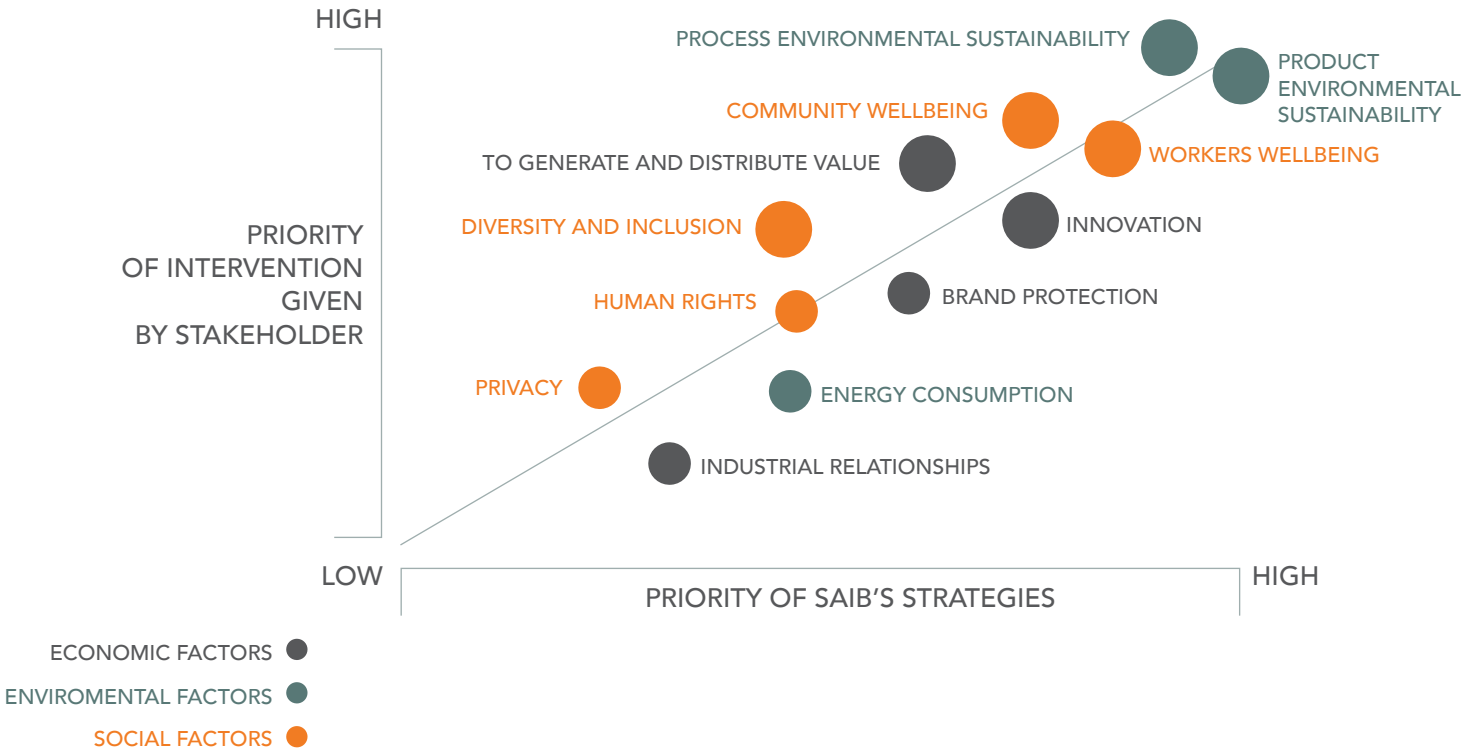
SAIB to identify its material topics, which are relevant, has implemented the following initiatives:

/ **Benchmark analysis.** The industry sector to which SAIB belongs and relevant topics that emerged from an in-depth internal investigation were taken into consideration. The priority areas and those of greater materiality were then identified. In future editions this study will be extended to all stakeholders.

/ **Internal sharing** of the issues identified as priorities for SAIB.

/ **Mapping of areas** in which the company intends to set its environmental, social and economic goals.

Relevant topics



In SAIB, everything is done to ensure that future actions and choices are always made in order to **meet the needs of internal and external stakeholders**, consolidating existing relationships and establishing constant dialogue.

1 Source: UNI ISO 26000 - GRI Report

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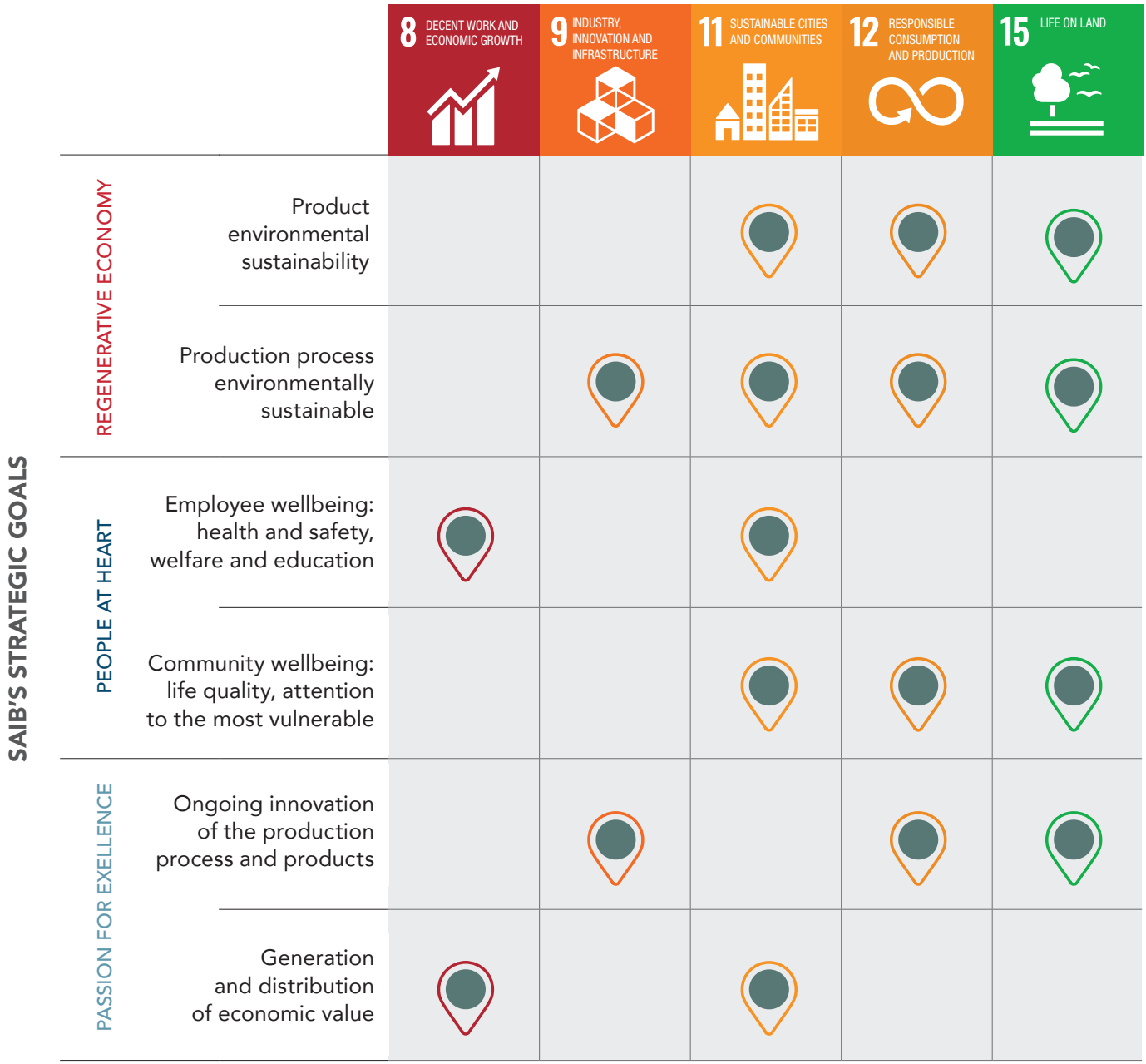
SAIB

Our goals

The 2030 Agenda for Sustainable Development is a plan of action for people, planet and prosperity signed in September 2015 and adopted by all 193 United Nations Member States. At its heart are the 17 Sustainable Development Goals (SDGs) and 169 targets. It was officially launched in 2016, leading the world into a more sustainable path for the next 15 years. Indeed, all countries are committed to achieve the goals by 2030.

SAIB has cross-checked the results from the Materiality Assessment with the SDGs in order to identify the priorities in the development of its own sustainability plan.

ONU SDG AGENDA 2030



3 *Regenerative economy*

SAIB

Strategic objectives

1. Guarantee the sustainability of its products by:

   / Using only waste wood

   / Reducing VOC and formaldehyde emissions

   / Meeting the requirements of prestigious quality product certifications

2. Guarantee the sustainability of its production processes by:

   / Promoting as fuel the use of sustainable biomass

   / Reusing the vast majority of waste received in SAIB

   / Monitoring and reducing emissions generated from its production plant

44.800

tons of **CO_2 assimilated**
from virgin wood not cut

99,95%

incoming **waste** undergoes
a **recovery process**

28,7%

chipboard panels
with **low** formaldehyde **emission**

37%

total renewable and sustainable source
used in the production process

The traditional **economic system** globally adopted in the past fifty years is a **linear model**: companies extract natural raw resources, then transformed into products that are used until they are finally **discarded as waste**. Value is created in this economic system by producing and selling as many products as possible.

In the last ten year this economic system was proven to be unsustainable and more and more companies shifted to a circular economic model. The **Circular Economy** is a paradigm shift attempting to replace the end-of-life concept with **reusing, reducing, recycling** and recovering materials and to slow down, where **waste becomes value**.

For over twenty-five years, SAIB shifted its business model from linear to circular by developing the ability to substitute virgin wood with **recycled wooden material**. Thanks to this process a noble material is given a new life.

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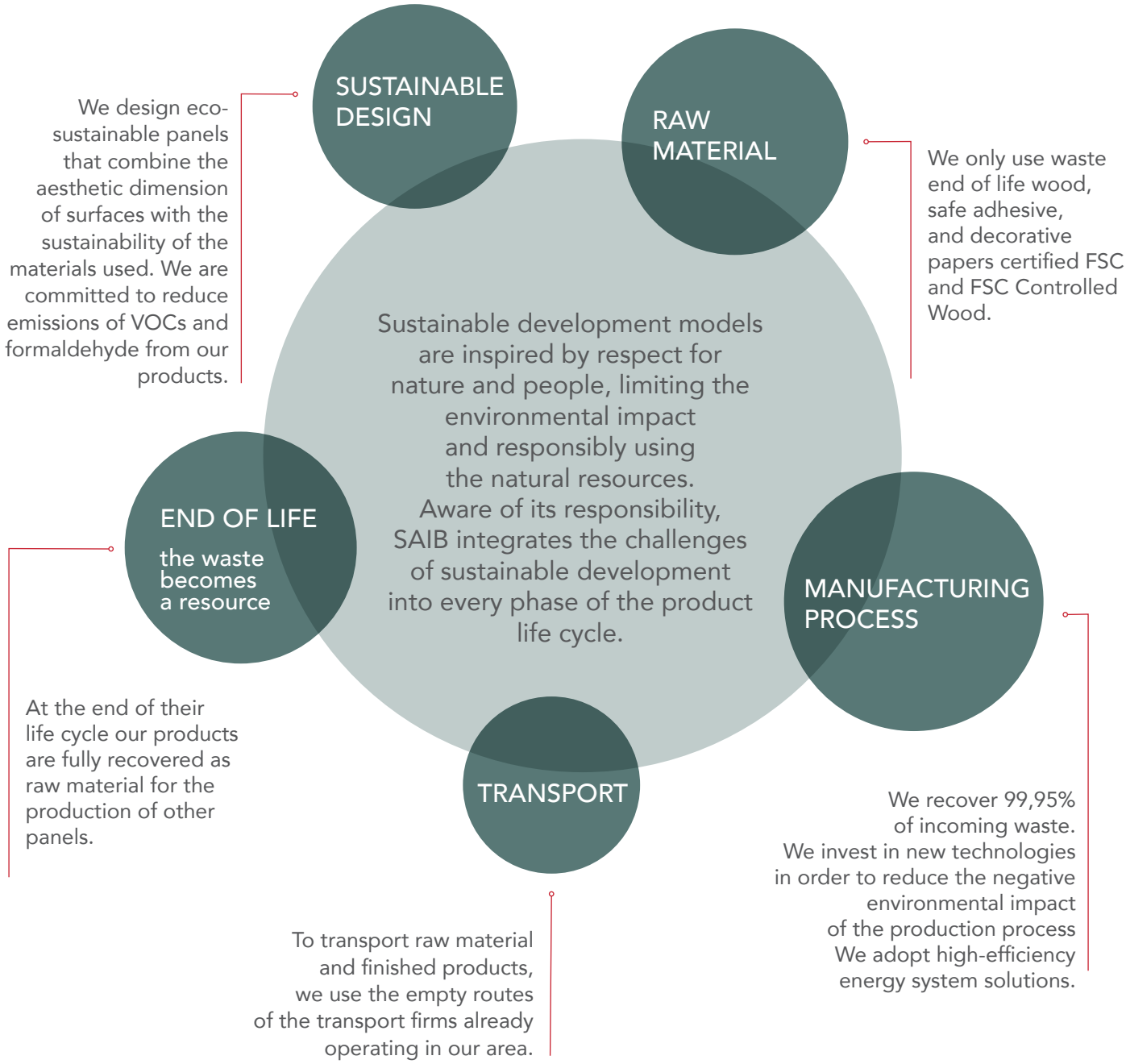
Product's environmental sustainability

In SAIB, we have often raised the question of what it means to produce a sustainable product. For us "a product is truly sustainable when it provides a response to current and future needs". In other words, a product is sustainable when the person who uses it does not worry about how it has been produced, used and how it will be managed at the end of its life.

OUR APPROACH TO GUARANTEE A SUSTAINABLE LIFE CYCLE



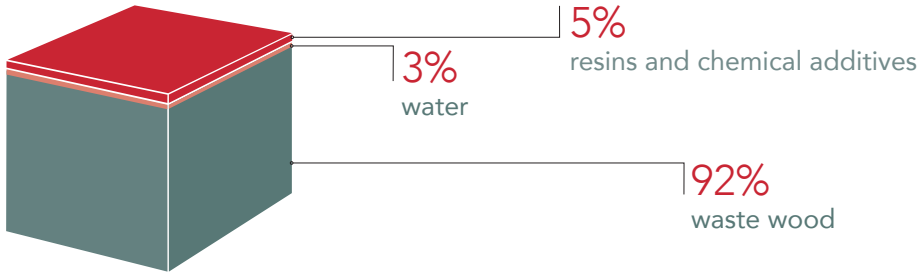
The wood: excellent raw material of the panel

A **cubic meter** of SAIB chipboard is made of:

/ waste wood (92%)

/ resins and chemical additives (5%)

/ water (3%)



500.000
tons of waste wood

Wood is the main material used in the production of chipboard panels. In Europe and the rest of the world, virgin wood is still used to produce these panels, usually obtained from the less noble part of the tree.

Since 1990s SAIB has replaced virgin wood with recycled wood. Considering that a ten-year-old poplar tree supplies about 2.2 tons of wood and assuming to allocate the entire trunk for chipboard panels, SAIB would need at least **600 trees a day**. In a **year**, it would mean to **deforest 12 square kms**, almost four times the area of Central Park.

Today SAIB recovers and transforms into chipboard panels **500.000 tons of waste wood** from **woodworking activities** and **furniture production**, from **construction** and demolition operations and **differentiated waste collection**.

Volumes of waste wood recovery

	2018	2019	2020
Recovered waste wood (ton)	482.346	492.103	441.465

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Without SAIB, this large quantity of wood would remain in landfills or it would be burnt, denying the planet a resource with still large possibilities of use.

Many studies show that the conservation of green heritage has large positive effects on the environment:

/ **Reduction of greenhouse emissions**: Around 200 kg of CO_2 is assimilated by a tree during its life.[1] Saving 250.000 trees every year means assimilating 50.000 tons of CO_2, which equal the CO_2 emitted by 12.500 cars in a year.

/ **Mitigation of pollutants**: recycled wood material and the resulting protection of the world's wood patrimony also contributes to the mitigation of other pollutants such as PM10, CO, O_3, NO_2, SO_2.[2]

/ **Social and energy benefits**: having green spaces in cities helps creating social positive relationships and increments physical activities, reducing stress and anxiety while improving life quality. Moreover, thanks to the foliage of green spaces, solar radiations are intercepted, therefore reducing overheating.

250.000

trees saved each year

SAIB's panels

Through two continuous production lines of raw materials and four last generation finishing lines, SAIB produces a wide range of raw and melamine panels, which have various uses in the context of **interior design**, in the **production of furniture** (kitchens, rooms, bedrooms, living rooms, offices, bathroom furniture), as well as other functions. Moreover, SAIB is promoting the use of structural chipboard panels P5 in the sustainable construction sector, contributing to the New European Bauhaus plan.

SAIB's commitment to producing sustainable products is not limited to recovered wood. The company has a constant commitment towards the research and development of technical solutions that can contribute in reducing formaldehyde and COV emissions from its products. SAIB guarantees that the products sold in the EU (Germany excluded) comply to UNI EN 321 norm. It establishes the minimum values of mechanical performance as well as the emission limit value of formaldehyde equal to 0.124 mg/m^3 of air (ENV 717-1 method). The panels intended to other countries apply the rulings of more stringent local legislations:

1 https://territorio.regione.emilia-romagna.it/paesaggio/formazione-lab-app-1/rebus07-alberi-e-citta-maria-teresa-salomoni/@@download/file/REBUS_07%20Salomoni.pdf.

2 https://www.politicheagricole.it/flex/cm/pages/ServeAttachment.php/L/IT/D/7%252Fb%252F5%252FD.48755cb52ddb30b995d0/P/BLOB%3AID%3D9785/E/pdf; as well as https://territorio.regione.emilia-romagna.it/paesaggio/formazione-lab-app-1/rebus07-alberi-e-citta-maria-teresa-salomoni/@@download/file/REBUS_07%20Salomoni.pdf.

/ GERMANY:
free emission < 0.1 ppm (requirement E05 method EN 16516)

/ USA:
free emission < 0.09 ppm (requirement EPA TSCA TITLE VI method ASTM D 6007)

/ CALIFORNIA:
free emission < 0.09 ppm (requirement CARB metohod ASTM D 6007)

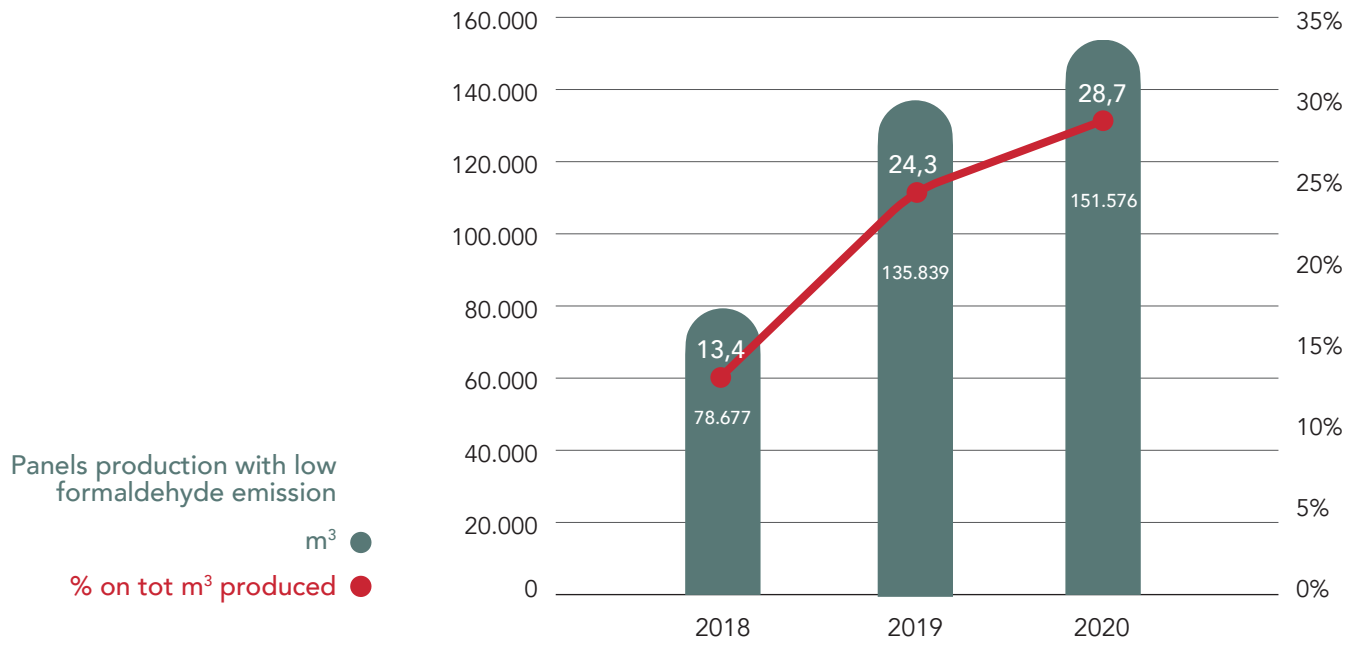
/ JAPAN:
free emission < 0.3 mg/lt (requirement F**** method JIS1460)

Furthermore, SAIB chipboard panels are in compliance with MEC (Minimum Environmental Criteria). The MEC are the environmental and ecological requirements set by the Ministry of Environment. They guide the action of the Public Administration towards a rationalisation of purchases and consumption through design solutions, products and more sustainable services.

More specifically, the MCE require that wood-based panels used in the decor sector must be certified CARB phase II, according to the legislation ATCM 93120 and Class F****, according to the legislation JIS A 1460.

SAIB is committed to promoting the use of chipboard panels with low formaldehyde content. With this goal in mind, in the last two years the number of products with low emission is **doubled**.

Panels production with low formaldehyde emission



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Product's certifications

All panels produced by SAIB are made with sustainable raw material. They are processed with environmentally friendly technologies and are characterized by the use of safe adhesives that comply with stringent regulations. SAIB has obtained various **product certifications** reported below.

The GreenGuard Certification is a certification of environmental product in the US that supplies the guarantee that products designed for internal use respect **chemical emissions standards**, contributing in the creation of healthier indoor environments.

The GREENGUARD Gold standard includes health-based criteria for additional chemicals and also requires lower total VOC (volatile organic compund) emission levels to help ensure that **products are acceptable for use in sensitive environments** like schools and healthcare facilities.

JIS F****

CARB EPA TSCA TITLE VI P2

ReMade in Italy is the accredited certification of the traceability of production test, starting from the verification of the content of recycled material, in a material or product (also multimaterial). It is a **traceability scheme**, compliant with Codice Appalti and MEC (Minimum Environmental Criteria).

SAIB

NOFIRE CE

P5 CE

SILVERBOARD

CARB EPA TSCA TITLE VI P3

The **FSC Mix** label attests that the wood or paper used to produce the panel are made with at least 70% of **recycled and/or controlled materials**.

LEED® certification attests that a building is environmentally friendly and a healthy place to live and work in. LEED® rating system **certifies the building**; it does not certify the single products or components. In other words, it certifies the contribution made by materials in buildings. Therefore, **the product** cannot have a score, that is of the building, but **it can help the building achieve the score**.

Process' environmental sustainability

A company is well rooted in the community and its territory. It shares the same resources and it can be a crucial driver in the community development. Being sustainable also means to commit to a development that will not result in a deterioration of the ecosystem and of the quality of life. For this reason, SAIB considers essential to have an environmentally friendly production process.

The production process

SAIB production process allows the transformation of an end-of-life waste wood into a product suitable for the interior design industry. The process is called **REWOOD** to underline its circularity. The wood becomes a panel, which at the end of its life cycle will in turn become raw material to produce other panels.

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The main phases of the production of the chipboard panel

SAIB

CHIP CLEANING AND REFINING

The received waste wood is checked and, if compliant, stocked in dedicated squares. Then it is started to a sequence of operations aiming to reduce the grain size while removing all extraneous components such as steel, aluminium, aggregate, plastic, etc.

DRYING

The refined wood chips are dried inside a rotating drum. The heat required for the drying process is mainly supplied by the burning of wood dust resulting from the process itself.

SCREENING AND CHIP CLEANING

The dried chip is screened so to separate two particle size fractions that will make the chipboard panel. Meanwhile the activity of removal of other materials than wood thanks to gravimetric separators continues.

GLUEING AND HOT PRESS

The wood chips, freed from other substances, are mixed with resins and additives and layed in order to create a continuous mattress of particles. This mattress is then hot pressed in order make the resin react and give resistance to the woody base. The panel is ready to be cut, squared and cooled.

SANDING

The raw particle boards are sent to a sander where the thickness is calibrated with sandpaper. At the end of this process the raw particle board is ready to be sold or to undergo the following melamine facing process.

MELAMINE FACING

The raw particle boards are covered with decorative paper impregnated with melamine resin and hot pressed. The combined effect of pressure and heat allows the perfect adhesion between the decorative paper and the panel. The final result is a solid and regular sheet, decorated on both sides.

Environmental impact

Processing 1,800 tons of waste wood every day is a challenge. It means committing to guarantee constant quality regardless of the type of raw material being used, from an old piece of furniture to a decommissioned roof of a house. To do this, technologically advanced and highly automated systems are needed, which inevitably consume resources and generate an environmental impact.

For years, SAIB has had an Integrated Environmental Authorisation that defines in detail all the requirements that the production process must meet in terms of environmental impacts:

/ Atmospheric emissions

/ Water emissions

/ Noise emissions

/ Production of waste

In 2019 SAIB has started an accurate mapping of its processes in order to guarantee compliance with BAT - Best Available Techniques. Consistent with this mapping, each emission source is constantly measured and monitored and each production phase guarantees compliance with the best practices in the sector.

The following table summarises the impact of Saib's production process on the four following impact categories.

SAIB's production process impact

ENVIRON-MENTAL IMPACT	CHIP CLEANING AND REFINING	DRYING	SCREENING AND CHIP CLEANING	HOT PRESS	SANDING	MELAMINE FACING
Atmospheric emissions	●●	●●●	●●	●●●	●	●
Water emissions	●		●	●●		
Noise emissions	●●●	●	●●	●	●●	●
Production of waste	●●●	●●	●●●	●	●	●

Environmental impact

high ●●●
medium ●●
low ●

SAIB is constantly committed to improving the environmental sustainability of the production process:

Actions	Results achieved
Implementation of a storage silos and automated feeding of the wood cleaning and refining plant.	Reduction of dust emissions originating from material transportation Reduction of material transportation through a mechanic loader
Increase of dust suppression system in the material reception and chip cleaning and refining departments	Dust emissions reduction
Creation of a post-treatment system for waste resulting from wood cleaning	Reduction of waste meant to disposal
Insulation by sound absorbing barriers made with compressors and cyclones	Reduction of noise emissions
Installation of oil separator and biological wastewater treatment systems	Improvement of the quality of water emissions
Replacement of the heating plant at the service of melamine facing department with a fume recovery boiler	Reduction of NOx emissions

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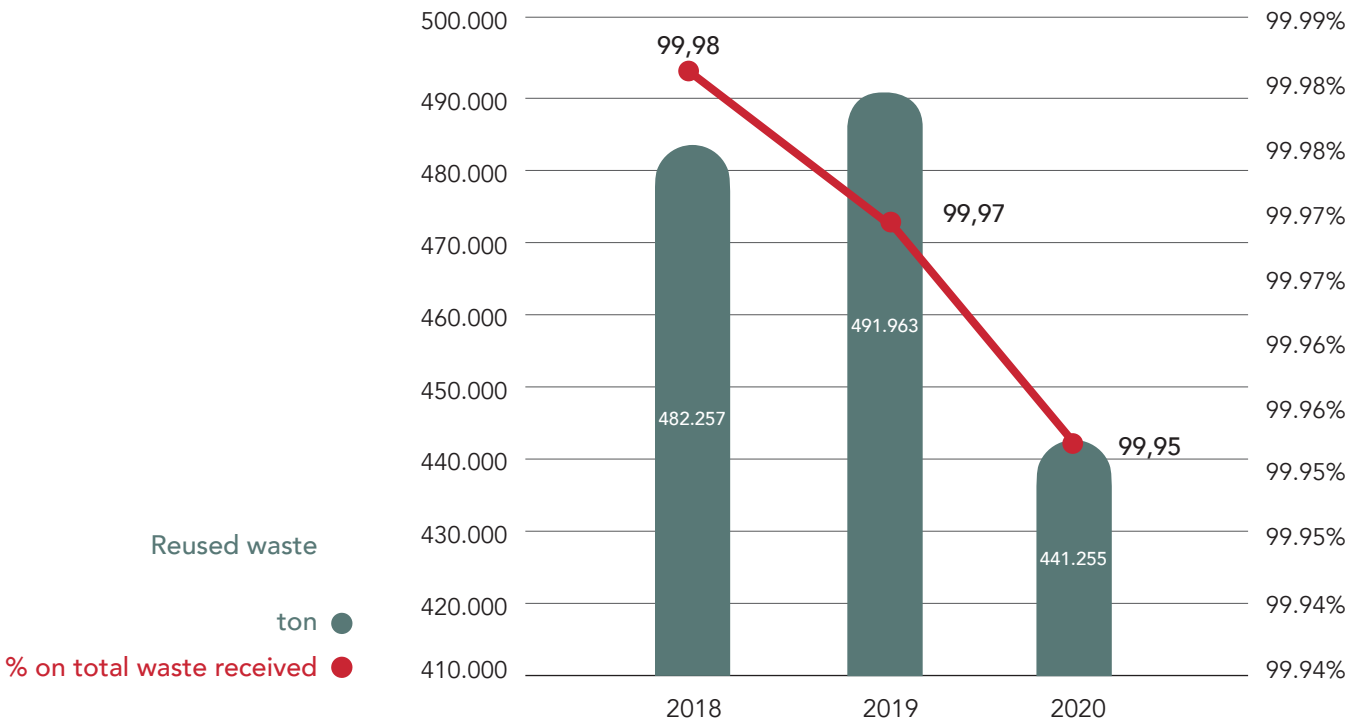
SAIB's circular economy

99.95%

recovered waste

The circularity of SAIB's production process is not limited to wood. Indeed, the wood waste collected by Saib contains numerous other materials which are separated during the **cleaning and refining process**. The separation of these materials makes it possible to reuse not only the wood but also the other materials, with the result that **almost 100% of the collected waste** undergoes a **recovery process. Only less than 0,05% undergoes disposal**. Materials such as paper, plastic, aluminium, ferrous metals and stones/sand are therefore recovered and reused.

Waste collected and reused



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SAIB's circular economy

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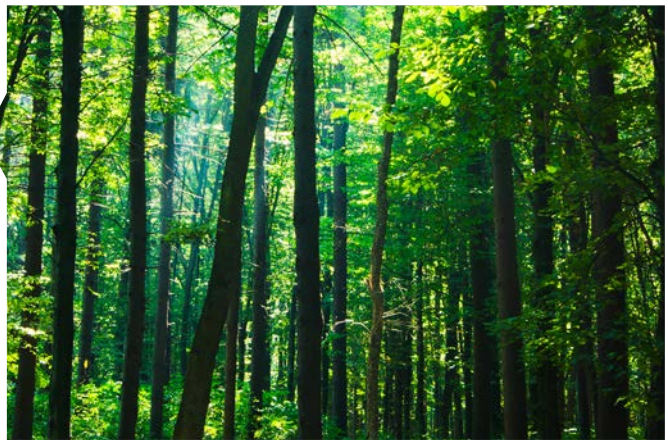
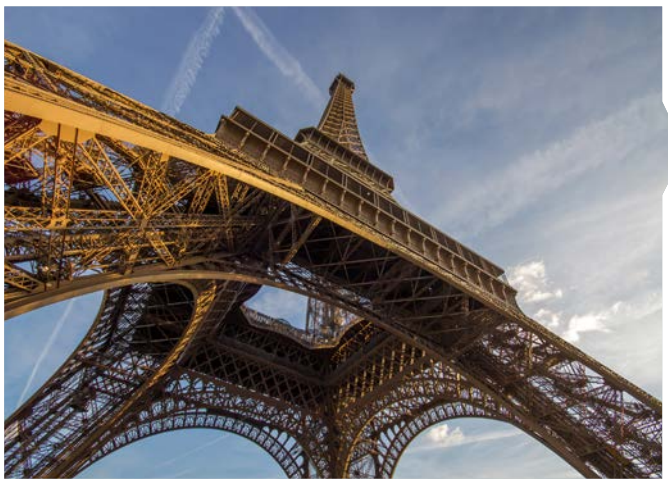
WOOD DUST

The thermal energy produced through wood dust recovery could meet the annual average demand of **4.000 households**

WOOD

SAIB recovers every year more than 500.000 tons of wood, equivalent to **600 trees per day**





IRON

Every year SAIB recovers on average **8.500 tons** of metal. A Eiffel Tower every two years

PLASTIC

The plastic recovered
by SAIB in a year
is enough to produce
5 million bottles

PAPER

Paper recovered by SAIB in a year
in enough to print
240.000 copies of a daily newspaper

ALUMINIUM

The aluminium recovered
by SAIB in a year is enough
to produce **50 million** cans

STONES/SAND

The stones/sand recovered
in a year by SAIB
are enough to make **dozens of kms**
of road foundations

Consumption

Resources are needed to recover large quantities of waste. Especially energy.

SAIB, like the other companies in the sector, is an **energy-intensive company**, which uses large quantities of electricity, methane gas and diesel in its production process. These are precious and potentially polluting resources. SAIB, being aware of this, has proposed among its objectives to improve the energy efficiency of its processes.

Specific consumption in 2020 recorded a slight deterioration due to the discontinuity of the production cycle imposed by the restriction measures of the pandemic. Indeed, these measures had a negative effect on plant efficiency.

Thermal requirements

To produce chipboard panels, the chips must be dried and hot pressed. Even the finishing requires the use of hot presses to adhere the decorative papers to the panels.

In SAIB in the last three years the average thermal energy requirement was 381,265 Giga joules met mainly by the combustion of natural gas, wood dust and diesel fuel.

Consumption of fuels

	2018	2019	2020
Wood dust (kg)	9.984.990	9.837.066	9.633.496
Natural gas (Smc)	6.933.811	6.590.325	6.142.989
Diesel (Lt)	887.032	780.569	742.281

Consumption of specific fuels (u.m./tons recovered wood)

	2018	2019	2020
Wood dust (kg/ton recovered wood)	20,70	19,99	21,82
Natural gas (Smc/ton recovered wood)	14,38	13,39	13,91
Diesel (Lt/ton recovered wood)	1,84	1,59	1,68

Natural gas is mainly used during the heating of the presses, wood dust is used in the drying phase and diesel is used in the primary wood grinding phase and in internal handling.

Energy consumption (MJ)

	2018	2019	2020
Thermal energy from sustainable biomass	155.766	153.458	150.283
Thermal energy from natural gas	258.007	245.226	228.581
Thermal energy from diesel	31.701	27.896	26.528
Tot thermal energy	445.474	426.580	405.391

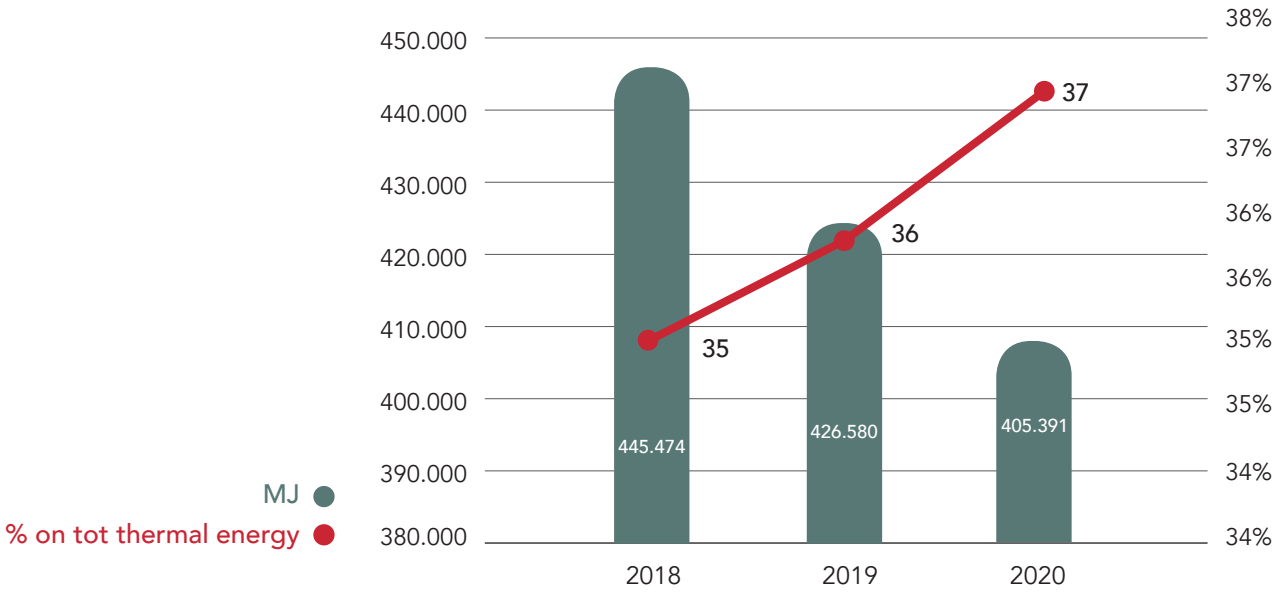
Specific consumption of energy (kJ/ton recovered wood)

	2018	2019	2020
Thermal energy from sustainable biomass	323	312	340
Thermal energy from natural gas	535	498	518
Thermal energy from diesel	54	50	50
Tot thermal energy	924	867	918

3

SAIB

Thermal energy from sustainable biomass



It is important to underline that the **wood dust** used as fuel is totally self-produced, i.e. it originates from the production process itself. Burning self-made wood dust has several advantages:

/ It is a renewable and sustainable source as established by the legislation governing the Emission Trading, one of the main tools deployed by the European Union to pursue the objectives set by the Kyoto Protocol. The share of thermal energy produced through the use of wood dust could **satisfy the average annual needs of about 4.000 homes**. Moreover, the CO_2 not released by using wood dust instead of fossil fuels is equal to the emissions of **155 Rome-Dubai flights**.

/ Wood dust is a material **without any other use**. It can only be used in chipboard panels in small quantities. The quantity of wood dust generated in the production process exceeds the usable quantity. Therefore, the excess quantity would be disposed if it wasn't used to produce energy. The result would be an increase in the consumption of fossil fuel and an increase of non-recyclable waste.

/ It is a controlled combustion process since it is assimilated to a traditional waste incinerator. For this reason, it is subject to strict controls on the process parameters and on the quality requirements of the fuel (Ministerial Decree 05.02.98)

Electricity needs

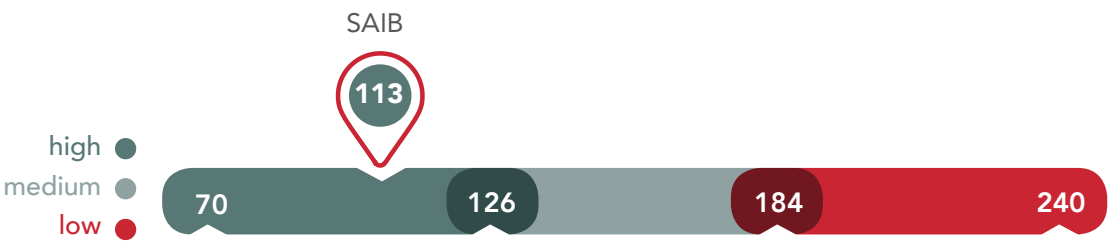
SAIB's average annual electricity consumption is between 60 and 65 GWh. The main energy consumptions are in the production process, especially in the preparation phase, the cleaning and drying of shavings and in the hot-pressing phase.

Electrical power consumption

	2018	2019	2020
Electrical power (Mwh)	65.048	63.213	59.696
Electrical power (kwh/ton recovered wood)	135	128	135
Electrical power (kwh/m3 produced panel)	110	113	113

SAIB has always paid attention to reduce its energy consumption and to adopt high energy efficiency plant solutions. This attitude has allowed to be today one of the most efficient production sites in Europe. Below is reported a table of the consumption of kWh / cubic meter of panel produced by European companies.[3] It is possible to see how SAIB's average consumption, equal to 113 kWh / mc, is comparable to sites with greater energy efficiency.

Energy efficiency (kWh/m³ product)



3 The Best Available Techniques Reference Document for the Production of Wood-based Panels published by the European Union was used to identify the reference values: https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/best-available-techniques-bat-reference-document-production-wood-based-panels-industrial.

Water needs

SAIB water annual consumption average is of 130.000 cubic metres. It is mainly used within the production process for cooling machinery, emissions treatment and washing wood. The company adopted system solutions to reduce water abstraction and the optimisation of water needs such as:

/ recovering and use of rainwater

/ the cascade reuse of water flows, or the use of the same quantity of water for multiple functions, typically primary cooling, secondary cooling and final use in the production process.

Water consumption (m^3/year)

	2018	2019	2020
Collection of well water	90.388	85.276	94.277
Recovery of rainwater from wood storage yards	46.394	45.901	35.909

Specific water consumption (m^3/ton recycled wood)

	2018	2019	2020
Collection of well water	0,19	0,17	0,21
Recovery of rainwater from wood storage yards	0,10	0,09	0,08

Greenhouse gas emissions

The following table provides the calculation of CO_2 emissions from direct (Scope 1) and indirect sources (Scope 2).

Carbon Footprint (ton CO_2/year)

	2018	2019	2020
CO_2 from fossil fuels	16.358	15.418	14.479
CO_2 from sustainable biomass	17.097	16.844	16.495
CO_2 electrical power (indirect)	18.214	17.700	16.715
Tot CO_2 emitted	51.669	49.962	47.689

Carbon Specific Footprint (kg CO_2/tons recovered wood)

	2018	2019	2020
CO_2 from fossil fuels	33,913	31,331	32,798
CO_2 from sustainable biomass	35,446	34,229	37,364
CO_2 electrical power (indirect)	37,760	35,967	37,863
Tot CO_2 emitted for tons of recovered wood	107,119	101,527	108,024

With reference to the production process of chipboard panels made with recovered wood, it is important to specify the following:

/ the net benefit of using recovered wood in terms of greenhouse gas emissions is equal to - 120÷180 kg CO_2 equivalent per tonne of recycled wood compared to using the same amount of virgin wood[4]. This benefit derives mainly from:

- lower humidity content and therefore lower thermal needs for the drying process;
- lower energy incidence in the processing of chip;
- the possibility to feed the drying unit with wood dust, produced during the production process, instead of traditional fossil fuels.

/ In addition to the CO_2 saved during the production process, we must add the CO_2 assimilated from the virgin wood that has not been cut down. This can be estimated -10 ÷ 20 kg CO_2/year per tree, which equals 200kg CO_2 for every tree not cut down[5].

4 Hanna Merrild, Thomas H. Christensen "Recycling of wood for particle board production: accounting of greenhouse gases and global warming contributions, Waste Management & Research, 2009".

5 https://territorio.regione.emilia-romagna.it/paesaggio/formazione-lab-app-1/rebus07-alberi-e-citta-maria-teresa-salomoni/@@download/file/REBUS_07%20Salomoni.pdf.

3

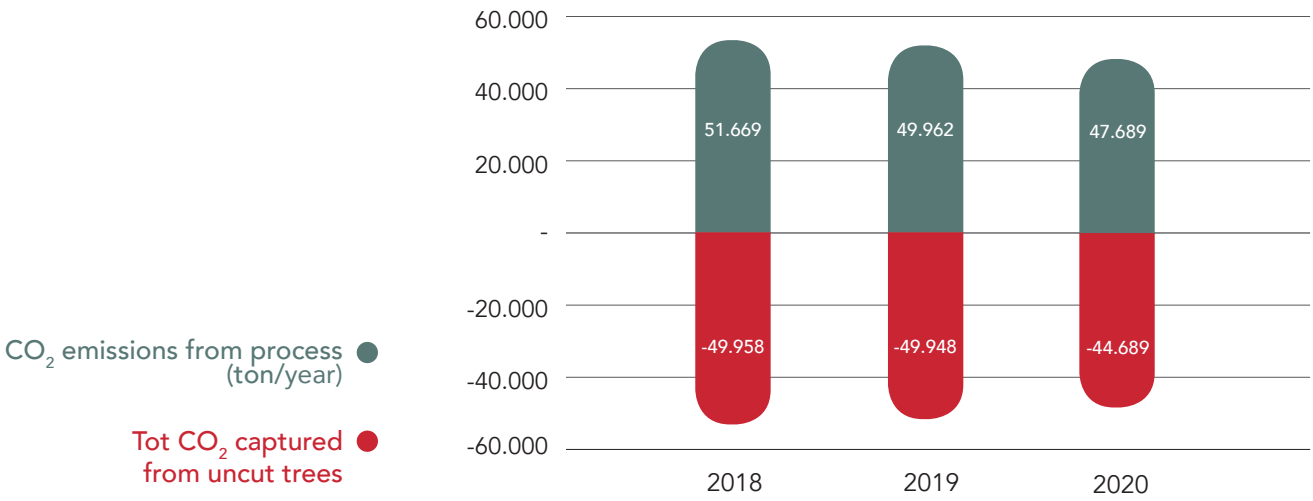
SAIB

CO_2 assimilation from recovered wood waste

	2018	2019	2020
Waste of recovered wood (ton)	482.346	492.103	441.465
Equivalent uncut trees (num.)	241.173	246.052	220.733
Tot CO_2 captured (ton)	**48.958**	**49.948**	**44.809**

The results show how the recovery of wood waste and the consequent safeguarding of the forest's heritage allows to compensate for the amount of CO_2 emitted during the recovery process.

CO_2 emissions



Also note that the recycling of wood through the production of chipboard panels represents the environmentally most advantageous alternative, even with respect to combustion.

Impact category IPCC GWP 100a

	kg CO_2 eq/ functional unit 18	functional unit
Recycle trough chipboard panel production	394,37	649,34 kg wood
Combustion	1.122,87	649,34 kg wood

Source: LCA – Life Cycle Assessment of the use of post-consumer wood for the production of a raw chipboard and for energy recovery – eAmbiente, April 2014.

The overall carbon footprint, namely the 100 year time horizon of global warming potential, of the production of raw chipboard (Raw panel production plant) is equal to 35,12% of the carbon footprint of the energy transformation carried out at the Biomass Power Plant. The percentage includes the entire life cycle: transport, energy consumption at the collection center, electrical power, natural gas, diesel, atmospheric emissions and waste production.

It is widely assumed that biomass combustion would be inherently "carbon neutral" because it only releases carbon taken from the atmosphere during plant growth. However, this assumption is not correct and results in a form of double-counting, as it ignores the fact that using land to produce plants for energy typically means that this land is not producing plants for other purposes, including carbon otherwise sequestered. If bioenergy production replaces forests, reduces forest stocks or reduces forest growth, which would otherwise sequester more carbon, it can increase carbon concentration in the atmosphere. If bioenergy crops displace food crops, this may lead to more hunger if crops are not replaced and lead to emissions from land-use change if they are. To reduce carbon in the air without sacrificing other human needs, bioenergy production must increase the total amount of plant growth, making more plants available for energy use while preserving other benefits, or it must be derived from biomass wastes that would decompose and neither be used by people nor contribute to carbon sequestration

Source: EEA Scientific Committee on Greenhouse Gas Accounting in Relation to Bioenergy. European Environmental Agency EEA. 15 sept 2011

Process's certifications

Over the years, SAIB has paid special attention at improving its production practises and meeting international standards. This is the reason why the company has adopted numerous forms of **system certification** that certify environmental quality standards.

ISO 9001
The norm defines the standards of a management quality system for an organisation

ISO 14001
The norm defines an "Environmental Management System" as part of the company system that helps the management of environmental aspects

4 People at the heart

SAIB

Strategic objectives

1. Promote workers wellbeing in terms of health, safety, welfare, education

/ Improving the working ambitions of workers and prevent injuries

/ Sharing the company economic success with the employees

/ Investing in the training and development of new skills

2. Improving the community welfare in terms of quality of life and attention to the most vulnerable

/ Promoting collaborations with local companies and artisans

/ Promote initiatives that foster the inclusion and help to those who are in need

361.348

euro in **donations**
supporting the community

233.000

euro invested in the **requalification of working environment**

+3%

labour force
growth

12%

supplies by companies
in the **Piacenza** and **Cremona** provinces

4

SAIB

Dedicated to all those who
for this company get up at five in the morning
to start the six o'clock shift,
are woken up at night to repair a fault,
in August and Christmas are here to weld,
travel 800 kms in a day to promote a new
decorative, stay until late in the warehouse
to prepare the next day's loads,
get angry if you throw away material,
are committed to improving production, know
SAIB machines better than their own place,
deal with suppliers with honesty and
competence, try to make ends meet,
go out of their way to satisfy customers,
make us understand how important safety is.
Dedicated to all those who love SAIB
and show it every day with their passion and
commitment.

Taken from *"SAIB: mezzo secolo di lavoro, passione, innovazione. 1962-2012"*

Coming together is a beginning,
staying together is progress
and working together is success

Henry Ford

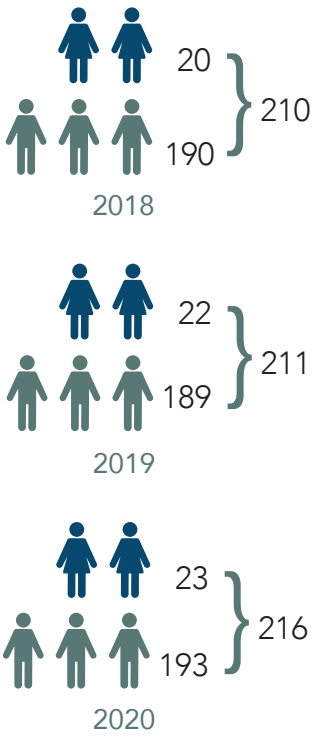
Workers' well-being

SAIB believes that **teamwork** and **staff training** without underestimating individual diversities, are strategic components for pursuing excellence. During 2020, the relationship management has been much harder due to the Covid-19 pandemic. However, SAIB managed to **protect a collaborative and positive environment** despite restrictive regulations and the "virtualisation" of work.

SAIB's workers

At the end of 2020, SAIB's workforce amounted to **216 employees**, an increase of 3% compared to 2018. Among the factors that have determined this positive trend is the **will** of SAIB to continue to **favor the insertion and training of new resources**, in order to guarantee a constant contribution to innovation and to favor the transmission and enhancement of experiences. In the three-year period 2018-2020, the growth of the female population also continued, which increased by 15% compared to 2018. At the level of professional categories, in 2020 the staff of SAIB consisted of **76% workers, 21% employees** and the remaining **3% managers and executives**.

SAIB's workers



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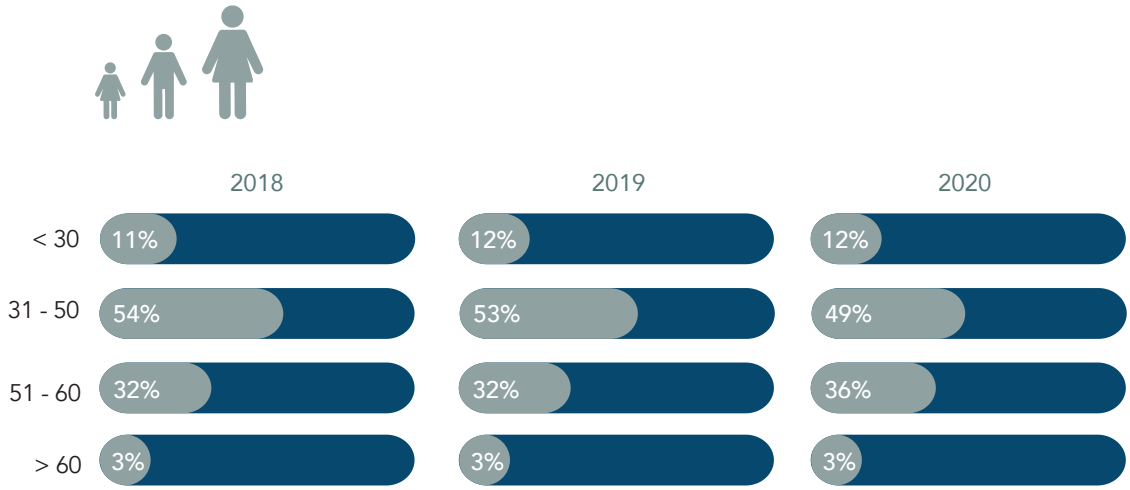
SAIB workforce by qualification and gender

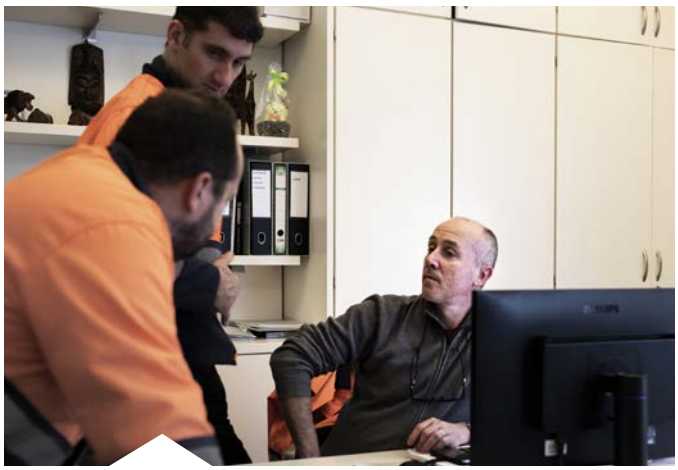
SAIB

	2018		2019		2020	
executives	3	1	3	1	3	1
managers	1		1	1	1	1
employees	30	14	29	14	31	15
workers	156	5	156	6	158	6

SAIB workers' age



As to the **division of personnel into age groups**, in 2020 the majority of employees was between 30 and 50 years old (49%). Those aged between 51 and 60 years were 36%, those under 30 were 12% and the workers over 60-year-old were 3%.



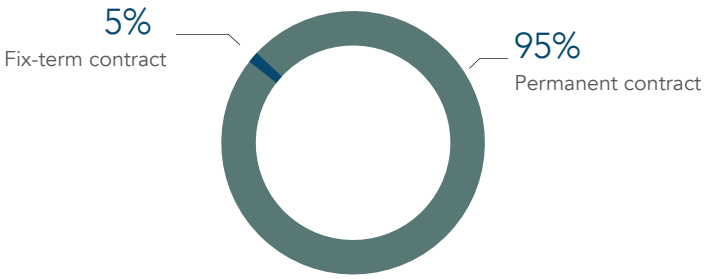
4

SAIB

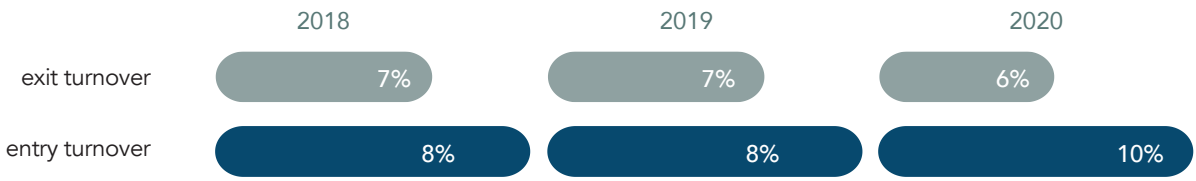
SAIB believes that resource development is the foundation of a company's strength. The result of this philosophy is also proven by offering permanent contracts as the main **type of contract**. Indeed, 95% of SAIB employees are hired with a **permanent contract**. The attention that SAIB dedicates to establish lasting relationships is also reflected in the **percentage of turnover**. The incoming turnover rates follow a growth trend, with an average of 8.6% in the three-year period 2018-2020, as opposed to an exit turnover trend, equal to 5.5% in 2020. The company also regularly applies the obligation to hire **workers with disabilities** envisaged by the law n. 68 of 12 March 1999. For SAIB, this type of workers represents an average of 5% in the three-year period 2018-2020.

SAIB workers per contract type

95%
Workers with fixed-term contract



SAIB's turnover



Entry turnover rate = (number of recruitments in the reporting year / total of employees as of 31.12 of the reporting year) x 100

Exit turnover rate = (number of terminations in the reporting year / total of employees as of 31.12 reporting year) x 100

Human capital development

To value career and the growth and skills development are a strategic factor to ensure competitiveness on the market. SAIB strongly believes in it and has always handed down the knowledge of the experts to new collaborators, preserving the company's know-how.

2.900
hours
of training

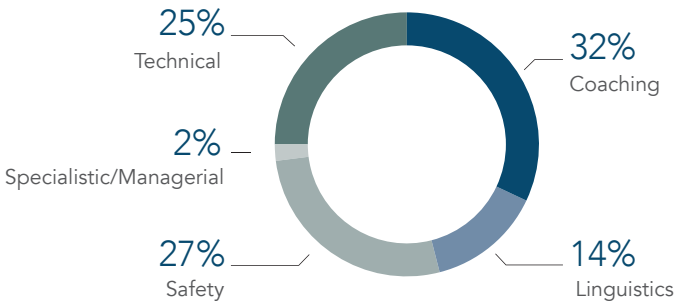
In addition to compulsory health and safety trainings, the **annual training projects** also includes programs covering basic skills, technical-specialist skills and training for new hires. To finance training activities on safety issues and specialist/ managerial development, SAIB uses the contribution of **inter-professional funds**, such as Fondimpresa. In the triennium 2018-2020, the percentage of this type of training was equal to 27% of the total training designed and provided by SAIB.

SAIB also organizes ad **hoc training projects**, structured on the specific needs of individual employees. An example are coaching activities as well as growth paths related to the integration of new resources and changing roles (communication, time organization and strategic thinking). In the triennium 2018-2020, 834 hours were administered for this kind of training.

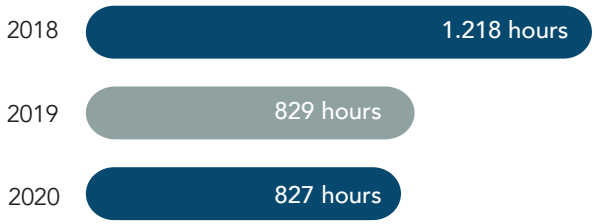
SAIB attaches great importance to linguistic training (363 hours in the triennium 2018-2020) as well as training for the sales force (15 hours only in 2020) with the collaboration of SDA Bocconi School of Management.

Overall **2.900 hours of training** were provided in the triennium.

Training typology provided by SAIB in the triennium 2018-2020



Hours of training provided by SAIB in the triennium 2018-2020



During 2018, training programs were intensified to reinforce and spread the culture of health and safety, create awareness of risks in the workplace and provide the information necessary for the employee correct identification and management. A training gap of previous years was filled thanks to these intensified programs. This path was unfortunately interrupted in 2020 due to the lockdown imposed by the COVID emergency which made the implementation of the trainings very difficult.

4

SAIB

SAIB is also active in the **school internships sector**, with the aim to make young students experience the organized reality of a company, thus blending theoretical notions with practical trainings. With this in mind, SAIB internships involve **university students** and **high school students**, with particular attention to technical institutes. The main training projects are promoted with:

/ **University of Brescia**: a program aimed at supporting degree theses about the chipboard industry, the use of recycled wood and the positive impact on the entire supply chain.

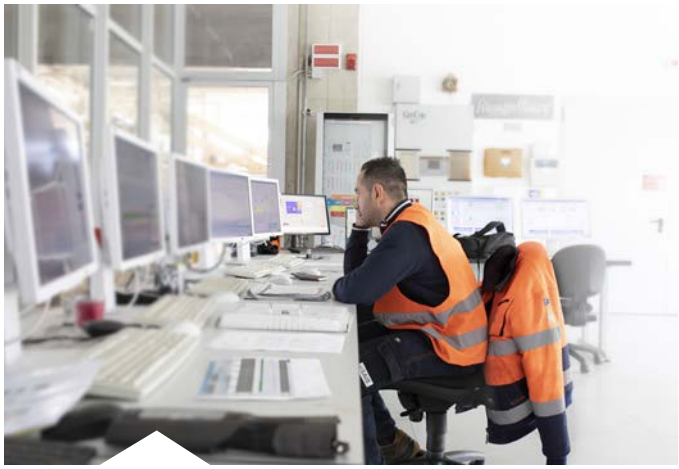
/ **Bocconi University**: SAIB is one of the companies collaborating with MaGER Bocconi, a **consultancy project created by students** in which, with the help of teachers, they apply theoretical models acquired in the classroom. In SAIB, the project was focused on drafting the book *Il Bosco Circolare (Circular Forest)*, which offered an interesting analysis on the relationship between companies in the Italian furniture sector and their attention to the issue of sustainability.

Other training internships involved students from **Piacenza's Technical Institutes**, aiming at the acquisition of technical skills related to the production cycle and plant maintenance as well as transversal skills such as the organization of the company.

Company welfare and workers' support

Working on **people's well-being** allows to increase their level of satisfaction and thus obtain progress for the company itself. Employees who feel satisfied and at ease in the workplace develop a greater **sense of belonging**, increasing the company productivity and the ability to attract new talents.

The public sector data provided annually by Cerved, shows that in SAIB the average annual cost of personnel is 30% higher than that of the sector and productivity per employees is 60% higher than the sector average.



Labour cost/pro-capite	2018	2019
	k€	k€
SAIB SPA	68,37	68,86
Italian sector average	51.9	53,15

Source: Cerved-JO2RATIOS Wood panels 2018-2019

Value added /pro-capite	2018	2019
	k€	k€
SAIB SPA	193,35	170,6
Italian sector average	109,73	106,32

Source: Cerved-JO2RATIOS Wood panels 2018-2019

The company has also supported its workers through a concrete and efficient welfare aimed at improving the work-life balance. Indeed, the compensation package offered to employees includes a wide range of benefits:

/ activation of a **welfare plan** aimed at guaranteeing greater care and attention to people's well-being. It provides a wide range of benefits and services, also offered in part to the employee's family members: from reimbursement of school and health expenses to vouchers, from solutions for free time to wellness packages and sports courses, up to the possibility of paying a part of one's welfare credit to complementary pension funds;

/ recognition of a **production bonus** based on productivity, efficiency and profitability. The bonus's parameters are agreed by internal trade unions and they can be modified at the employee's discretion in the welfare plan;

/ a **supplementary agreement** for personnel with continuous shifts. It provides marks-up in addition to those already provided by the national collective bargaining agreement;

/ membership to the supplementary health care fund for workers in the wood industry sector. It provides supplementary forms of **health care** from those of the National Health care System;

/ recognition of a **loyalty bonus**;

/ **ticket restaurant**;

/ **flexibility of entry and exit hours** in compliance with duties;

/ agreements to facilitate physical well-being.

Voluntary integration for redundancy fund Covid-19

SAIB Board of Directors are aware of how much social responsibility and the sense of belonging to the territory are fundamental for the company's growth. For this reason, in September 2020, they **integrated the salary difference** to all employees who had a reduction in wage due to production lockdown.

Healthy and Safety

For SAIB, the **health and safety** of workers is a key value. With this in mind, the company adopts the best strategies for preventing accidents and occupational illnesses by offering the needed human and financial resources. The main strategies implemented to maintain high health and safety standards are:

/ **investments in new machinery**, facilities and technologies conforming with the most stringent safety guidelines;

/ **continuous training of workers**, in order to increase awareness of all possible risks;

/ **supply of individual safety devices**.

The **risk assessment documents**, required by D. Lgs. 81/2008 (the Consolidated Act on Occupational Health and Safety), are **constantly updated** with the support of specialized external consultancy firms.

Periodically, **coordination meetings** are held between the Prevention and Protection Service, Department Managers and external companies. During the meetings, the progress of the work is discussed with the purpose of **informing, raising awareness and collaborating for the protection of workers' health and safety**.

Since 2018, an awareness campaign began to encourage the reporting of **near-miss**. The detection of this type of event makes it possible to **eliminate or reduce the causes** that generated them, improving safety levels in the workplace over time.

The graphs show the accident rates calculated annually.

Accdents indexes in SAIB (2018-2020)

	2018	2019	2020
N° accidents	4	10	3
N° days of absence	108	567	41
Hours worked	375.288	367.562	347.274
N° workers	210	211	216
Accidents index	19,05	47,39	13,39
Gravity index	0,29	1,54	0,12
Frequency index	10,66	27,21	8,64

INDEX OF INCIDENCE (II)
calculated using the formula n° accidents X 1.000.000/n° workers
percentage of injured workers in relation to the numvber of workers

INDEX OF GRAVITY (IG)
calculated using the formula n° day of absence for accidents X 1.000.000/n° hours worked year

INDEX OF FREQUENCY (IF)
calculated using the formula n° yearly accidents X 1.000.000/n° hours worked year

4

SAIB

Voluntary allocation of DPI

Personalised hearing protection devices

In addition to the disposable hearing protection device, SAIB has bought **custom hearing protection devices** thus ensuring greater comfort for all workers in risk areas.

Installation of LED spotlights on forklifts

The company counts many forklifts used in the handling and storage of products. To signal their transit in an intuitive way, **led lights**, called **blue spot** devices, have been installed on each one of them. Attached to the forklift's protective roof, these devices project a blue light beam onto the ground. This optical solution **draws attention to moving forklifts**, assuring a higher safety.

Covid-19: Protocol and Committee

The Covid-19 pandemic has put a strain on companies all over the world, requiring rapid adaptation to the new situation, such as to combine production needs with health needs and prevent the spread of the virus. SAIB was able to consequently evolve by adopting **its own protocol in compliance** with national rules and approved by CGIL. In collaboration with the competent doctor, the company has launched a campaign of serological tests on a voluntary basis.

Industrial relationships

The company pays attention to align its interests with those of its collaborators by keeping a fruitful **dialogue with trade unions**. Currently in the company there is a RSU (the CGIL), with two representatives. The members of the three confederations represent 23% of the total workforce.

The research for shared solutions results in an absence of any conflict. In 2020 there were no company strikes or trade union protests and no cases were detected in which freedoms of association and collective bargaining were violated or found to be at risk.

In 2020, the meetings with trade union representatives mainly concerned the definition of agreements about the redundancy fund, the sharing of COVID security protocols and the illustration of the company performance in reference to the 2020 production bonus.

4

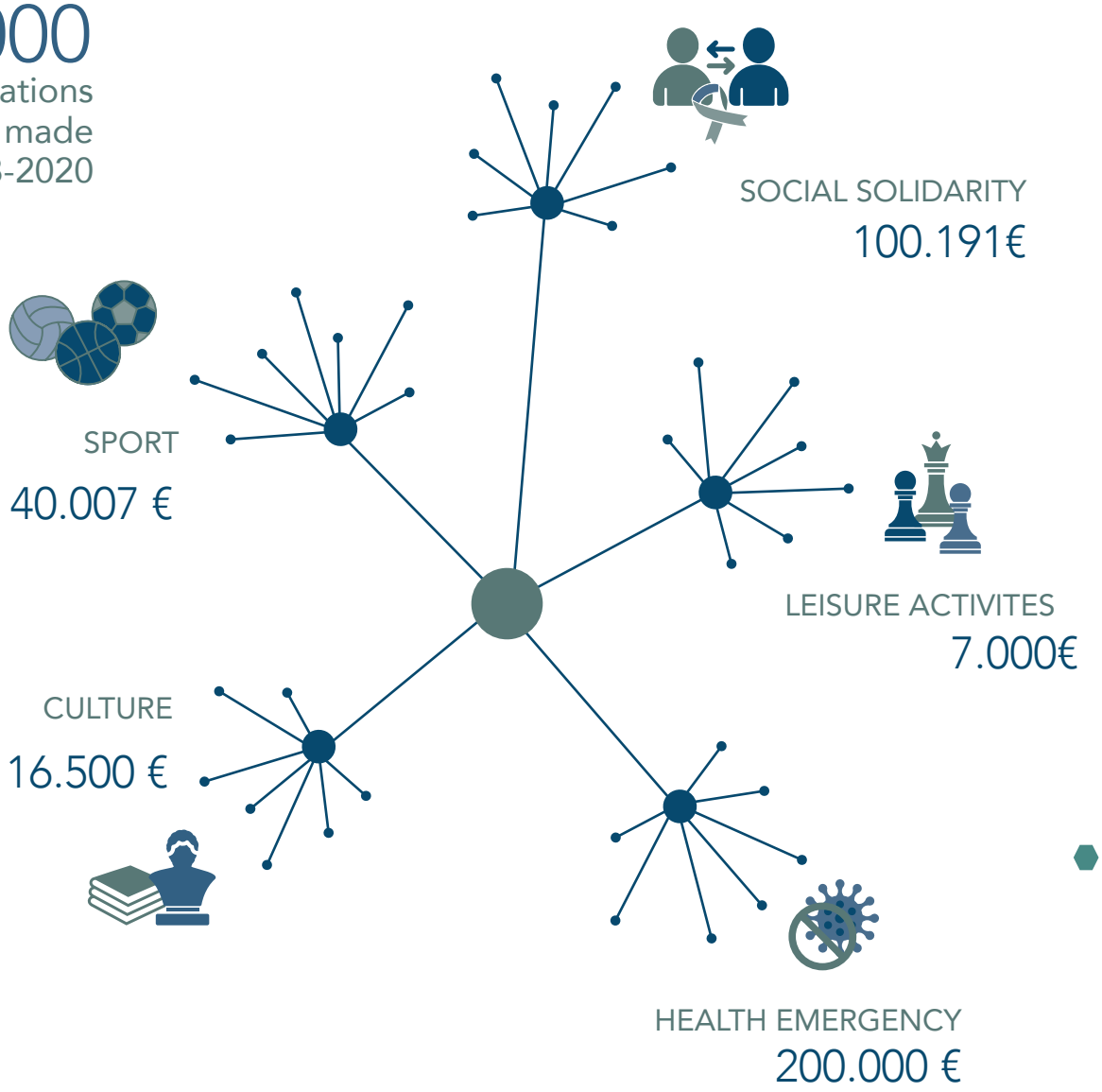
SAIB

Community well-being

SAIB has always been close to its hosting territory. Over the years it has developed strong relationships with **local fair trade groups** by supporting many projects and keeping constant commitment towards social initiatives supporting local communities to which the company has a dedicated annual budget. In the triennium 2018-2020 **donations granted** amounted to a total of **665 thousand euros**.

SAIB donations 2020

665.000
euros donations
made
2018-2020



The commitment to solidarity

Every day SAIB supports several social projects **with the purpose of creating added value on the local area** and being close to people in need. There are multiple types of donations targeted at supporting this initiative.

200.000
euros
to sustain
sanitary
emergency

Dealing with emergencies

In March 2020, at the beginning of the Covid-19 health emergency, SAIB promptly donated to **Piacenza and Cremona hospital 100 thousand euros each**. Thanks to this initiative, intensive care units were enhanced.

Support for sports

SAIB strongly believes in **sport values** and **social inclusion** in all its forms. For this reason, during the years it has supported several local sport clubs, with particular attention to the youth system.

Cultural activities

The company supports and organise **cultural initiatives for charitable purposes**, aiming at raising awareness on sustainability issues.

Spazio 5/A, the **company showroom** in Caorso, is the expression of the fusion of art and culture in SAIB. Numerous artists have held **exhibitions** in this space with the purpose of incentivising reflections on the relationship between man, production activities and the environment. The goal of Spazio 5/A is to give a **message of rebirth**.

Local suppliers

Supporting the community also means contributing to the growth of the local economic and industrial profile. SAIB is aware of the positive impact that its business can have in this context and therefore every year is committed to strengthen partnerships with local suppliers and artisans.

5 *Passion for excellence*

SAIB

Strategic objectives

1. Support the constant innovation of processes and products:
   / Investing in research and development of new products and processes
   / Promoting the development of a regeneration culture

2. Promote the creation of a sustainable value:
   / Diversifying the presence on the selling markets
   / Improving the reporting of product and process impacts in terms of Corporate Responsability

3. Economic value creation and distribution:
   / Ensuring a solid financial and economic performance
   / Creating solid relationships with local companies and favouring cluster development in the geographical area of reference

+33%

overall investments

+58%

investments in **innovation**

100

milion euros in **value distributed**

+10%

turnover in **foreign markets**

5

SAIB

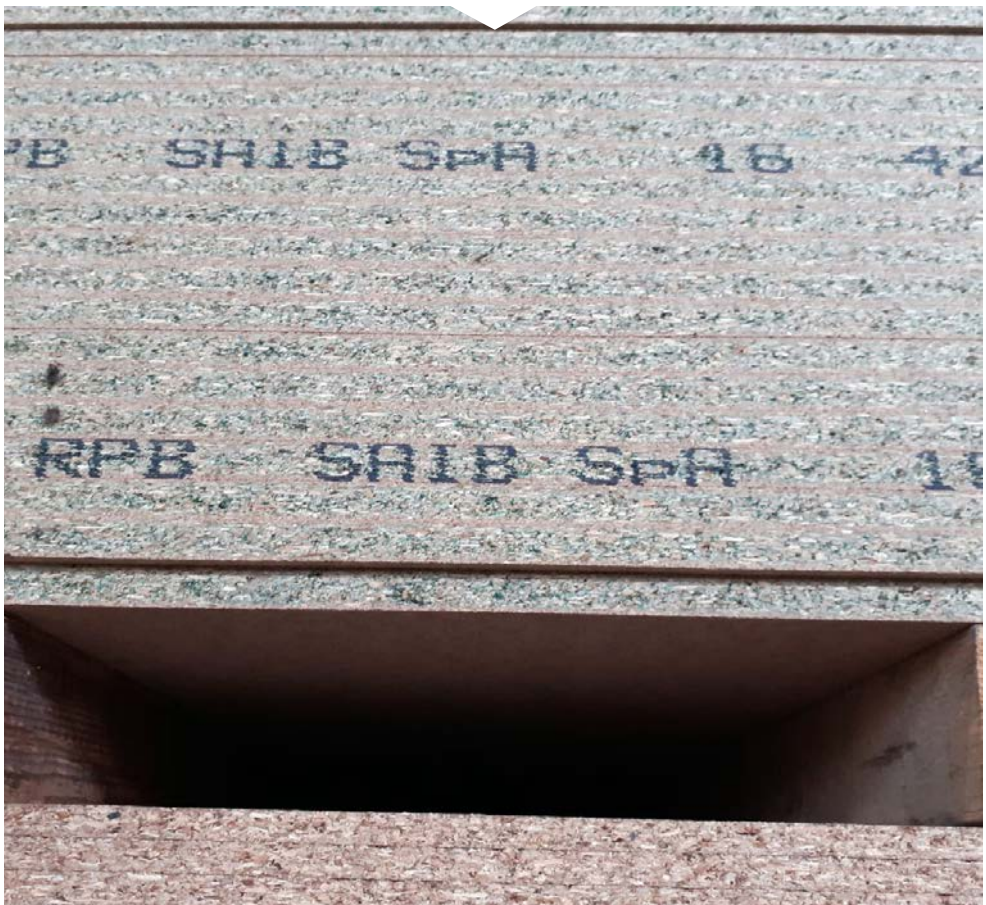
Continuous innovation of processes and products

Regenerative Design

SAIB is a point of reference in the furniture sector thanks to its ability to combine the research for refined and impactful surfaces with the production of raw panel made 100% with reused wood. The high quality of the melamine panel comes from the "right mix" between the **visual effect** and the **tactile effect** given by the metal sheet used to press the papers. An aesthetically interesting surface also assumes an **ecologic value**, creating a link between **aesthetic and sustainable dimension**, to which the market and consumers are paying increasing attention.

Thanks to the constant growth on the Italian market and the appreciation received abroad, SAIB is conducting the proposal of a **sustainable design** in an increasingly decisive way. One of the strengths of Italian design lies in the combination of corporate know-how and the genuine expertise of designers. This is also true for the sustainability of projects, which cannot be imposed, but must arise from a common vision and collaboration between the company and the designer. Change is happening, **attention to responsible materials and production processes** is constantly increasing.

rpb™
regenerated
particle board



From this perspective, during 2020 SAIB has decided to give a new name to the raw panel, calling it **RPB: regenerated particle board**.

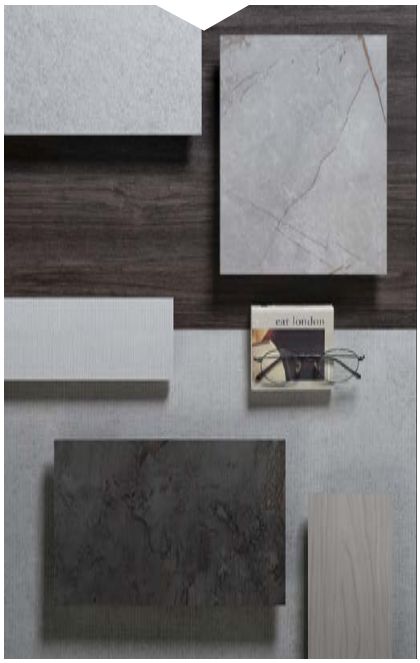
At the same time, the company is committed to a constant **renewal of decorations** and **finishes**. Other than customise products, in the past three years SAIB has created **three product collections**, two of which are dedicated to the premium range: Diplos and Istanti

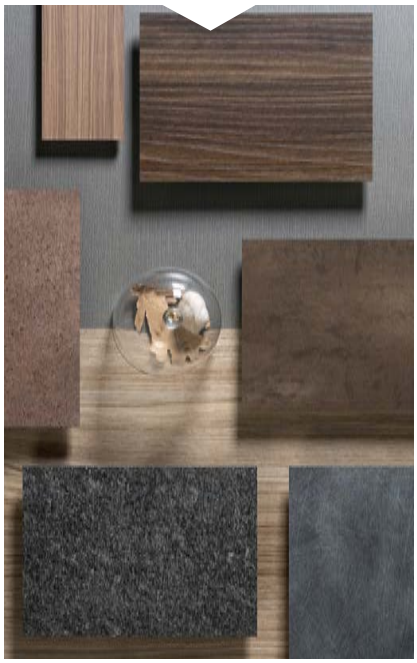
diplos
Italian Design Solution

/ **Diplos collection**, designed with ABET laminati, historic Italian company in the laminated production sector is made out of about 40 essences - woods, fabrics, mortars, plain colours - developed following the 'mix and match' logic. Thanks to particular chromatic choices, all the **products** in the collection can be easily **matched with each other**, allowing the designer to develop harmonious, contemporary and fluid solutions in the selection of decorations and materials.

istanti S
collection

/ **Instanti collection**, born in 2020, is characterized by the choice of **trendy decors and finishes**, in line with the market demands of today coming from the world of design and designers.





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SAIB

In recent years, the world of designers has been increasingly characterized by an holistic approach to design. The choice of materials is strategic: to be truly sustainable, there is the need to be **coherent with materials used in buildings**, the materials used for the **construction of furnishings** and the **furniture manufacturing processes** (for example, the characteristics of the painting process or the packaging used to deliver furniture). Summarising, when we talk about sustainable design, we mean that **every single choice must be thought** to minimise the negative impact on the planet.

With this in mind, in 2018 SAIB opened a **showroom**, called **Spazio 5/A**. The name refers to the street number on which the company is located. It wants to emphasize the importance to have the showroom in the same place as the production area. Conceived as a place to welcome and present products, the showroom is **adjacent to the company's production area**, making it easily accessible.

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SPAZIOCINQUE

Spazio 5/A is conceived as a place for meeting and interaction, where visitors can **experience products and sustainability**. By visiting the production plant, it is possible to see how the cleaning and refining process of wood takes place and how and where other waste materials are collected. In other words is a space to experience **what 'regenerative economy' actually means**. In the showroom, it is also possible to create fast delivery "prototypes". By using a resettable laboratory press, it is possible to create unusual combinations of decorations and finishes.

Spazio 5/A hosts **multiple art exhibitions**. The chosen settings are combined with decorations designed for the occasion. Among the exhibitions held in the showroom we point out:

/ *Ri/Generarsi*, by Enza Monetti (01/12/2019-01/02/2020);

/ *Blooming After Silence*, by Paolo Capitelli (4/06/2020-31/07/2020);

/ *Istanti*, by Dino Maccini (4/11/2020-31/12//2020);

/ *Il bosco circolare*, by Matilde Tacchini (03/2021-04/2021);

On the right, Spazio 5/A is set up with the works of the illustrator Matilde Tacchini, who has created a series of drawings inspired by the theme of sustainability. The title of the work is "The Circular Forest".


REWOOD


SAIB
REUSE - REDUCE - RECYCL

5

SAIB

Technological innovation

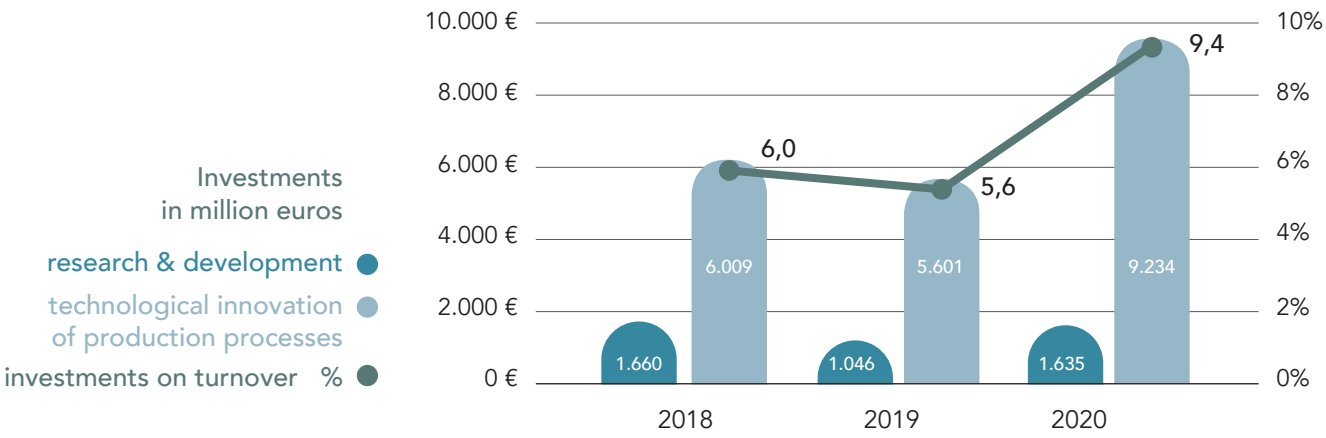
11.023

hours of research and development

Technological innovation is at the root of sustainable companies. Improving the efficiency of the process, reducing its environmental and energy impacts, increasing product quality by ensuring selective recovery of incoming waste are the challenges that SAIB faces every day.

The research and development of innovative technologies is part of SAIB's DNA, for which every year important resources to this goal are dedicated.

Research & Development and technological innovation



Generation and distribution of economic value

Today, the role of companies is not just to maximize their **profit**, but to do so in a way that is also beneficial to communities and to society more in general. Never before, in a context marked by a pandemic that has brought a profound disruption, the idea of **shared value** is fundamental. It means addressing the needs and challenges of society through the company itself.

The creation of economic value and its distribution provides an indication of how SAIB has made the idea of shared value its own, **creating wealth for stakeholders**.

The economic - financial performance

	2018	2019	2020
Sales revenue	123.222.042	118.155.607	114.605.782
EBITDA/revenue %	21%	17%	20%
Investments	9.187.006	7.896.432	10.495.035
Net financial position	-25.716.285	-24.895.572	-24.369.955
Cash flow of operations management	10.382.063	11.981.029	9.364.076

In **2020**, despite the low expectations and the 50-day spring lockdown due to the pandemic, **114.6 million euros were invoiced** - only 3% less than in 2019.

The loss in turnover of 17 million euros, caused by the containment measures of pandemic, was almost completely recovered thanks to an **exponential growth in the second half** (+15% compared to 2019), with an improvement in margins of 2,4 million euros and an **increase in sales margins** of 3 percentage points. In a year devastated by Covid-19, which opens uncertain scenarios, the **rediscovery of the house by families** is certainly explaining the anomalous dynamism on the demand side.

During 2020, a large part of the important **investment of 20 million euros** approved in 2019 was made, intended for installing the new direct drying system and the related exhaust gas cleaning system.

5

SAIB

The economic value generated and distributed

	2018	impact %	2019	impact %	2020	impact %
a) Directly generated economic value	**128.044.273**	**100%**	**119.631.245**	**100%**	**115.271.547**	**100%**
b) Distributed economic value	**112.162.086**	**88%**	**108.555.375**	**91%**	**100.336.495**	**87%**
Operational costs	87.633.156	68%	83.899.901	70%	77.181.844	67%
Remuneration and benefit	14.356.878	11%	14.530.049	12%	14.344.653	12%
Payments to capital providers	4.800.695	4%	5.829.910	5%	3.979.495	3%
Payments to the Public Administration	5.319.133	4%	4.086.237	3%	4.471.505	4%
Community investments	91.806	0,1%	209.278	0,2%	361.348	0,3%
c) Retained economic value	**15.882.764**	**12%**	**11.075.870**	**9%**	**14.932.702**	**13%**

The **economic value generated** differs from sales revenues, as it includes, in addition to net sales of tangible and intangible assets, also financial and non-recurring income. The economic value generated is shared with stakeholders and **reinvested in innovative projects**. It also expresses the relationship between SAIB and its socio-economic system.

In 2020, the economic value generated by SAIB was **115 million euros**, of which 100 million **(87%) were distributed to the main stakeholders**, as follows:

87%
distributed economic value

/ **operating costs** amounted to **77 million euros**, of which approximately two thirds were allocated for raw materials and one third for services;

/ **remuneration of staff** was **14,3 million euros**, with a decrease of 1,3% compared to the previous year due to production shutdown during lockdown;

/ a total amount of **8,4 million euros** was distributed to **capital providers**, **shareholders** and the **Public Administration**;

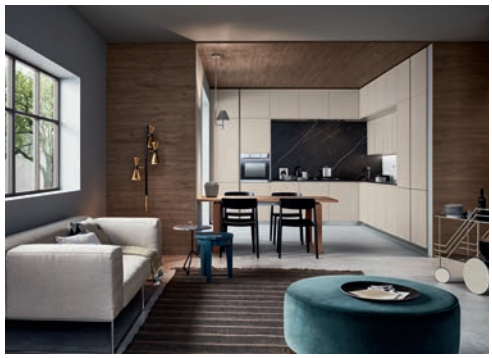
/ the total amount of **donations**, **associative contributions** and **sponsorships** to the community was of **361 thousand euros**.

Customers

SAIB, one of the most important players in the world of recycled wood panels, is able to satisfy **demand with increasingly stringent standards** and growing expectations concerning sustainability. The company caters to **different types of customers around the world**, ranging from IKEA to luxury furniture makers. They can be grouped into two main categories:

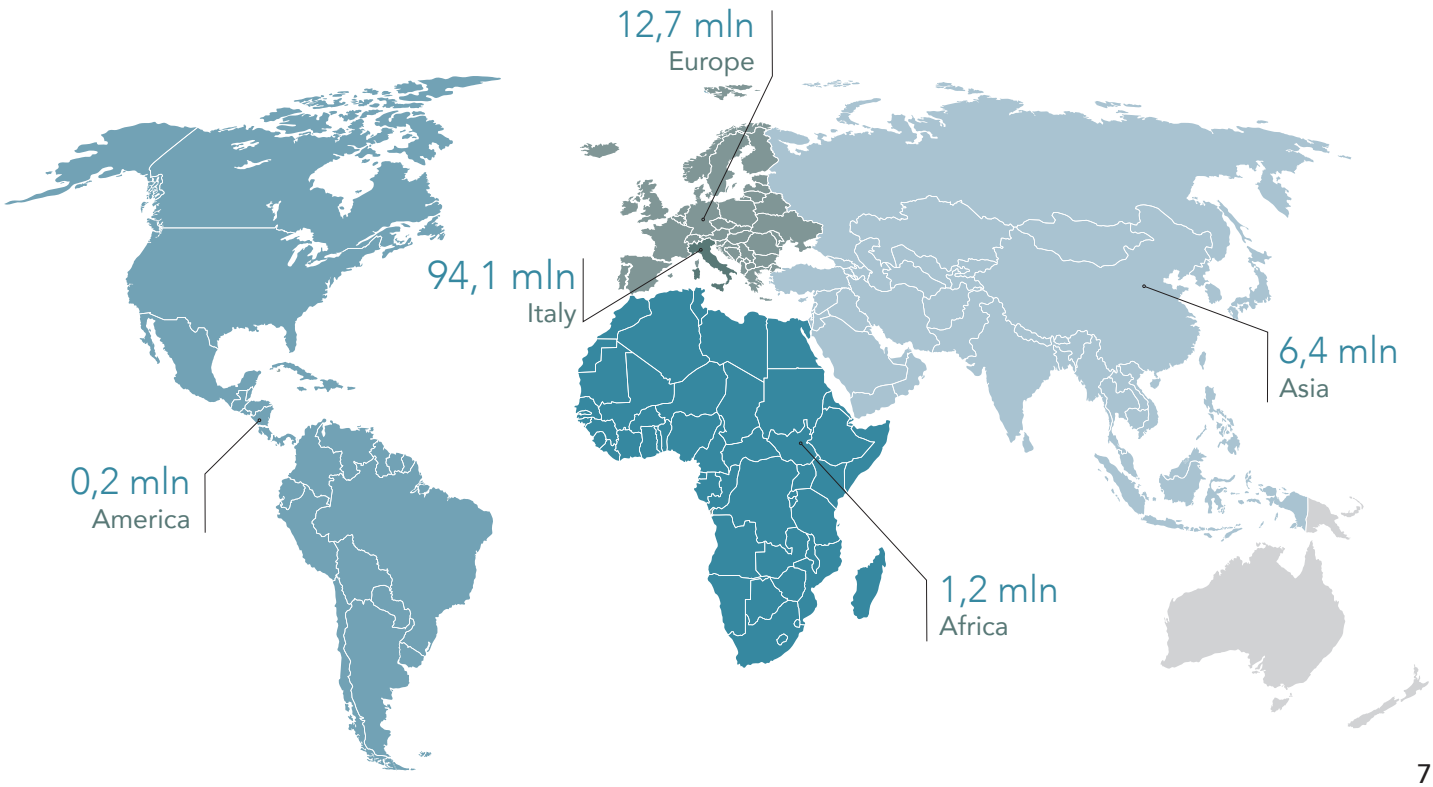
/ manufacturers of office furniture, kitchens and furnishings (92% of total customers);

/ retailers and large-scale distribution (8% of total customers).



The presence on the market is ensured in Italy by a **sales force** made up of six multi-firm agents and an area manager in the Pesaro area, and in foreign countries (EU and non-EU) by six agents and sub-agents, with the support of internal staff.

SAIB turnover per geographical region



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SAIB

In order to **maximise and monitor customer satisfaction**, SAIB has set up a dynamic team that sees the co-operation between trade and production areas. The several **operations functions** of the company are born from this collaboration. They have the task of following customers from processing orders, with proposals relating to formats, supplies and papers, up to the delivery of orders. In other words, this team is in charge of **guaranteeing customers with the ideal result** during the production phase, significantly reducing delivery times and the customers production waste. By adopting this method, SAIB improves the service offered.

Trade fairs

During the year, SAIB participates to numerous **trade fairs**. They represent fundamental opportunities to directly communicate with customers. Among them:

/ **Ecomondo**. The leading green and circular economy fair in the Euro-Mediterranean area;

/ **Interzum**. Every two years, the most important suppliers of the interior design and furniture industry come together at Interzum, bringing their innovations and trends with them. The main topics are conservation of resources, sustainability and upcycling;

/ **Surface Design Show**. It is situated in London and focuses exclusively on indoor and outdoor surfaces, introducing the best design in the surface material;

/ **Kitchen & Bath Industry Show (KBIS)**. Held at Las Vegas Convention Center, KBIS is the largest trade show in North America, dedicated to all aspects of kitchen and bathroom design;

/ **Fuorisalone** Digital Design Week 2020; exhibition linked to the concept of design. For SAIB it is the opportunity to display its idea and philosophy of sustainable design and to be more visible in the world of design (architects/ designers);

/ **SICAM** International Exhibition of Components, Accessories and Semi-finished Products for the Furniture Industry. The only remaining Italian fair of semi-finished products and components for the furniture industry.

Suppliers

Sustainability is becoming increasingly essential for the strategy of many corporations. For a company, taking a clear stance towards the **environmental and social impact** of its business implies extending this attention to **all partners in the supply chain**. It is with this awareness that SAIB favours ISO 14001 certified suppliers, establishing criteria for their selection based on:

/ **supplier evaluation** (information gathering, on-the-spot verification, evaluation of samples and product performance, verification of technical-professional suitability);

/ **supplier registration** in the list of qualified ones;

/ **periodic check** on compliance with start up requirements

Thanks to this process, SAIB ensures that the purchased product **complies with the desired standards** in relation to its effects on the implementation of business processes, including those aspects related to health and safety and the protection of the environment.

SAIB suppliers are divided into 3 macro categories:

/ M**aterial** suppliers: the materials (**47%** in terms of acquired value) are divided into **raw materials**, such as waste wood, resins and chemical additives, decorative papers and **packaging materials** such as paper and plastic that are used in the production process.

/ **Service** providers: the services (**41%** in terms of acquired value) support the company in the process of impregnating the decorative paper and throughout the business.

/ **Equipments and plants** suppliers representing **12%** in terms of purchase value.

As already explained, SAIB exclusively uses waste wood and recovers almost all of it, reducing its impact on materials consumption.

Aware of the importance of its contribution to the development and spread of a culture of circular economy, SAIB also monitors and tries to reduce packaging consumption. The **cardboard**, which represents more than **80%** of the **packaging used**, is supplied by companies that make FSC-branded products and use **80% recycled paper** in the production of their products.

Packaging material (ton)

	2020
Cardboard	190
Holds	35
Extensible film	5

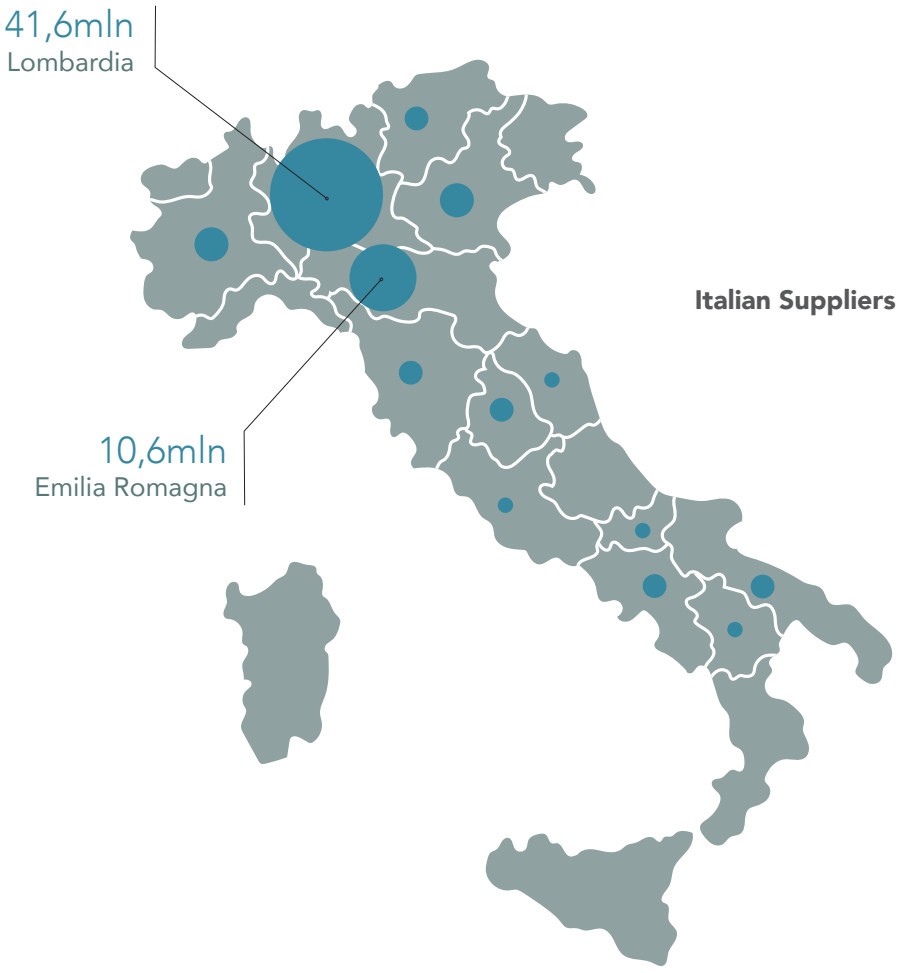
5

SAIB

Over the years, SAIB has created long-term collaborations with its suppliers, considering them as central partners in the production process, favouring the relationships with local companies in order to benefit from logistic advantages, to provide income-earning opportunities for the communities where the Company works. This can be seen in the turnover of purchase of goods and services in the last three years, which focuses on **Italian suppliers and consultants** with a supplies increase from **local partners**. Indeed, 83% of SAIB **suppliers** are **Italian**, and 12% are from the **provinces of Piacenza and Cremona**: in the triennium 2018-2019, the value distribution in the two provinces amounted to approximately 31 million euros, with an effect on **employment of around 1300 people**.

12%
local
purcahses

SAIB'S 2020 goods and services purchasing turnover



European Suppliers

5

SAIB

Awards and trade associations

Premio Industria Felix 2019 – l'Italia che compete:

this reward is given to those companies that have used at best creativity and determination to build a successful business in terms of social well-being and economic progress.

Premio "Imprese Vincenti" di Banca Intesa 2019:

SAIB was among the 120 winning companies awarded out of 1.800 candidates in 2019. This recognition was awarded to companies that have been able to grow and develop strategies in terms of sustainability, internationalisation, innovation, skills and human capital enhancement.

SAIB

Best Performance Award:

SAIB was awarded by SDA Bocconi in partnership with J.P. Morgan Private Banking, PwC, EQT, Bureau Van Dijk and Haves PR, for having accomplished 'sustainable development' in the conduct of their activities and realisation of new investments during the Covid-19 pandemic.

Confindustria Piacenza:

voluntary membership organization representing Italian manufacturing and service companies, focuses on the central role of companies as driver of development for the country. Thanks to its network, it represents companies and their values at institutions, guaranteeing diversified, efficient and modern services.

FederlegnoArredo:

association of companies in the wood-furniture industry born in 1945, promotes in the world the Italian taste in the field of design and architecture and supports companies in this sector, creating awareness and synergies.

Note on methodology

Document objectives

This sustainability report summarises the identification, analysis and reporting of the sustainability indicators concerning SAIB's activities.

The objective of the document is to systematise the process of reporting of activities in the **social, environmental and economic sphere**. Furthermore, the report represents a transparent mode of information and dialogue with the stakeholders.

Reporting period and scope

To guarantee the respect of the principle of comparability in the data and information time here reported, the present balance refers to SAIB's triennium 2018-2020.

Drafting process and used indicators

The sustainability report drafting process involved both a domestic working group and external consultants. **It transversally engaged the company** in order to identify the aspects to be included in the document and to collect relevant information.

During this process, a first structure was set in order to facilitate data collection which could be used for successive enlargements. Moreover, the structure forms **the basis to define SAIB's strategic guidelines** while taking into consideration the main sustainability indicators.

The contents of the sustainability report have been prepared on the basis of the leading environmental, social and economic indicators. They represent the tool to report SAIB's commitment towards the United Nation **Sustainable Development Goals**. In the paragraph "*Contribution to Sustainable Development*" in Chapter 6 SAIB's commitment in pursuing the prioritised goals for the company activities is described.

6 Achievements and future objectives

SAIB

Goals	Actions	Achievements 2020	Goals 2021	ONU SDG 2030 GOAL
REGENERATIVE ECONOMY				
Product environmental sustainability	To increase the share of low formaldehyde emission products	+12% increase in the production of chipboard panels with low formaldehyde emission	An additional 20% increase in the production of chipboard panels with low formaldehyde emission	12
	To promote the use of recovered wood for the production of chipboard panels	Re-MADE product certification, increase panel production for structural applications in sustainable building	Dedicated webinar and publication of a book about sustainability; Promotion of a school of sustainability aimed at training experts; Obtaining PEFC certification designed to ensure the exclusive use of recycled wood.	12
	To reduce aldehydes and dust emission in the atmosphere	Environmental permit review with adaptation to BAT Reduction of particulate emission limits of abatement systems from 10 mg /Nm^3 to 5 mg /Nm^3	Installation of a new dryer and a new electrofilter dedicated to the drying process Installation of a scrubber abatement system + electrostatic filter dedicated to Contiroll 1 continuous press Installation of a covered silo for chips storage aimed at reducing diffuse dust emissions	9 11 15
Production process's environmental sustainability	To reduce the specific consumption of natural gas per ton of recycled wood	Specific consumption 13.91 Smc gas/ton recovered wood	Increase in the quantity of thermal energy generated by the combustion of self-produced wood dust	12 15
	To improve the selection of non-wood materials to reduce the quantities of disposal waste	0,05 % disposal waste	Improvement of the chip cleaning system aimed at favouring a more efficient removal of stones/sand from wood	11 12 15
	To reduce the specific water withdrawal per ton of recovered wood	0.29 m^3/ton recovered wood	Increase in the recovery of water flows	12 15
	To reduce emissions from vehicular traffic	Reduction of waiting and unloading time of vehicles Implementation of a portal for the management of the vehicles of wood suppliers entering the plant	100% Euro 6 vehicles accessing the plant Improvement of internal viability	12 15

Goals	Actions	Achievements 2020	Goals 2021	ONU SDG 2030 GOAL
PASSION FOR EXCELLENCE				
Continuous innovation of processes and products	To continue the renewal and technological updating of the production plants	Revamping of wood dust transport and storage system Electronic upgrade of the Contiroll 1 press	Revamping of the chip refining and storage mills department; Substitution of dryer and filter Revamping of existing electrostatic filter	
	To continue internal research and development activities	11.023,50 hours spent in research and development	10% increase of the hours spent for research and development	
	To improve the reporting of impacts associated with the product and the process in terms of Corporate Responsibility	Drafting of the first sustainability report	Drafting the sustainability report 2021 following the Global Reporting Initiative guidelines	
	To renovate the collection of product decors and finishes	New decors and finishes	Product range expansion, focusing on the visual and tactile aspects	
Generation and distribution of economic value	To increase turnover and margins	114.6 M€ turnover 22.6 M€ EBITDA	+10% M€ turnover 7% M€ EBITDA	
	To increase export markets turnover	18% export turnover 2020	20% export turnover 2021	

Goals	Actions	Achievements 2020	Goals 2021	ONU SDG 2030 GOAL
PEOPLE AT THE HEART				
Workers' well-being: health, safety, welfare, education	To reduce the frequency of accidents	Personalised IPR; Incidence index: 13,89; Severity index: 0,12; Frequency index: 8,64	Revision of flows in the chipboard preparation area; installation of aids to enhance ergonomics of machine setup operations	
	To increase the hours of tailor made training for employees	827 total hours of training provided	To increase the number of training hours and define a shared training plan	
	To requalify work environments	Energy and functional requalification of areas intended as changing rooms, services and canteen	Requalification of internal mechanic workshop and production control rooms	
Community's well-being: life quality, care for the most vulnerable	To increase the initiatives in favour of the support of the most vulnerable and initiatives of inclusion	363.698€ donations	To confirm the support of various social activities	
	To generate income and create job opportunities in the local communities	12% local supplies	To increase of 10% local supplies	

Photo
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