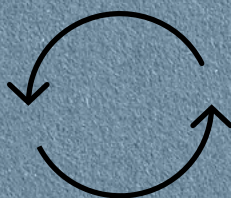
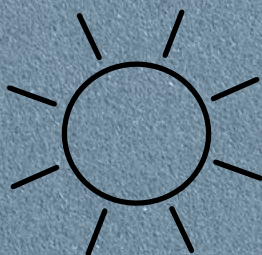


NEO DECOR TECH



NEO DECOR TECH

Environment oriented: the Sustainability Report 2019.

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Group Profile

3 production plants:

Filago (BG), Casoli di Atri (TE), Guarcino (FR)

**378 employees, 4 markets, 5 brands, over 900 decorations,
over 300 customers in over 40 countries, consolidated revenue € 135.9 million**

CDG: over 36,000 tons of paper

NDT: over 9,400 tons of products

BEG: over 150,000 MWh of energy

Neodecortech is a Group composed of three companies integrated in a 100% made in Italy supply chain that share the same vision and a well-defined business strategy: to provide the interior design industry with top-of-the-range products, enhanced by the signature Italian style.

The Group is one of Europe's top players in the production of decorative papers for laminated panels and flooring. Neodecortech's business revolves around the production of complete and technologically advanced solutions for the realization of interior design projects, covering all stages of the production process.



History of the Group

1947

Set up of Confalonieri in Filago (BG), specialized in the production of printing inks.

1960

Confalonieri focuses on decorative papers for plastic laminates and laminated panels, while also starting its printing and impregnation activities.

1990

Set up of Cartiere di Guarcino, specialized in the production of decorative paper for lamination.

1999

Cartiere di Guarcino inaugurates a second production line.

2003

Finanziaria Valentini acquires Confalonieri and Cartiere di Guarcino.

2006

Set up of Bio Energia Guarcino, a bio-mass powered cogeneration plant of electric and thermal energy for CDG.

2010

Confalonieri revamps its showroom and Neodecortech Lab.

2011

Opening of second CDG production line.

2015

At the end of the year, Confalonieri starts printing PVC for LVT.

2016

Issue of first Sustainability Report - 2015 of Neodecortech S.p.A.

2017

Group reorganization, change of name from Confalonieri S.p.A. to Neodecortech S.p.A. and debut on the Stock Exchange on AIM Italia.

2018

Acquisition of the business unit of Corbetta FIA S.r.l., specialized in the production of laminates.

2019

Disposal of CDG International;
Issue of first Sustainability Report - 2018 of the Neodecortech Group.

2020

Listing on the Mercato Telematico Azionario - MTA (Electronic Stock Market).

2019 Performance ESG

ENVIRONMENTAL



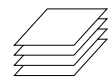
-5.5%
water consumed
versus 2018



99%
electricity from
renewable sources

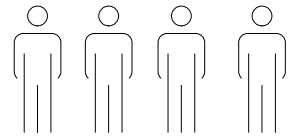


100%
purchase of FSC
(Mix Credit
and Controlled Wood)
or PEFC certified pulp



96,4%
purchase of FSC
certified paper

SOCIAL



+ 3% employees versus 2018



2,860 hours
of training delivered
7.6 hours
of training delivered per capita

GOVERNANCE

100% of Group locations ISO 9001:2015 and ISO 14001:2015 certified
100% of Group companies with an organizational model in place pursuant to Legislative Decree 231/2001
100% of Group companies with a Code of Ethics in place
Compliance with the Corporate Governance Code of Borsa Italiana

Neodecortech Values

Neodecortech's entrepreneurial vision is deeply rooted in the values of the Group, which drive its internal operations and define the relationships that the companies have with all stakeholders:

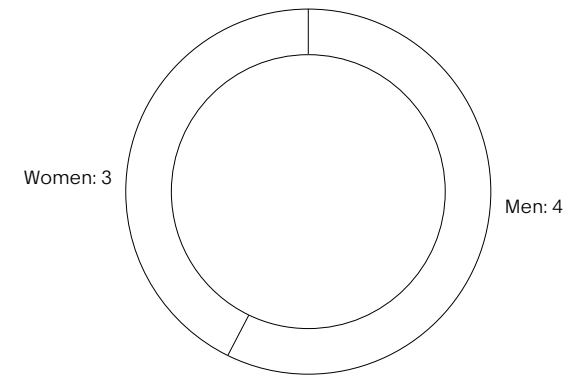
Integrity, precision and transparency, attention to the individual, reliability and expertise, ongoing research and improvement, effectiveness and affordability, environmental safeguard, quality and rapidity, creativity and authenticity.

Policies, management models and internal codes the Group has implemented are tangible proof of its commitment, in line with the strategic approach it adopts.

Governance

Board of Directors

- *Chairman*: Riccardo Bruno
- *Chief Executive Officer*: Luigi Cologni
- *Executive Director of CDG and Sole Director of BEG*: Massimo Giorgilli
- *1 Non-Executive Director*: Cristina Valentini
- *4 Independent Directors*: Riccardo Bruno (Chairman), Paolo Pietrogrande, Paola Carrara, Laura Calini



BOARD OF DIRECTORS

- Observance of the rules on gender balance on the Board of Directors.

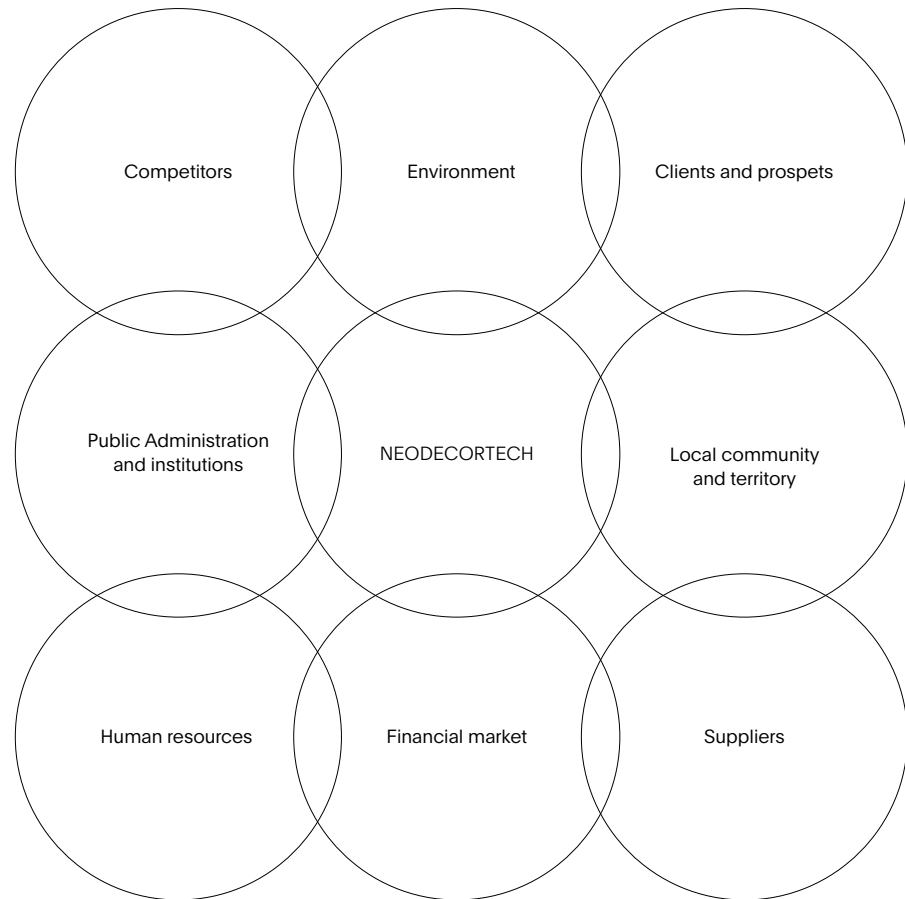
- Setup of specific Committees on:
 - Risk Control
 - Remuneration and Appointments
 - Transactions with related parties
 - Sustainability

- Adoption of a Code of Conduct - comply or explain.

Stakeholder

Neodecortech aims to maintain and develop trustworthy relations with its stakeholders or with individuals, groups, bodies and organizations whose contribution is needed to fulfill the Group's mission, or who express interests or expectations regarding its achievement. For each stakeholder, the Neodecortech Code of Ethics sets the professional principles on which all the activities are based.

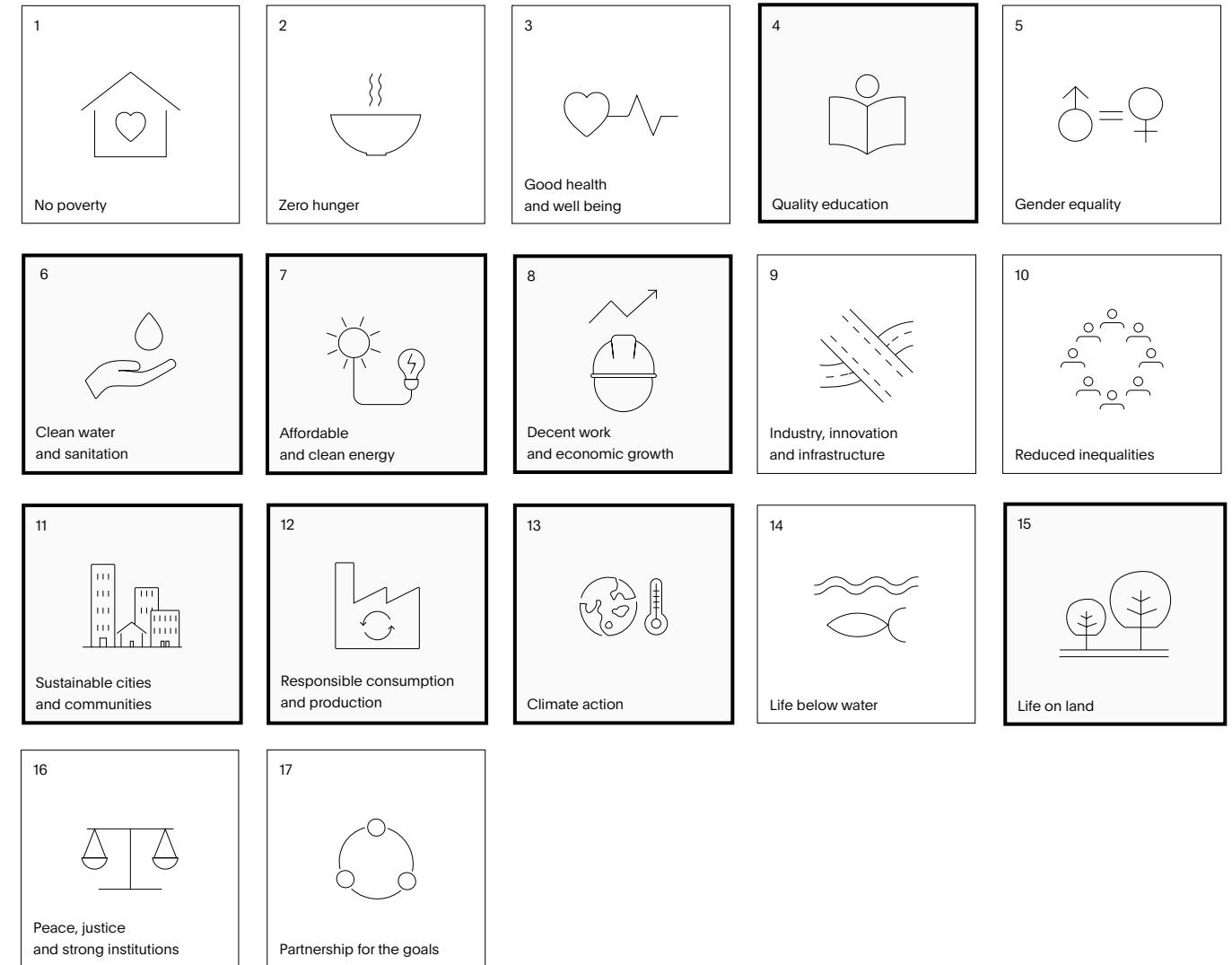
In 2019, the Neodecortech Group continued its stakeholder engagement activities by involving employees at the Casoli di Atri offices of Neodecortech S.p.A., incorporating their views into the assessments gathered from other stakeholders in prior years.



Sustainable Development Goals

The 2030 Agenda for Sustainable Development set by the United Nations in 2015 expresses the global plan of action for sustainable development, by tackling issues of universal concern such as poverty, hunger, lack of education, climate change, gender inequality, lack of access to clean water and energy.

17 Sustainable Development Goals (SDGs) spread over 169 targets to achieve by 2030: Neodecortech has identified which of these targets it can tangibly contribute to through its own businesses and production environment, identifying for each one commitments and performance indicators.



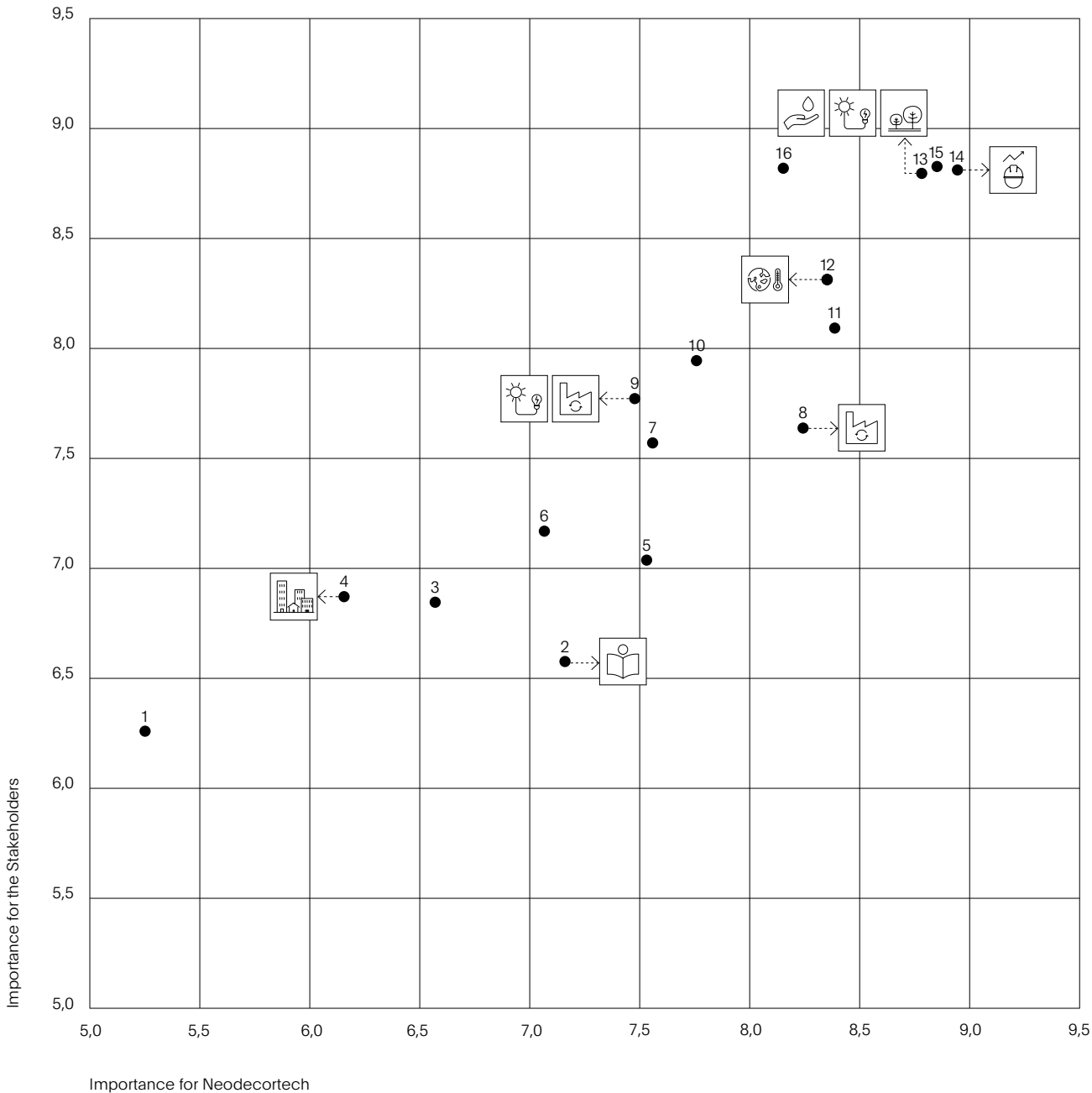
GOAL
In 2020, Neodecortech will embark on a stakeholder engagement path to broaden the analysis of issues relevant to the range of stakeholders of the Group.

Materiality Matrix

In light of the changes addressing the Group and the trends that are currently shaping the outside world, Neodecortech has chosen to fully update its Materiality Matrix, revising and reorganizing strategically relevant topics.

The topics were analyzed by the Group’s Management both from an internal Neodecortech viewpoint and from the perspective of the stakeholders, in order to fully voice their respective priorities. The assessment conducted falls within the framework of contributions gathered in prior years by the various stakeholders.

The new Materiality Matrix is the result of such analysis and assessment: it shows the relevance level of each topic for Neodecortech and its stakeholders, giving an overview of truly significant sustainability issues. Associated with the topics assessed are the Sustainable Development Goals (SDGs) for which Neodecortech has defined its commitment.



- MATERIAL TOPICS
- | | |
|--|--------------------------------|
| 1. Diversity and equal opportunities | 9. Non-renewable raw materials |
| 2. Training | 10. Compliance |
| 3. Governance | 11. R&D |
| 4. Relations with the local community | 12. Emissions |
| 5. Circular economy | 13. Renewable raw materials |
| 6. Employee management | 14. Occupational safety |
| 7. Responsible supply chain management | 15. Product quality |
| 8. Waste | 16. Economic performance |

Sustainability Strategy

The Group reinforces its commitment to responsible business management, which is not merely a matter of complying with legal obligations and containing negative externalities, but focuses also on promoting a corporate culture oriented towards the creation of lasting value for its stakeholders.

Neodecortech's sustainability strategy is hinged on the values and principles of conduct held in the Code of Ethics; it fosters a holistic, tangible approach that takes into account the legitimate expectations of stakeholders, with a watchful eye on the most relevant initiatives at an international level, such as the Global Compact and the United Nations' Sustainable Development Goals (SDGs).

As a manufacturer, Neodecortech adopts an approach based on the responsible and sustainable use of resources, voluntary certifications, compliance with international and national initiatives on the use of secondary raw materials, fostering the protection of natural resources and adopting the principles of the circular economy.

SARS-COVID 19 PANDEMIC AND BUSINESS CONTINUITY

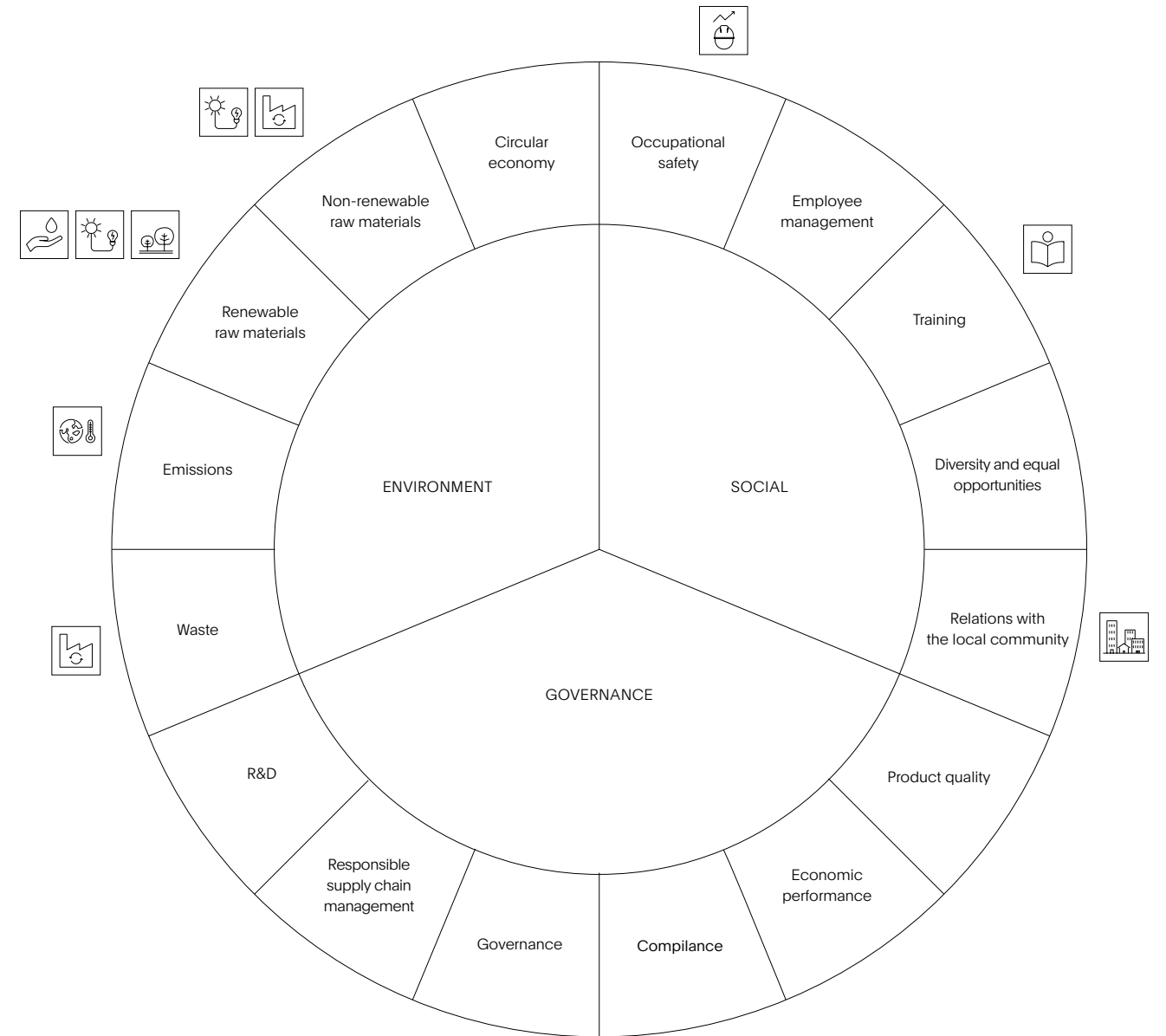
The Covid-19 pandemic, besides being the worst health crisis of our time, has also triggered a major global economic crisis that is putting the production system to the test. In this regard, the Company confirms that it has taken all the necessary steps to monitor its core market, in order to minimize the negative impacts of the current situation. To date, its level of capitalization, strategic approach towards long-term sustainability and efficient resource management guarantee resilience and business continuity.







Neodecortech Group is firmly convinced of the importance of reviewing all its production processes from a circular economy perspective. A circular economy is understood as being "an economy designed to regenerate itself" (Ellen MacArthur Foundation), based on the awareness that raw materials are not limitless and therefore on the crucial need to define new models of production and consumption, reducing waste as much as possible. In order to do so, every stage in the production process needs to be reviewed and great attention must be paid to the entire supply chain involved in the production cycle.

The Group considers such an approach a key element to appropriately address current market needs, without threatening the needs of future generations.

The icon above appearing in the document indicates the initiatives taken by Neodecortech to promote the principles of a circular economy.



Neodecortech for the 2030 Agenda

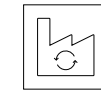
GOAL SDGS	TARGET SDGS	NDT COMMITMENT
	<p>4. QUALITY EDUCATION</p> <p>4.3 Support access to and economic sustainability of technical, vocational and tertiary education, as well as university education.</p> <p>4.4 Increase young people and adults who have the necessary skills, including technical and professional skills, to enter the job market.</p>	<p>Establish a scholarship program for employees' children.</p> <p>Continue the involvement of the local communities in training programs, with opportunities for showcasing businesses, as well as work-related learning paths.</p>
	<p>6. CLEAN WATER AND SANITATION</p> <p>6.3 Improve water quality by reducing pollution and minimizing the release of chemicals and hazardous materials. Reduce the proportion of untreated waste water and boost recycling and safe reuse.</p> <p>6.4 Boost water efficiency.</p>	<p>Improve the reuse of company waste water.</p> <p>Optimize the way water is reused in production processes.</p>
	<p>7. AFFORDABLE AND CLEAN ENERGY</p> <p>7.2 Boost the share of renewable energy in the global energy mix.</p> <p>7.3 Improve the energy efficiency rate.</p>	<p>Aim at using 100% renewable energy supply.</p> <p>Optimize the way energy is used in production processes, improving overall energy efficiency.</p>
	<p>8. DECENT WORK AND ECONOMIC GROWTH</p> <p>8.8 Protect workers' rights and promote a safe and secure working environment.</p>	<p>Reduce injuries at Group premises.</p>



11. SUSTAINABLE CITIES AND COMMUNITIES

11.4 Contribute to the protection and safeguard of the world's cultural and natural heritage.

Sustain local initiatives aimed at supporting cultural and charitable associations active in the areas where the company offices are located.



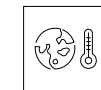
12. RESPONSIBLE CONSUMPTION AND PRODUCTION

12.4 By 2020, achieve the environmentally-friendly management of chemicals and all waste throughout the life cycle and significantly reduce their release into the air, water and soil in order to minimize the negative effects on human health and the environment.

Steadily reduce the chemicals used in production processes and identify the least harmful alternatives for man and the environment.

12.5 Significantly reduce waste production through prevention, reduction, recycling and reuse.

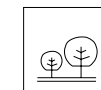
In a circular economy perspective, identify new ways of managing waste from production processes and optimize the use of resources.



13. CLIMATE ACTION

13.1 Strengthen resilience and adaptability to climate and natural disaster risks in all countries.

Improve the monitoring of CO₂ equivalent emissions directly related to company activities.



15. LIFE ON LAND

15.2 Promote sustainable management of all types of forests.

Use 100% wood raw materials from responsible sources.

Markets, Segments and Products

Neodecortech's clients include large domestic groups and multinational corporations that work in the interior design, laminates and flooring segments. The Group's markets of operation can be split up as follows:

- Panel manufacturers
- Flooring manufacturers
- Impregnators
- Printers
- Electricity grid (with regard to BEG)

Today Neodecortech offers its clients over 50 product families, split up as follows:

Cartiere di Guarcino
3 categories of products:
Print-based papers;
Unicolour papers;
Kraft paper, underlay and backer.

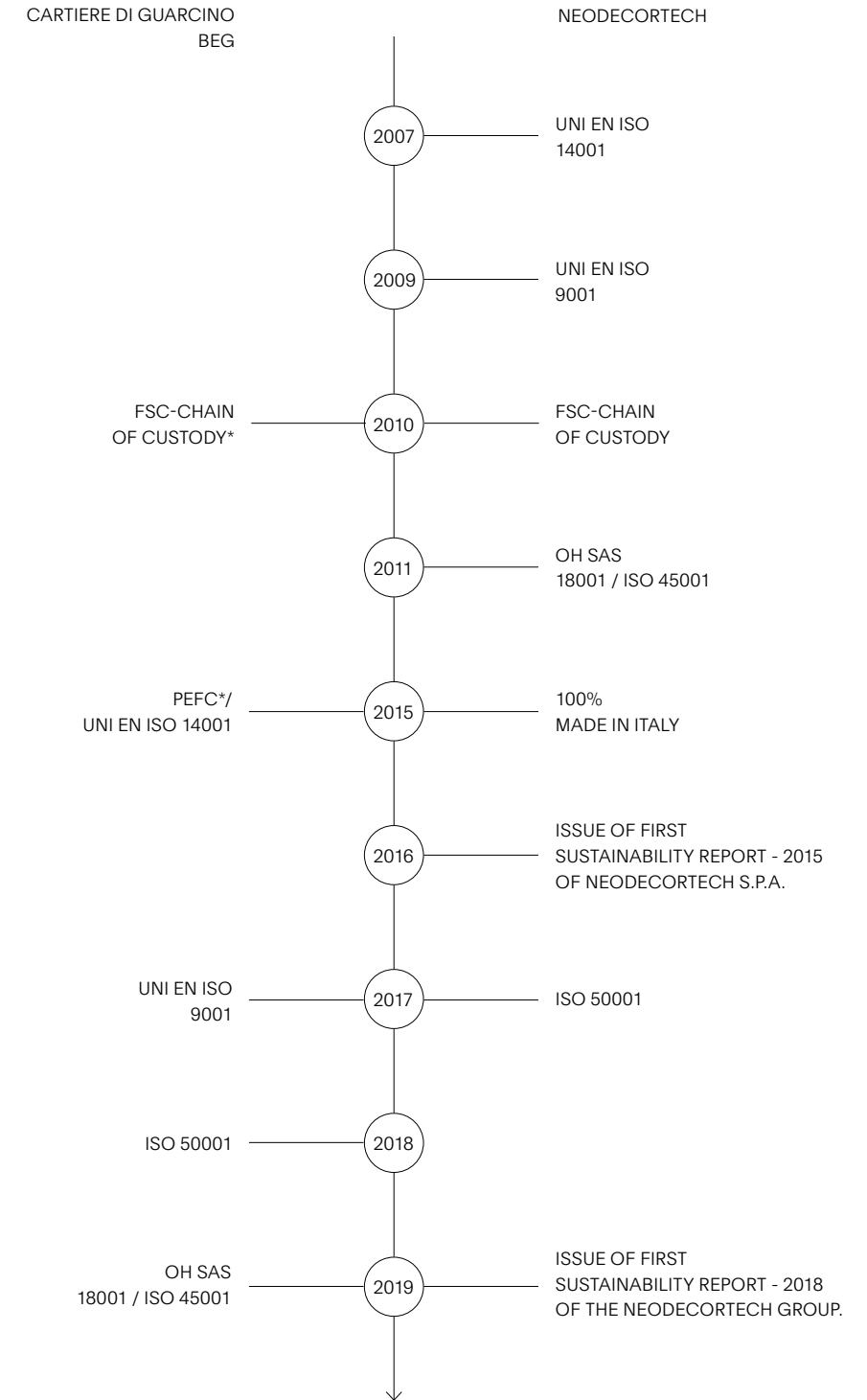
Confalonieri
4 categories of products:
DEC;
MEL;
FINISH;
EOS paper, anti-fingerprint paper.

Texte
1 product, laminate, divided into 5 sub-categories:
Microtop;
Thin Top: Standard, Post Formable,
Antistatic, Antibacterial;
Thin Top Titan Anti-fingerprint;
Laminex;

Plana
3 categories of products:
PPF;
PPLF;
EOS TP, plastic film anti-fingerprint.

Certifications

Proof of Neodecortech's strategic approach is its day-to-day action on all levels of activities. The certifications obtained provide stakeholders with solid proof of the commitments undertaken, as a result of the path that Group companies have been following for more than a decade now. The Group's certifications, listed below, have all been adopted voluntarily and are recognized internationally.



*Cartiere di Guarcino only

PPF Printed Plastic Film and 70 gr DEC Decorative Paper

Neodecortech has embarked on an in-depth review of the nature and type of impacts generated by its production processes, focusing on two strategic products:

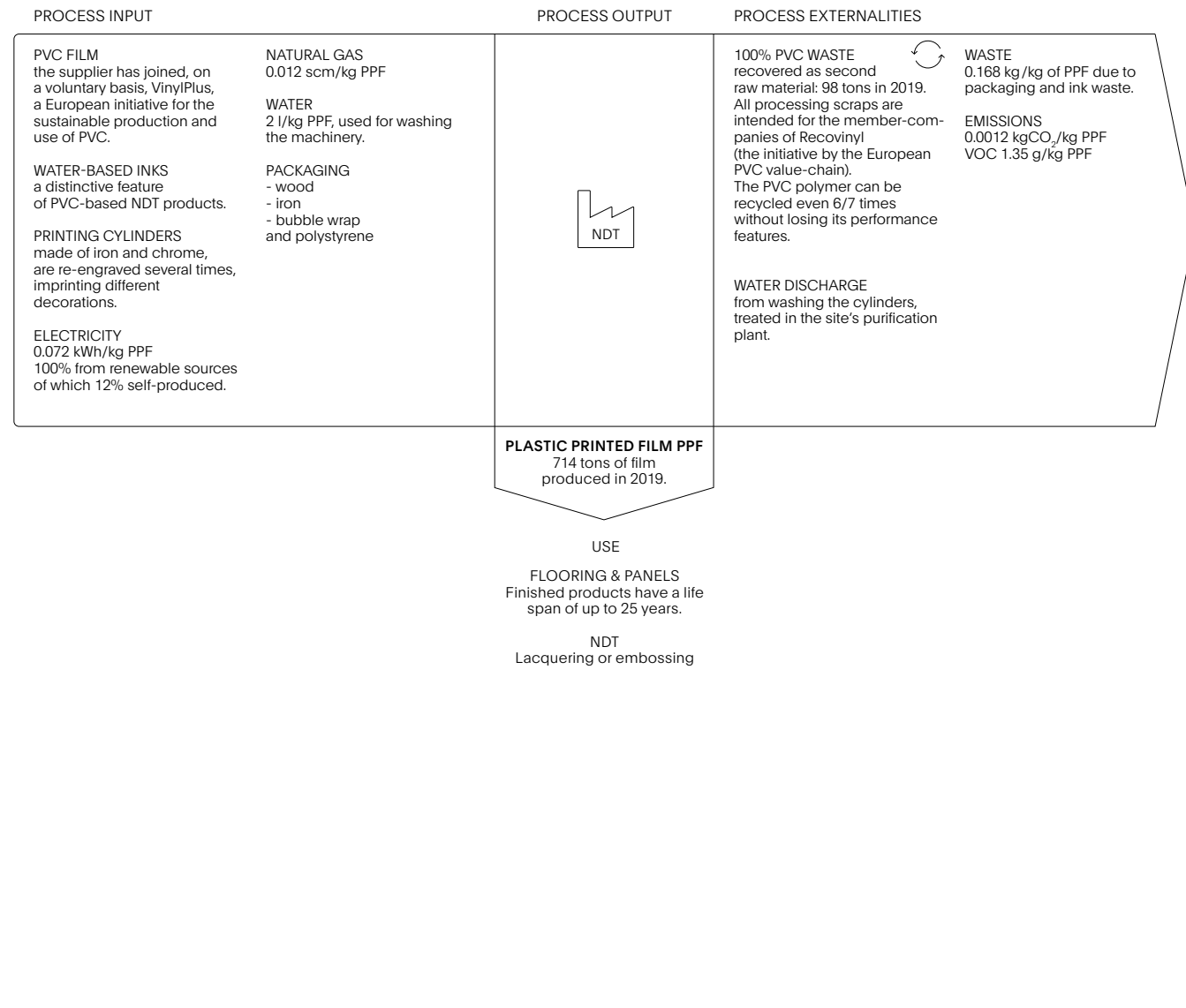
- PPF Printed Plastic Film, Neodecortech S.p.A.'s groundbreaking PVC film, created for the specific needs of the flooring industry, which requires not only stylistic excellence and the search for realistic, high-definition prints, but also a product that is safe and long lasting;

- 70 gr DEC Decorative Paper, the production of which involves all the Group companies from an integrated supply chain perspective, encompassing sustainable energy production by BEG, the transformation of pulp into paper by CDG, and printing by Neodecortech S.p.A..

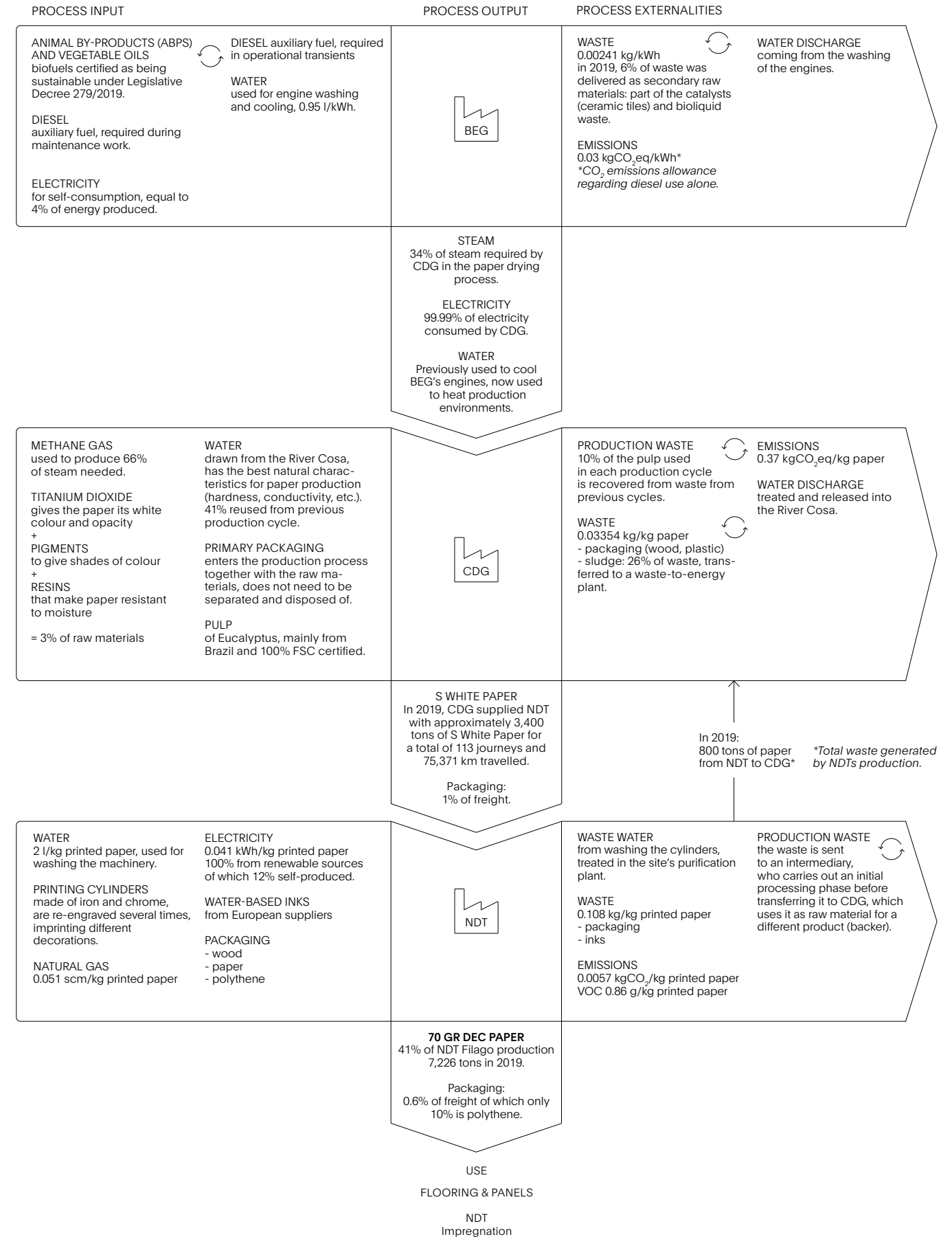
This activity has helped highlight the possible areas for improvement and the virtuous initiatives implemented by Neodecortech, with the ultimate aim of setting an action plan for reducing the environmental and social impacts of these products.

All the reported data refer to production volume and not to sale volume.

PLASTIC PRINTED FILM PPF

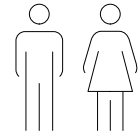


70 GR DEC DECORATIVE PAPER



Human Resources

Nel 2019:
378 Employees
12 recruitments <30 years



14 % Women
86 % Men

21 employees < 30 years
216 employees = 30-50 years
141 employees > 50 years

Human resources are a crucial asset for any company. Neodecortech aims to ensure that its approach to the management of human resources evolves in sync with the changing environment in which the Group businesses operate, mindful of the wellbeing of its employees and with a responsible attitude.

- Neodecortech S.p.A. Filago: awarding company tutors a prize for achieving the training goals of new employees.
- Neodecortech S.p.A. Filago: the company is putting in place procedures to give employees the possibility of receiving production bonuses in the form of welfare instruments.

The skills of the people who make up the company are a core distinctive feature and give a significant boost to strengthening its competitive edge. Neodecortech considers ongoing, high-quality training as a key element, necessary for both professional individual satisfaction and the success of the Group.

Training must enable human resources to develop cross-cutting expertise, to refresh their professional skills and to protect themselves against health and safety risks.



2,860 hours of training delivered
7.6 hours of training delivered per capita

LOCAL-BASED TRAINING

For over twenty years now, the Group companies have been organizing internships for high-school students and cooperating with universities, providing traineeships or assistance in preparing dissertations.

In 2019, the Filago offices of Neodecortech S.p.A. continued to cooperate with local high schools, setting up a work-related learning path for 2 final-year students. As for Guarcino, CDG assisted a university student in preparing the dissertation, while BEG started an internship for a trainee with La Sapienza University of Rome.

SIGNIFICANT EVENTS IN 2020

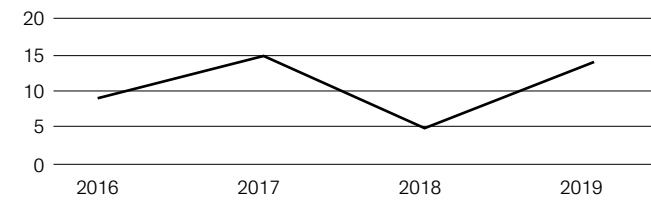
Taking account of the economic crisis brought by the spread of the Sars-Covid 19 virus, Neodecortech S.p.A. has set up a company welfare plan for a maximum amount of € 650,000 intended for its employees, excluding executives.

Neodecortech places the health and safety of its employees at the heart of its very nature and business activities. In this regard, the Group's commitment is also shown through the certifications obtained, such as OH SAS 18001 for the Filago offices of Neodecortech S.p.A., and the new ISO 45001:2018 edition for BEG and CDG.



- Training on occupational health and safety: 46% of total training delivered
- + 70% versus 2018

OCCUPATIONAL INJURIES TREND



SUSTAINABILITY IN THE COMPANY

Neodecortech S.p.A. has chosen to involve the employees from Filago in its path of sustainability starting from the small daily gestures. In 2019, the company provided the 175 employees from Filago with a water bottle, and installed fresh water dispensers to encourage them to adopt sustainable habits.

GOALS



4. QUALITY EDUCATION

4.3 NDT Group: establish a scholarship program for employees' children. The scholarships will be at least 30, granted over the three-year period 2020-2022, for a total value of € 30,000.

4.4 NDT Group: outline a three-year plan to involve the local communities in training programs, which will envisage opportunities for showcasing businesses, as well as work-related learning paths (the Italian alternanza scuola lavoro program). The aim is to start at least 1 work-related learning path every year in each site and, at the end of the three-year period, to recruit at least one of the students involved in the project in each site.



8. DECENT WORK AND ECONOMIC GROWTH

8.8 Neodecortech S.p.A.: improve safety conditions at work for its employees by reducing the number of minor injuries (<30 days) by 20% and eliminating the number of serious injuries by the end of 2020.

8.8 Cartiere di Guarcino and BEG: keep the injury frequency rate, injury severity rate and incidence rate below INAIL statistics.

Sustainable Supply Chain Management

Responsible management of social and environmental impacts along the supply chain is now one of the focus areas required of companies committed to sustainability.

Responsible management of the supply chain is all the more important in the case of Neodecortech, since the Group has established itself over time as an integrated supply chain: the selection of suppliers and the responsible management of potentially critical issues of each company are a key element that affects the performance of all Group companies.



BEG Supply Chain

BEG uses mainly certified sustainable bioliquids of animal origin (ABPs), by-products coming from other production processes.

The waste used is produced within a radius of 70 km from the plant of use or, alternatively, in at least three Italian regions, in accordance with the framework supply chain agreements signed by MIPAAF (Ministry of agricultural, food and forestry policies) and the trade associations Confagricultura, Assocarni, Assograssi and Assoelettrica. In 2019, the company also made use of certified sustainable vegetable oils, in accordance with the Decree dated November 14th 2019 of the Ministry of the Environment and of Land and Sea Protection.

A few dozen strategic suppliers cover Neodecortech's raw material requirements, which is typical of companies that operate in highly specialized fields. Additionally, the specific nature of materials used in the production processes (e.g. pulp, inks, resins, titanium dioxide, etc.) implies the need to often look beyond national borders in order to identify the most suitable supplier. Nevertheless, when possible, the Group companies opt for local suppliers, especially for maintenance activities, transportation and other ancillary services.



GOAL

In 2020, Neodecortech will launch a project to map its Group supply chain in order to highlight the most relevant topics and define appropriate sustainable management strategies.

Product Quality

Quality is a distinctive feature of Neodecortech products, even more so for a Group that stands as one of the top European players in the highest segment of its relevant market, standing out for its typically Italian style. Product quality is a cross-cutting concept that involves all business processes: from the nature of raw materials, to the innovation of production processes, and from the certifications obtained to after-sales customer services.

The Neodecortech Group aims to be reputed as an all-round business partner, and therefore considers customer satisfaction to be a cornerstone of its strategy. In this regard, the number and nature of complaints are duly checked, and customers are regularly involved in the administration of satisfaction questionnaires.

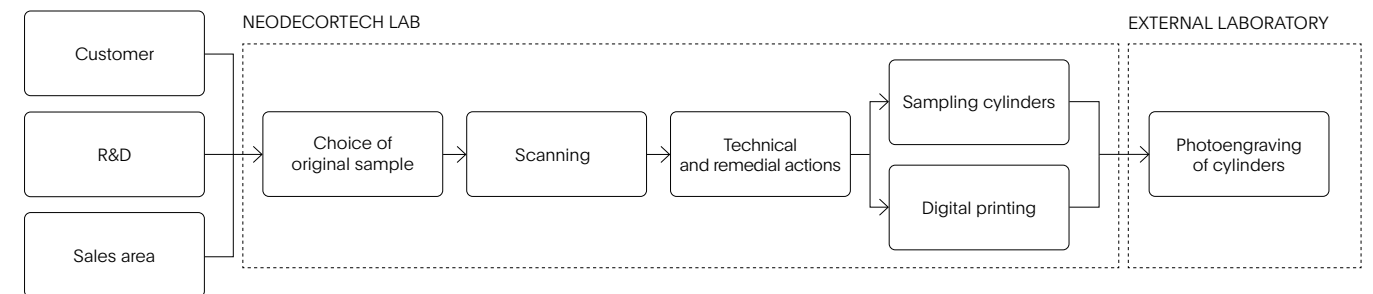
Research and Development

For Neodecortech, quality means offering consistency, originality and technical perfection of its designs. Quality and customer satisfaction are therefore closely tied to Research and Development, for ongoing product improvement - starting with CDG - and constant search for unique decorations - for Neodecortech S.p.A.

NEODECORTECH LAB

Since 2010, Neodecortech's R&D department has turned into the Neodecortech Lab, a technical and stylistic research laboratory dedicated to meeting customer needs and anticipating trends, reproducing woodgrains, marbles, metals, textures inspired by fabrics and abstracts, decors inspired by natural materials or simply envisioned.

The creation of a new decor can be sparked by the wishes of a customer or by internal creativeness and the inspiration can come from any material - natural wood, stone or fabric - or simply from an idea. A window on the world that translates every year into approximately 60 new designs and over 2,000 colour variants, decors specifically created for the target industries. Neodecortech Lab works side by side with the sampling department: its digital printers provide meticulous sampling and matching to the sample, offering customers the highest reproduction quality plus fast work time.



Local Communities

Neodecortech deems it crucial to interact with the communities and territories where the Group's 3 sites are located, and has always striven to be a reliable and transparent manufacturer. The fair and regular management of all regulatory aspects regarding Group activities, together with the guidelines adopted over time, have helped establish a cooperative dialogue with local governments, institutions and authorities.

CORPORATE DONATIONS

For Neodecortech, donations are one of the means companies can use to actively contribute to local community life, sharing success and hardships. The scope of such donations varies obviously with the peculiarities of the territory and its needs, and can be:

- social, this includes initiatives such as scholarships for the worthiest students in the Municipality of Filago (where one of the production plants of Neodecortech S.p.A. is located), support to local firefighting forces, the contribution for a car dedicated to carrying disabled people in the Alta Ciociaria area, and the donation of sports equipment for a youth recreational centre;
- cultural, such as the contribution to Fondazione Donizetti of Bergamo.

Moreover, in 2019, the Group decided to make a donation to Associazione Diakonia Onlus, linked to the Bergamo Caritas, for the building of a well in Africa.

SIGNIFICANT EVENTS IN 2020

On 23 March 2020, in the very midst of the emergency caused by the spread of the Sars-Covid 19 virus, Neodecortech S.p.A. made a donation of € 50,000 to the Papa Giovanni XXIII Hospital in Bergamo.

GOAL

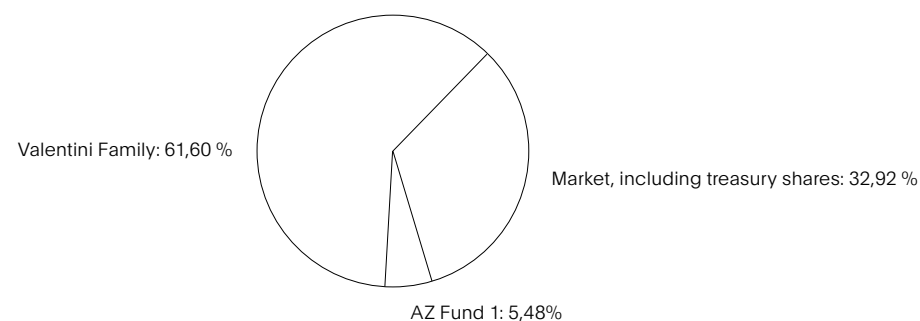


11. SUSTAINABLE CITIES AND COMMUNITIES

11.4 NDT Group: sustain local initiatives aimed at supporting cultural and charitable associations active in areas where the Group sites are located.

Financial market

In 2017 Neodecortech was listed on AIM Italia. The listing marked a challenge for a small production group, which has been able to evolve over time and turn into a trustworthy player for its relevant markets. The listing has expanded the network of stakeholders, and today the Group aims to build trustworthy relations with the financial market, fostering an ongoing dialogue with investors and financial analysts, through detailed and timely communication that can provide an accurate picture of the Group's value. This transparency approach is in line with the increasing attention that investors are paying to ESG (Environmental Social and Governance) issues, which have been the subject of the Group's reporting since 2015. The events attended by Neodecortech in 2019 include: AIM Italia Conference Milan, Mid & Small, Banca Profilo Event (Milan) and Deutsches Eigenkapitalforum (Frankfurt). Neodecortech shareholder base at the date of this document.



GOAL

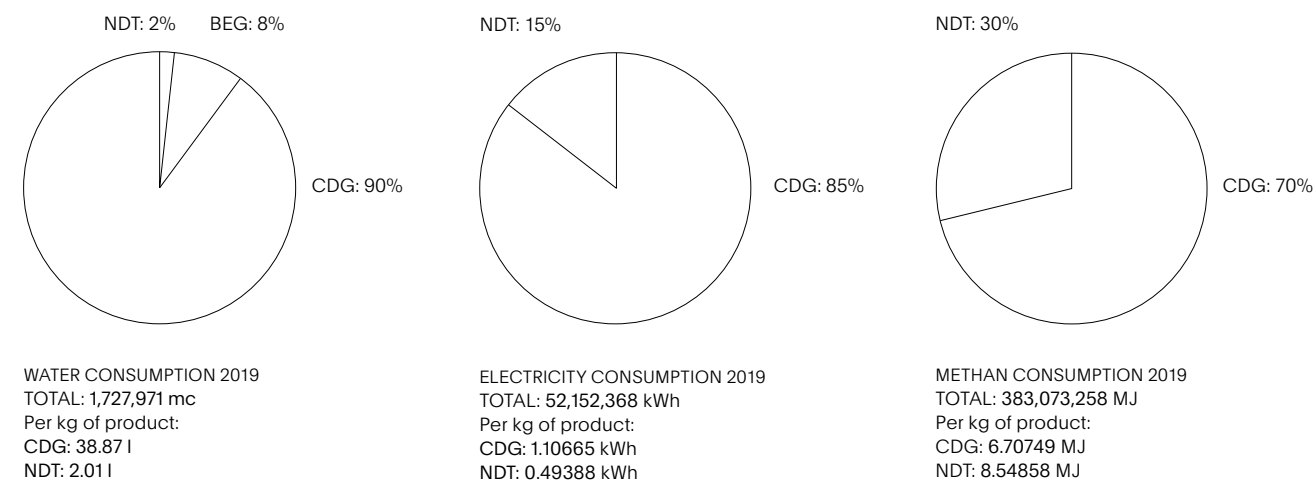
Neodecortech aims to be listed on the MTA by spring 2020.

SIGNIFICANT EVENTS IN 2020

The above target was achieved on 21 May 2020. Borsa Italiana S.p.A. provided for the start of trading of the Company's ordinary shares and "Warrant Neodecortech 2018-2021" on the Mercato Telematico Azionario ("MTA", electronic stock market) from 25 May 2020.

Environmental Performance

Neodecortech is aware that the long-term success of the company depends also on its environmental footprint, as well as on ongoing research into the most innovative techniques that can be applied to its production processes. Both issues are crucial to address the changes that today's economic and social environment requires of all companies. Neodecortech, therefore, cannot afford not to play a proactive role in helping to build a better future through more sustainable production processes and products.



WATER CONSUMPTION 2019
 TOTAL: 1,727,971 mc
 Per kg of product:
 CDG: 38.87 l
 NDT: 2.01 l

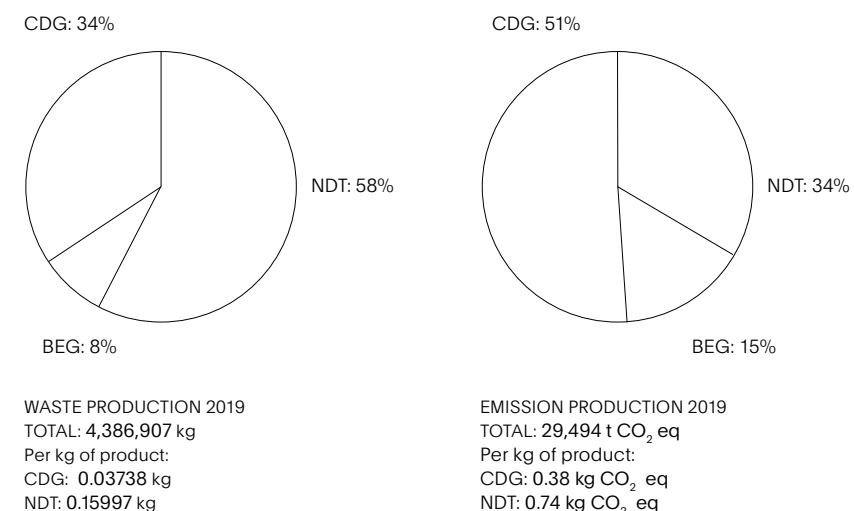
ELECTRICITY CONSUMPTION 2019
 TOTAL: 52,152,368 kWh
 Per kg of product:
 CDG: 1.10665 kWh
 NDT: 0.49388 kWh

METHAN CONSUMPTION 2019
 TOTAL: 383,073,258 MJ
 Per kg of product:
 CDG: 6.70749 MJ
 NDT: 8.54858 MJ

Per kWh generated by BEG: 0.95 l

99% electricity from renewable sources

In 2019, BEG produced 151,166,050 kWh of energy, over 29% of which was used to cover all of CDG's electricity needs, while the remainder was sold to the grid (gross of pressure losses and self-consumption).



WASTE PRODUCTION 2019
 TOTAL: 4,386,907 kg
 Per kg of product:
 CDG: 0.03738 kg
 NDT: 0.15997 kg

EMISSION PRODUCTION 2019
 TOTAL: 29,494 t CO₂ eq
 Per kg of product:
 CDG: 0.38 kg CO₂ eq
 NDT: 0.74 kg CO₂ eq

Per kWh generated by BEG: 0.00241 kg

Per kWh produced by BEG: 0.03 kg CO₂ eq*
 *CO₂ emissions allowance regarding diesel use alone.

EMISSIONS BY NEODECORTECH S.P.A.

- For 13 years the Filago offices of Neodecortech have been ISO 14001 certified: the environmental certification was the first ever achieved, in stark contrast with the average of manufacturing SMEs, which clearly shows the deep-rooted attention paid to environmental impacts.
- Monitoring of the emissions of each production line, as required by AIA.
- For 20 years now, the plant has operated a formaldehyde and VOC (volatile organic compounds, part of organic solvents that can be transferred into the environment through emissions) abatement system that allows compliance with both national and the more stringent regional limits: 50% below the VOC emission limit.
- In 2019, the environmental certification was extended to the Casoli di Atri offices.

GOALS



7. AFFORDABLE AND CLEAN ENERGY

7.2 Cartiere di Guarcino: increase energy from renewable sources by 3% by 2020.
7.2 BEG: purchase electricity from the external grid that is 100% certified to come from renewable sources by 2020.

7.3 Neodecortech S.p.A. Filago:

- Reduce electricity consumption by 2.5% by 2020 (disregarding the systems installed between the end of 2019 and the beginning of 2020).
- Reduce methane gas consumption by 2.5% by 2020 (disregarding the systems installed between the end of 2019 and the beginning of 2020).

7.3 Cartiere di Guarcino:

- Reduce thermal energy consumption by 10% by 2022.
- Reduce electricity consumption by 2% by 2022.
- Reduce overall energy consumption by 8% by 2022.

7.3 BEG: optimize steam absorption by increasing the steam transferred to CDG by 2.3% by 2020.



6. CLEAN WATER AND SANITATION

6.3 Neodecortech S.p.A. Filago: increase the amount of waste water treated and not disposed of by 6% by the end of 2020.
6.3 Cartiere di Guarcino: by increasing the use of treated water in production processes, reduce fresh water consumption per ton of paper by 4% by the end of 2020.

6.3 BEG: reduce the consumption of fresh water for cleaning and maintenance by 5% by recovering condensed water and steam by the end of 2020.

6.4 Neodecortech S.p.A. Filago: reduce water withdrawal by 2,5% by optimizing washing processes in production cycles by the end of 2020.

6.4 BEG: reduce water withdrawal for system cooling by at least 50% by the end of 2020.



12. RESPONSIBLE CONSUMPTION AND PRODUCTION

12.5 Neodecortech S.p.A. Filago:

- Reduce plastic packaging use by 2,5% by 2020.
- Reduce mixed packaging disposal by 5% by 2020.
- Reduce resin disposal from production processes by 5% by 2020.
- Reduce paper disposal by 5% by 2020.

12.5 Neodecortech S.p.A. Casoli di Atri:

- Reduce mixed packaging disposal by 5% by 2020.
- Find a way of recovering crumb produced by 2021.
- Reduce paper disposal by 5% by 2020.

12.5 Cartiere di Guarcino:

- Reduce pulper waste by 4% by 2020.
- Reduce sludge from the production process by 4% by 2020.
- Reduce non-separated waste by 5% by 2020.
- Improve the management of plastic packaging waste, recycling 25% of such waste by 2021.

12.5 BEG: provide 100% of the spent catalytic material as second raw material by 2020.



13. CLIMATE ACTION

13.1 BEG: define a system for measuring direct CO₂ equivalent emissions that includes the combustion of animal by-products and vegetable oils.

Wood Raw Materials

In 2019, Neodecortech continued its commitment to the responsible and sustainable management of forests, reinforcing its approach to responsible sourcing of pulp and paper, the Group's main raw materials.



PULP PURCHASED 2019

PAPER PURCHASED 2019



CDG products include backer papers (a particular type of product, created to meet the needs of the flooring market). In this case, the main raw material consists of cellulose waste, in particular leaflets recovered from production waste (winders waste, breaks during paper sheet formation and non-conforming end products) and sub-products (first and second production waste made of cellulose fiber).



The total amount of waste paper generated at the Neodecortech S.p.A. sites is carefully separated from possible pollutants and then reused in CDG's production processes. The Group relies on a supplier who operates in the waste paper recovery field for the recovery, transport, sorting and compacting of recyclable waste to be reintroduced into the distribution chain.

In 2019, approximately 800 tons of waste paper were collected from the Filago site and delivered for recovery to CDG. Some were directly reused by the paper mill (42%), some were processed by an intermediary before being delivered to CDG as secondary raw material (58%).

GOALS



15. LIFE ON LAND

15.2 Neodecortech S.p.A. Filago: increase FSC certified wrapping/transfer paper by 30% by 2020.

15.2 Neodecortech S.p.A. Casoli di Atri: purchase of FSC certified paper only by 2021.

All Environmental Performance data and goals refer to production volume and not to sale volume.

Other Raw Materials

From end 2015, in answer to market demands and requests, the Group decided to add new supports to printed and impregnated paper, inaugurating a new production line of PVC-based products with the PLANA line.



In keeping with the Group's Sustainability Policy, for the production of the new PVC product line, Neodecortech S.p.A. has chosen to prove its compliance with the principles of circular economy and the responsible use of raw materials, by delivering PVC production waste only to disposers who adhere to the European Recovinyl initiative.

This initiative aims to facilitate the collection and recycling of PVC scrap/waste under the VinylPlus voluntary commitment.

- 98 tons of PVC recovered in 2019.

VinylPlus is a voluntary commitment by the European PVC industry to sustainable production and use of PVC as a plastic material. The scheme creates a long-term framework for the sustainable development of the PVC industry by setting 5 main goals: increase the amount of recyclable PVC, foster the sustainable use of additives added to PVC, steadily reduce greenhouse gas emissions as well as energy and primary resource consumption, move towards a circular economy, build sustainability awareness.

In Groups such as Neodecortech, chemicals permeate all of the production processes, and have a dual dimension: on the one hand, they reflect the end result of the innovation process and allow improvements in the quality and/or performance of products; on the other, their use can generate negative externalities that must be managed responsibly. The responsible management of chemicals must, therefore, be developed both on an external front, by monitoring market innovation, and on an internal front, with the training of human resources and with investments in plant, equipment and tools suitable for adapting the Group's activities to innovation.

GOALS



- 12. RESPONSIBLE CONSUMPTION AND PRODUCTION
- 12.4 Neodecortech S.p.A. Filago: reduce the risk profiles (H-phrases) of lacquers and varnishes by 5% by 2020.
- 12.4 Neodecortech S.p.A. Casoli di Atri: reduce the amount of solvents used in production processes by 50% by 2020.
- 12.4 Cartiere di Guarcino: use 90% of environmentally friendly chemicals by 2020.
- 12.4 BEG: reduce the use of ammonia solutions by 2.85% by mid 2021.

