



Luxembourg, 21.09.2022

Environmental and Social Data Sheet

Overview

Project Name: SAVIOLA SUSTAINABLE FURNITURE II
 Project Number: 2022-0003
 Country: Italy
 Project Description: The project concerns a selection of the promoter's capital investments planned for the period 2022-25 and carried out in existing locations of the Wood and Furniture business units as well as RDI activities on products and processes.

EIA required: yes

Project included in Carbon Footprint Exercise¹: yes

(Details for projects included are provided in section: "EIB Carbon Footprint Exercise")

Environmental and Social Assessment

Environmental Assessment

The project is formed by two main components: investments in machinery and equipment to modernise and expand the Promoter's manufacturing capacity of particleboard and Ready-To-Assemble furniture (RTA), as well as RDI activities on new products and processes.

The investments include a greenfield, continuous press for particleboard and a new melamine-facing line. Industrial plants for the production of paper and boards fall under the Annex II of the Directive 2011/92/EU amended by the Directive 2014/52/EU and, as such, the need for an EIA is at the discretion of the local competent environmental authorities. The local authorities have required an EIA for the Promoter's manufacturing plant where these two investments will be carried out. The permitting process is ongoing and it is expected to be completed by mid-2023.

The submission to the Bank of the full EIA Report for the publication on the Bank's website as well as the building permits is a condition for disbursement of the EIB funds related to these two project's components.

The RDI activities part of the project as well as the remaining machinery and equipment for particleboard machining and processing, do not fall under any annexes of the Directive 2011/92/EU amended by the Directive 2014/52/E and, as such, are not covered by the EIA directive.

¹ Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO₂e/year absolute (gross) or 20,000 tonnes CO₂e/year relative (net) – both increases and savings.



Luxembourg, 21.09.2022

The part of the project focussed on the deployment of modern technology and RDI activities on particleboards from reclaimed wood aim at improving the material efficiency (higher quantity of raw material that makes it to the final products) as well as at improving the mechanical properties of the panels (higher strengths and reduced weight and lower use of glue). These activities aim at developing and producing panels closer in terms of performance to those products produced from virgin wood. These undertakings allow a higher adoption of these panels produced from 100% of post-consumer wood and, therefore, support the transition to a circular economy.

The project is aligned with the Climate Bank Roadmap (CBR) and, as such, it is aligned with the principles outlined in the Paris Agreement as it concerns, within “Industry”, RDI activities on “Low-carbon technology and products, energy and resource efficiency, circular business models” as well as, in relation to the capital investments, “Manufacturing in a non-ETS sector”.

EIB Carbon Footprint Exercise

The project’s estimated annual emissions in a standard year of operation have been estimated at 31.4 kT CO₂e/year absolute (gross). The estimated emissions savings is 7.5 kT CO₂e/year. The project entails the replacement of outdated and less efficient production lines with modern machinery and equipment that will increase the production capacity and be more energy-efficient.

The estimation is prudential because there are other benefits, such as the higher (raw) material conversion efficiency guaranteed by the new production lines that have not been considered.

A weighted average calculated on the energy consumption of projects financed by the Bank shows energy saving in the range of 17%, with additional benefits in terms of reduction of emissions deriving from the wider use of wood waste as an energy source compared to the current situation. The boundary of the Carbon Footprint Exercise is represented by the standalone investments financed by the Bank and, when data were not available at the investment level, by the total emissions of the plants concerned by the investments. The Baseline used for the calculation of the relative emissions (emission saving) is represented by the emissions that would be generated by the current machinery if they were to produce the volumes guaranteed by the new financed investments.

For the annual accounting purposes of the EIB Carbon Footprint, the project emissions will be prorated according to the EIB lending amount signed in that year as a proportion of project cost.

EIB Paris Alignment for Counterparties (PATH) Framework

The counterparty SAVIOLA is in scope and screened into the PATH framework. The definition and publication of a decarbonisation roadmap according to the Bank’s PATH framework is a contractual requirement.

Other Environmental and Social Aspects

The Group is the world's leading transformer of wood waste, with a recycling capacity of some 1.2 million tonnes of post-consumer wood per year. The production philosophy is based on the recovery and reuse of secondary raw materials that can be reused through an economically and ecologically sustainable process.

The investments will allow for efficiency improvement of the production processes. As such, the financing of the planned investments will have a positive impact on the environment. All the



Luxembourg, 21.09.2022

companies of the Group are certified according to ISO 9001; the company Composad – Ready-to-Assembly furniture – is certified ISO 18001 while the Sidepan Chimica Company holds the ISO 14001, the EMAS and the UNI 10617 certifications, showing that quality, environment, health and safety aspects are well integrated into the Group's management procedures.

Conclusions and Recommendations

In the light of the above, the project is acceptable for EIB financing in E&S terms.