



PANGUANETA

Plywood For Life

**SUSTAINABILITY
REPORT
2020**

WHY DRAW UP A SUSTAINABILITY REPORT?

The first Sustainability Report of Panguaneta acts as a reporting and regulatory compliance tool, as well as a communication, dissemination and dialogue tool with the stakeholders on the main environmental, economic and social aspects that characterize the company and turn out to be more significant based on the materiality analysis.

The drafting of the Sustainability Report involved company managers who gathered through meetings and discussion workshops. Together with them, many representatives of company functions took part in the process, each with their own skills.

Panguaneta's future objectives are defined according to the company's strategic planning tools: the Industrial Plan, the Strategic Plan, the Budget definition and the Management Systems. During the solar year, various occasions contribute to the strategic planning, for example the review of the Energy and Environment Management Systems, the drafting of the Economic Report and the regular safety meeting.

The reporting activity goes hand in hand with the analysis of material issues and the identification of the Company's internal and external stakeholders.

This report has been drawn up in compliance with the **GRI Standards** (Core option) and refers to the 2018/2019/2020 reporting period.

The Report
will be updated
every 3 years.

The Sustainability Report
of Panguaneta SpA was
verified by DNV.

LETTER TO THE STAKEHOLDERS

*Panguaneta
has always developed
a sustainable business,
even before it was codified
by rules and standards,
paying attention to people,
the approach to work
and production and a close
connection with the territory.*

This first edition is drawn up according to the strictest GRI* Standard compliance principles: we hope that our commitment will lead to positive feedback from our institutional, financial and commercial stakeholders, and engage in constructive dialogues with all of them, with the purpose of creating a network based on these principles.

Let us stress it again: our work stands out not only for the quality of our products, but also for our responsible choices, and this approach to business has been fundamental for us since the beginning of Panguaneta.

* GRI (Global Reporting Initiative) is a non-profit international organization that issues sustainable performance reporting standards.

We are glad to present the first edition of the Panguaneta Sustainability Report. It is the beginning of a stimulating work path that will gather all the actions undertaken to do business in a responsible way, and will highlight the efforts made to achieve these goals.

Panguaneta has always been oriented towards ethics and respect for resources and people: the new Sustainability Report precisely shows the enthusiasm of the company and all its employees.

It is an extraordinary opportunity for several reasons: the collection of the data necessary to draw up the report required even greater commitment and awareness on sustainability and the challenges that it entails; moreover, since this first edition refers to the 2020 year, it covers a complex year, when the COVID-19 pandemic has inevitably affected the expectations and performance of the company.

Therefore, the Sustainability Report becomes particularly important: it tells the positive and negative aspects of our experience with transparency, the difficulties and successes, but, above all, shares the daily and extraordinary work of Panguaneta.

Today we confirm our commitment on all fronts: the management of energy resources, the well-being of our employees, the impact on local communities - to which we belong - and on the environment.

This is not just a confirmation, but a renewed commitment to investing and innovating our processes and products to meet our sustainability goals. In this regard, in 2020 we took significant steps forward despite the difficulties deriving from the pandemic.

Therefore, we want to continue on the path that we have taken for a long time, but, at the same time, to make it public and accessible for the first time, thanks to the draft of the Sustainability Report: in the future years, it will be a priority and an important opportunity to share the goals that we have reached, together with the difficulties that we have faced, strongly aware of the fact that we can overcome them with responsibility and involvement.



Chairman of the Board of Directors



PANGUANETA

*"Everyone has the power
to make the world
a better place"*

Sergio Bambaren

SOME STATISTICS ...

ENVIRONMENTAL DATA



CO₂ emissions
(tCO₂eq)

2018
5,689

2019
5,870

2020
5,305

Energy intensity
(MJ/tonnes of product)

8.26

8.43

8.79

Water intensity
(m³/tonnes of product)

4.76

4.69

7.57

Waste
(kg/tonnes of product)

26.46

24.56

27.64

ECONOMIC DATA



Turnover
(Millions of euros/year)

2018
77

2019
78

2020
68

EBITDA/Turnover
(%)

11.5%

12.0%

12.1%

Market expansion
(Number of export countries)

19

20

27

Incidence of spending towards local suppliers
(% local costs/total costs)

39%

44%

39%

CORPORATE AND SOCIAL DATA



Employees
(Number)

2018
190

2019
208

2020
206

Open-ended contracts
(% open-ended contracts/total contracts)

92.6%

95.7%

97.1%

Contributions to the community
(Thousands of euros)

26.9

20.5

43.8



OUR ROOTS

Established in 1960 in Sabbioneta by **Giuliano Azzi and Antonio Tenca**, **Panguaneta is a company that produces plywood made of poplar and exotic woods**. The factory overlooks the walls of the wonderful sixteenth-century city founded by Vespasiano Gonzaga, Lord of Sabbioneta, and inscribed in the World Heritage List in 2008. It is still a totally Italian company, which has remained loyal to its values and family culture with a strong connection with the territory. After half a century, the “great Panguaneta family” has now reached its third generation, although it has undergone many changes: the factory has been significantly expanded over the years and has become a reference point for the entire Po Valley area.

The enchanting environment in which it is located, the area of the Oglio and Po rivers, is particularly suitable for the cultivation of poplar, a precious wood that Panguaneta turns into plywood with innovative performance characteristics: **Italian Renaissance and environmental sustainability meet in the wonderful scenery of Panguaneta.**

OUR PATH

29 MARCH
1960

Date of establishment.
Panguaneta starts its business
with the production
of poplar plywood.

THE 19**60**s

Panguaneta grows
in the national market,
mainly addressing the building
and furniture sectors.

THE 19**70**s

Access to the German and Middle Eastern
markets. New products: plated panels
and chipboard made of poplar.
Investments in agricultural areas
for poplar cultivation.

THE 19**80**s

Expansion of the range with the addition
of products for the automotive, furniture
and design sectors, and opening
to European markets.
Strengthening of production areas.
The Rosa Anna and Rosa Luigia farm
is established, which specialises
in the cultivation and experimentation
of poplars for industrial application.

THE **90**s

Onset of the second generation.
Strengthening of the market leadership
and development of collaborations
with the leading industrial users in the sector.
The raw material supply chain is further
expanded thanks to strategic collaborations
with the main Italian poplar growers.

THE 20**20**s

60th anniversary, from our roots to the future.
The growth and development of the corporate structure
continue. The investments aimed at controlling
the environmental impact to reach the Carbon
Neutrality, goal - for the purposes of total circular
economy and sustainability - are increased.

THE 20**10**s

Panguaneta expands and renews its plants.
Significant increase in the production
capacity. Investments in the energy
autonomy from renewable sources:
the new biomass thermal power plant.

THE EARLY 20**00**s

The challenges of globalization.
Expansion in non-European Countries.
Growth of the “green path” as well
as of the product and system certification
process, always with a view
to sustainability.

PRINCIPLES AND VALUES



Family, environment, fairness, connection to the origins: Panguaneta strongly believes in the respect for these values and proves it with concrete commitments, relying on its 60 years of history that urges the company to plan the future in the name of sustainable development as well as to promote the sharing and ecological responsibility throughout the whole supply chain.

These are the principles that inspire Panguaneta, but what are the daily applications of such high values?

In compliance with Legislative Decree 231/01, in 2018 we drew up and signed a Code of Ethics that regulates areas that may seem distant from one another, but actually are strictly interconnected: respect for people's dignity and equal opportunities, the belief that differences are a wealth in terms of innovation, growth and development through constant dialogue and the exchange of ideas, opinions and experiences; **safety and safeguard of health and working conditions**, applied through constant training and checks, in order to make all the employees aware of the importance of responsible behaviour, and compliance with the hygiene and safety regulations applied to the workplace; **honest, fair and consistent behaviour** also when it comes to commercial and institutional relationships and towards our competitors. Therefore, the company promotes a positive model of competitiveness and fights against bribery.

We act in a coherent and responsible way in every relational sphere: towards the local community to which we belong as well, as towards customers and suppliers, workers and stakeholders, establishing relationships based on loyalty, cooperation and mutual respect.

In addition to the good practices enforced by the company, we recognise the value of two interlocutors: **the territory and the local community**.

Paying great attention to the needs and the future of both, we are committed to complying with the regulations in force to protect the environment and foster the development in such a way that it can be preserved for the next generations.

Conservation of resources, energy efficiency, the compliance with forest standards (through FSC® and PEFC certifications)* are debts of the gratitude that we owe to those who preceded us and helped us achieve this level of excellence, but, above all, are promises that we make to those who will come after us.

The awards that we are given during international events and technical workshops on forestry and ecological balance have the same value as the relationships that we establish with the people who live near us.

Here there are our roots, here there are our branches and our young twigs: as always, we will take care of all of them with the same attention.

**FSC® - Forest Stewardship Council: international certification attesting to responsible forest management.*

PEFC - Program for Endorsement of Forest Certification: program assessing the forest certification schemes, certification body promoting sustainable forest management.

GOVERNANCE

Panguaneta is a joint-stock company made up of four members. The company is led by a Board of Directors endowed with all the powers necessary for the ordinary and extraordinary management of the company without any limitation.

The members of the board of directors and senior managers of Panguaneta belong to the Azzi and Tenca families, the founders of the company, who have always been strongly connected with the Sabbioneta area, where they reside. In its strategic and managerial role, the Board supervises the planning, development and performance of the company, motivating Panguaneta's staff with a view to constant improvement and the achievement of sustainability targets.

● MAURO AZZI

President of the Board of Directors,
Plant and Production Manager

● NICOLETTA AZZI

Managing Director; Administration,
Finance and Supervision Manager

● MIRIAM TENCA

Managing Director; Quality
and Environment Manager

● FULVIA TENCA

Managing Director;
Human Resources Manager

Board of Directors:

Nicoletta Azzi, Mauro Azzi,
Miriam Tenca, Fulvia Tenca

Legal representative:

Mauro Azzi

Supervisory bodies:

Board of Statutory Auditors,
Vigilance Committee Leg. Decree 231

Auditing firm:

Ernst & Young

THE THREE GENERATIONS



Giuliano Azzi
and Antonio Tenca,
the founders
of the company



The third generation
is gradually integrated
into the company.
The young learn about
the company operation
through technical
and productive tasks

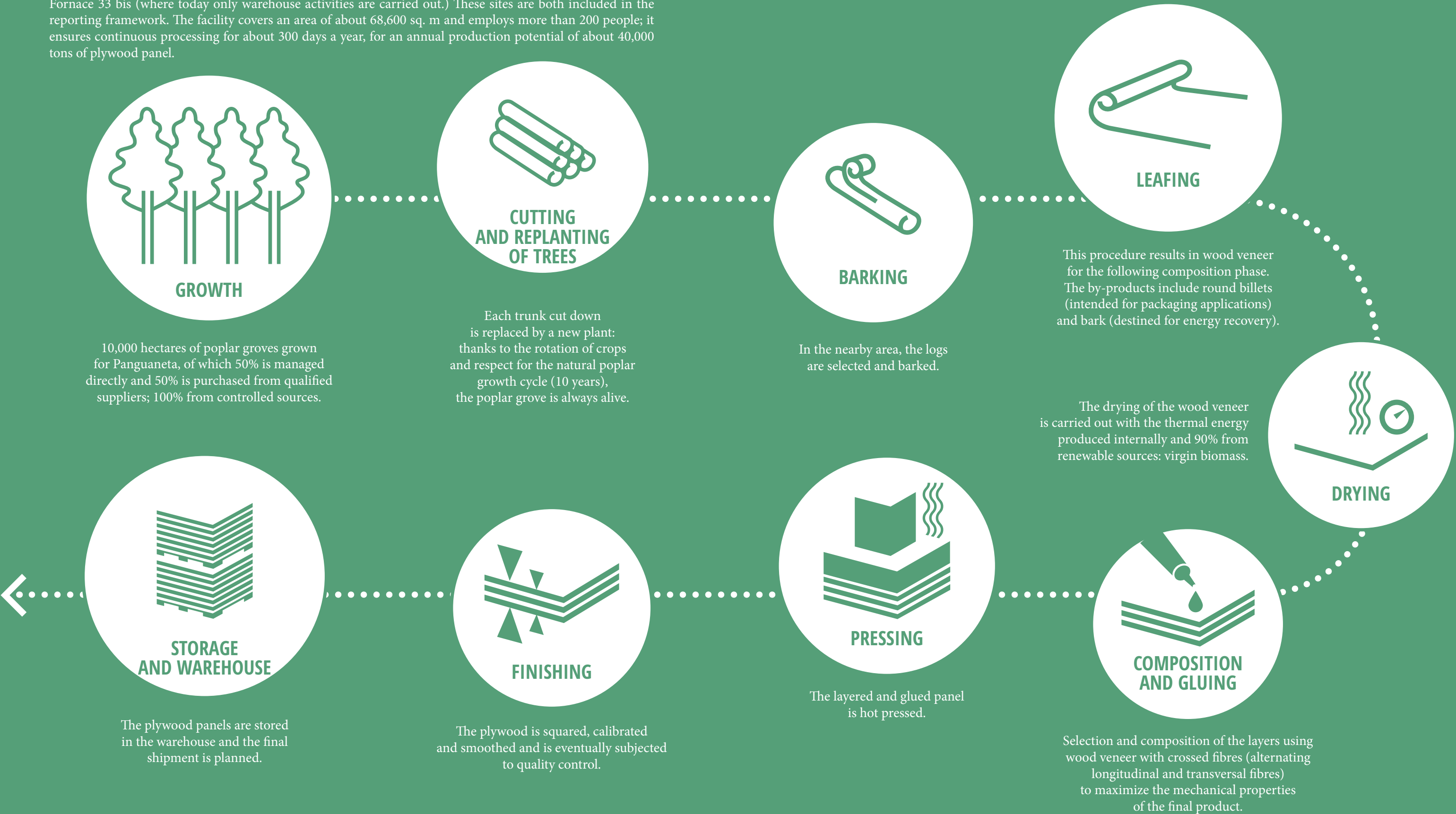


The second
generation who
is currently running
the family company

*A company that is
a family, a family
that gathers and passes on
its values to the company*

PRODUCTION PROCESS

The production facility is located in Sabbioneta, in Via Gino Solazzi 6/19 and in Villa Pasquali, in via della Fornace 33 bis (where today only warehouse activities are carried out.) These sites are both included in the reporting framework. The facility covers an area of about 68,600 sq. m and employs more than 200 people; it ensures continuous processing for about 300 days a year, for an annual production potential of about 40,000 tons of plywood panel.



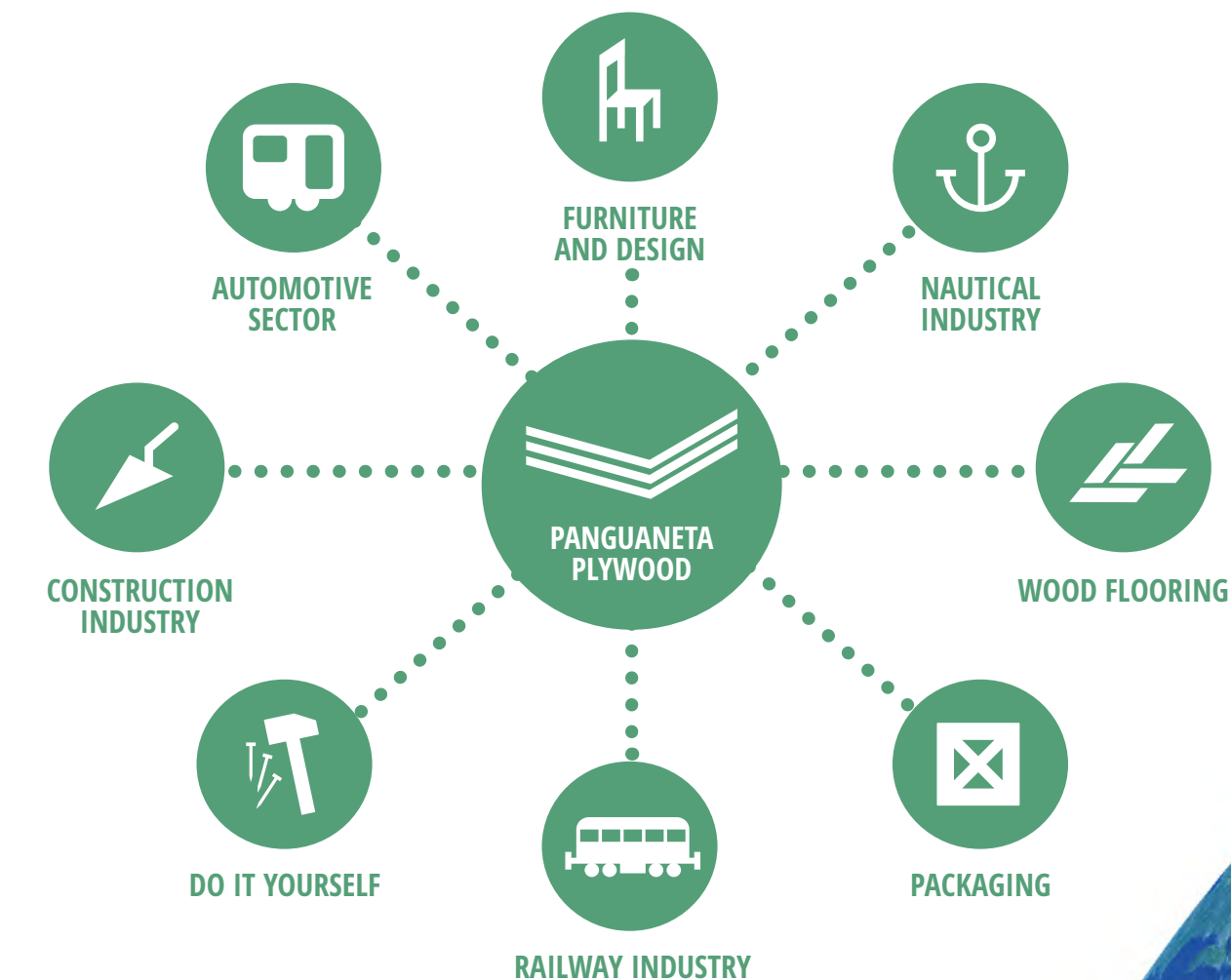
THE MARKET

For our relationships with suppliers and commercial partners, we are inspired by fairness and loyalty, enhancing our business strategy, granting the quality of our products and services and involving every aspect of the industrial cycle in a virtuous way. Requests and feedback provided by our customers as well as cooperations with producers, designers and architects all over the world guide our research and development activities and help us improve our products.

CUSTOMERS

Our customers are the heart of Panguaneta's commercial strategy. **Our work relies on the sharing of skills to identify and implement increasingly ambitious goals and to strengthen long-lasting relationships based on mutual trust.** The key to our success lies in our ability to improve the performance of our customers: more than 2,000 items in our catalogue can be customised to meet their requests. The products made by Panguaneta are mainly intended for the construction, automotive, nautical and furniture industries: we are accredited suppliers and one of the most qualified organized distribution centres.

We are able to reach all our customers thanks to a distribution network and commercial partnerships in over 25 Countries around the world. 78% of our commercial relationships involve foreign Countries, while the remaining 22% of the products is marketed on the national territory.



PARTNERSHIP

The cooperation with important players in the sector represents more than a simple commercial opportunity: in fact, it implies the sharing of knowledge, the identification of common objectives, the acquisition of a proactive mind-set and the joint planning, to build a shared future in a creative way, turning the individual visions in strong and constructive partnerships.

SUPPLIERS

Our internal procedures define the evaluation criteria with which we seek and choose our suppliers, consultants and business partners. Besides objectivity and professionalism, the management of ecological and social aspects by the suppliers plays a key role in the choice: in fact, we favour those who adopt technologies and production processes with low environmental impact or those who have obtained environmental certifications.

Types of Panguaneta suppliers:

- Suppliers of poplar logs
- Suppliers of exotic wood flakes
- Suppliers of accessory materials (resins and chemicals)





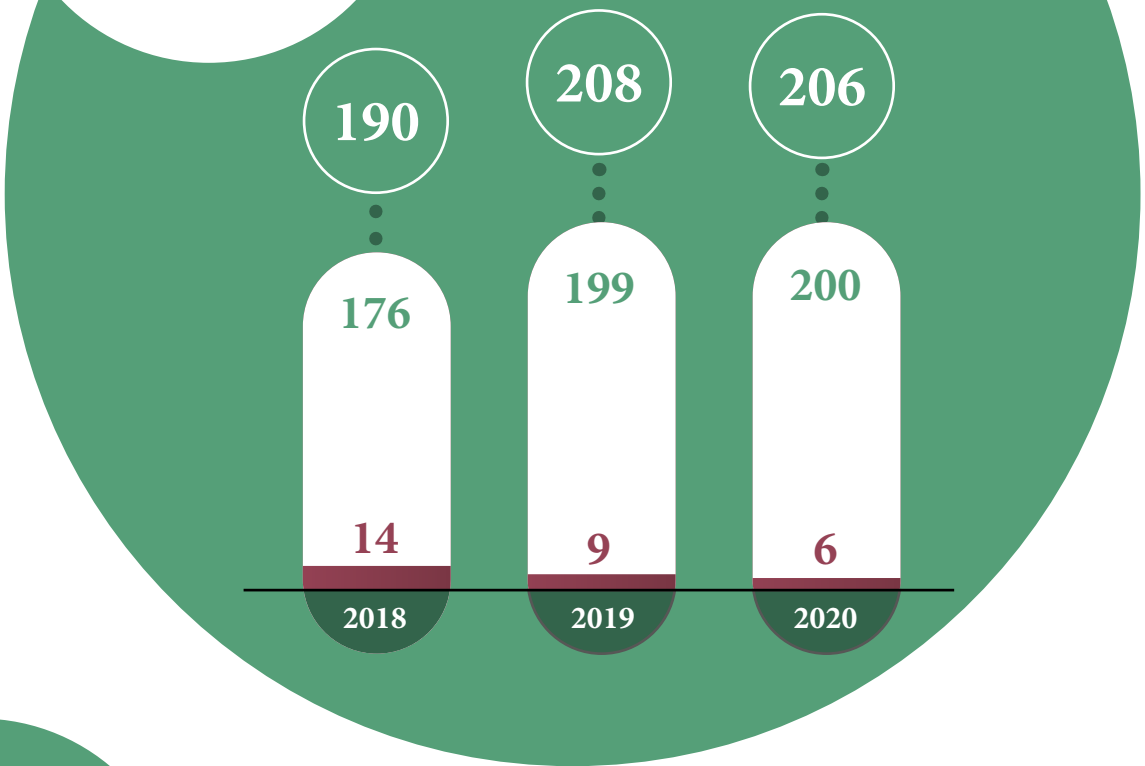
HUMAN RESOURCES

We recognize the value and dignity of work, therefore we are committed to guaranteeing a healthy work environment for all Pagnaneta employees. We take care of the relationships between individuals, the cooperations among the various departments and company functions, optimizing the operation methods and working hours. To confirm this commitment, **we promote stable and long-lasting employment**, and today 200 out of 206 employees are hired on a permanent basis.

Thanks to the implementation of these policies, the time spent by the employees in the company is high: the **overall turnover rate** went from 20.62 in 2018 to 24.63 in 2019 and then dropped to 14.49 in 2020.

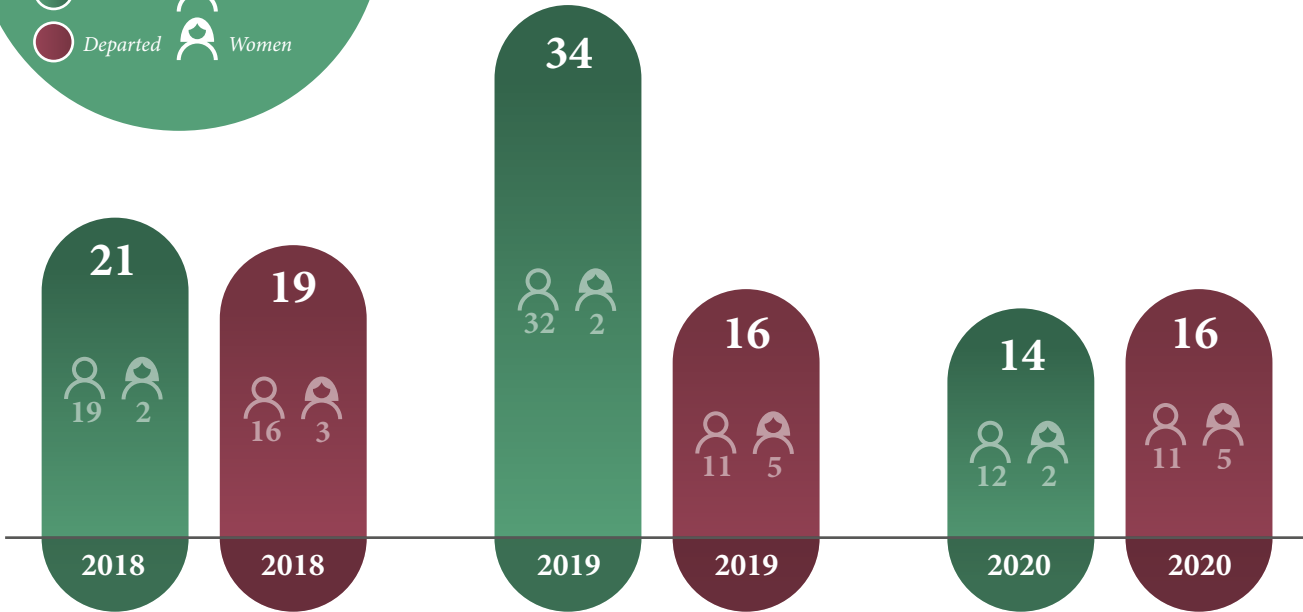
NUMBER OF EMPLOYEES PER EMPLOYMENT CONTRACT

- Open-ended employment contract
- Fixed-term employment contract



NUMBER OF HIRED/DEPARTED EMPLOYEE

- Hired
- Men
- Women
- Departed



2.

PANGUANETA PLYWOOD

"In the homogenisation
brought to globalisation,
the mastery expressed
by ancient crafts
has to be protected
just as works of art."

Carla Fendi



FOCUS PANGUANETA PLYWOOD

Lightness, colour, high homogeneity, ease of processing, gluing and finishing: our plywood keeps the characteristics typical of the wood of which it is made. Panguaneta poplar wood (thanks to the refined **I-214 clone**) can be turned into large sheets and panels without any defects. The resulting plywood panel has unique aesthetic characteristics.

Panguaneta plywood is a **100% Made In Italy** certified poplar product made of short supply chain wood. Poplar has a faster growth cycle than the other broadleaf trees and can be grown on marginal land, this is the reason why it has always been cultivated along the banks of the Po river.

By crossing the fibres, our plywood gets a **uniform mechanical response in all the directions**: it is stronger than solid wood, it does not shrink or expand and does not change its shape. The resistance being equal, structures made of poplar plywood are lighter than those made of wood from other European broadleaf trees or conifers.

Thanks to its high mechanical and aesthetic properties, Panguaneta plywood can be used for a wide range of applications, even in the most demanding processing industries. Thanks to the selection of environmentally-friendly raw materials, **Panguaneta plywood meets the sustainability requirements and represents an important contribution to sustainable production.**

Panguaneta pays great attention to environmental impacts:

- Reduction of ton CO₂ polluting emissions released during the production process.
- Production of thermal energy from renewable sources for about 90%.

PANGUANETA PLYWOOD MADE FOR LIFE

Panguaneta plywood has been approved according to the **Living Building Challenge**, the world's strictest standard for "green" buildings, managed by the International Living Future Institute. The Living Building Challenge target is net zero or net positive energy, together with the promotion of buildings intended as regenerative spaces that connect the inhabitants with the environment, with an energy footprint lower than that of common commercial structure.

Panguaneta produces more than 50% of its plywood with E05 emissions and exports panels falling within CARB2 and NAF emission classes.

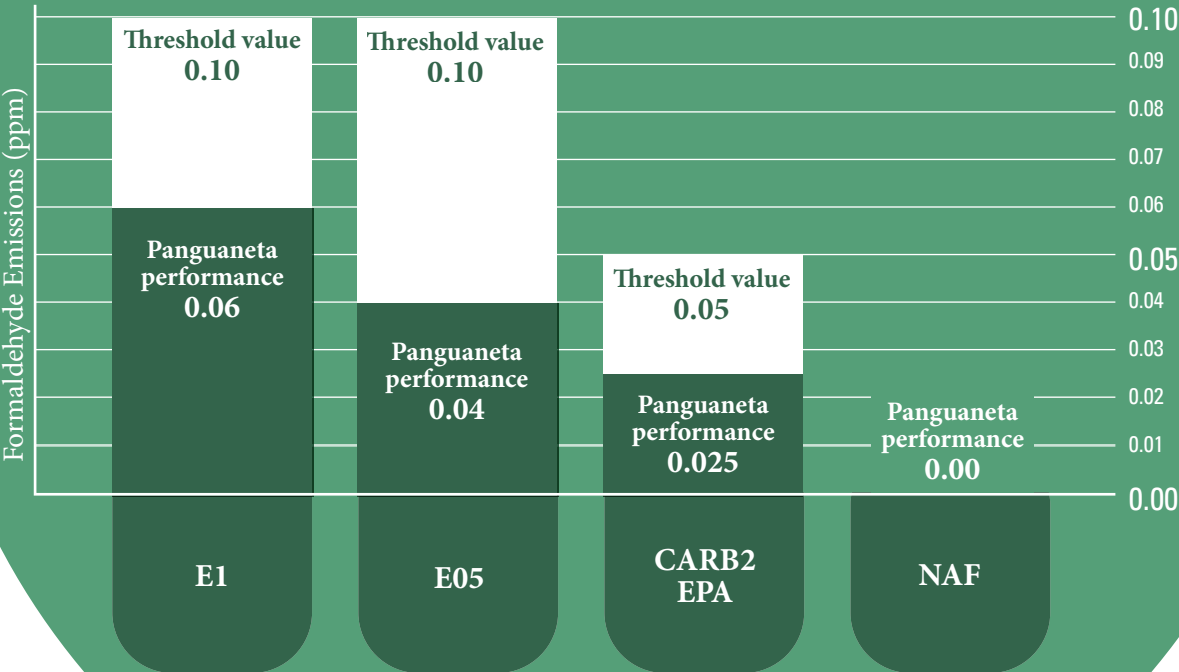


www.blauer-engel.de/uz76

Panguaneta plywood has also obtained the **Blauer Engel** certification which attests to the environmental, health and performance requirements.

FORMALDEHYDE EMISSIONS

(Typical emissions of plywood panels - Source: CARB Test Protocol)



E1 Formaldehyde Emission Limit: 0.1 as ppm defined by Ministerial Decree of 10/10/2008

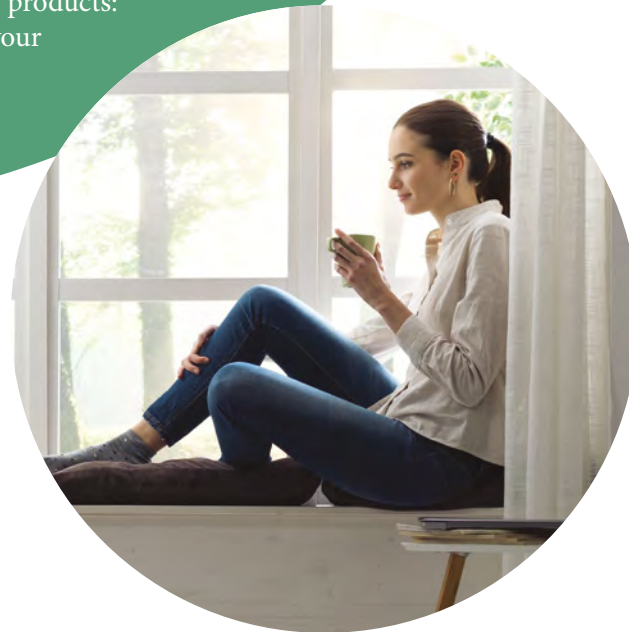
PANGUANETA PLYWOOD MADE FOR LIFE

Panguaneta poplar plywood is extremely versatile and sustainable: it is suitable for numerous applications, and, wherever it is used, it offers benefits to the environment, safety and well-being of people.

We feel responsible for the direct and indirect impacts of our products: although it is invisible from the outside, it is already part of your daily life, in fact you can find it:

AT HOME

Panguaneta plywood welcomes you when you come home: it protects you from heat and cold, makes your furniture light and safe, supports your steps and covers your walls.



AT WORK

Panguaneta plywood makes your workplace safe, and protects you and your colleagues from mould, humidity, fires and noises.

IN YOUR LEISURE TIME

Panguaneta plywood improves your well-being: it is a healthy and sustainable material that reduces the impact on the environment of rooms, furniture and ... even the wood flooring on which you make your yoga exercises!



FOR NEW GENERATIONS

Panguaneta plywood makes the furniture and coatings of kindergartens, schools and universities safe and sustainable.

FOR YOUR LOVED ONES

Panguaneta plywood covers and furnishes public places, including hospitals and retirement homes.



ON A JOURNEY

Panguaneta plywood also surrounds you on trains or boats: it is light and strong, and meets all the international transport safety standards.

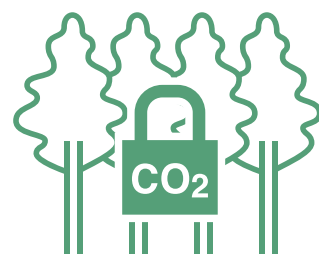


...AND IN YOUR ADVENTURES

Panguaneta plywood accompanies you on your most adventurous journeys: on a sailboat, a motorised yacht or in your camper van.

ENVIRONMENTAL BENEFITS OF POPLAR PLYWOOD

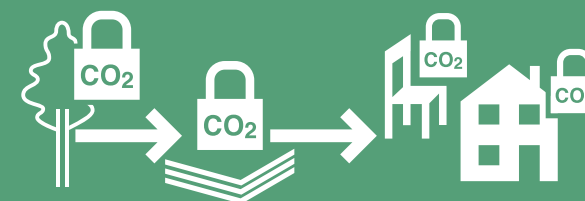
GROWING MORE POPLARS RESULTS IN GREATER NET STORAGE OF CO₂



The **LULUCF** - “Land Use, Land Use Change and Forestry” European regulation defines the policies and actions for the forest sector that the EU Countries must implement to contain climate change.

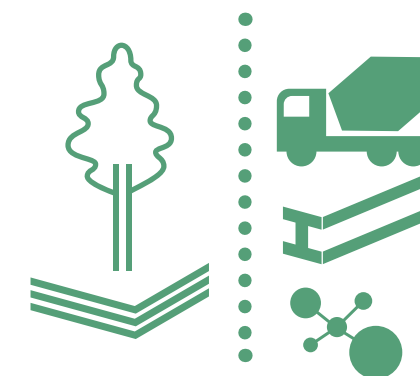
According to the latest report drawn up by the intergovernmental group of experts on climate change (IPCC 2019), the forest sector accounts for about 11% of the total carbon dioxide emissions. However, according to the European Environment Agency (EEA) in 2018, the forest sector also grants net carbon storage; in fact, it can contribute both to the GHG emissions (greenhouse gases) and to the storage of carbon, by eliminating it from the atmosphere and storing it in the biomass, in the soil and in wood products.

In 2017, the forestry sector compensate for about 7% of the total greenhouse gas emissions of the whole European Union, with a net absorption capacity of about 284 million tons of CO₂ (UNFCCC 2019.)



The forestry sector, through its products, can store the carbon contained in the raw material for a longer time. In this regard, the use of renewable materials in the construction industry, such as poplar wood, can guarantee high GHG storage and prevent greenhouse gas emissions relating to the use of materials dependent on fossil fuels.

PLYWOOD PRESERVES THE ABILITY OF THE WOOD TO STORE CO₂ THROUGHOUT ITS OWN USEFUL LIFE.



The traditional construction techniques mainly rely on steel and concrete, which are characterized by energy-intensive and high-emission production. Conversely, wooden building materials have proved to have a significantly lower impact on climate change compared to the former. Considering that about 40% of the global annual use of materials refers to the construction sector, **the use of wood as raw material - characterised by higher sustainability and lower impact - can help reduce the environmental impact of the construction industry.**

USING PLYWOOD TO REPLACE THE OTHER BUILDING MATERIALS (TYPICALLY CEMENT, STEEL AND PLASTIC MATERIALS) ENSURES SIGNIFICANT BENEFITS IN TERMS OF IMPACT ON THE CLIMATE AND REDUCES THE CONSUMPTION OF FOSSIL FUELS.

ENVIRONMENTAL PRODUCT DECLARATION OF MULTILAYER PANELS OF **POPLAR PLYWOOD**



Approval date
24.09.2019

Valid until
16.05.2024



Registration number
S-P-01710

ECO EPD reference number
00000982



ENVIRONMENTAL PRODUCT DECLARATION OF MULTILAYER PANELS FOR **NO ADDED FORMALDEHYDE POPLAR PLYWOOD**



Approval date
24.09.2019

Valid until
16.05.2024



Registration number
S-P-01711

ECO EPD reference number
00000983



EPD® ENVIRONMENTAL PRODUCT DECLARATION

**PANGUANETA
IS THE FIRST ITALIAN
COMPANY THAT HAS OBTAINED
AN EPD® CERTIFICATION
FOR PLYWOOD AND THE FIRST
IN EUROPE FOR POPLAR
PLYWOOD**

We are the first company in Italy that has obtained the EPD® certification - Environmental Product Declaration - for plywood and the first in Europe for poplar plywood, in compliance with the requirements established in the **ISO 14025** standard. This is a voluntary certification, **proving the commitment to responsibility throughout the whole production process**: raw material, cutting, gluing, transport, emission values, waste management.

The EPD® certification grants the transparent management of its ecological impact and is an important information tool for the global environmental performance: therefore, it turns out to be particularly useful for designers and builders when it comes to choosing products able to meet the most rigorous environmental standards.

However, this certification also represents an added value for those end-consumers who pay attention to ecological issues, and, therefore, a competitive advantage for those business partners who, by purchasing Panguaneta plywood, can expand their supply and carry out high-sustainability projects.



CONVEGNO
La sostenibilità d'impresa
RICERCA INNOVAZIONE PROGETTO
AMBIENTE CERTIFICAZIONI
MARTEDÌ
16 OTTOBRE 2018 ORE 10,00
SALA DELLE COLONNE
PALAZZO GIURECONSULTI
MILANO

PROGRAMMA

Panguaneta organizza un momento di dibattito sulla sostenibilità d'impresa per dialogare con il mondo della ricerca, del progetto e della filiera: un'occasione per confrontarsi e misurarsi con il cambiamento dei mercati e del pensiero progettuale.

In 2018, the “Corporate Sustainability” conference organized by Panguaneta and held at Palazzo dei Giureconsulti in Milan, enjoyed considerable success and involved broad participation: it was an important occasion for sharing and interaction with the world of research, design and supply chain on the issues concerning the changes in the markets as well as in business planning.

The conference precisely dealt with the key role played by the supply chain and the integration of the sustainability-related issues into the business model, also with a view to the opportunities offered by the 2030 Agenda and the concept of circular economy aiming at maximising waste reduction.

As declared during the conference:

“Companies must be recognized as sustainable operators by all the stakeholders: today, this is the most important challenge for the Italian companies. Many of them, in fact, have already implemented sustainable actions but are often unable to “present” them to the customers. In this regard, efforts should be made to prove that sustainability is a real opportunity to be managed transversally and integrated into the business model of the companies.”

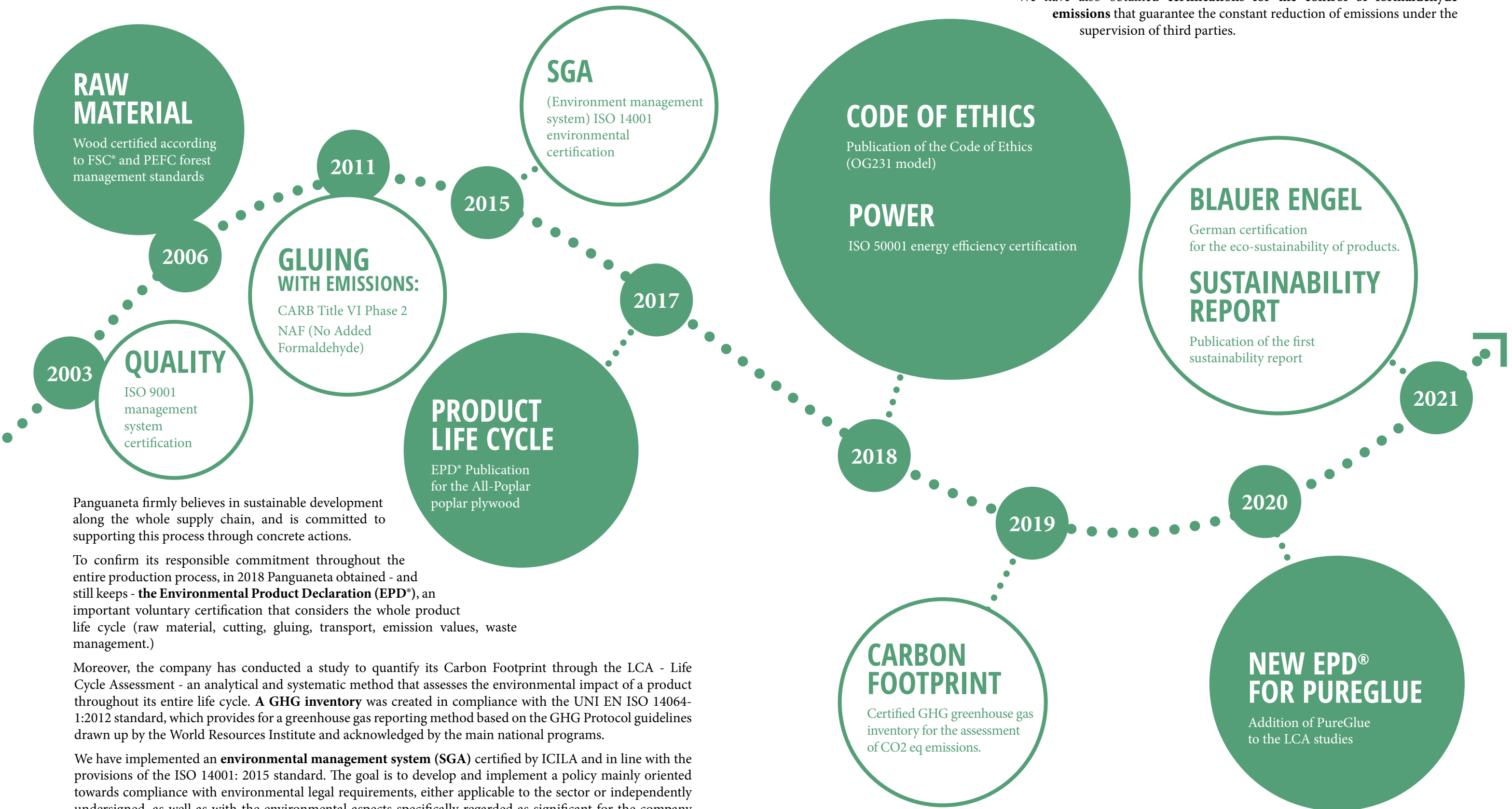
3.

SUSTAINABILITY

"There is an evident connection between the safeguard of nature and the creation of a fair society. There will be no new relationship with nature without a new human being."

Pope Francis

THE SUSTAINABILITY PATH



Our processes use wood logs exclusively from cyclic poplar plantations and forests managed and certified with a sustainable production cycle.

The wood used is certified according to strict environmental, social and economic standards: **FSC® (Forest Stewardship Council)** and **PEFC (Program for Endorsement of Forest Certification)**, which promote the responsible management of forests and plantations.

We have also obtained **certifications for the control of formaldehyde emissions** that guarantee the constant reduction of emissions under the supervision of third parties.

Panguaneta firmly believes in sustainable development along the whole supply chain, and is committed to supporting this process through concrete actions.

To confirm its responsible commitment throughout the entire production process, in 2018 Panguaneta obtained - and still keeps - **the Environmental Product Declaration (EPD®)**, an important voluntary certification that considers the whole product life cycle (raw material, cutting, gluing, transport, emission values, waste management.)

Moreover, the company has conducted a study to quantify its Carbon Footprint through the LCA - Life Cycle Assessment - an analytical and systematic method that assesses the environmental impact of a product throughout its entire life cycle. **A GHG inventory** was created in compliance with the UNI EN ISO 14064-1:2012 standard, which provides for a greenhouse gas reporting method based on the GHG Protocol guidelines drawn up by the World Resources Institute and acknowledged by the main national programs.

We have implemented an **environmental management system (SGA)** certified by ICILA and in line with the provisions of the ISO 14001: 2015 standard. The goal is to develop and implement a policy mainly oriented towards compliance with environmental legal requirements, either applicable to the sector or independently undersigned, as well as with the environmental aspects specifically regarded as significant for the company business.

Panguaneta is a family-run company relying on craftsmanship, then developed its business over the years, until it became a joint-stock company. Our approach was ahead of our times: the choice of wood as natural raw material has highlighted our connection with the concept of sustainability from the very beginning.

We have chosen to keep our headquarters in Sabbioneta to preserve our close relationship with the territory where we were born, both as people and as a company.

More recently, we have focused our efforts on the communication of the true essence of our business: the sustainability, especially at the environmental level, that has always characterised our activity from the very beginning. To present the approach that inspires our whole decision-making and production process, we have chosen a difficult path, which required many efforts and investments but resulted in acknowledgements issued by international certification bodies of which we are proud.

RISK MANAGEMENT

The application of the risk management principles allows us to anticipate the problems that may arise within the production and distribution system and predict any critical issue.

Our management systems help us perform effective risk controls also when it comes to assessing and solving environmental, social and economic problems. This management also allows us to apply the precautionary principle to identify and manage potential risks as well.

TOWARDS CARBON NEUTRALITY

Thanks to the creation of the GHG Inventory, i.e. the quantification and annual reporting of greenhouse gas emissions, Panguaneta is committed to undertaking new actions and achieving new goals in the immediate future, such as:

- Updating the GHG inventory and monitoring the CO2eq emission trends (a value that reflects the impact of a certain amount of greenhouse gases on global warming compared to the same amount of carbon dioxide);
- Developing a three-year plan that identifies the potential actions with the purpose of reducing CO2eq emissions;
- Continuing on this path to improve and increase the Corporate Climate Responsibility level;
- Achieving the neutralization of the Carbon Footprint and obtaining the Carbon Neutrality certification.

2020-24 STRATEGIC SUSTAINABILITY PLAN

Our brand has reached the importance that it presently enjoys thanks to its ability to develop new commercial strategies and focus on the customer; **we have established ourselves as a market leader thanks to our quality policies and the proactive strength of our products.**

The creation of a network, the development of a product culture together with the cooperation with the most qualified commercial partners are among our main strategic choices: a mark of distinction for our company, the first in the sector to establish exclusive collaborations, supporting projects aimed at addressing the customers according to the most appropriate, innovative and fastest practices, thus allowing them to maximize their performance in terms of efficiency, reliability and productivity.

The Strategic Plan developed by Panguaneta for the next five years is based on the following objectives:

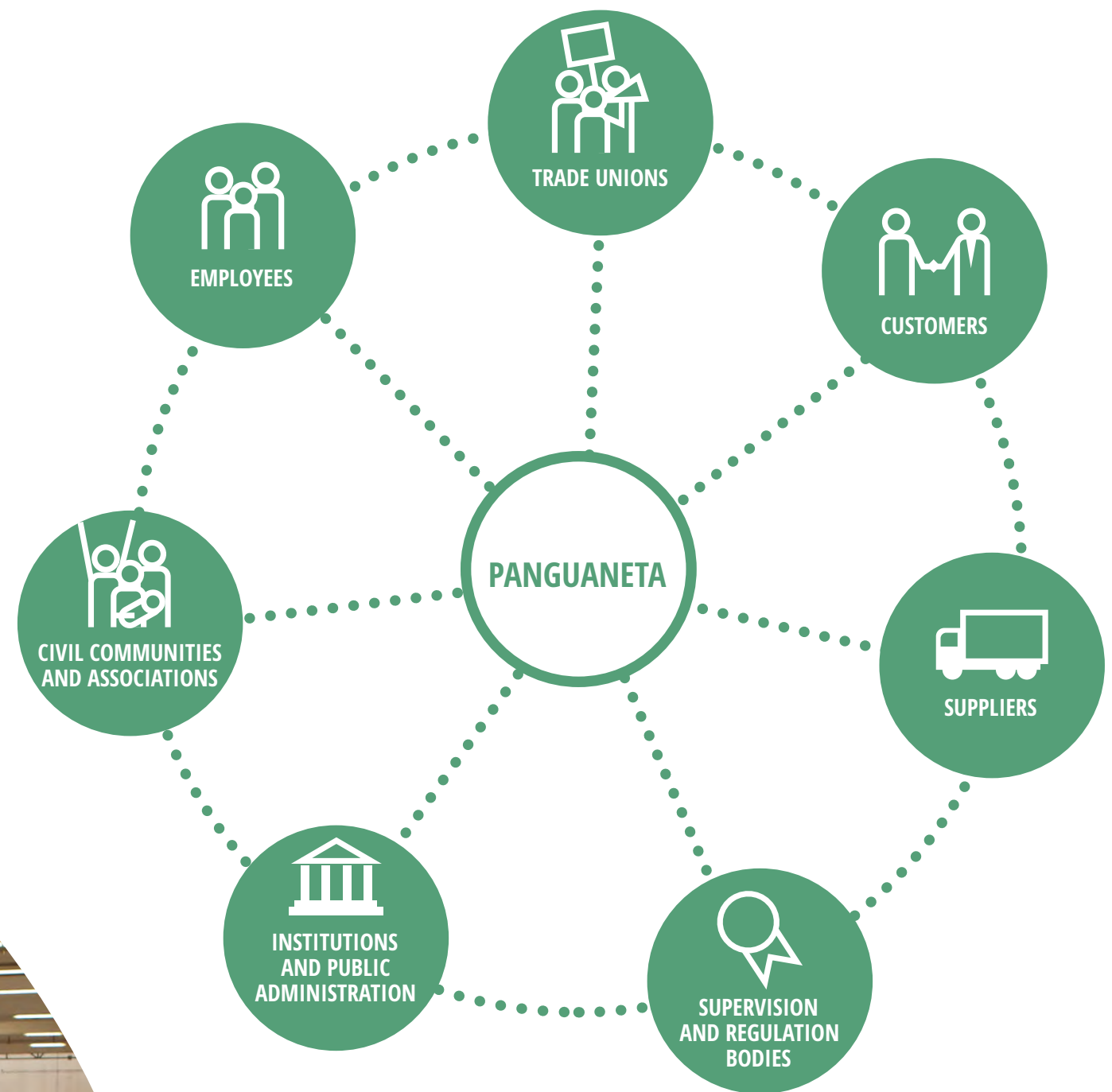


RELATIONSHIPS WITH THE STAKEHOLDERS

Panguaneta pays great attention to the relationship with its internal and external stakeholders and is committed to maintaining an ongoing dialogue and constant interactions with them, to identify and understand their expectations towards the company as well as any criticality. These expectations must be balanced and integrated, whenever possible, into the business strategies.

The relationship with the stakeholders is constant and regular: we interact with institutions, keep our relationships with trade unions, our cooperators, and local communities by sponsoring sports groups, schools, churches and oratories, hospitals and cultural associations and events.

We are members of **Federlegnoarredo**, an association that brings together the companies operating in the wood and furniture sector, **Confindustria**, through the local branch in Mantua, and **Conlegno**, a private non-profit consortium that protects the national forest heritage and biodiversity.



For the preparation of our first Sustainability Report, through some meetings with the company managers, we have identified the stakeholders who can guide Panguaneta and can be, in turn, significantly influenced by the company activities. We have begun a direct dialogue with them, with the purpose of identifying the most relevant issues to be included in the Sustainability Report.

Finally, a way to involve the stakeholders was decided: considering the international situation characterised by the COVID-19 pandemic, we drew up a **questionnaire that was submitted to more than 100 interlocutors on an online platform**. The general approval in terms of both the number of participants and feedback attests to the close relationship between our company and its stakeholders.



SUBSTANTIALITY

Upon the drafting of this report, the issues considered relevant to the company stakeholders were assessed and selected. The topics regarded as substantial and potentially worth being included in the report are those that can be reasonably deemed necessary to reflect the economic, environmental and social impacts of the company or to influence the stakeholders’ decision-making processes.

To assess the issues considered substantial for the stakeholders, an involvement process was developed which culminated with the filling in of an **online questionnaire**, where the main issues considered relevant to Panguaneta were reported. For each issue, the stakeholders or categories of stakeholders, either Italian or foreign, were asked to tell if Panguaneta should deal with the actions or issues described in the questionnaire, assigning a score to each action or issue (from 1 = not relevant, to 5 = priority).

The result was a **substantial alignment between the company management and the external stakeholders: the topics regarded as substantial in this Sustainability Report were given the highest scores by both the parties**. The substantial topics selected based on the analysis carried out were integrated with some aspects considered significant by the Management and listed in the following table.



RELEVANT ISSUES		SCOPE	TYPE OF IMPACT
GOVERNANCE			
G2	Management of economic, social and environmental impacts	Panguaneta	Caused by Panguaneta
ECONOMIC SUSTAINABILITY			
E1	Economic performance	Panguaneta	Caused by Panguaneta
E2	Economic contribution to the territory	Panguaneta and the province of Mantua	Caused by Panguaneta
E3	Technological innovation and quality of products and services	Panguaneta and its customers	Caused by Panguaneta
E4	Quality of products and services	Panguaneta	Caused by Panguaneta
ENVIRONMENTAL SUSTAINABILITY			
E5	Materials: use, recycling and recovery	Panguaneta	Caused by Panguaneta and directly related to its activities
A1	Use of renewable sources and energy efficiency	Panguaneta	Caused by Panguaneta
A2	Water consumption	Panguaneta	Caused by Panguaneta and directly related to its activities
A4	Atmospheric emissions and climate change	Panguaneta	Caused by Panguaneta and directly related to its activities
A5	Waste management	Panguaneta	Caused by Panguaneta and directly related to its activities
A6	Compliance with environmental standards	Panguaneta	Caused by Panguaneta
SOCIAL SUSTAINABILITY			
S1	Employment and development of human resources	Panguaneta employees	Caused by Panguaneta
S3	Health, well-being and safety of workers	Panguaneta employees	Caused by Panguaneta
S4	Health and safety of consumers	Panguaneta employees	Caused by Panguaneta
IRRELEVANT ISSUES			
G1	Management of economic impacts	G3	Management of social impacts
G4	Transparency of corporate governance	G5	Business integrity
A3	Technological innovation	A7	Environmental certifications of the supply chain
S5	Territory engagement	S6	Social sustainability of the supply chain
S7	Human rights		

PANGUANETA AND ITS SUSTAINABLE DEVELOPMENT GOALS



In September 2015, the governments of the 193 member Countries of the United Nations General Assembly approved the Sustainable Development Goals (SDGs): 17 goals included in the action program for peace and prosperity for both the people and the planet, known as the **2030 Agenda for Sustainable Development**.

The Sustainable Development Goals reflect the goals shared by the member states relating to important issues underlying sustainable development, such as, among others, the fight against poverty, hunger and climate change.

The 17 goals consist of 169 targets, which the Countries have undertaken to achieve by 2030; however, this project involves not only the Countries, but also many private stakeholders who must implement the measures necessary to attain them.

We have decided, once again ahead of our time, to undersign and promote the 2030 Agenda and the SDGs, and we feel responsible, as the leader in our sector, not only for integrating these objectives into our work, but, above all, for acting as a spokesperson for this commitment and these goals, in order for the other companies to benefit from our experience and join the 2030 Agenda.

Only through the involvement of all the actors in the sector, we will be able to introduce real and long-lasting changes, making the business development increasingly sustainable.

With our activities and the sustainable management that has always inspired our business, we have identified the following 10 Sustainable Development Goals:

- We are committed to constantly improving the working environment with the purpose of increasing the health as well as the physical, social and economic well-being of our employees, as required by **goal no. 3**.
- The promotion of gender equality, developing the skills of individual employees and ensuring equal access to leadership roles will contribute to the achievement of **goal no. 5**.
- The commitment to reducing water consumption thanks to short and long-term policies and strategic choices may help us reach **goal no. 6**.
- Thanks to the new biomass thermal power plant, we are reducing the energy consumption from non-renewable sources: this important innovation, together with the constant commitment to energy efficiency in the production process, can contribute to **goal no. 7**.
- The improvement of workplaces, greater involvement of the employees and better working environment will increase the employees' well-being and sense of belonging, enhancing the dignity of work and helping attain the economic growth required by **goal no. 8**.
- The commitment to increasing and facilitating the access to loans for our supply chain will support **goal no. 9**.
- The supply chain certification will guarantee the sustainability of the raw materials and the transparency of the value chain as required by **goal no. 12**.

- The climate crisis is a key challenge in terms of sustainable development. Thanks to the FSC® certification for the verification of ecosystem services, we can assess our commitment to the fight against climate change by acting on **goal no. 13**.
- Thanks to the FSC® forest management certification, which promotes the responsible management of forests and plantations, we can guarantee and enhance the continuity of the benefits deriving from forestry activities, thus meeting the requests of **goal no. 15**.
- To achieve the Sustainable Development Goals (SDGs), it is essential to establish partnerships among governments, civil communities and private companies: Panguaneta boasts a partnership with the Oglio Sud regional park within the Ecopay Connect 2020 project, a virtuous model that ensures the quality of the actions undertaken from an environmental, economic and social point of view. Thanks to this partnership, we can positively deal with **goal no. 17**.



- | | | | |
|-------------------------------------|------------------------------------|--|---|
| 1. Zero poverty | 5. Gender equality | 9. Industry, Innovation and Infrastructure | 14. Life under the sea |
| 2. Zero hunger | 6. Clean water and sanitation | 10. Fight against inequalities | 15. Life on land |
| 3. Good health and well-being | 7. Affordable and clean energy | 11. Sustainable cities and communities | 16. Peace, justice and solid institutions |
| 4. Equal and high-quality education | 8. Decent work and economic growth | 12. Responsible consumption and production | 17. Partnerships for the goals |

ENVIRONMENTAL GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Through the supply chain certification, we can guarantee the sustainability of the raw material produced and the transparency of the value chain. The development of products with low formaldehyde content and the monitoring of the environmental performance of Panguaneta products will highlight the importance of sustainability and product responsibility.

**DEVELOPMENT AND RESEARCH
OF LOW-FORMALDEHYDE
AND NAF PRODUCTS**

6 CLEAN WATER AND SANITATION



The reduction and monitoring of water consumption will help decrease the impact on water resources.

**WATER CONSUMPTION (GREATER
MONITORING AND CONTROL
OF WATER RESOURCES)**

7 AFFORDABLE AND CLEAN ENERGY



Thanks to the new biomass power plant for the production of thermal energy, the share of the thermal energy produced from renewable sources is 90%.

The process of optimization and reduction of energy consumption, which started with the 50001 certification, helped us obtain a detailed mapping of the plant and draw up an improvement plan for the immediate future.

**LOWER ELECTRICITY CONSUMPTION
AND GREATER EFFICIENCY**

13 CLIMATE ACTION



Our commitment to reducing greenhouse gas emissions will help contain climate change. Moreover, thanks to the FSC® procedure for the assessment of the ecosystem services, we will be able to quantify our commitment to the fight against climate change.

**GREENHOUSE GAS EMISSIONS
(MONITORING, REDUCTION
AND OFFSET OF THE EMISSIONS)**

15 LIFE ON LAND



Thanks to the FSC® forest management certification, which promotes the responsible management of forests and plantations, we can ensure and enhance the constant benefits from our forest activities.

MANAGEMENT OF POPLAR GROVES

In compliance with the FSC® and PEFC certifications, we are committed to:

- managing and enhancing representative areas of natural ecosystems equal to 10% of the cultivated areas;
- reducing the use of pesticides;
- preserving biodiversity by carrying out the differentiation of poplar clones in our cultivations;
- managing and implementing ecosystem, water regulation and soil conservation systems.

Actions implemented directly and for which suppliers are supported:

- Reducing water consumption for the irrigation of poplar groves through drip irrigation systems;
- Mapping of poplar groves with satellite geolocation and specific software to determine age, diseases and emergencies;
- Availability of places for recreational activities in poplar groves: public events, educational initiatives.

HUMAN RESOURCE GOALS



We are committed to constantly improving the workplace to increase the health as well as the physical, social and economic well-being of our employees.

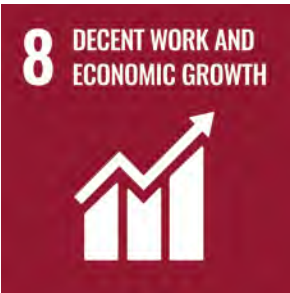
DEVELOPING A REWARDING SYSTEM FOR THOSE EMPLOYEES WHO WORK FOR THE ENVIRONMENT AND SAFETY THROUGH A MEASURABLE SYSTEM

TRAINING ON SUSTAINABILITY AND OTHER RELEVANT ISSUES



We foster gender equality among our employees.

FURTHER PROMOTING GENDER EQUALITY: DEVELOPING THE SKILLS OF EACH INDIVIDUAL TO LET THEM PLAY KEY ROLES



We pay attention to the welfare of our employees, to whom we offer high working standards, a good working environment and high job stability, with special reference to the most fragile categories.

ENSURING STABILITY TO ENSURE WORK AND PRODUCT QUALITY

ECONOMIC GOALS

INTEGRATION
AND OPTIMIZATION
OF ENERGY PRODUCTION
PLANTS.

EXPANSION
AND DIFFERENTIATION
OF THE CUSTOMER BASE.

PLANT ADJUSTMENT
AND HIGHER PANEL
PRODUCTION.

PRODUCTION
PROCESS: OVERCOMING
RIGIDITY AND
NON-CONVERTIBILITY.

GREATER OPPORTUNITIES
AND AVAILABILITY
FOR THE INDUSTRIAL
TOURISM.

MARKET EXPANSION
AND ADDITION
OF NEW PRODUCTS.

REDUCTION OF THE RAW
MATERIAL CONSUMPTION
PER PRODUCT UNIT.

MANAGEMENT COST
CONTROL FOR PLANTS
AND PROCESSES.

WE SIGNED AN IMPORTANT
AGREEMENT WITH INTESA
SAN PAOLO TO ENSURE
FINANCIAL SUPPORT
TO OUR SUPPLIERS.

HIGHER
INVESTMENTS
IN RESEARCH
& DEVELOPMENT.



Thanks to our stability and presence in the Sabbioneta area, we ensure sustainable economic growth both to the supply chain and to the local community. Moreover, thanks to the use of poplar, we contribute to the development of the Italian territory, increasing the added value of other activities in the area and connected with us.



We are committed to helping small enterprises, either industrial or not, gain access to financial services, including loans at affordable terms, as well as to markets and the relating industries.

ORGANISATIONAL GOALS

DRAWING UP
A STRUCTURED
ORGANIZATION CHART
WITH WELL-DEFINED
MANAGERIAL ROLES.

INTEGRATING
THE THIRD
GENERATION
INTO THE
COMPANY.

EXPANDING
AND IMPROVING
THE PRODUCTION
CHAIN MANAGEMENT
SYSTEMS.

SUBSCRIBING
THE GLOBAL COMPACT
PRINCIPLES.

AWARENESS OF
AND COLLABORATION WITH
SUPPLIERS OPERATING IN
DEVELOPING COUNTRIES.

DEFINING
THE AREA BUDGET.

CONSTANTLY ADMITTING
YOUNG RESOURCES
TO OPERATIONAL
AND MANAGERIAL ROLES.



Thanks to the improvement of the supply chain management systems and the awareness on the point of view of customers and suppliers, we will be able to increase responsible consumption and production.



Through the establishment of partnerships among governments, civil society and private companies, we can contribute to the achievement of environmental, economic and social sustainability goals.

4.

SUSTAINABILITY ACTIONS

"Continuous effort
- not strength or
intelligence - is the key
to unlocking our potential."

Sir Winston Churchill

4.1

ENVIRONMENTAL SUSTAINABILITY ACTIONS

Panguaneta strongly believes that values such as the safeguard of the environment as well as the reduction of energy consumption and greenhouse gas emissions should be constantly pursued, and is aware of the growing attention paid by society to environmental issues and sustainable development.

We share this concern, and, therefore, we want to further highlight our daily commitment to the environment and energy and to develop guidelines to implement and improve the environmental and energy management system.

We are aware of the fact that our activities, products and services cause effects that may interfere with the natural ecological balance, but precisely for this reason, we consider the protection of the environment and the reduction of energy consumption as our strategic objectives, to be kept always in mind during the performance of all our activities.

Over the past 15 years, we have developed our competitiveness focusing on the quality of the process and wood coming from forests managed in a correct and responsible way according to rigorous environmental, social and economic standards and certifications that grant increasingly lower and controlled emissions.

In 2016 we carried out a **Life Cycle Assessment** study relating to our main products. In 2017, the results of this study were subjected to verification for the attainment of the **Environmental Product Declaration**, a type III environmental certification issued by EPD® International.

From an operational and management point of view, we have started using an Environment and Energy Management System in compliance with the UNI EN ISO 14001 and UNI CEI EN ISO 50001 standard, with the aim of pursuing these primary objectives:

- Constant compliance with the legislative requirements in force;
- Continuous improvement of the environmental and energy performance;
- Prevention of pollution

The Environmental Management System, which is checked and renewed regularly to monitor its effectiveness, includes all the procedures for the monitoring, managing and minimizing of the environmental impacts resulting from the company's activity: from materials to energy and consumption, atmospheric emissions and waste management.

No pecuniary penalties were imposed during the reporting period and no non-monetary sanctions were reported due to the failure to comply with environmental laws and/or regulations.

PANGUANETA AND CLIMATE CHANGE

Climate change is universally considered one of the greatest challenges that nations, governments, economic systems and citizens will have to face in the next decades; in fact, it exerts a significant impact on both natural and human systems and can have major effects on the use of resources, production processes and economic activities.

The **Intergovernmental Panel on Climate Change** (IPCC) is the international body established by the United Nations to compare and independently assess the state of the art of global research on climate change: in the assessment report issued in 2007, the IPCC stated that over 90 % of the global warming phenomenon is caused by anthropogenic activities.

Almost all the international scientists and politicians agree that greenhouse gases (GHGs) are the main cause of climate change. The most common GHG is represented by carbon dioxide (CO2), which results from the combustion of fossil sources, such as coal, oil and methane.

In our path towards sustainable development, we have adopted an important instrument for the monitoring and reduction of greenhouse gas emissions: the **GHG Inventory**, which, besides measuring the annual emissions, is submitted every year to the competent body (in Italy the ISPRA - Italian Institute for Environmental Protection and Research) and is used by the scientific community as a development tool for atmospheric models. In this regard, it is worth mentioning a result measured by the GHG Inventory of which we are particularly proud, as it proves our attention to climate change: **from 2014 to 2020, thanks to our approach to sustainable business and investments, we have reduced by half the CO2eq emissions per ton of our plywood products.**



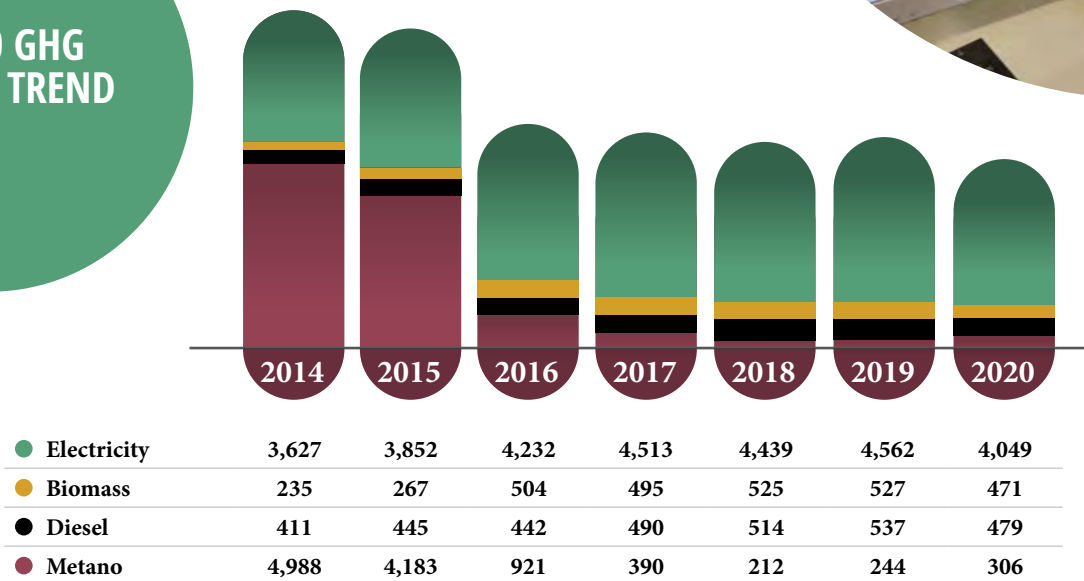
A complex system for the management of combustion processes ensures high energy yield and low emissions into the atmosphere. We have decided to invest in this sense, with a view to sustainable growth: in fact, the company uses a state-of-the-art thermal power plant that has made its production cycle self-sufficient from the energy point of view, and offers further and virtuous potential, thanks to the ability to recover more clean energy from the residual steam. A significant result, a level of “green excellence” that has few equals in Europe and in the whole world.

The energy system that powers the production plants consists of a cutting-edge steam generator, specifically designed to enhance the processing cycle through the BATs (the Best Available Technologies able to guarantee a high protection level for the environment.) The biomass directly produced internally is a “zero-mile” totally renewable energy source. **Moreover, the direct biogenic emissions of carbon dioxide, associated with the combustion of wood production waste in the thermal power plant, are completely offset by the absorption of CO2 by the growing plants and, therefore, are considered neutral with respect to the impact on climate change.**



2014-2020 GHG EMISSION TREND

(tCO2eq)



EMISSIONS INTENSITY

kg CO2e/product tonne

294

262

158

145

138

144

151

2014

2015

2016

2017

2018

2019

2020

ENERGY EFFICIENCY

Quality, innovation and sustainability are driving factors for the history of Panguaneta and strongly orient our business choices, where commercial growth and ecological thinking go hand in hand. Our energy efficiency policies aim at reducing emissions and energy use per product unit.

To monitor our consumption and help reduce it, since 2016 we have been drawing up the **Energy Analysis** (updated as at 2020), which reports the energy consumption data for each source used, i.e. electricity, virgin biomass, methane and diesel.

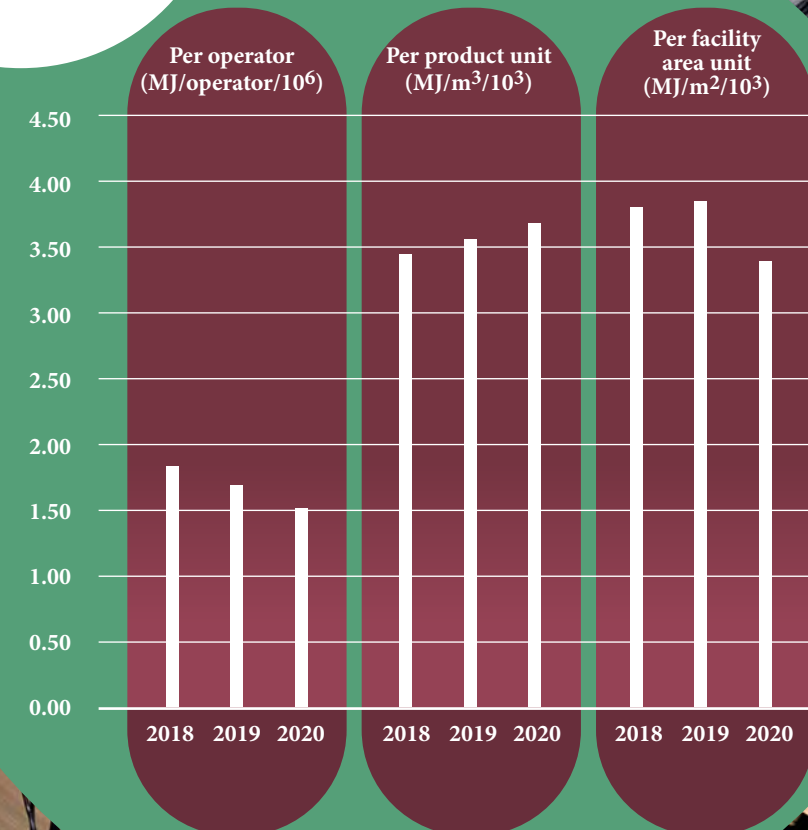
The thermal energy necessary to perform the plywood production process, such as drying and hot pressing activities, is now produced by feeding the new CT2 boiler, installed in 2015 and fully operational since 2016, with biomass. In the previous years, a methane boiler was used, which today only works in emergency situations as a back-up solution.

Nowadays, diesel is used to operate emergency generators and to feed the log handling systems in the plant.

THE ELECTRICITY CONSUMPTION HAS DECREASED IN LINE WITH THE PRODUCTION IN 2020 DUE TO THE PANDEMIC.

THE ENERGY INTENSITY INDEX IS ESSENTIALLY CONSTANT OVER THE 2018-2020 PERIOD AND AMOUNTS TO VALUES EQUAL TO 0.45 MWH/PLYWOOD TONNE.

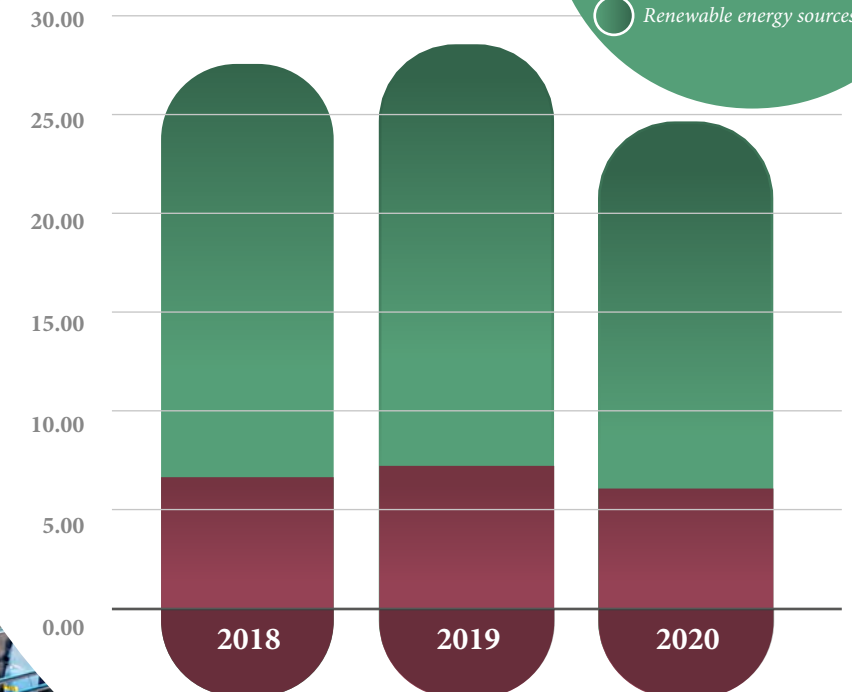
ENERGY INTENSITY



ENERGY CONSUMPTION

(10⁷ MJ)

Non-renewable energy sources
Renewable energy sources



EMISSION CONTROL

The environmental impacts due to the emissions into the atmosphere of the production facility are mainly caused by the plywood production process as well as by the thermal energy production plants.

In compliance with the current legislation, the emissions are regularly monitored and analyzed, and the records are kept to allow the data collected from the surveillance and measurement activities to be analysed and assessed. This information helps the company implement corrective and preventive actions.

WATER RESOURCE

In our company, water resources are mainly used to cool the machines, and, to a lesser extent, to power the thermal system for the production of steam, prepare glue mixtures, wash some machines and for the toilets.

The water supply is granted by 6 proprietary wells, whose consumption is monitored through the monthly reading of the gauges, in order to highlight any operating failure or excessive consumption.

The water from the production site is discarded in the public sewer system and includes black water from septic tanks, run-off water from the yard and covered areas, and cooling water used during the processing operations. Water discharges and abstractions are controlled through the Environmental Management System.

WASTE RECOVERY

From a quantitative point of view, most of the waste generated by the production of panels consists of processing waste. Thanks to the installation of the cutting-edge thermal systems, **since 2015 we have been able to use waste to power the boiler, thus resulting in a significant increase in energy recovery.**

We have noticed a significant decrease in the amount of waste produced, and over 90% of this waste is averagely delivered to companies that recover it to make it reusable in other production cycles.

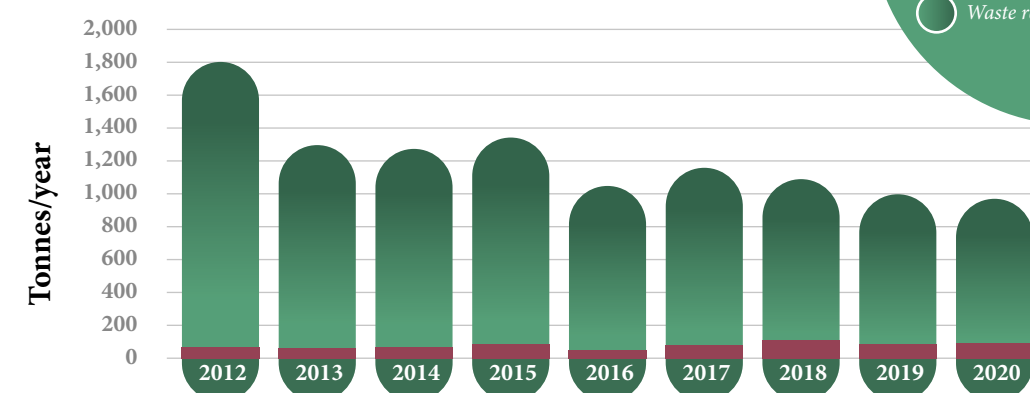
Non-compliant products due to manufacturing defects are sold for applications in the wood sector, thus combining once again environmental sustainability and commercial opportunities.

Waste is monitored through the **Environmental Management System**.



WASTE PRODUCED

- Waste going to landfills (tonnes)
- Waste recovered (tonnes)



4.2

ECONOMIC SUSTAINABILITY ACTIONS

Economic sustainability, business continuity and the creation of added value have always been our primary goals; recently, our company has grown, and its turnover has shifted from € 60 million in 2014 to around € 80 million in 2019 and – precisely based on its turnover - **it has established itself the first company in Italy and second in Europe among the poplar plywood producers.**

The economic sustainability and stability of the company exert an important economic impact on the territory, both for the employees and for the whole supply chain.

Despite the setback due to the COVID-19 pandemic, which led to a 8% decrease in the turnover associated with a drop in the sale of plywood in 2020, while the reference sector saw a loss of 11% in Italy, we preserved the work positions of our 206 employees, thus keeping on granting stability and safety to all of them.

In the 2018-2020 period, € 20 million were invested in technological systems to increase the process efficiency, also in terms of optimization and reduction of the consumption of raw materials used.

The company's economic profitability index (EBITDA - gross operating margin on turnover) has kept very positive values during the last three years, despite the crisis, rising from 11.6% in 2018 to 12% in 2020. This proves the importance of constant commitment to optimising the business processes and investing in innovation and technological modernization.

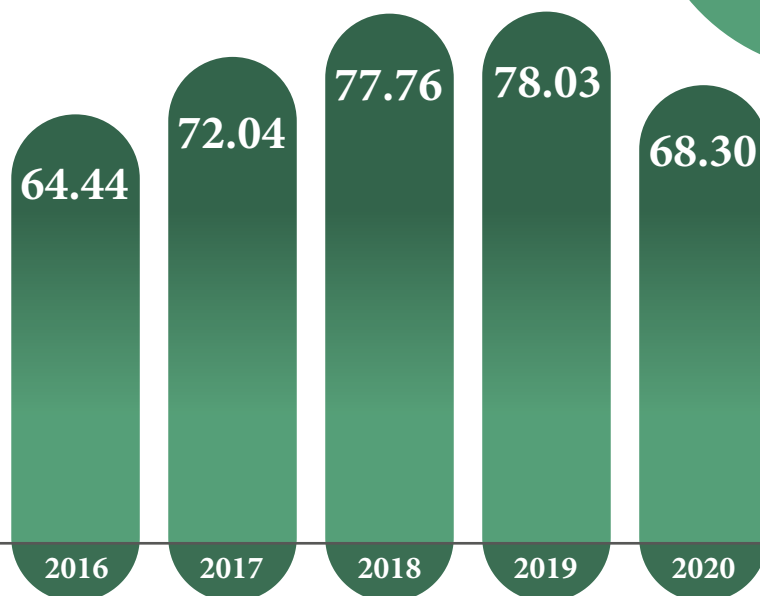
Along this path, a further investment of € 20 million is expected over the next three years to increase energy and production efficiency.

The company has grown in the diversification of its target markets, in particular it now serves 25 Countries, and its export share increased from 66% to 71% in 2020. Compared to its 12 national competitors, Panguaneta still accounts for 40% of the total Italian exports of plywood panels.

ECONOMIC PERFORMANCE

NET REVENUES

(€ million)



EBITDA ON TURNOVER

11.5%

12.0%

12.1%

2018

2019

2020

PANGUANETA AMONG THE BEST ITALIAN SMEs

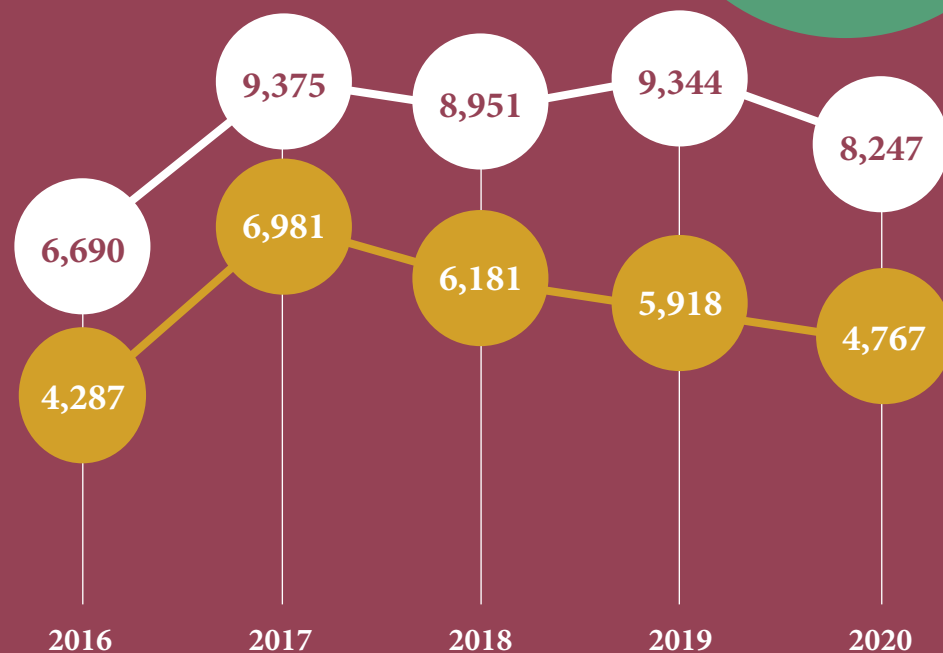
In 2021 Panguaneta was mentioned for the third consecutive year among the 1,000 Champion companies according to the research carried out by the ItalyPost study centre in collaboration with L'Economia, the weekly publication of Il Corriere della Sera.

OPERATING MARGIN

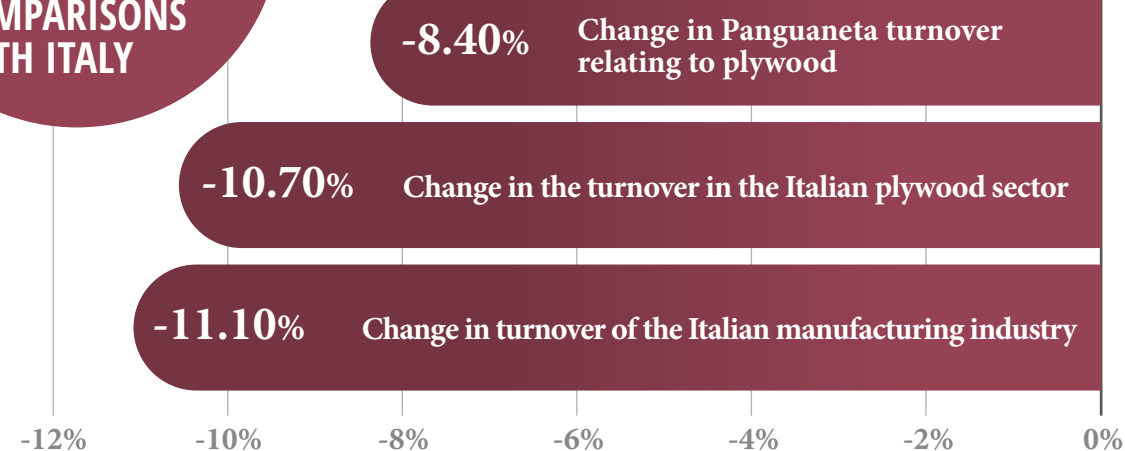
(€ thousand)

● EBITDA

● EBIT



CHANGE IN THE 2019/2020 TURNOVER AND BENCHMARK TO MAKE COMPARISONS WITH ITALY



INVESTMENTS AND INNOVATION

We operate in an area that specialises in the processing of wood, which has always enhanced the raw material and processed it with commitment and care. While respecting this tradition, throughout our long history, we have been capable of innovating the production processes, managing the complexity of manufacturing and anticipating market trends and needs thanks to our know-how.

And based on the experience and knowledge gained in more than sixty years of activity in the production of plywood and the total traceability of the supply chain, we have become an important player in the plywood market, reaching a relevant position at international level.

Panguaneta has always developed its Research and Development activities internally, although it has always availed itself of external collaborations with suppliers, universities and research centres (CNR): we are sure that the involvement and sharing with all the stakeholders is fundamentals for the growth and development of the company.

In the last 3 years, we have invested about 50% of the average annual turnover in the technological innovation of our plants to renovate the whole plant: this investment first allowed for the safeguard of the raw material and the enhancement of the wood, thus increasing the efficiency of the plywood production and reducing waste. However, our aim is not only to improve our products, but also to foster the professional growth of people and optimize the environmental and safety context that they attend every day.

For Panguaneta, innovation means identifying new ways to improve what we already do, questioning ourselves and swimming against the tide when whenever it is necessary. Each opportunity for change and growth is a process that requires the involvement of all the people to discuss make decisions, and assess the situation together: only in this way all the safety, environmental and energy aspects can be considered.

Thanks to a study conducted over the past years, we have developed new gluing systems that allow us to create a sustainable and technologically advanced plywood panel in terms of mechanical characteristics, lightness, workability and finishing, making it suitable for the customers' needs.

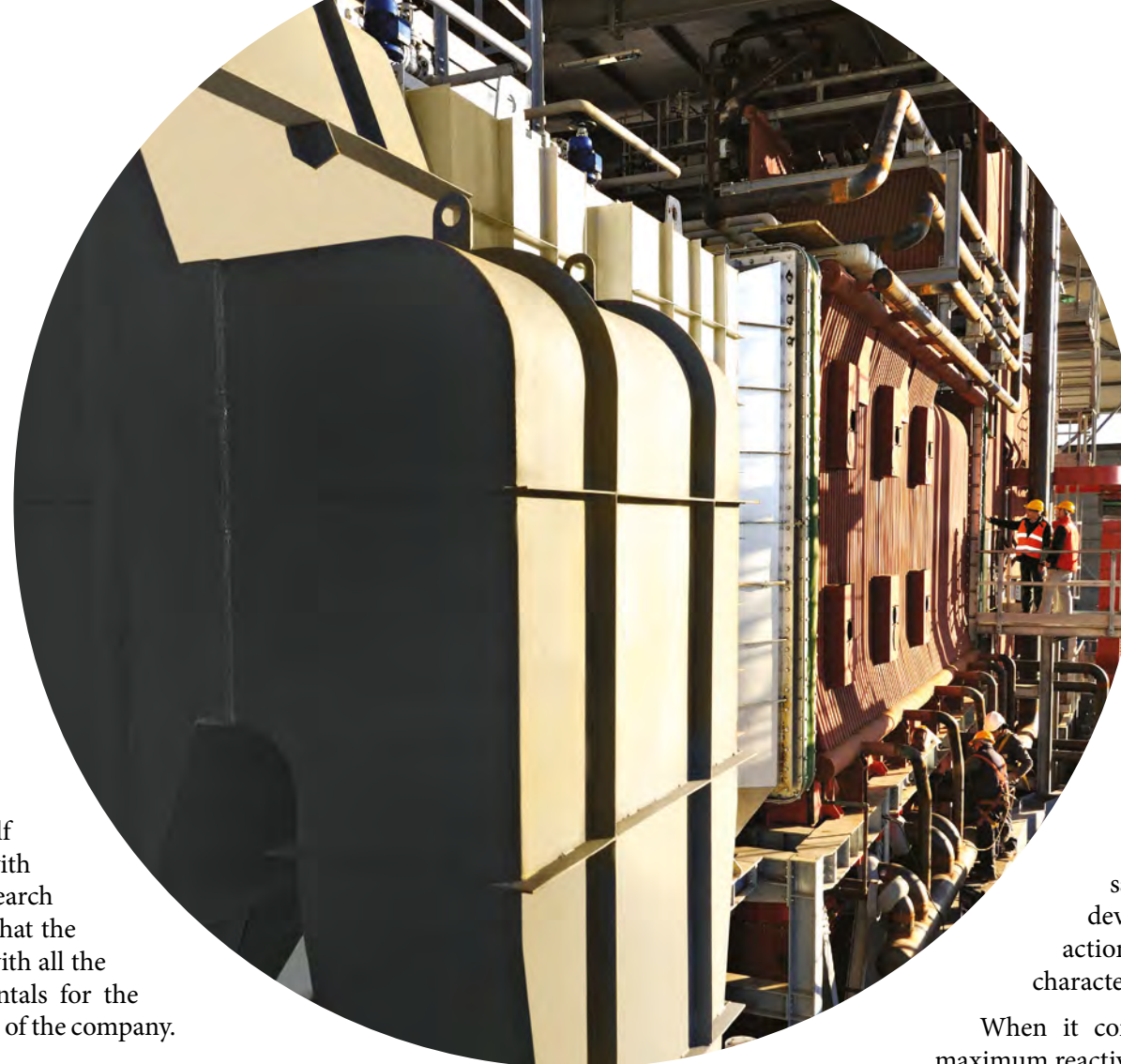
The Research and Development activities for increasingly sustainable gluing solutions able to meet the market needs led us to develop research projects with important partners, fostering the exchange of experience and making attempts not always successful, but surely useful to achieve important goals, as evidenced by the numerous awards obtained, such as Blauer Engel and EPD®.

QUALITY POLICY

As regards entrepreneurial and social relationships, our company acts as a virtuous industrial cycle. The productive core is represented by crops, mostly local, which are turned into high-performing multilayer panels able to advantageously replace raw materials whose use implies greater environmental problems.

We regard the quality of our products and services as extremely important to achieve maximum customer satisfaction. To pursue these objectives, we have developed a **Quality Policy**, which establishes the main actions necessary to obtain products with increasingly better characteristics.

When it comes to the monitoring of the objectives, we ensure maximum reactivity in the control of critical points. The quality principles are turned into measurable standards, with interventions and actions intended for the achievement of each purpose.



A COMPANY ROOTED IN THE TERRITORY

The close relationship that we have established with our territory is also proved by the management of our business. About 40% of our business costs, in fact, is spread in the local territory (province of Mantua and neighbouring areas), for a total of approximately € 30 million. In this way, Panguaneta's international reach (about 80% of the exports) contributes to the growth of the territory.

EXPENDITURE
PERCENTAGE
TO LOCAL
SUPPLIERS

39%

2018

44%

2019

39%

2020

4.3

SOCIAL SUSTAINABILITY ACTIONS

Our aim is a full corporate social responsibility to achieve and retain these goals: sharing a sense of belonging to corporate values, the balance between business and the environment, product and process innovation. The company is constantly oriented towards the territory and the world, and its commitment finds a tangible expression in the support of projects that create value for people.

In accordance with our **Code of Ethics**, we respect people's fundamental rights by protecting their moral, physical and cultural integrity, and ensuring equal opportunities. In our internal and external relationships, no discriminatory behaviours based on race, religious belief, age, health, political and trade union opinions, nationality, sexual orientation and, in general, any intimate characteristic of the person is allowed.

We believe that diversity may trigger innovation, growth and development, and we should seize this opportunity through dialogue and the exchange of ideas, opinions and experiences. Through our Code of Ethics, we also ensure working conditions based on good manners, and we fight against any case of intimidation, mobbing or stalking in the workplace. During the reporting period, no discrepancies were recorded with respect to social and economic regulations, and no discriminatory episodes or evidenced cases of bribery or anti-competitive behaviour were recorded.

In compliance with the Code of Ethics, we are committed to combating any anti-competitive conduct and bribery.

The Code of Ethics was approved by the Board of Directors, which undertakes to spread it as much as possible through:

- Training and awareness programs (meetings and courses on the contents of the Code);
- Timely delivery of a copy of the Code to all the staff members;
- Publication of the Code on the website and on the company Intranet.

We have created a dedicated email address as the most appropriate communication channel through which the parties involved can send their reports regarding the Code of Ethics or any infringements, in full compliance with the right to be heard and the utmost confidentiality.

We have also implemented the **Organizational Model 231/01**, which defines the company internal and external guidelines to be followed with the purpose of achieving the pre-set goals. Our Supervisory Body constantly monitors the effectiveness and application of the Model and takes care of its updating.

THE IMPORTANCE OF WORK

Respect for workers, their diligence and their rights is a key aspect for Panguaneta. The policies and actions implemented to offer a healthy, welcoming and fair work environment to everyone are numerous: the care of the production cycle, the establishment of strong relationships with employees and between the various departments, also by acting on the operating methods and work schedules. These choices are rewarded by the workers' growing sense of belonging and team spirit that characterise every department: these are the milestones of our company.

The number of employees has grown steadily in the last years, the ratio between newly hired and departed persons has remained positive, except for a slight decline in 2020. Today, Panguaneta employs 206 people, with an average age of 38 years, of whom 200 have an open-ended employment contract. We have paid, and still pay great attention to gender equality, especially in the specialized areas of the company: in fact, the number of women hired with these tasks have increased in the last years.

CONTINUOUS TRAINING

Aware of the importance of training and the involvement of all the employees in the company goals, Panguaneta is committed to fostering the workers' training and participation. Our staff is qualified, competent, aware, motivated and involved in every phase of the business process.

We have always tried to promote a modern idea of training, with the belief that people are a distinctive sign and give an unparalleled competitive advantage. Integrating past experiences to help the new generations means interpreting the future and considering the key role played by human resources for the innovation process. Through the **Environmental Policy** and its management systems, we identify every need and train our staff on environmental, safety, quality and energy aspects.

In 2020, we provided 883 hours of training.

*Strong bonds,
team spirit and loyalty:
the pride of the company
is the quality of the people
who share its history,
evolution and organization.*

HEALTH, WELLNESS AND SAFETY OF WORKERS

The health and safety of workers and workplaces are crucial aspects for Panguaneta, therefore for 15 years we have been applying a **Quality, Environment, Energy, Hygiene and Safety integrated management system**, which grants prevention and protection to all the company workers (which was amended to cover all the employees.)

The system was implemented in 2003, in compliance with the **ISO 9001** standards, since 2015 it has been integrated with the environmental system pursuant to the **ISO 14001** standard and the INAIL Guidelines, and is updated through an **Action Plan, with the aim of developing internal procedures intended to prevent, monitor and manage** injuries and accidents at work, with a view to constantly reducing risks.

The Competent Doctor (appointed in accordance with Legislative Decree 81/08) regularly monitors the workers' health by applying the Company Health Protocol and works in close contact with the Company Management and the PPS (Prevention and Protection Service) to identify any risk and suggest solutions able to ensure the workers' good health and minimise occupational diseases in the long term.

We take into particular accounts aspects such as Environment, Health and Safety when it comes to designing and developing our products: specialized technicians carefully evaluate the process, checking that the activities carried out at the different production stages do not affect the integrated energy, environment and safety aspects.

The employees' training takes place during the scheduled meetings, but also through formal and informal communications: workers can always interact with the supervisors or company representatives during the inspections in the departments and in the daily routine of their work to discuss any problem and criticality and find a quick and effective solution. The involvement in the integrated issues also included the establishment of the **Energy Team** which dealt with the Energy management system and helped solve, thanks to a sharing approach and the interactions with the other company areas, issues relating to safety and environment as well.

Workers can apply to the Personnel Office to access the agreed non-working services for the safeguard of personal health.

As regards the relationship with the trade unions, we pay the maximum attention to the problems and needs of our workers and collaborators by constantly improving the employment relationships and the working climate. **100% of employees is covered by collective bargaining agreements and enjoys performance bonuses, while 97% has open-ended employment contracts.**

In 2020, a **COVID-19 Committee** was established, with the aim of managing all the issues concerning prevention, protection of the workers and the reopening after the lockdown in total safety. All the digital relationship mechanisms were implemented to increase the awareness and involvement of all the parties. **The digital and remote working experience was particularly appreciated**, and, therefore, has continued in 2021 with a webinar course to allow employees to increase their awareness, skills and attention to safety, environment and energy issues in their daily working life.



HEALTH AND SAFETY OF CONSUMERS

Thanks to a global vision of the quality of our products, we aim at satisfying all the stakeholders, increasing the success of the brand in international markets. Within this vision, customers represent our first asset: every choice is oriented towards them, every product meets the required needs. Our commitment to ensuring the health and safety of consumers is clearly appreciated in the continuous search for products with low environmental impact and high safety standards. This commitment has led, for example, to the creation of **PureGlue**, high-tech and **NAF (No Added Formaldehyde)** plywood that exploits a cutting-edge gluing system based on vegetable proteins: the ideal solution for a new way of building, totally healthy and safe.

During the reporting period considered in these financial statements, no cases of non-compliance concerning the impact on the health and safety of our products and services occurred.



PROJECTS FOR THE TERRITORY

GREAT ATTENTION PAID TO THE SUPPLY CHAIN

An important cooperation agreement signed with **Intesa Sanpaolo** to develop a circular economy model and investment projects on the supply chain is part of our path towards responsible and sustainable development. The initiative falls within the Supply Chain Development Program that the bank has created to allow suppliers to benefit from the credit and banking advantages granted to the leading company of the supply chain and to quickly benefit from loans under the best conditions, thus streamlining the loan disbursement process. **Through this agreement, we intend to help our suppliers gain access to the loans to promote their growth, sustainability, technological innovation and quality.** As the leading company of the supply chain, we act as a guarantor for our suppliers, promoting a virtuous cycle of investment promotion abreast of circular economy. Thanks to this agreement, 250 companies will be able to access the loans more quickly and under better terms with the purpose of further developing their businesses.

Panguaneta, accordo con Intesa Sanpaolo per la filiera del pioppo nel Mantovano

Competitività
Economia circolare

Giovanna Mancini

Un accordo di filiera per valorizzare e sviluppare la piccola e media impresa del settore produttivo del legno nel Mantovano. Un progetto di filiera che ha visto la partecipazione di Intesa Sanpaolo e Panguaneta. L'obiettivo è quello di creare un modello di sviluppo sostenibile e di qualità, che permetta di migliorare la competitività delle imprese e di attrarre investimenti nel territorio. Il progetto si articola in diverse fasi: la prima è la selezione delle imprese da includere nella filiera, la seconda è la definizione delle regole di condotta e la terza è la messa in opera del progetto. Il progetto è finanziato da Intesa Sanpaolo e Panguaneta. L'obiettivo è quello di creare un modello di sviluppo sostenibile e di qualità, che permetta di migliorare la competitività delle imprese e di attrarre investimenti nel territorio. Il progetto si articola in diverse fasi: la prima è la selezione delle imprese da includere nella filiera, la seconda è la definizione delle regole di condotta e la terza è la messa in opera del progetto. Il progetto è finanziato da Intesa Sanpaolo e Panguaneta.

Sole 24 Ore - Lombardia, 2021 April 30th

We strongly believe that quality may trigger an improvement process and increase competitiveness, also through the involvement of suppliers, with whom the company has established solid and fruitful relationships. The **commitment with the FSC® and PEFC Chain of Custody** is an additional guarantee that we can offer, also in terms of respect for human rights. In fact, in compliance with this certification, the company does not use any wood picked up from regions where traditions and civil rights are trampled underfoot, zones hit by armed conflicts or threatened or illegally cultivated, or natural areas turned into plantations or woodlands with genetically modified trees (GMOs.)



CONTRIBUTIONS TO THE TERRITORY

The strong roots in the places where our company was born is a typical feature of Panguaneta: since its establishment up to the present time, the third generation, we have always been aware that the territory in which we operate represents the main social and environmental wealth, worth being safeguarded and protected for the future.

Inspired by these values, we sponsor various local activities, aware of the fact that by supporting our community we can contribute to the development and well-being of the citizens of Sabbioneta.

In 2020, the sponsorships covered many sectors: art and culture, sport and social issues. We supported sports clubs, charity associations, municipal and health bodies, and cultural events. Moreover, in 2020, we donated about € 26,000 for the COVID-19 emergency.

48,800

MONEY SPENT IN SPONSORSHIPS

(Euro)

- Sports
- Health and well-being
- Education and training
- Art and culture
- Environment

26,940

20,510

2018

2019

2020

5.

CONCLUSIONS

"No one who isn't us
is going to destroy Earth,
and no one who isn't us
is going to save it ... We are
the flood ... and we are
the ark."

Jonathan Safran Foer

FINAL CONSIDERATION

If we look back and leaf through this first Sustainability Report, we will see that we have done well.

We look ahead, we will understand that we can do even better, in our business as well as in the field of sustainability, welfare and technological innovation.

This duty results from the dramatic changes affecting our planet, the economic crisis, the challenge deriving from climate change, the increasingly demanding markets, which support performing and sustainable products, accompanied by the latest environmental certifications that attest to their value.

But it is also a dream that we want to pursue, in the wake of the experience that has always oriented us towards research, optimization and progress.

The world is more and more frantic and Panguaneta keeps pace with it, but without going ahead full throttle: we do not want to lose our method, consisting of research and listening, which has paid us back until today.

To this end, we would like to quote Emperor Augustus: “*Festina Lente*”, which literally means “make haste slowly”, i.e. act resolutely, but be careful.

Like our trees, our beautiful poplars, which absorb all the richness of the soil and the sun to grow elegant and light, but never give up their life cycle, the right one based on their “judgement”.

We are not alone before challenges and opportunities: the stakeholders, the operators of the whole supply chain, our workers, the families who live in the area where Panguaneta was established and grew, walk with us.

We will dictate the agenda with them.

The first actions that we are going to undertake deal with the definition of the Carbon Footprint, which will determine our specific impact on the CO₂ balance at a global level, and the improvement of the corporate welfare policies that will support and put our employees at the core of our activities.

The publication of this Sustainability Report is a concrete example of our commitments: our tomorrow begins, indeed it has begun today.

Our business project requires investments, responsibility and dedication. It is a commitment that we will fulfil to build our future, the world that we imagine and that we hope to leave to our children.

ATTACHMENT

ATTACHMENT GRI TOPICS

The following table shows the list of indicators reported in the 2020 Sustainability Report. For each GRI indicator the relating chapter of the report is provided.

KEY

- Fully reported
- Partially reported
- Not reported

GRI CODE	COVERAGE	CHAPTER
ORGANISATION PROFILE		
102-1	●	Our roots
102-2	●	Panganeta plywood
102-3	●	Production process
102-4	●	Production process
102-5	●	Governance
102-6	●	Market
102-7	●	Human resources; Economic performance
102-8	●	Human resources; Attachment
102-9	●	Market
102-10	Not applicable, since it is the first report drawn up by the Organization	
102-11	●	
102-12	●	Projects for the territory
102-13	●	
STRATEGY		
102-14	●	Letter to the stakeholders
102-15	-	
ETHICS AND INTEGRITY		
102-16	●	Principles and values
102-17	●	Social sustainability actions
GOVERNANCE		
102-18	●	Governance
102 -19	-	
102 - 20	-	
102 - 21	●	Relationship with the stakeholders
102 - 22	○	Governance
102 - 23	-	
102 - 24	-	
102 - 25	-	
102 - 26	-	
102 - 27	-	
102 - 28	-	
102 - 29	-	
102 - 30	-	
102 - 31	-	
102 - 32	-	
102 - 33	-	
102 - 34	-	
102 - 35	-	
102 - 36	-	
102 - 37	-	
102 - 38	-	
102 - 39	-	

GRI CODE	COVERAGE	CHAPTER
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INVOLVEMENT OF STAKEHOLDERS

102-40	●	Relationship with the stakeholders
102-41	●	Attachment
102-42	●	Relationship with the stakeholders
102-43	●	Relationship with the stakeholders
102-44	●	Substantiality

REPORTING PROCEDURES

102-45	●	Why draw up a sustainability report?
102-46	●	Why draw up a sustainability report?; Substantiality
102-47	●	Substantiality
102-48	Not applicable, since it is the first report drawn up by the Organization	
102-49	Not applicable, since it is the first report drawn up by the Organization	
102-50	●	Why draw up a sustainability report?
102-51	Not applicable, since it is the first report drawn up by the Organization	
102-52	●	Why draw up a sustainability report?
102-53	●	Conclusions
102-54	●	Why draw up a sustainability report?
102-55	●	GRI content table
102-56		

MANAGEMENT METHOD

103-1	●	Substantiality
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ECONOMIC PERFORMANCE

103-2	●	Sustainability path; Economic performance
103-3	-	
201-1	●	Economic performance; Attachment
201-2	-	
201-3	-	
201-4	-	
202-1	-	
202-2	●	Governance
203-1	-	
203-2	-	
204-1	●	Some statistics; A company rooted in the territory; Attachment
205-1	-	
205-2	-	
205-3	●	Social sustainability actions
206-1	●	Social sustainability actions

ENVIRONMENTAL PERFORMANCE

103-2	●	Environmental sustainability actions; energy efficiency
103-3	●	Environmental sustainability actions; energy efficiency
301-1	●	Attachment
301-2	-	
301-3	-	
302-1	●	Energy efficiency; Attachment
302-2	-	
302-3	●	Energy efficiency; Attachment
302-4	-	
302-5	-	
303-1	●	Water resource
303-2	-	
303-3	●	Attachment
303-4	●	Attachment
303-5	-	

GRI CODE	COVERAGE	CHAPTER
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304-1	Irrelevant	
304-2	Irrelevant	
304-3	Irrelevant	
304-4	Irrelevant	
305-1	●	Attachment
305-2	●	Panganeta and climate change; Attachment
305-3	●	Attachment
305-4	●	Panganeta and climate change; Attachment
305-5	-	
305-6	-	
305-7	-	
306-1	●	Waste recovery
306-2	●	Waste recovery
306-3	●	Waste recovery; Attachment
306-4	●	Waste recovery; Attachment
306-5	●	Waste recovery; Attachment
307-1	●	Environmental sustainability actions
308-1	-	
308-2	-	

SOCIAL PERFORMANCE

103-2	●	Social sustainability actions; Market
103-3	●	Social sustainability actions
401-1	●	Human resources; Attachment
401-2	-	
401-3	-	
402-1	-	
403-1	●	Health, wellness and safety of workers
403-2	●	Health, wellness and safety of workers
403-3	●	Health, wellness and safety of workers
403-4	●	Health, wellness and safety of workers
403-5	.	Health, wellness and safety of workers
403-6	●	Health, wellness and safety of workers
403-7	●	Health, wellness and safety of workers
403-8	●	Health, wellness and safety of workers
403-9	○	Attachment
403-10	-	
404-1	●	Continuous training; Attachment
404-2	-	
404-3	-	
405-1	●	Attachment
405-2	-	
406-1	●	Social sustainability actions
407-1	-	
408-1	-	
409-1	-	
410-1	-	
411-1	-	
412-1	-	
412-2	-	
412-3	-	
413-1	○	Relationship with the stakeholders; projects for the territory; Attachment
413-2	-	
414-1	-	
414-2	-	
415-1	-	
416-1	○	Panganeta Plywood; Health and safety of consumers
416-2	●	Health and safety of consumers
417-1	-	
417-2	-	
417-3	-	
418-1	-	
419-1	●	Social sustainability actions

ATTACHMENT

ENVIRONMENTAL DATA

RAW MATERIALS

MATERIALS USED (301-1)	UM	2018	2019	2020
Renewable raw materials	ton	171,491	152,776	158,361
Non-renewable raw materials	ton	5,743	5,936	5,178

ENERGY

ENERGY CONSUMED WITHIN THE ORGANIZATION (302-1)	UM	2018	2019	2020
Non-renewable energy sources	MJ	3.69E+06	4.25E+06	5.33E+06
Renewable energy sources	MJ	2.76E+08	2.77E+08	2.48E+08
Electricity	MJ	6.13E+07	6.30E+07	5.59E+07
Total energy consumption	MJ	3.41E+08	3.44E+08	3.09E+08

ENERGY INTENSITY (302-3)	UM	2018	2019	2020
Total energy consumption	MJ/ product tonnes	0.2431	0.2489	0.2591
Electricity consumption	MJ/ product tonnes	0.0771	0.0801	0.0826
Thermal energy consumption	MJ/ product tonnes	0.1596	0.1619	0.1683

WATER RESOURCE

WATER ABSTRACTION (303-3)	UM	2018	2019	2020
Surface water	m3	0	0	0
Underground water	m3	196,791	191,919	266,325

TOTAL WATER ABSTRACTION

Surface water	m3	0	0	0
Underground water	m3	196,791	191,919	266,325

TOTAL WATER ABSTRACTION BROKEN DOWN BY THE SOURCES REPORTED

Fresh water (≤1.000 mg/l total dissolved solids)	m3	196,791	191,919	266,325
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WATER DISCHARGE (303-4)	UM	2018	2019	2020
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TOTAL WATER DISCHARGE IN ALL AREAS IN MEGALITERS

Third-party water resources	m3	36,248	34,209	48,961
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TOTAL WATER DISCHARGE BROKEN DOWN

Fresh water (≤1.000 mg/l total dissolved solids)	m3	36,248	34,209	48,961
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ATTACHMENT

CORPORATE DATA

EMPLOYEES

NUMBER OF EMPLOYEES AS AT 31/12 PER EMPLOYMENT CONTRACT	2018		2019		2020	
	Fixed-end empl. contr.	Open-end empl. contr.	Fixed-end empl. contr.	Open-end empl. contr.	Fixed-end empl. contr.	Open-end empl. contr.
Men	13	129	8	155	4	160
Women	1	47	1	44	2	40
Total per type of contract	14	176	9	199	6	200
Percentage of employees with fixed-end empl.contr.	92.63%		95.67%		97.09%	
Total employees	190		208		206	

NUMBER OF EMPLOYEES AS AT 31/12 PER EMPLOYMENT TYPE	2018		2019		2020	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Men	142	-	163	-	164	-
Women	48	-	44	1	41	1
Total employees	190		208		206	

COLLECTIVE BARGAINING AGREEMENTS	2018	2019	2020
Number of employees involved in collective bargaining agreements	190	208	206
Percentage of employees involved in collective bargaining agreements	100	100	100

NUMBER OF NEWLY HIRED AND DEPARTED EMPLOYEES PER CATEGORY	2018		2019		2020	
	Newly hired	Departed	Newly hired	Departed	Newly hired	Departed
Men	19	16	32	11	12	11
Women	2	3	2	5	2	5
Below 30 years	10	3	8	4	2	2
Between 30 and 50 years	8	7	18	5	8	5
Over 50 years	3	9	8	7	4	9
Total	21	19	34	16	14	16

TURNOVER	2018	2019	2020
Global turnover rate	20.62	24.63	14.49
Men global turnover rate	24.39	28.20	14.07
Women global turnover rate	10.53	15.05	16.09
Incoming turnover rate	11.05	16.35	6.80
Men incoming turnover rate	13.38	19.63	7.32
Women incoming turnover rate	4.17	4.44	4.76
Outgoing turnover rate	10.00	7.69	7.77
Men outgoing turnover rate	11.27	6.75	6.71
Women outgoing turnover rate	6.25	11.11	11.90

EMPLOYEES

EMPLOYEES PER CATEGORY		2018	2019	2020
Managers	Men	1	1	1
	Women	3	3	3
	Below 30 years	0	0	0
	Between 30 and 50 years	0	0	0
	Over 50 years	4	4	4
Employees	Men	19	20	20
	Women	12	14	15
	Below 30 years	3	7	3
	Between 30 and 50 years	21	18	20
	Over 50 years	7	9	12
Workers	Men	122	142	143
	Women	33	28	24
	Below 30 years	12	23	20
	Between 30 and 50 years	85	86	85
	Over 50 years	58	61	62

TRAINING

HOURS OF ANNUAL TRAINING PROVIDED FOR EMPLOYEES	2018	2019	2020
Total hours of training for men	1,199	1,041	732
Total hours of training for women	259	134	151
Total hours provided	1,458	1,175	883

AVERAGE TRAINING HOURS PROVIDED	2018	2019	2020
Men	8.44	6.39	4.46
Women	5.40	2.98	3.60

ANNUAL TRAINING HOURS PROVIDED PER EMPLOYEES BROKEN DOWN BY CATEGORY	2018	2019	2020
Manager	0	4	2
Employees	184	227	267
Workers	1,274	944	614
Other (maintenance engineers. technical operators)	0	0	0

HEALTH AND SAFETY AT THE WORKPLACE

ACCIDENTS	2018	2019	2020
Deaths	0	0	0
Major accidents*	0	0	0
Number of recordable accidents**	3	5	12
Frequency index	8.85	14.28	34.40
Severity index	2.12	1.26	1.02
Occurrence index	15.46	24.63	56.87
Working hours	339,091	350,177.5	348,830

* Accidents at work that leads to damage from which the worker cannot recover or he/she is unlikely to completely recover, returning to the state of health before the accident within 6 months.

**Accidents at work or occupational diseases causing any of the following situations: death, days of absence from work, limitations of the work duties or transfer to another job, medical treatment beyond first aid or unconsciousness, major injury or illness diagnosed by a doctor or any other qualified health care practitioner, although they may not lead to death, days of absence from work, limitations of the work duties or transfer to another job, medical treatment beyond first aid or unconsciousness

Frequency index: Fi = 1,000,000 * no. of accidents/ hours worked

Severity index: Si = 1,000 * no. of hours of accidents / hours worked

Occurrence index: Oi = 1,000 * no. of accidents / no. of workers

INVESTMENTS IN THE COMMUNITY

INVESTMENTS IN THE COMMUNITY	UM	2018	2019	2020
Actual investments in the local community	€	26,940	20,510	48,800

ATTACHMENT

ECONOMIC DATA

ECONOMIC INDEXES

OPERATING MARGINS	UM	2018	2019	2020
EBITDA	€ thousand	8,951	9,345	8,248
EBIT	€ thousand	6,181	5,918	4,767
EBITDA on turnover	%	11,5%	12,0%	12,1%

ECONOMIC VALUE	UM	2018	2019	2020
Generated economic value	€ thousand	78,146	78,976	68,818
Distributed economic value	€ thousand	70,871	70,845	61,428
Withheld economic value	€ thousand	7,275	8,131	7,390

EXPORT	UM	2018	2019	2020
Export on total turnover	%	66%	70%	71%
Export over the total ITALIAN plywood sector	%	39%	39%	40%

SUPPLY CHAIN	UM	2018	2019	2020
ITALIAN suppliers over total suppliers	%	71%	80%	81%

LOCAL SUPPLIERS	UM	2018	2019	2020
Total expenses	€ thousand	74,444	59,191	45,619
Costs for local suppliers	€ thousand	29,243	26,258	17,718
Expenditure percentage for local suppliers	%	39%	44%	39%

SUMMARY

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04 Letter to the stakeholders

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PANGUANETA

Plywood For Life

We hope that you enjoyed our first Sustainability Report, and that you have found the answers to your questions on these pages. We would like to know your opinion. If you want to share your thoughts about it with us, or if you need more information on this Report and our actions for sustainability, please feel free to contact us:

sustainability@panguaneta.com

To find out our up-to-date news
or download our Sustainability Report,
visit our website:

www.panguaneta.com

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