

Sharing the future

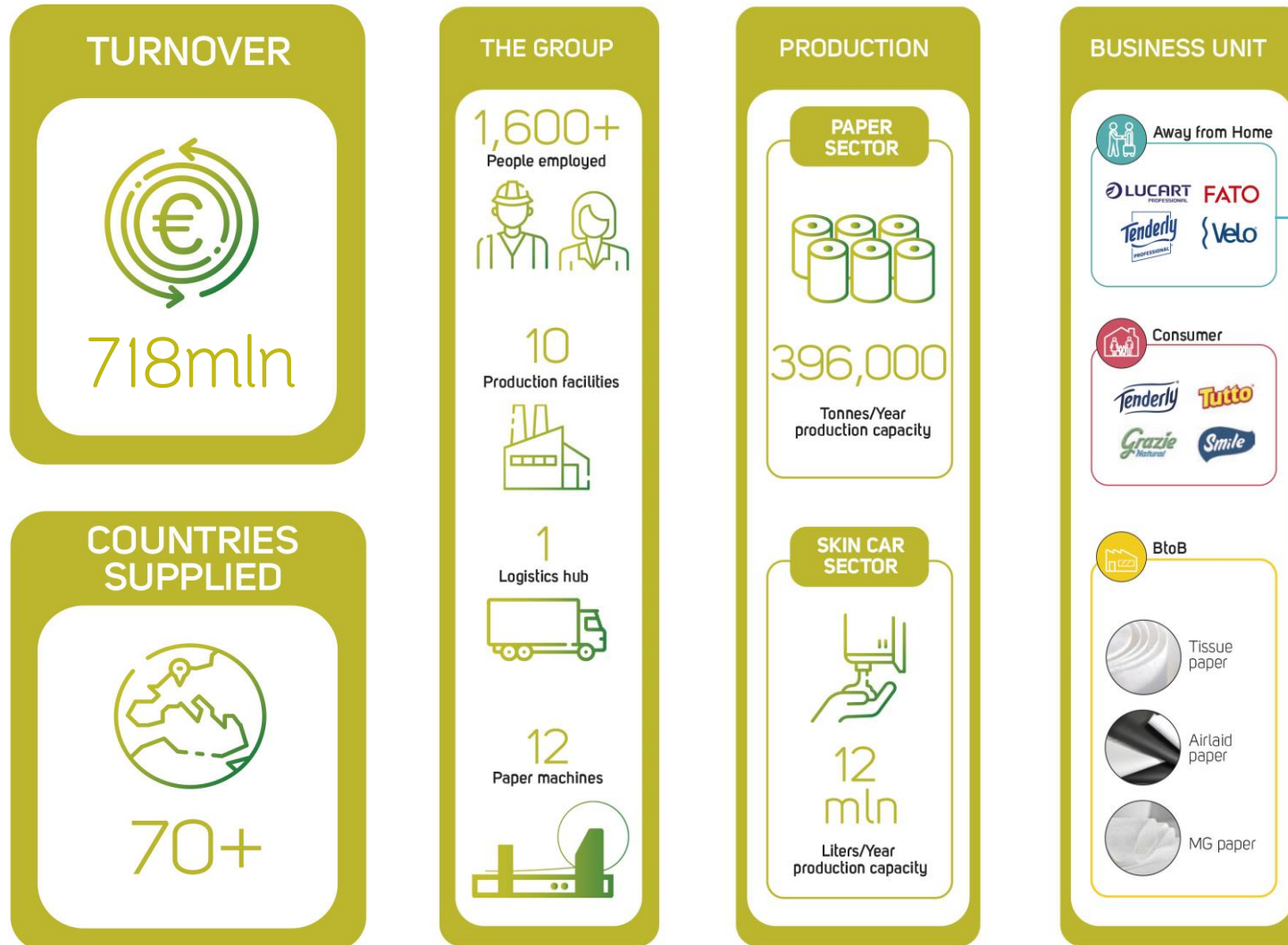


The LUCART case: Creating Value from UBCs

Summary

1. Introduction to Lucart
2. The Lucart EcoNatural[®] value proposition
3. Additional information
4. The Municipal-Material-Cycle[®] Project: establishing circular flows for local communities
5. The Giotto[®] Project: establishing circular flows for business partners
6. Points for reflection

Introduction: Lucart at a glance

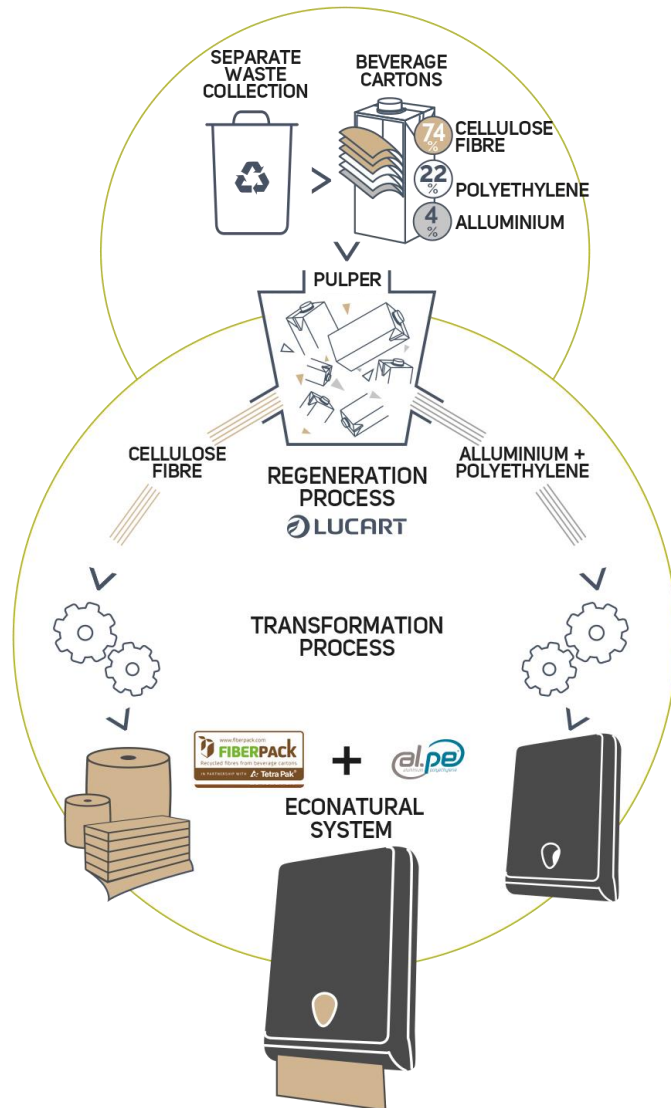


Lucart is today the second European manufacturer for the tissue Away-from-Home channel

Introduction: Lucart locations in Europe



Lucart EcoNatural[®]: One Origin, Two Components, One Value Proposition



- ✓ Thanks to its innovative technology, **Lucart separates the individual components** of beverage cartons.
- ✓ From cellulose fibers, Lucart develops **Fiberpack[®]**, the paper that provides all the strength, absorbency and softness of a premium product with the guarantee of a safe and certified range.
- ✓ With aluminum and polyethylene, Lucart makes **Al.Pe.[®]**, the new raw material used to produce the dispensers for every washroom and healthcare area.
- ✓ The final result is **EcoNatural System: a customer value proposition that unifies all the different components** a beverage carton is made of.

A nice story to tell!

...as it is simple, tangible and refers to very common products, used by tens of millions of people every day.

Lucart EcoNatural[®]: Creating Value around...

A complete range of more than 60 items, covering all the categories of hygiene paper, and made from the recycling of UBCs



To certify that the entire production phase follows the highest European standards for environment respect and consumer health



A logo to assure the origin of the material from UBCs and the partnership with Tetra Pak[®]



The chain-of-custody for product that are 100% from recycled fibers



To certify products that are safe, circular and responsibly made, following global standards (only for item Made in France)



Internal program to reduce the impact of packaging, shifting from plastic to paper (where possible) or to recycled plastic



100% of electricity needs to manufacture these products come from renewable resources



From April 2023 toilet papers and hand towels are CLIMATE NEUTRAL, testifying under international parameters (ISO 14067 and PAS 2060) that all the emissions in the life cycles of these products are reduced or compensated



A complete range of paper and soap dispensers and bins to furnish public washroom areas, made from the recycling of UBCs



From 2022 the dispenser range is available even in white color



A logo to identify polyethylene and aluminum foils extracted by Lucart from UBCs



To attest to content of recycled material in a product and the traceability of the entire production chain, representing a tool for transparency and simplification for GPP



NEXT STEP FOR END 2023

NEW DESIGN

Lucart EcoNatural[®] today

Today Lucart EcoNatural[®] is sold in all the European Countries and exported all around the world.

This range is recognized as the **cutting-edge of sustainability in the professional hygiene industry.**

Despite its innovative content, it is not considered a niche product, as accounts for more that 15% of total AFH business for Lucart



Additional information

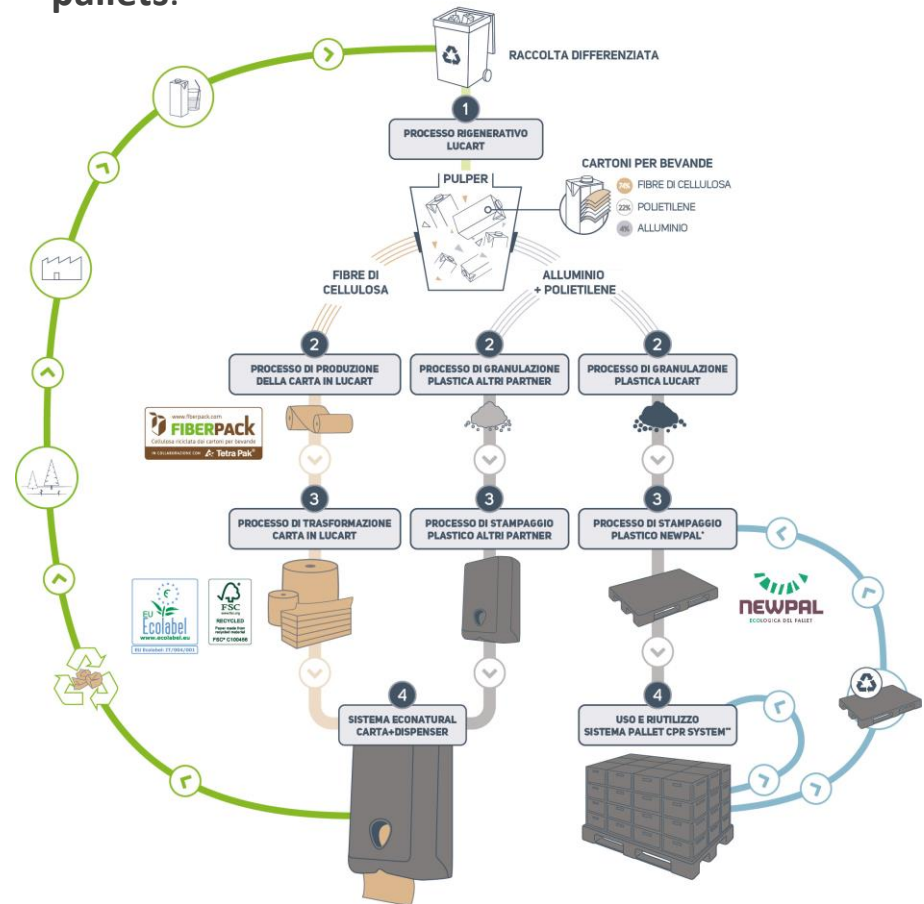
Grazie EcoNatural



Lucart operates with products made in Fiberpack® even in the **consumer market**.

The **Grazie EcoNatural®** brand is sold mainly in Italy and in France, where it is category leader in the organic retail segment.

In 2022, Lucart inaugurated a **granulation line** for Al.Pe. in the Diecimo Plant (Italy). The out-put of this line will be sold to **NewPal**, a joint-venture between Lucart and CPR System, to produce **pallets**.



The Municipal-Material-Cycle® Project (1/2)

A Municipal-Material-Cycle® (or **MMC®**) is about building and managing a circular flow that engage actively a set of stakeholders:

- People living in **Local Communities**
- Local institutions (**Municipalities**)
- Local schools
- Local Waste-Management Companies
- Local Take-Back Systems
- Waste-Sorting Platforms
- a Recycler of UBCs (**Lucart**)
- a local Distribution Company
- any voluntary Endorser

With the application of an MMC® a Local Community is **incentivized in performing a good separate collection for UBCs**, as everybody can see (and touch) the results of their effort, simply entering in a washroom of a local school, a municipal office, a library or a sport center.



The Municipal-Material-Cycle[®] Project (1/2)

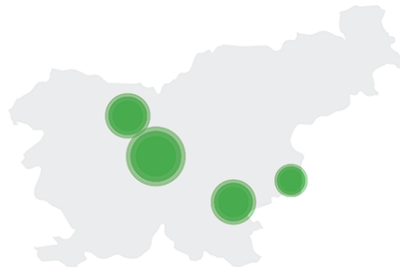
In 2016 the first MMC[®] was successfully tested in Novo Mesto (Slovenia)



In March 2020, Lucart and a local partner established **Circular Shield d.o.o.**, a start-up dedicated to develop MMC[®]s across Europe.

Population involvement

In the meantime, the penetration in **Slovenia** has gone on, as well as in **Slovakia** with very positive perspectives



295.504	24.471	66.779	76.840
MMC Ljubljana	MMC Brežice	MMC Novo Mesto	MMC Kranj

463.594 of 2.095.861



As next steps, we are planning to enter:

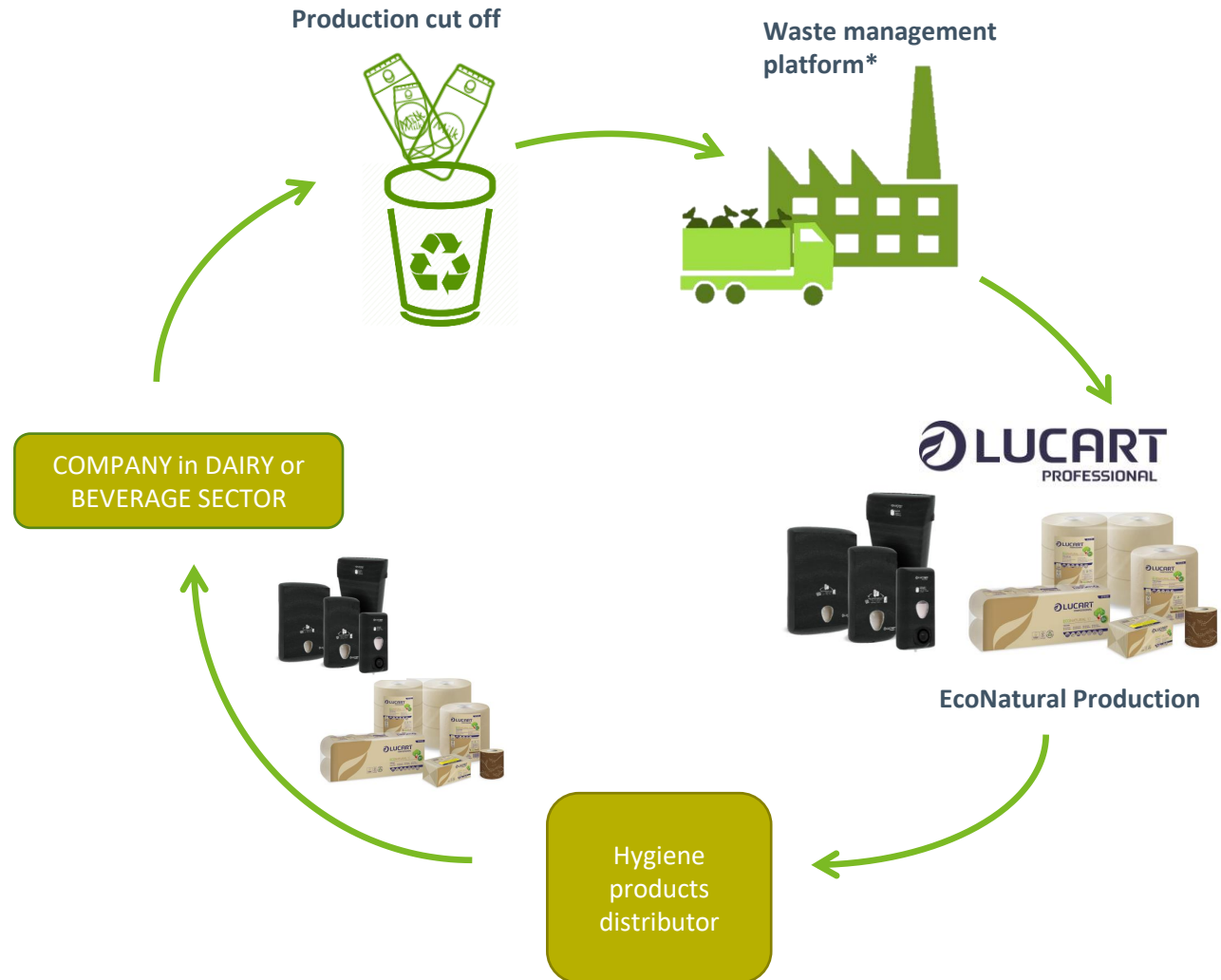
- France** : new branch activated in 2022 (huge potential market)
- Belgium** : to be activated by the end of 2023 (very favorable culture and legislation)
- Italy** ??? (shortage of sorted UBCs makes MMC[®]s applicable only in limited geographic areas)

The Giotto® Project

Managing even the Pre-consumer Cycle...

The **Giotto® Project** main goal is to set a **circular flow among B2B partners for Pre-consumer BC waste**, physiologically coming out from industrial processes using BC to bottle milk, juices, or other beverages.

Indeed, Lucart can recycle this production waste and transform it in hygiene products (hand towels, toilet paper, dispensers,...) that can be used by the same company where the BC waste has been originated, closing the material cycle.



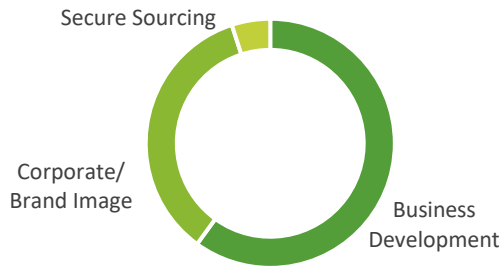
* Waste management platform involved in Countries where it's required by law. In all other cases direct delivery from customer (Company) to Lucart

Points for reflection

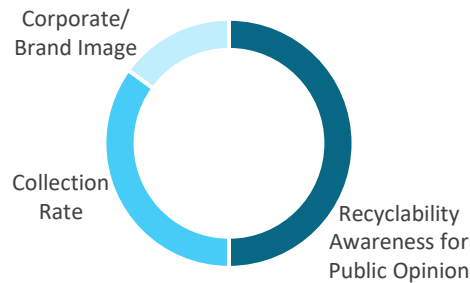
ESTABLISHING CIRCULAR FLOWS FOR LOCAL COMMUNITIES



Lucart's interest



BC Producer's potential interest

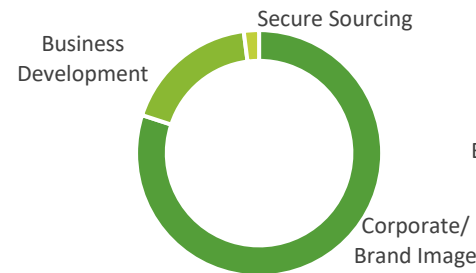


1. **Public endorsement** to the MMC[®] Project
2. **Support in local PR** with Institutions and national Take-Back Systems
3. **Support in local communication** campaigns to families and schools

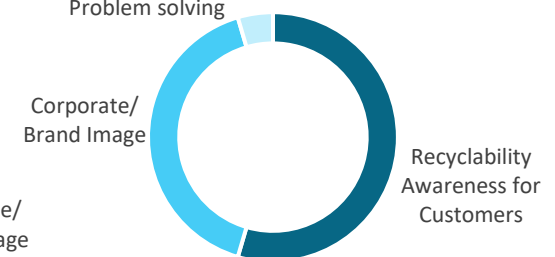
ESTABLISHING CIRCULAR FLOWS FOR BUSINESS PARTNERS



Lucart's interest



BC Producer's potential interest



1. **Public endorsement** to the Giotto[®] Project
2. **Support in targeting** potential customers
3. **Connecting** Lucart and potential customers
4. **Propose as a collateral service** of the total offer (in targeted markets)

Thank You



www.lucartgroup.com



<https://www.linkedin.com/company/lucart-group/>



<https://twitter.com/lucartgroup>



<https://www.youtube.com/channel/UCeuRqqe6PalxL-9W3inouOQ>