

PRESS RELEASE

INTESA SANPAOLO AND FEDERLEGNOARREDO: 1 BILLION FOR INNOVATION AND THE CIRCULAR ECONOMY OF THE 'HOUSE SYSTEM'

- **Funds available for the leading production sectors of Italian products, focused on innovation, the circular economy, development and digitisation**
- **The report presented today by Intesa Sanpaolo estimates that between 2017 and 2022 Italian exports of top-of-the-range furniture may increase by 700 million dollars; the most interesting prospects are found in China, Germany and the United States**
- **Intesa Sanpaolo at the Salone del Mobile ("International Furniture Fair") in Milan and the *fuorisalone* events: promoting emerging talent and traditional Italian craftsmanship**

Milan, 4 April 2019 – In Milan today, the **Chairman of FederlegnoArredo Emanuele Orsini and Stefano Barrese, Head of the Banca dei Territori Division of Intesa Sanpaolo**, signed the agreement that provides a **billion euro to support investments in innovation and circular economy processes** for companies with a focus on a sustainable development model for the sector and, more generally, of the "House system" ("sistema casa") which includes the timber trade, the wood building materials sector and the home-furniture-design world.

The agreement signed today follows on from the joint initiative undertaken in 2018 to address the natural disasters that hit north-eastern Italy, with over a million and a half trees uprooted, and also to identify the concrete solutions to give the whole industry access to credit.

The analysis called "*L'industria italiana del mobile fra tradizione e innovazione*" ("*The Italian Furniture Industry, from Tradition to Innovation*") conducted and presented today by **Gregorio De Felice, Chief Economist of Intesa Sanpaolo**, shows that, despite the significant downturn over the last ten years, the furniture industry still plays a leading role in the Italian economy, with about 18,600 companies, a total of over 130,000 operators and with a turnover of just under 23 billion euro.

There are significant prospects for growth in foreign markets: according to estimates by the Research Department of Intesa Sanpaolo, **Italian exports of top-of-the-range furniture could increase by 700 million dollars between 2017 and 2022**. This figure could increase even more if the Italian furniture industry succeeds in strengthening its

presence in foreign markets such as Germany but, above all, China and the USA. Between 2008 and 2018, **the furniture industry already broadened its scope for exports by 906 kilometres**, more than any other industry in Italy. It is no coincidence that the proportion of exports to “distant” emerging countries rose to 13% in 2018, from 5% in 2008, while this proportion for developed distant countries reached 15%, up from 9% ten years earlier.

The Italian furniture industry can rely on the top quality of its products, along with adequate **investments in innovation and certifications (FSC, quality and environmental)**, as well as structured marketing strategies (export activities supported by brands and commercial branches). It will also be important to have direct investments to develop e-commerce, which is increasing significantly both in the Italian and foreign markets.

The agreement presented today involves the promotion of **intangible factors** that Intesa Sanpaolo has included in the new rating model endorsed by the ECB, and focuses particular attention on companies operating within the “house system” industry, with an increasing focus on eco-sustainability both in terms of materials and the production processes.

Through its **Innovation Center**, the Intesa Sanpaolo Group is highly committed to promoting a sustainable development model, just like the businesses represented by FederlegnoArredo, which already recycle about 2 million tons of wood from packaging and from recycled urban waste collections. It has been calculated that the circular system of wood recycling may have an impact in economic terms of around 1.4 billion euro, with 6000 new jobs created and a reduction of about one million tons of CO₂ emissions.

The Progetto Filiere of Intesa Sanpaolo, launched nationally with the signing of over 630 contracts, includes **19 industry sectors in the “house system”** with over 3000 employees, a potential for over 350 suppliers and a sales turnover of over 2 billion euro.

Supporting the development of companies is FederlegnoArredo’s mission, an integrated industry sector which makes Italian design a strategic strength for the whole of the Italian economic system.

“The Italian wood-furniture sector is an integrated economic sector boasting one of the most environmentally friendly circular economies, from its raw materials taken from our forests to the final product. This therefore creates a flow of high-value products, made in the various clusters found throughout Italy. Our companies constitute a widespread system of values which, as a Federation, we support on a daily basis, and the Salone del Mobile (Milan International Furniture Fair) is its greatest showcase. The furniture world has a production system consisting of great brands and SMEs that is a cornerstone of the manufacturing industry throughout Italy. In this context, it is essential to support Italian SMEs, and this agreement is part of the initiatives that we are introducing to support our members in facing up to the challenges posed by the markets. Supporting the development of companies is FederlegnoArredo mission, the mouthpiece of Italian design being a strategic strength for the entire Italian economy. It is an example of Italian production that has the ability to look to the future, to innovate and compete in the markets”, **said Emanuele Orsini, Chairman of FederlegnoArredo.**

Stefano Barrese, Head of the Banca dei Territori Division of Intesa Sanpaolo said:
“The furniture sector which we have defined as the “house system” has a great potential for growth abroad, and a great capacity for drawing in foreign investment, and needs to seize opportunities, particularly in a phase of economic slowdown. Our priority, as the

leading bank in Italy, is always to facilitate access to credit and the agreements we have with the trade associations are fundamental in engaging an entire system. Thanks to the agreement with FederlegnoArredo, we have made a ceiling of one billion euro available so as to transform our common values into concrete actions: from the sustainability of new projects, to innovation, the development of industry sectors and the circular economy, while also harnessing the specific expertise of our Innovation Center. These topics will also be recurrent themes in the scheduled events organised for the public during the Salone del Mobile and the fuorisalone events”.

Gregorio De Felice, Head of Research and Chief economist of Intesa Sanpaolo: *“The furniture industry has a leading role in the Italian economy. It is the fourth best performing sector for commercial advancement, valued at 7.6 billion euro in 2018, and Italy is ranked third in the world for market shares in the top-of-the-range bracket (10.4%), hot on the tail of Germany (13.9%) and China (10.9%). The best opportunities are coming from foreign markets. The sector can gain leverage from about 230 “locomotives”, highly dynamic enterprises that create employment and have excellent levels of profitability and capitalisation. The key to addressing the current slowdown is to rapidly increase the number of success stories through growth in size and more widespread strategies developed in relation to internationalisation and innovation.”*

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THE INTESA SANPAOLO EVENTS DURING THE SALONE DEL MOBILE (“INTERNATIONAL MILAN FURNITURE FAIR”)

For a third year running, Intesa Sanpaolo is the **institutional partner** supporting the 58th edition of the Salone del Mobile in Milan in 2019, organising a range of events in Milan for the furniture and design world.

On **10 April**, as part of the tenth edition of the **SaloneSatellite Award**, Intesa Sanpaolo will, for the second year in a row, be awarding the **special Intesa Sanpaolo Prize for Design** worth 5000 euro to the up-and-coming under-35 designer who has most successfully interpreted this year’s theme, *‘Food as a Design Object’*, with a particular focus on sustainability. Developed in collaboration with the SaloneSatellite, an event hosting over 550 designers and graduands from international schools of design, the special Intesa Sanpaolo prize aims to recognise the ambition and quality of emerging talents, themes that are close to the Group’s heart.

On **11 April**, the theme of sustainability will also be the focus of a musical cocktail Fuorisalone side-event which will bring life to the **Intesa Sanpaolo flagship branch in Piazza Cordusio from 6 pm onwards**: Intesa Sanpaolo Casa, the Group’s real estate brokerage company, will host the

presentation of *“La Natura, complemento di arredo sostenibile”* (*“Nature, a sustainable furniture accessory”*) in cooperation with Paolo Gelosa, an agronomist and external teacher at the Scuola Agraria Fondazione Minoprio agricultural college, who will explain solutions for creating green spaces inside homes, make suggestions on how to create a vertical garden, and discuss how to choose the most suitable green plants for absorbing city pollution. **The special guest** at the event will be the winning designer of the Intesa Sanpaolo Prize for Design, announced the day before.

The *fuorisalone events* bearing the Intesa Sanpaolo seal will also be taking place in unusual locations: **from 9 to 14 April the Intesa Sanpaolo workshops on “L’antico mestiere dell’attrezzista”** (the **“The age-old craft of prop making”**) will be held at the **Parenti District Art & Design**, a new area of Milan Design Week 2019. During the workshops every afternoon, the most experienced craftsmen from the Teatro Franco Parenti will get visitors involved in creating of a new item as a reminder and celebration of the essential handiwork that takes place behind the scenes and on stage. At the workshop, visitors will find all the necessary building materials and tools used by craftsmen, representing the heart of the Italy’s production industry. The Intesa Sanpaolo workshops will therefore be a tribute to micro enterprises, individual businesses and the age-old traditions of craftsmanship and manufacturing which, by recovering the values of tradition and supporting them with innovation, are the foundations of Italian excellence in the world.

And still within the sphere of the recovery and enhancement of excellent craftsmanship, **Intesa Sanpaolo will be supporting throughout the fuorisalone events the Alcova Sassetti** experience, an experimental platform for design run by the KENTA foundation, working in forgotten and historically-valued spaces, reinterpreting them as places for cultural activities. From 9 to 14 April, the spaces of the Fabbrica Sassetti, a former cashmere factory in the Isola district, perfectly preserved in its original state since 1930, will become the Alcova Sassetti, hosting 15 international designer projects invited by Alcova, a travelling and developing cultural institution, famous for having transformed the former panettone workshop of Giovanni Cova & Co. located in the Nord Loreto district of Milan, into one of the most highly-appreciated locations during last year’s Salone del Mobile.

During the Salone, the **Gallerie d’Italia - Piazza Scala**, Intesa Sanpaolo’s museum hub in Milan, will have one of the most emblematic works of art from the Futurismo movement on display: *Il Genio Futurista “The Futurist Genius”* by **Giacomo Balla** from the Biagiotti Collection. This monumental work, the largest ever produced by Balla (an oil painting on tapestry, measuring 279x381 cm) will be on display in the perfect setting of the Cantiere del ‘900 of the Intesa Sanpaolo collections, that bring together a heritage from all the banks belonging to the Group and trace a cultural path throughout the last century, with works by numerous artists including Boccioni, Balla, Carrà, De Chirico, Funi, Mafai, Sironi, Rosai, Spadini, Tosi, Zanini and many others.