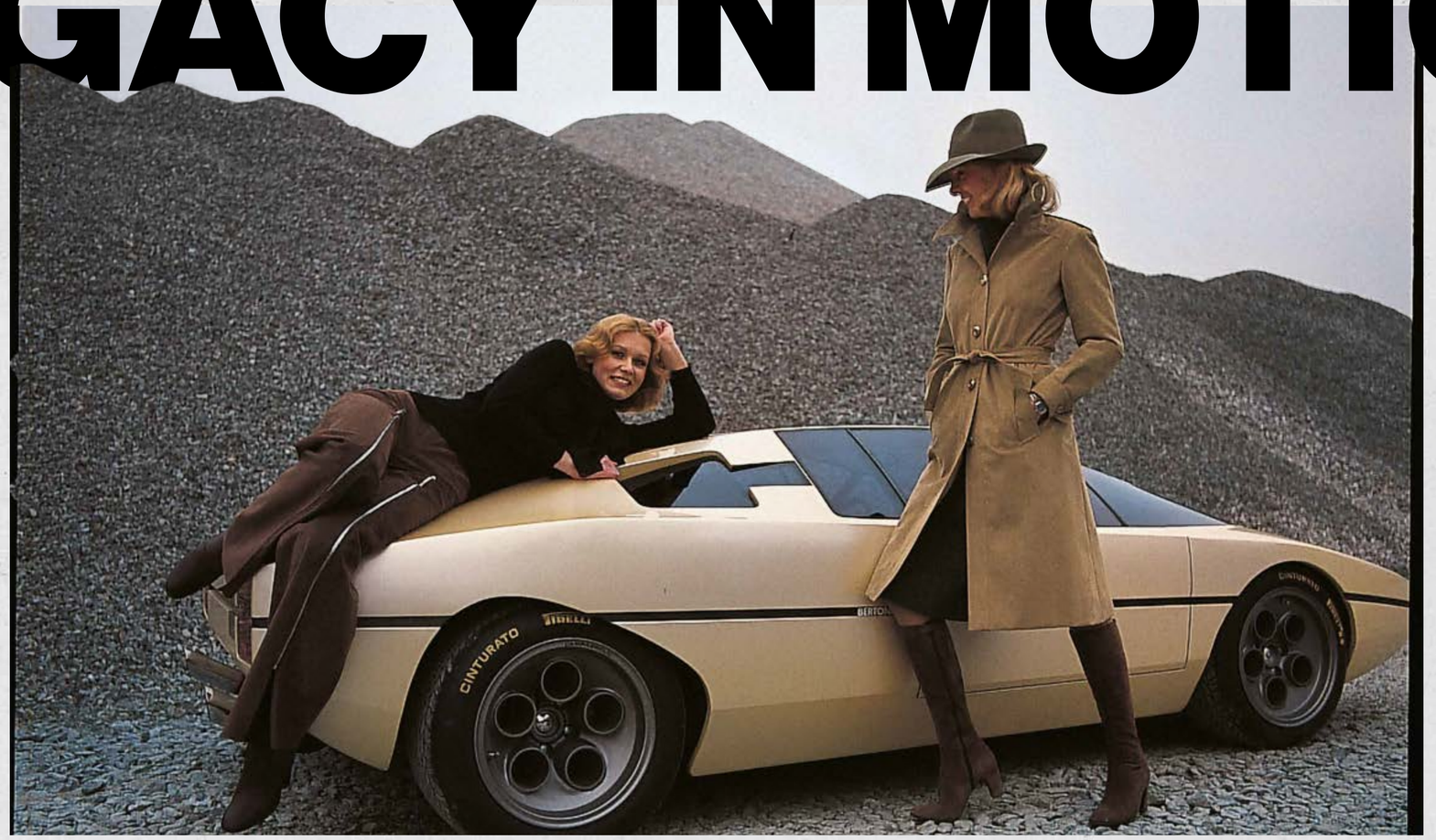
ALCANTARA®

LEGACY IN MOTION



FISCAL YEAR
1 APRIL 2024 -
31 MARCH 2025

INNOVATING FOR A SUSTAINABLE TOMORROW

SUSTAINABILITY REPORT 2024 - 2025

A message from our CEO

Dear Stakeholders,

I'm pleased to introduce the sixteenth edition of our Sustainability Report, which falls in the year when we celebrated the **50th anniversary** of the first official presentation of Alcantara® material at an international motor show.

Since 2009, as a voluntary act of transparency, our Company has consistently prepared and published this report in accordance with the GRI Standards and subject to third-party Limited Assurance. Although the implementation of mandatory sustainability reporting has been postponed, we have already initiated the transition toward full compliance with the upcoming obligations introduced by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The past Fiscal Year was once again marked by global instability. We faced a significant contraction in the production and sales of major car makers, with a notable impact on our Company's revenue. Also the luxury industry, in fashion and interior design, faced a tough environment and a reduction in sales.

Despite these challenges, our commitment to sustainability has remained steadfast. The journey we began in 2009 continues with renewed determination. This commitment is also reflected in our proactive response to regulatory developments. We have achieved certification for our product carbon footprint management system in accordance with ISO 14067:2018, and we are among the first companies to have verified our corporate Carbon Neutrality under the new ISO 14068-1:2023 standard.

Our pursuit of Carbon Neutrality, ongoing since 2009, is guided by increasingly ambitious goals. We have established a roadmap to progressively reduce our greenhouse gas emissions. Using 2021 as our baseline year, by 2030 we aim to achieve a 42% absolute reduction in Scope 1 and Scope 2 emissions. These interim targets are part of a broader and more ambitious vision that will lead us to achieve Net Zero status by 2050, as detailed in this Report.

In parallel, we continue to invest in new technologies, production processes, and circular economy initiatives, including the increased use of recycled raw materials.

For us, sustainability is not a trend or a temporary necessity, it is a fundamental responsibility. We are committed to protecting future generations by combatting climate change and preserving non-renewable resources.

I hope you enjoy reading.

Eugenio Lolli
Chairman and CEO of Alcantara S.p.A.

ALCANTARA®

SUSTAINABILITY REPORT 2024 - 2025

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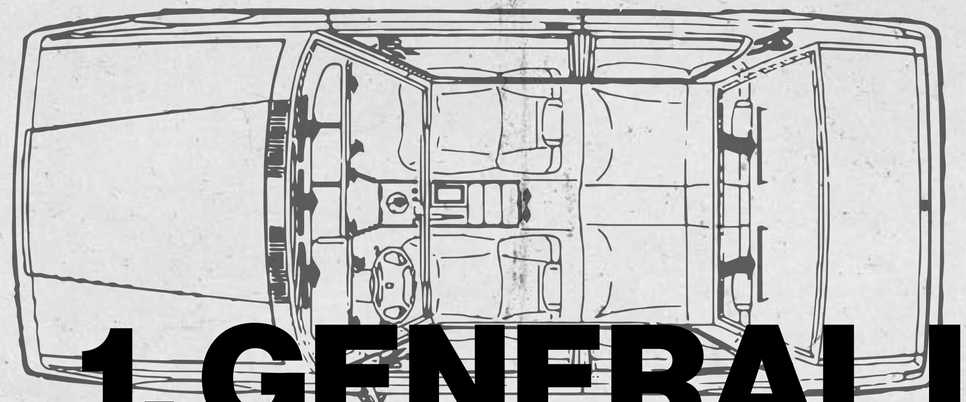
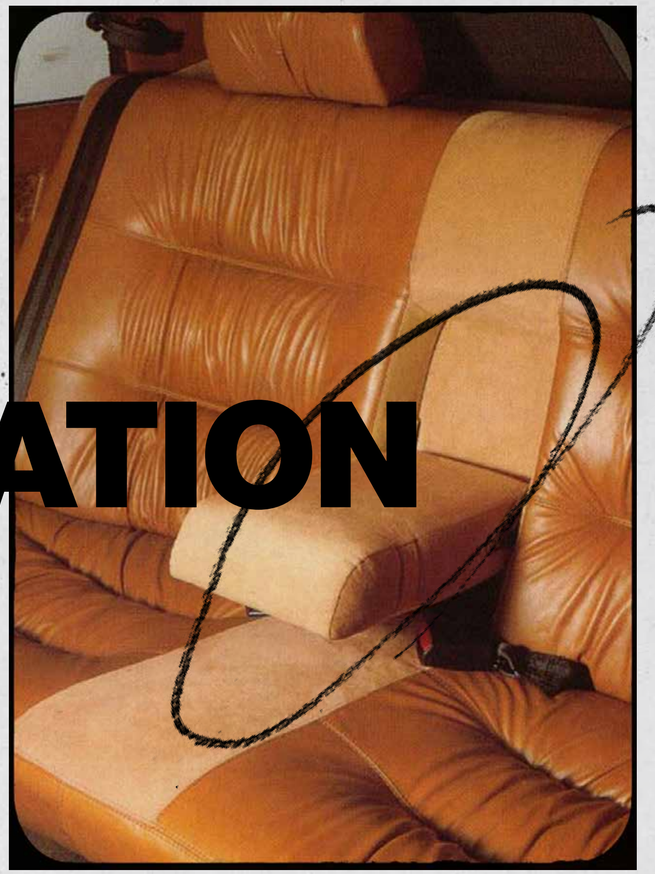


1. GENERAL INFORMATION



1.1

About Alcantara

1.2

Methodology

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Double materiality assessment

The process

Stakeholder engagement

Material impact, risk and opportunities

HIGHLIGHTS

Several certified management systems active as of 31 March 2025, including:
- IATF 16949 (Quality)
- ISO 14001 (Environment)
- ISO 45001 (Health & Safety)
- ISO 50001 (Energy)

86% of suppliers are based in Italy

48% are located in Umbria and Lombardy

€ 17.4 million total investments

€47 million added and distributed value (FY2025)

1.1 METHODOLOGY

Frame of reference

The reference period for the Report corresponds to the financial reporting period of Alcantara S.p.A. This document refers to three Fiscal Years:

- **'FY 2023' or 'Fiscal Year 2023'** refers to the period from 1 April 2022 to 31 March 2023;
- **'FY 2024' or 'Fiscal Year 2024'** refers to the period from 1 April 2023 to 31 March 2024;
- **'FY 2025' or 'Fiscal Year 2025'** refers to the period from 1 April 2024 to 31 March 2025.

Perimeter

The information contained in this report refers to Alcantara S.p.A., whose operations are primarily[1] based at two sites:

- **Headquarters: Via Mecenate, 86 20138 Milan, Italy**
- **Production Plant: Strada di Vagno, 13 – 05035 Nera Montoro (TR), Italy**

Reference guidelines: sustainability reporting framework

As of the date of preparation of this Sustainability Report, starting from Fiscal Year 2026, Alcantara S.p.A. qualifies as a company that will be subject to sustainability reporting obligations in accordance with the European Sustainability Reporting Standards (ESRS), as set out in Legislative Decree No. 125 of 6 September 2024 – which transposed EU Directive 2022/2464 (Corporate Sustainability Reporting Directive or CSRD) into Italian law.

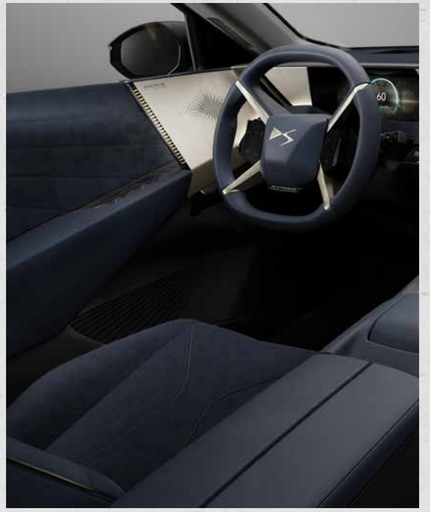
As part of the simplification initiative outlined in the Omnibus Package ((COM(2025)80) and (COM(2025)81)), EU Directive 2025/794[2] — known as the 'Stop the Clock' directive — introduces a two-year postponement of sustainability reporting obligations. For this deferral to take effect, it must be formally transposed into national legislation by the Member States by 31 December 2025, including through the amendment of Legislative Decree No. 125 in Italy.

In light of the regulatory requirements of the CSRD and the ESRS, Alcantara has initiated a progressive alignment process of its reporting tools. This process began with a gap analysis comparing the current reporting practices and content with the new sustainability reporting requirements, as well as a double materiality assessment inspired by the ESRS principle IRO-1.

The sixteenth edition of the Sustainability Report is a voluntary initiative prepared in accordance with the Global Reporting Initiative (GRI) Standards, updated in 2021. However, both in structure and content, the document also reflects Alcantara's commitment to the transition towards compliance with the ESRS and the CSRD.

1. A representative office is also located in Shanghai (23F, Apt. 10, The Center, 989 Chang Le Road – 200031 Shanghai).

2. The approvals by the European Parliament and the Council took place on 3 and 15 April 2025, respectively.



Data collection

Data related to social and environmental responsibility are collected by the Working Group through specific flowcharts and information sheets. The information in these areas follows the precautionary approach required by the standards and is subsequently verified through a reporting process integrated with the Company's management systems.

No adjustments have been made to the information from previous Fiscal Years. The way some data is presented has been modified to better align with the requirements of the ESRS.

Throughout this report, the terms 'ton' and 'tons' refer to the 'metric ton'.

External audit

This document has been externally reviewed by an independent third party based on the principles established in the international standard for the certification of non-financial information, 'ISAE (International Standard on Assurance Engagements) 3000 Revised' by the International Auditing and Assurance Standards Board (IAASB), an organisation directly supported by the International Federation of Accountants (IFAC).

We would like to thank the entire internal working group, and all the staff involved in the development and production of this 2025 Sustainability Report.

Prepared and coordinated by Alcantara S.p.A.

Alcantara S.p.A.'s Sustainability Report 2025 may be consulted in interactive format on the Company website: www.alcantara.com

For further details please contact:
alcantarasustainability@alcantara.com

All comments and suggestions are welcome.

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www.alcantara.com

1.2 ABOUT ALCANTARA

Alcantara S.p.A. is a leading Company in the field of premium upholstering materials. Its value is based on the integration of three essential elements that determine its global success: an internationally recognised brand, constant evolution and product innovation, and a business model where technological development allows aesthetically refined solutions to be created.

Alcantara is the only world's company that manufactures and markets the original Alcantara® material worldwide. The Company is fully based in Italy, where its two operational sites are located: headquarters in Milan and production plant and Research and Development centre in Nera Montoro (Terni).

Alcantara is a unique and innovative material used to cover any surfaces and shapes. It is the result of a proprietary technology, protected by several patents, and it provides a unique combination of functional and emotional values. Its great versatility allows it to be adopted in countless different ways for countless applications, making it a source of inspiration for avant-garde creatives of today and tomorrow.

management and administrative Headquarters, housing the management, commercial, marketing and communication, sustainability, administration, and style offices, logistics services and human resources divisions.

Production Site and Research & Development Centre

1.3 GOVERNANCE

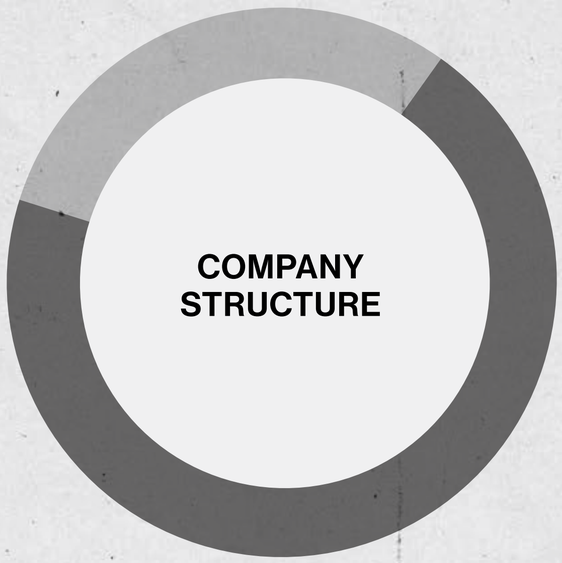
Governance model

Corporate structure

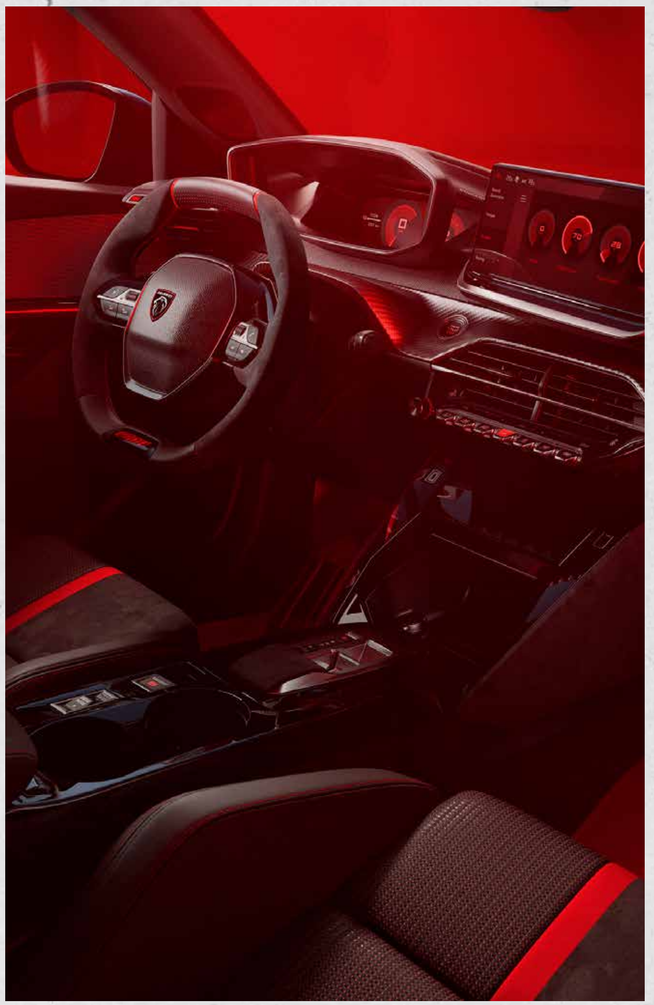
The share capital is composed of ordinary shares with a nominal value of €1 each.
As of 31 March 2025, Alcantara's subscribed and paid-in share capital amounted to €10,800,000, divided as follows:

30% *MN Inter-Fashion, Ltd.*

70% *Toray Industries Inc.*



	% PROPERTY	NUMBER OF ORDINARY SHARES FY 2025
TORAY INDUSTRIES INC. – TOKYO (PARENT COMPANY)	70%	7,560,000
MN INTER-FASHION, LTD. - TOKYO	30%	3,240,000
TOTAL SHARES	100%	10,800,000



Governance structure

The main governing bodies are the Shareholders' Meeting, the Board of Directors, and the Executive Committee.

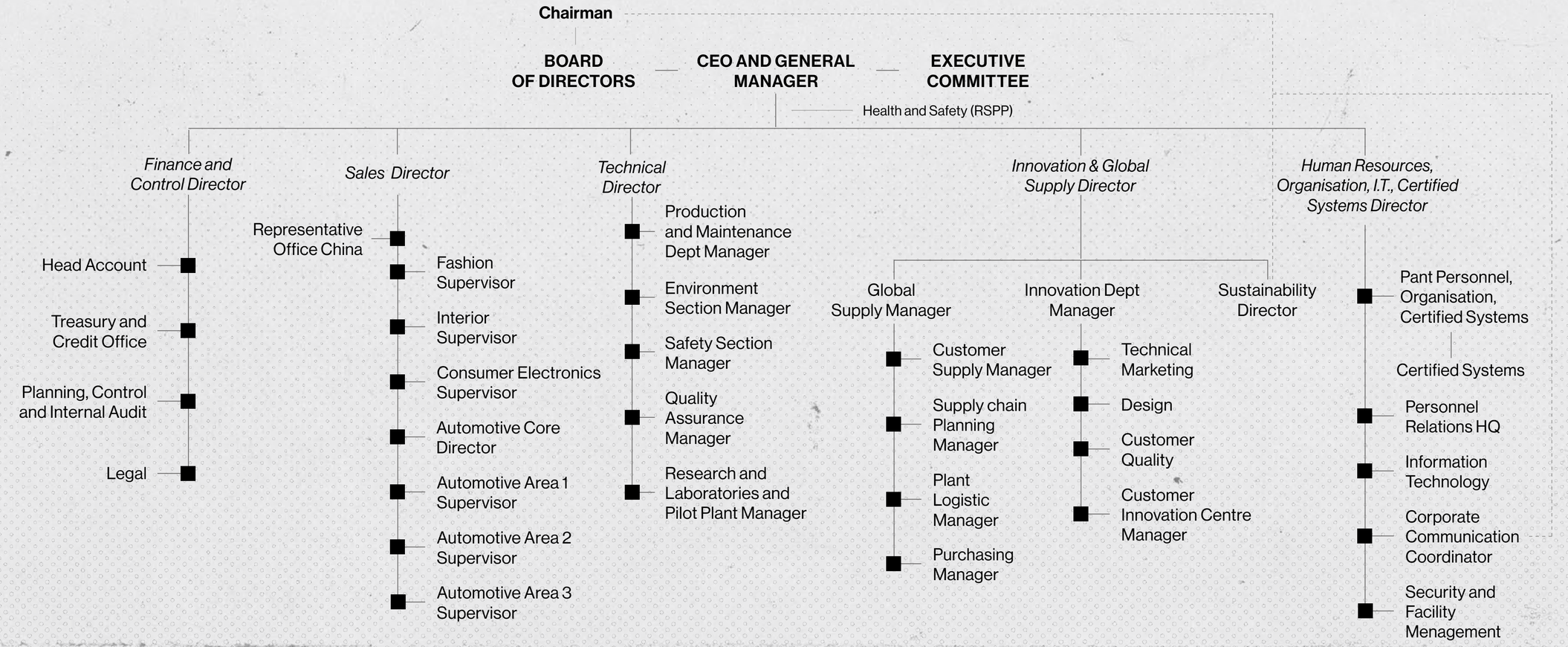
Alongside these, operational control and supervisory functions are carried out by the Board of Statutory Auditors (Collegio Sindacale) and the Supervisory Body (Organismo di Vigilanza) pursuant to Legislative Decree 231/2001.

With the exception of the Chairman and CEO, all members of the Board of Directors are independent and non-executive. They are appointed based on expertise and qualifications aligned with the Company's sustainability values.

As of 31 March 2025, the governance, management, and control bodies are composed as follows:

GOVERNANCE, MANAGEMENT AND CONTROL BODIES BY AGE AND GENDER	FY 2025						
	< 30 YEARS		30-50 YEARS		> 50 YEARS		TOT
	Women	*Men*	*Women*	*Men*	*Women*	*Men*	
Board of Directors[3]	-	-	-	2	-	5	**7**
Executive Committee	-	-	-	1	-	2	**3**
Board of Statutory Auditors	-	-	-		-	5	**5**
Total	-	-	-	**3**	-	**12**	**15**
Percentage	0%	0%	0%	20%	0%	80%	100%

3. There are no employee or other worker representatives on the Board of Directors. It is also noted that the Chief Executive Officer was appointed Chairman in 2024.



Operating structure

The results achieved are due to the development of sufficient production flexibility, which aims to meet the needs of the different markets in which the Company operates. This is possible thanks to the integrated management of corporate processes that underlies the Company, characterised by the commercial divisions that manage the business in the various application sectors. Despite the complexity of the production process, flexibility is guaranteed.

Alongside its internal functional/ hierarchical organisational structure, the Company has developed a horizontal organisational system based on ongoing collaboration among departments, including the creation of cross-functional teams.
Indeed, the Company has enhanced and promoted teamwork, updating its objectives and introducing cross-functional team work groups for specific topics. Within each team, an internal organisation is defined to allow each member to contribute through their specific skills and knowledge.
This approach leads to:

- greater focus on the Company's strategic objectives;
- an increase in engagement and motivation;
- improvement of communication and alignment processes;
- development of a sense of belonging and sharing;
- improvement in the quality of the response and in the actions taken.

Sustainability governance

For Alcantara, the development of an integrated and rigorous approach to sustainability is founded on a solid and efficient governance structure that involves multiple stakeholders and business functions.
The Chairman of the Board of Directors and of the Executive Committee defines and oversees strategies and objectives to strengthen sustainability as a core corporate value, while enhancing the Company's competitive positioning.
Projects aligned with the strategic business plan involve key managers from the various divisions, coordinated by the Sustainability Director.
The Sustainability Director is responsible for working alongside the Chairman and CEO to define corporate strategies, overarching sustainability objectives, and the multi-year Sustainability Plan.
Additionally, the Sustainability Director develops and implements strategies to achieve sustainability goals, drawing on the support of different business units and applying approaches and working methods typical of cross-functional team management.
The Sustainability Director does not report directly to the Board of Directors regarding Alcantara's economic, social, and environmental impacts. However, the annual Sustainability Report, prepared under his responsibility and presented to the Board and shareholders, serves as a key tool for transparent communication regarding the Company's impacts.
Corporate management reports to the Chairman and CEO. During monthly and quarterly Board of Directors' meetings, both current and future activities are discussed, taking into account input from department heads, the Supervisory Body, employees, and representatives of external stakeholders.

Where possible, key stakeholders are directly engaged, and their perspectives are integrated into the materiality assessment through the work of representative bodies in which the Company participates, as well as through the recommendations of various third-party and independent organisations that certify Alcantara's management systems.

Certified management systems

Alcantara has implemented an internal system for the prevention of identified risks that allows it to ascertain, measure, manage and monitor the main critical issues of the business, in line with its strategy of sustainable business development at economic, social and environmental level. Such certified management models are designed to identify and manage risks to ensure business continuity and success by:

- **creating value sustainably together with all stakeholders;**
- **understanding customer needs while pursuing the highest quality standards;**
- **minimising environmental impact and the consumption of non-renewable resources;**
- **developing and monitoring the supply chain;**
- **establishing continuous dialogue and engagement with internal and external stakeholders.**

Certifications as of 31 March 2025:

STANDARD	MANAGEMENT SYSTEM	BODY	FIRST ISSUED ON	EXPIRY DATE
UNI EN ISO 9001:2015	Quality Management System	TÜV SÜD	September 1993	December 2026
UNI EN ISO 14001:2015	Environmental Management System	TÜV SÜD	May 2000	July 2025
IATF 16949:2016	Quality Management System for Automotive Industry	TÜV SÜD	February 2004	December 2026
SA8000®	Social Responsibility	TÜV SÜD	October 2008	July 2026
ISO 14068 (replacing PAS 2060:2014 - CMS Standard GHG 41)	Carbon Neutrality	TÜV SÜD	July 2025[4] (June 2014 / June 2009)	Renewed annually
ISO 45001:2018 (replacing BS OHSAS18001)	Occupational Health and Safety Management System	TÜV SÜD	September 2021 (April 2013)	October 2027
ISO 50001:2018	Energy Management System	Bureau Veritas	February 2017	February 2026
TISAX LABEL	Information Security	TÜV SÜD	November 2022	November 2025

Certified management systems are subject to both internal audits - performed by qualified personnel on all business processes and functions - and periodic maintenance or renewal audits – performed by an accredited body. The systems are subsequently following both the completion of internal audits and the review of the performance of Company processes[5].

Moreover, the Company has obtained respected product-related certifications, which are also verified annually by accredited bodies.:

CERTIFICATION	VALIDITY
Oeko-Tex Standard 100 (valid for individual brands/families)	Obtained and maintained since 1995; renewed annually
Marine sector: IMO MED certification according to EU Directives 2002/75/EC and 96/98/EC (valid for individual brands/families)	Obtained and maintained since 2000; renewed annually
Construction sector: CPR certification for construction products according to EU Directive 305/2011/EU (valid for individual brands/families)	Obtained and maintained since 2011; renewed annually
Recycled Claim Standard (RCS 2.0:2017): international voluntary standard setting third-party certification requirements for recycled inputs and chain of custody (valid for individual brands/families)	Obtained in 2023; renewed annually

4. As of the approval date of this Sustainability Report, the compliance assessment with the standard was completed by TÜV SÜD in July 2025 and the final report is pending.

5. Discover more: www.alcantara.com/downloads/certifications/

Risk management

Alcantara has implemented a structured risk management system aimed at ensuring operational continuity, protecting people, Company assets, and reputation, in line with the principles of social responsibility and sustainability.

The system covers all business activities and is based on a preventive and integrated approach, which includes:

- mapping and assessing internal and external risks (including environmental, health, technological, and supply chain risks);
- defining and disseminating operational procedures to handle potential crises;
- establishing a governance structure for risk prevention and mitigation, as well as crisis management, composed of the Chairman as the risk management officer, a Crisis Management Committee (CMC), and local Emergency Centres.

The risk assessment process consists of the following phases:

- **Risk identification:** through systematic analysis, potential risks that could negatively impact the Organisation's ability to provide reliable sustainability information are identified. This includes operational, environmental, social, and governance risks.
- **Risk assessment and prioritisation:** identified risks are evaluated based on their likelihood and potential impact on the Organisation. A risk matrix is used to classify risks into categories and establish intervention priorities.
- **Mitigation and control:** for priority risks, appropriate mitigation strategies are defined, which may include implementing internal controls, staff training, revising operational procedures, and adopting preventive measures.
- **Monitoring and review:** the risk management system undergoes continuous monitoring and periodic reviews to ensure its effectiveness and the adequacy of the measures implemented.

The system also includes training and awareness activities aimed at personnel to promote a widespread risk culture and ensure an effective and timely response in case of critical events. In case of a crisis, intervention protocols are activated, including:

- **timely communication to internal and external stakeholders;**
- **preparation of an initial operational report;**
- **production of a final investigative report aimed at analysing the event's causes, estimating damages, and identifying related preventive countermeasures.**

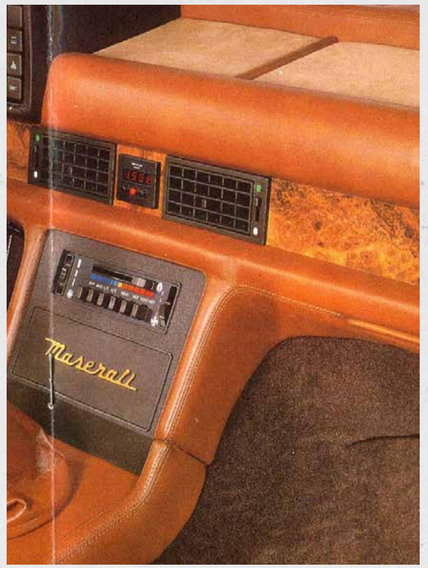
These activities contribute to the transparency and traceability of business processes and constitute an essential element of sustainability reporting, demonstrating the Organisation's concrete commitment to responsible risk management and preventing negative impacts on people, the environment, and communities.
Alcantara has a structured mechanism for periodic and extraordinary reporting of the results emerging from risk assessment and internal control implementation to the main corporate governance and control bodies. The Chairman, as the risk management officer, periodically receives updates on risk analysis, the effectiveness of mitigation measures adopted, and the Organisation's readiness for potential critical events.

The Crisis Management Committee (CMC), established by internal communication no. 166/25, is the primary body responsible for directing, supervising, and coordinating prevention and crisis response activities. The findings from risk analysis and crisis management are conveyed to the corporate functions responsible for sustainability reporting to be considered in the preparation and validation of non-financial data.
Relevant information is also periodically reported to control bodies (e.g., the Board of Statutory Auditors, and if applicable, the ESG Auditor) and directors through dedicated sessions or inclusion in integrated reporting documents.
In extraordinary update contexts, timely communication is activated, including specific alerts on emerging risks, potential or ongoing damages, and corrective actions implemented.
This system allows corporate bodies to evaluate the effectiveness of risk governance, ensure compliance with transparency and sustainability obligations, and support informed strategic decisions based on integrated financial and non-financial data.

Key identified risks and mitigation strategies

Risks are classified into four main categories:

- **Facility –** Damage to structures/ buildings (e.g., fire, natural events);
- **Personnel –** Mass absenteeism due to health events (e.g., pandemic);
- **Technology –** Disruptions of critical IT systems;
- **Supplier/Vendor –** Supply chain interruptions due to unavailability of strategic suppliers.



RISK	MITIGATION STRATEGIES	CONTROLS
Facility	Structural recovery plans aligned with recovery requirements; procedures for alternative site access	Regular building inspections, emergency drills, Business Continuity Plan (BCP)
Personnel	Identification of personnel needs; support for essential departments during large-scale health events	Health and safety protocols, training, internal communication
Technology	IT system recovery procedures; rapid response plans for interruptions	Regular backups, recovery testing, IT infrastructure checks, Disaster Recovery Plan (DRP)
Supplier/Vendor	Definition of alternative suppliers and emergency plans for multiple sites	Periodic assessments of critical suppliers, continuity audits, contracts with emergency clauses

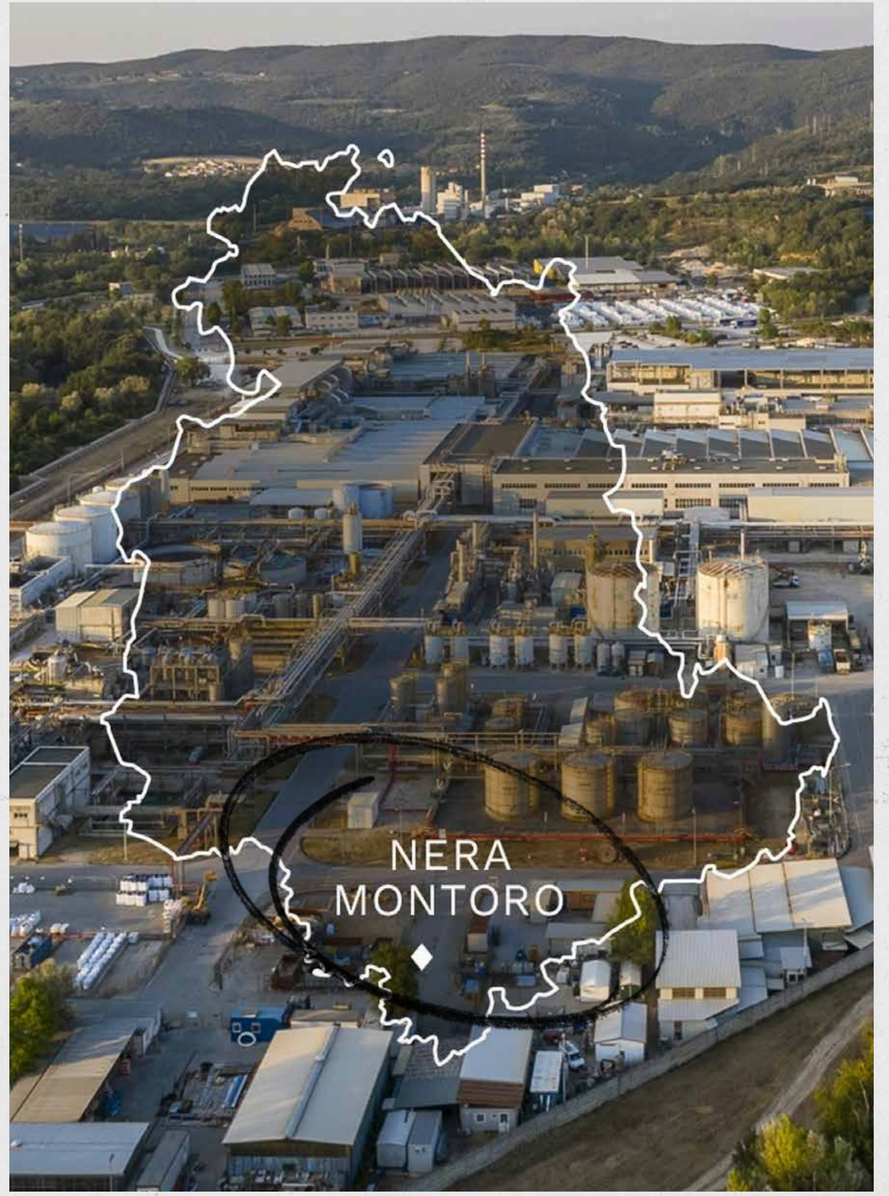
Cross-cutting internal controls

- **CMC (Crisis Management Committee):** oversees risk preparedness and management, reports to the Chairman;
- **Emergency Centre:** activated during crises, responsible for operational and decision-making actions on-site;
- **Training:** ongoing and targeted to employees to increase risk awareness;
- **Periodic drills:** to test readiness and improve protocols;
- **Structured communication:** internal and external, to ensure transparency and consistency.

1.4 STRATEGY AND VALUE CHAIN

Alcantara's activities and value chain

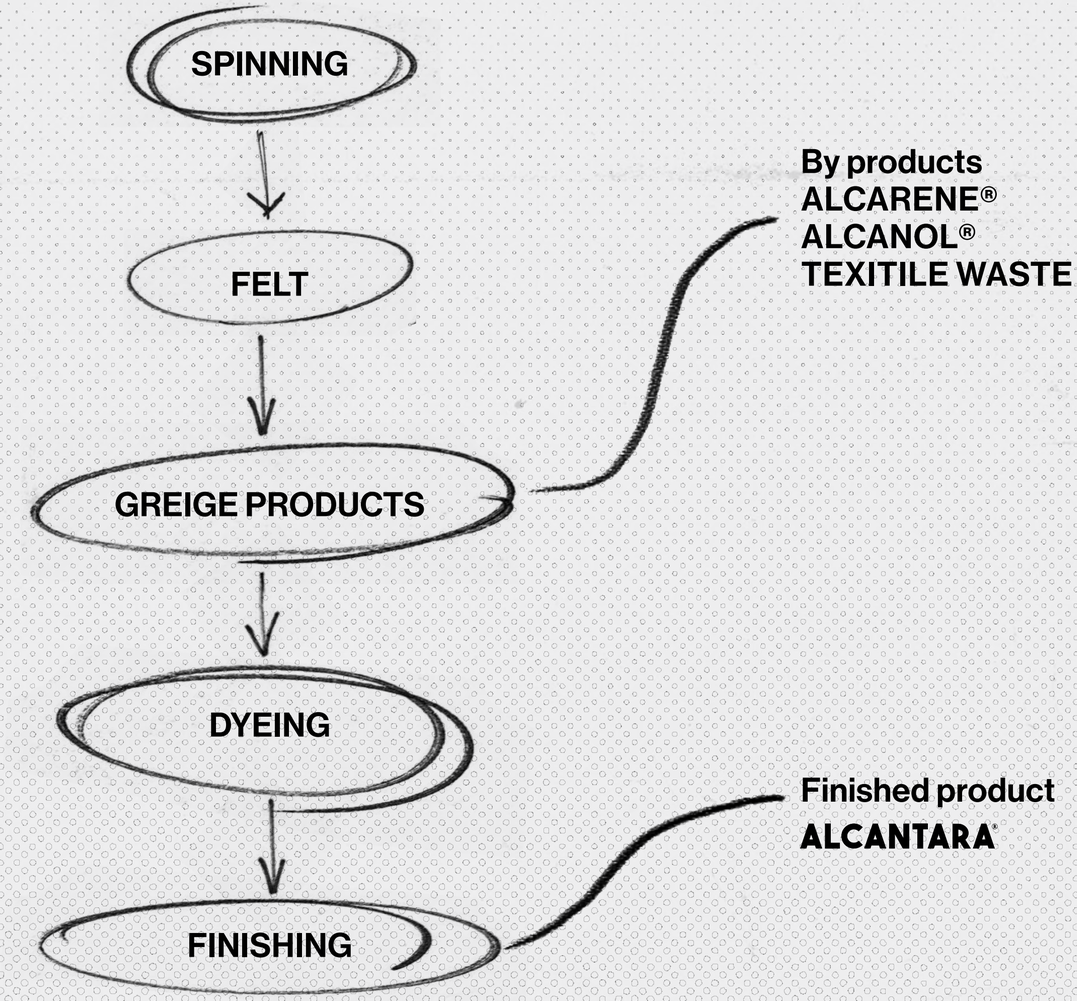
VALUE CHAIN	ACTIVITIES	GEOGRAPHICAL LOCATION
UPSTREAM	Supply of raw materials (polyethylene, polyurethane, paper and cardboard for packaging, etc.) Supply of services Supply of machinery	Italy, Europe, Japan
ALCANTARA ACTIVITIES	Design, research and development	Nera Montoro
	Production of Alcantara and by-products	Nera Montoro
	Warehouse management, sales, logistics and distribution	Nera Montoro, Milan, Shanghai
DOWNSTREAM	Main application sectors: - Automotive - Consumer electronics - Interiors, Contract, Marine & Aviation - Fashion & Accessories	Worldwide
	End users	Worldwide



Alcantara's activities

The production process is carried out exclusively in Umbria, at the Nera Montoro facility. The process steps, illustrated in the chart, lead to the production of Alcantara and its two main by-products, obtained from intermediate processes. At the end of the production process, polystyrene and polyvinyl alcohol waste is generated. Since these materials cannot be reused by the Company due to the quality requirements of the production process, they are instead sold as industrial by-products under the following commercial names:

- ***ALCANOL®:*** *a vinyl polymer used in the production process as a sizing agent. It is subsequently dissolved in water, recovered, and purified. It is widely used as an adhesive, primarily in the paper industry.*
- ***ALCARENE®:*** *a thermoplastic polymer used as an auxiliary component during the spinning phase to protect ultra-fine fibers. It is later dissolved using a selective solvent. Both the solvent and the polymer are recovered and purified within the production process. The polymer is then marketed for injection molding applications, particularly in the plastics and footwear sectors.*



In total, during Fiscal Year 2025, revenues generated from the sale of products and by-products amounted to €142,037,662. Furthermore, no revenues were recorded from the sale of chemical products, controversial weapons, tobacco, coal, oil, or gas.

Generated and distributed economic value

GENERATED AND DISTRIBUTED ECONOMIC VALUE (000€)	FY 2023	FY 2024	FY 2025	Δ% 2024-25
Gross global added value	**58,898**	**66,165**	**47,387**	**(28.4%)**
A) PERSONNEL REMUNERATION	**38,831**	**41,077**	**37,230**	**(9.4%)**
Employees	**36,797**	**38,829**	**35,357**	**(9%)**
wages and salaries	25,234	26,544	23,480	(12%)
social security contributions	8,222	8,601	8,103	(6%)
severance pay	1,912	1,908	1,818	(5%)
other expenses	1,429	1,776	1,956	(10%)
Non-employees	**2,034**	**2,248**	**1,873**	**(17%)**
B) PUBLIC ADMINISTRATION REMUNERATION	**(16,778)**	**(7,544)**	**1,538**	**(120.4%)**
Direct and indirect taxes (net of financing and tax credits)	(5,906)	(6,105)	1,799	71%
Financing from public administration	(10,872)	(1,439)	(261)	(82%)
C) DEBT CAPITAL REMUNERATION	**3,428**	**8,409**	**13,538**	**61.5%**
Short-term capital charges	82	460	13,583	2,853%
Long-term capital charges	3,346	7,948	0	-
D) RISK CAPITAL REMUNERATION	0	0	0	0%
Distributed share of profit for the year	0	0	0	-
E) COMPANY REMUNERATION	**33,303**	**24,118**	**(5,061)**	**(121.0%)**
Share of profit allocated to reserves	4,728	(5,657)	(30,499)	-439%
Amortisation	28,575	29,775	25,438	-15%
F) LOCAL COMMUNITIES (DONATIONS AND SPONSORSHIPS)	**114**	**105**	**97**	**(9.3%)**
GROSS GLOBAL ADDED VALUE	**33,303**	**24,118**	**(5,061)**	**(121.0%)**

The personnel remuneration, accounting for 79% of annual value, shows a 9.4% decrease compared to the previous Fiscal Year. This is mainly due to a reduction in labour costs, also resulting from the use of social safety nets.

The value allocated to public administration shows a significant variance compared to the previous Fiscal Year. The main reason lies in deferred tax assets, which were prudently not recorded in the financial statements due to the fiscal loss. However, deferred tax liabilities for both IRES and IRAP were recognised.

The increase in financial charges is linked to the rise in bank debt. Details of €97,000 allocated to local communities:

COMMUNITY ALLOCATION	AMOUNT (€) - FY 2025
Membership fees	68,508
Cultural initiatives	26,189
Social causes	2,300
TOTAL	96,997

Investments

Investments made during Fiscal Year 2025 amounted to €17.4 million. Of these, €2.4 million refers to intangible fixed assets and €5.3 million relate to the capitalisation of internal costs, attributable to labor costs of personnel from the maintenance, technical design, and research & development departments, as well as warehouse withdrawals.

Investments for the protection of safety, health, and the environment amounted to €3,738 thousand (approximately 22% of total investments) and were lower than expected, broken down as follows:

- **Safety and health €2,184 thousand**
- **Environment €1,554 thousand**

In 2025, environmental protection investments were specifically aimed at:

- **Air pollution prevention (€816 thousand)**
- **Water pollution prevention (€628 thousand)**
- **Soil pollution prevention (€110 thousand)**

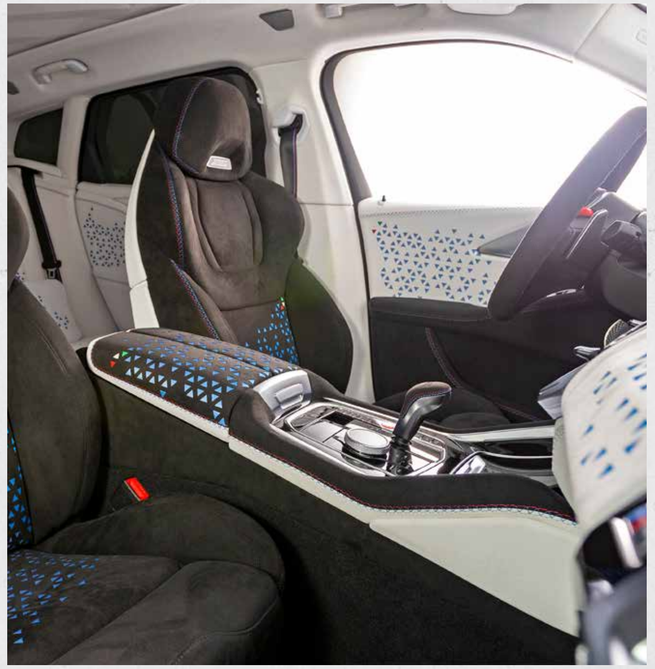
Planned investments for Fiscal Year 2026

For Fiscal Year 2026, Alcantara confirmed its commitment to health, safety, and the environment through targeted investments aimed at strengthening the measures adopted and improving the standards achieved to reduce environmental impact and safeguard worker safety.

INVESTMENT PLAN 01/04/2025 – 31/03/2026	AMOUNT (€ '000)
Rationalisation and maintenance of plants, quality standards and sustainability	11,519
Safety, health and environment	4,062
Research and development	444
Information systems, commercial structures and other	264
New environmental improvement project	2,250
TOTAL	18,540

Sustainability loans

The €40 million loan secured with Intesa Sanpaolo includes a rate benefit applied by the bank upon the occurrence of two specific events: the adoption of a procurement policy that integrates environmental considerations, and the development of employee welfare programmes. The €35 million long-term loan and the €65 million short-term loan, both secured with MUFG, provide for a rate benefit linked to the achievement of three sustainability targets, governed by a reward/penalty mechanism. Specifically, a bonus of 6 basis points is granted upon achievement of all three KPIs, which turns into a penalty in case of failure to meet them. Regarding the first point, Alcantara has implemented an internal procurement policy that incorporates environmental criteria, covering purchasing, transportation, and energy supply. As for the second point, the Company has allocated 1.62% of its annual revenue to a dedicated employee welfare fund, amounting to €2.3 million.



Upstream: the supply chain

The supply of materials, products, and services supports the production processes at the Nera Montoro plant. Organisational and distribution processes are managed by the Milan headquarters. Some specialised raw materials, semi-finished goods, machinery, and equipment are imported by the Company. In certain specific cases, these are produced by Toray Industries, Inc., while in others, by Toray Industries, Inc., in others, the supply chain downstream of Alcantara is differentiated based on the market sector in question. Our automotive and consumer electronics clients, for instance, transform the product and adapt it making it suitable for various applications, while our fashion and interior design clients often manufacture the end product directly. Establishing agreements with local partners has increasingly proved to be a winning tactic overseas.

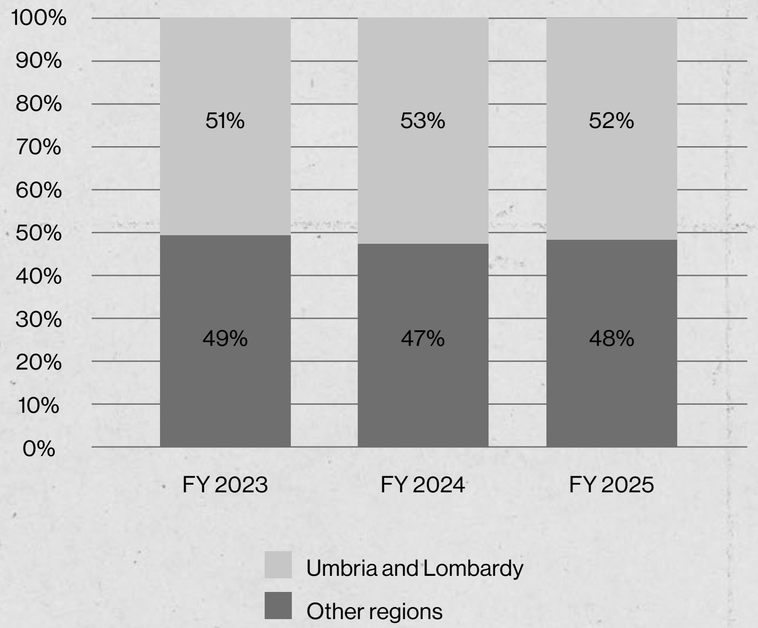
Over 69% of the technical area and outsourced maintenance services for the Nera Montoro plant are provided by local companies based and operating in Umbria. Product processing, also outsourced, is entrusted to specialised third parties, with over 99% of services delivered in Italy.

Regarding supplier location, proximity to Company sites (at provincial or regional level) is considered a positive factor. 48% of total suppliers are located in Umbria and Lombardy (631 out of 1,315). The high percentage of local suppliers[6] enables Alcantara to significantly reduce transport costs and, consequently, mitigate the environmental impact of its operations. Outside of Europe, the main suppliers are based in Japan.

Alcantara purchases only raw materials authorised under EU regulations, subjecting each new product to rigorous environmental impact and consumer safety assessments before starting the production process.

SUPPLIERS	FY 2023			FY 2024			FY 2025		
	n.	% of total	% of costs	n.	% of total	% of costs	n.	% of total	% of costs
Italy	1,125	85%	82%	1,278	86%	83%	1,127	86%	81%
Other countries	203	15%	18%	213	14%	17%	188	14%	19%
Total	**1,328**	**100%**	**100%**	**1,491**	**100%**	**100%**	**1,315**	**100%**	**100%**

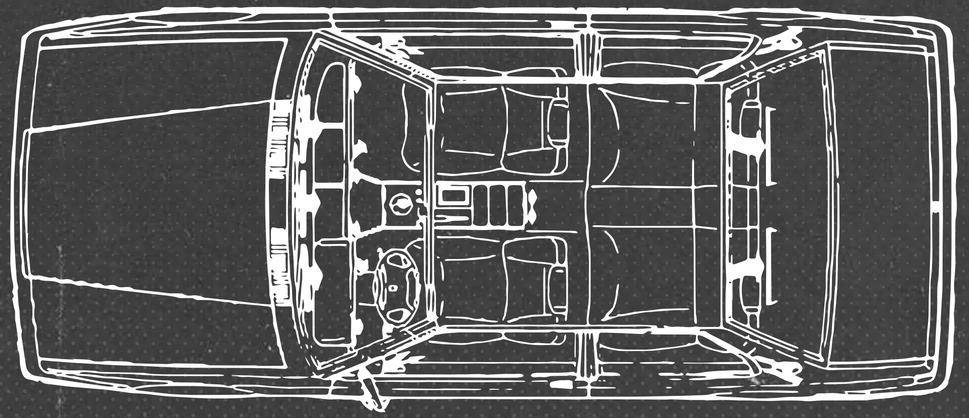
Number of suppliers by geographic area



6. *Italy*

Automotive

Downstream: application sectors[7]



The products and services offered by Alcantara are particularly appreciated in the automotive industry. Over the years, Alcantara has established itself as the ideal partner for transforming car interiors into exclusive and refined environments, always ensuring full compliance with the strictest quality standards and offering excellent technical performance. In the reporting year, the Company celebrated the 50th anniversary of the first official presentation at an international motor show. Sustainability is considered a key success factor by many car manufacturers. The focus is no longer solely on the vehicle lifecycle or fuel consumption emissions, but also on production processes, raw materials, end-of-life component reuse, and more. Moreover, several manufacturers have publicly announced Carbon Neutrality and circular economy goals. To achieve this, the use of recycled raw materials in the final product is now considered a competitive factor. Moreover, the Company has obtained respected product-related certifications, which are also verified annually by accredited bodies. Additionally, Carbon Neutrality certification and the recent availability of products made with recycled raw materials are highly appreciated by OEMs. During Fiscal Year 2025, an increasing number of automotive manufacturers adopted the new special Alcantara version made from recycled polyester. The exact recycled polyester percentage varies by product and is specified in each product's technical specifications, supported by internal tests and certified under the Recycled Claim Standard (RCS), which tracks recycled materials from source to final product.

In fiscal 2025, Alcantara maintained a significant frequency of face-to-face meetings with its customers, holding several sessions with various departments — including sustainability, material engineering, and colour & trim. The work done with OEMs in these engagement initiatives was valuable and helped us effectively communicate the quality of Alcantara interiors.

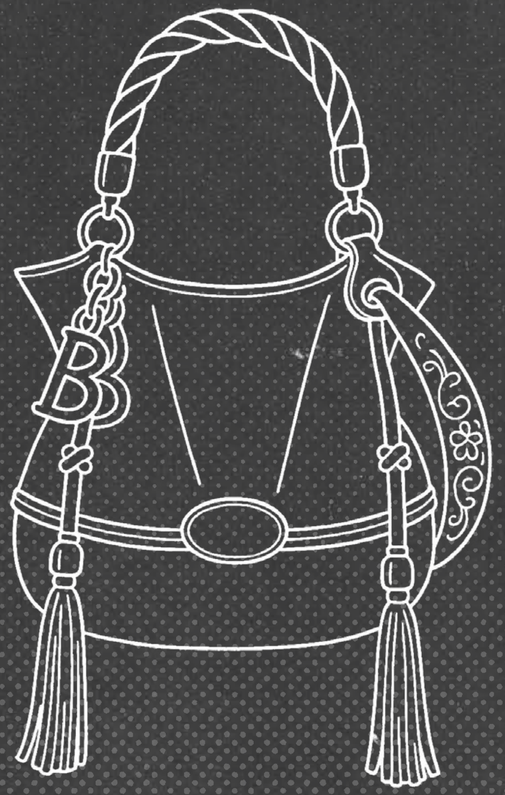
Benefits Alcantara offers to the automotive industry:

- ***technical features in grip, breathability, and durability, ideal for sporty driving in high-performance cars;***
- ***aesthetic and sensory qualities that provide drivers with a unique experience, especially in elegant and luxury sedans;***
- ***lightness, which helps manufacturers reduce vehicle weight and thereby meet performance and sustainability targets;***
- ***Italian craftsmanship ensuring safety and reliability, meeting the high standards required by Italian manufacturers and the luxury segment;***
- ***high level of customisation, adaptable by model and version for which Alcantara is chosen. The Company is progressively expanding its product range through Complex Production, and sampling services for unique pieces have also increased;***
- ***the Alcantara brand, a distinctive element for manufacturers for decades, is the only brand present in this market for over 50 years.***

7. It should be noted that there is a ban on the marketing of products containing PFAS in California and Connecticut, effective from January 1, 2025, and October 1, 2024, respectively. In addition, in accordance with the policies of the majority shareholder, the Company has ceased marketing the product to customers located in Russia, Iran, and North Korea.

Fashion & Accessories

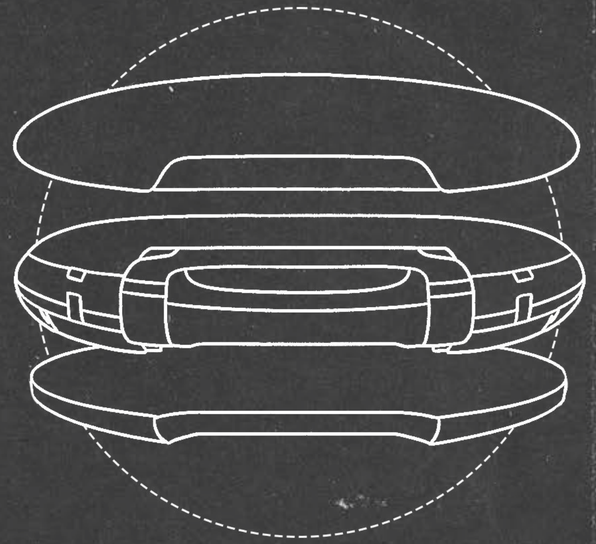
In the fashion and accessories sector, Alcantara targets luxury creations. The continuous pursuit of contemporary elegance and attention to detail are enhanced by the exclusive textures and patterns of the material. In Fiscal Year 2025, the Company's Fashion and Accessories department reaffirmed partnerships with major European luxury fashion brands producing accessories, apparel, and footwear. These companies manufacture products internally or through external suppliers under their supervision. Europe remains the main market, especially thanks to France and Italy, where the leading global luxury fashion houses are concentrated. Typically, the Company approaches this market through direct contact with brands, sometimes supported by a network of agents overseeing the region; at other times, it connects with target brands via their external suppliers, who facilitate introductions to the final brand.



Benefits Alcantara offers to the Fashion and Accessories sector:

- ***product customisation enables the development of exclusive and sophisticated solutions, meeting technical and design requirements of various clients, as products can adapt to any shape and surface while adhering to strict industry standards;***
- ***the sustainability approach as a pillar of production processes is increasingly important for fashion brands and end consumers. The introduction of materials partially derived from non-fossil sources has further enhanced Alcantara's offering;***
- ***in Fiscal Year 2025, 51% of products supplied were made with partially bio-based polyester, while the remaining 49% of volumes supplied were made with recycled polyester;***
- ***the positioning of Alcantara's brand, appreciated by the most established global brands, adds value to the final products.***

Consumer Electronics



The combination of high technology and Italian craftsmanship makes Alcantara a unique and competitive product, allowing the Company to operate in the consumer electronics sector. This industry is highly developed in Asia and the United States and reaches peaks of excellence in design and technology also in Europe, where Alcantara is recognised as a leading brand.

Alcantara has developed expertise and created highly customised solutions over the years, making the product available for innovative applications and meeting the growing trend of tactile surfaces used in consumer electronics products. In Fiscal Year 2025, further design progress was made. Customers of the Consumer Electronics department include the main global OEMs operating in mobile, personal computer, audio, video, photo, and gaming markets. The Company remains committed to sustainability in this sector as well. Several brands have announced plans to become carbon neutral or climate positive and are increasingly investing in environmental protection, starting from product design. A carbon-neutral circular economy approach requires major innovations in both processes and final products, and the Company continues to invest resources to introduce cutting-edge solutions. Besides introducing materials derived from non-fossil sources, the Company focuses on recycled materials that maintain Alcantara's distinctive design, aesthetics, and functionality.

In Fiscal Year 2025, partnerships and collaborations with traditional customers were strengthened. The Company also increased its presence in new sectors, such as luxury HI-FI and next-generation MP3 players.

Benefits Alcantara offers to the consumer electronics industry:

- ***material versatility, successfully combining tradition and innovation, enables endless product applications, leading to cutting-edge creations and highly customised finished products tailored to brand image, client needs, and required production techniques;***
- ***Alcantara is a key ingredient in consumer perception of its clients' brands and a testament to the high quality of materials they choose, with many customers valuing the Alcantara brand reputation to strengthen their image and positioning in the high-end segment, as with professional headphone manufacturers AIAIAI and Meze Audio;***
- ***particular attention to sustainability, increasingly important to both producers and end users. Microsoft, for example, continues to use partially bio-based Alcantara containing at least 12% renewable content derived from sugarcane waste;***
- ***Alcantara has participated for years in customer emissions reporting services, further strengthening strategic partnerships.***

Interiors, Contract, Marine & Aviation

In these sectors, Alcantara is recognised as a valuable material with unique characteristics, capable of enhancing the appearance and functionality of the finished product, with high adaptability to the most specialised applications. The Organisation's customers in interiors, contract, marine, and aviation are leading manufacturers and distributors operating in high-potential markets. More specifically:

- ***the contract market (public spaces, hotels, shops, etc.) is served through contacts with architectural and design studios, local distributors, agents, and specialised furniture manufacturers who interact with general contractors;***
- ***in the marine sector, Alcantara's customers are primarily shipyards for large vessels and manufacturers of yachts and pleasure boats;***
- ***for aviation product development, Alcantara collaborates with design studios, airlines, and component and seat manufacturers through a global collaboration with a specialised distributor.***

During Fiscal Year 2025, the Company observed increased demand for high-end contract projects alongside a decrease in demand from industrial customers. The market is undergoing significant change, with growing consumer demand for experiential products. Alcantara is exploring new opportunities in sectors such as hospitality, thanks to its aesthetic and sensory qualities and the high quality of its material, making it ideal for luxury applications that better satisfy consumer experience demands. Driven by this trend, aviation and marine markets have also grown.

The most relevant factors behind market trust in Alcantara are product quality and superiority, distinctiveness and design of current collections, a wide range of certifications covering nearly all market applications, and attention to sustainability. These factors are confirmed by new requests received in the final part of the Fiscal Year. The Interiors division is working on further evolving its offering through:

- ***introducing a new generation of products based on recycled PET to key clients;***
- ***improving the offering and market response speed, also through digital tools.***

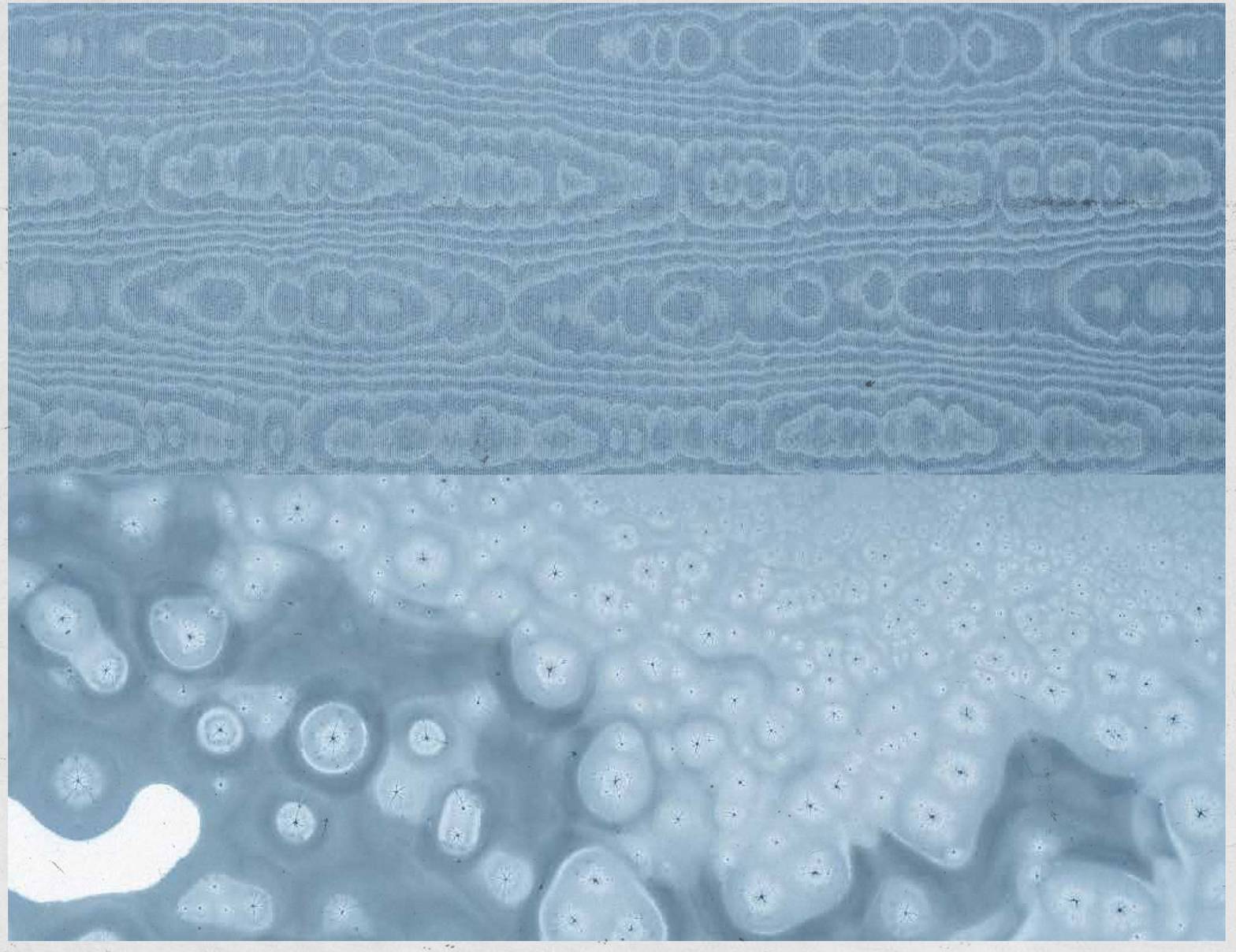
Benefits Alcantara offers to interiors, contract, marine, and aviation sectors:

- ***the ability to customise the material surface using specific technologies while maintaining or enhancing functional characteristics. This enables the development of collections that enrich the base product range and stimulate designer interest in further experimentation;***
- ***aesthetic and sensory features that convey an immediate sense of luxury and comfort;***
- ***commitment to sustainability, increasingly important to consumers and many manufacturers creating sustainable product lines;***
- ***in the marine sector specifically, Alcantara's functional qualities — such as resistance to marine environmental agents, air permeability, and excellent breathability — ensure even the most demanding passengers enjoy their journey;***
- ***in aviation, Alcantara offers comfort, lightness, and excellent compliance with the sector's strictest tests: a level of style and elegance making it the ideal complement for interiors of private and corporate jets, as well as commercial airlines. Materials used in Alcantara's product collection for these sectors are tested and approved according to various industry regulations.***

Strategy and sustainability

Sustainability is not a side effect, a budget item, or a trend. Sustainability is a fundamental strategic orientation and the driving force behind a continuous improvement process: Alcantara believes that sustainability is consistent with the long-term goal of increasing the Company's economic and financial value.
For Alcantara, sustainability represents a 'value beyond cost': an investment that creates value in terms of wealth generated and distributed to stakeholders. The Company feels the responsibility to safeguard future generations by limiting climate change and preserving non-renewable resources. For these reasons, Alcantara began its sustainability journey in 2009, well before the topic became widely debated and before growing consumer awareness and customer demand started pushing in this direction. With a pioneering approach, already in 2009 Alcantara achieved Carbon Neutrality certification, based on offsetting greenhouse gas emissions through carbon credits derived from certified and verified offset projects, following the measurement and management of the Company's climate impact.

While recognising that offsetting is not the ultimate solution, Alcantara believes it is an effective way to finance actions aimed at combating climate change beyond its value chain.
For the current year, confirmed its Carbon Neutrality for the sixteenth consecutive year, complying with the requirements of the new ISO 14068 standard.



As of the approval date of this Sustainability Report, the compliance assessment with the standard was completed by TÜV SÜD in July 2025, and the final audit report is pending.

Additional information is disclosed in chapter 2.1 Climate Change. The Carbon Neutrality Report, drawn up according to ISO 14068 and verified by TÜV SÜD, is available to the public upon request.
To address the global sustainability challenges, it is essential to consider and balance a wide range of needs and priorities. The path to true sustainability—marked by commitment, effort, and research—is certainly long and challenging and requires transparency, clarity, and foresight. These are the three pillars guiding Alcantara's ongoing work, leading to continuous improvement year after year.

As an act of transparency, since 2009 Alcantara has voluntarily prepared and published its Sustainability Report, drafted according to GRI guidelines and subject to third-party Limited Assurance. Despite the recent postponement of mandatory sustainability reporting, the Company has already embarked on a path to future compliance with the CSRD (Corporate Sustainability Reporting Directive) and the new ESRS (European Sustainability Reporting Standards).

Alcantara's responsibility for sustainability extends beyond its boundaries: for years the Company has been actively engaged in raising awareness among its suppliers, encouraging them to contribute to reduction and offsetting activities related to greenhouse gas emissions from raw materials and services supplied.
Alcantara also commits to verifying that its suppliers respect universal principles of human rights, labour standards, environmental protection, and anti-corruption. From an energy perspective, the Company has invested and continues to invest in efficiency and the search for alternative supply sources. Since 2009, all electricity purchased from the grid comes from renewable sources. Additionally, in 2013 a high-efficiency cogeneration plant was launched for the production of electricity and thermal energy, later complemented by a trigeneration plant capable of producing chilled water, and this year by a second cogeneration plant, ensuring further efficiency improvements. Numerous plant and management optimisation interventions have also been carried out to reduce energy impact, including the installation of two photovoltaic systems serving the Milan headquarters and the new Complex Manufacturing department. More recently, the Company joined the Italian government's Energy Release 2.0 initiative to encourage the installation of new renewable energy generation capacity and is actively seeking suppliers to increase the use of biomethane for cogeneration plants, progressively replacing natural gas.

Regarding the product, and in line with its long-term decarbonisation plan, Alcantara has accelerated its journey toward special versions of the material made with increasing amounts of bio-based polymers and recycled polyester. Its latest action is the launch of a special version of Alcantara's material composed of recycled polyester, certified and derived from post-consumer waste recycling. By replacing all the polyester contained in Alcantara with recycled polyester, it has reached a recycled content in the product of 68% (for unlaminated product). This

68% figure is significant because it means that all the polyester used in standard Alcantara comes from recycled polyester. From this base product, countless versions are then developed for different uses and applications. This product was introduced to the market only after intense testing and approval phases, ensuring that Alcantara's technical, aesthetic, and sensory characteristics remained unchanged.
To guarantee the actual recycled material content, which cannot be verified retrospectively by laboratory analysis, the Company renewed the certification[8] of recycled raw material content , in accordance with the Textile Exchange Recycled Claim Standard (RCS), that checks recycled material content and tracks it from source to final product.

The product was first used by Ferrari in the Purosangue interior, presented at the beginning of 2023 and is now applied by various European and Asian car makers, luxury companies in the Fashion sector. Its progressive extension to the entire market is planned, targeting 50% usage of total polyester consumed in spinning by 2031.

8. Scope Certificate Version Number ICA-RCS-22-2862/01A-03,for more information see https://textileexchange.org/find-certified-company/ and https://icea.sixtemacloud.it/icea_public_search.php?lang=it

In 2013, Alcantara launched a special project, internally known as 'water-based,' implementing a new process based on alternative raw materials and advanced technologies. The water-based process eliminated the solvents TCE and DMF[9], replacing them with water, while also reducing the energy consumed during production. Currently, the water-based product is supplied to some key customers in the automotive and consumer electronics sectors, while the R&D department is continuing to diversify it, awaiting approval by new customers and aiming to extend its application to other markets. In Fiscal Year 2025, Alcantara's water-based product accounted for 27% of total sales volume, demonstrating a progressive increase in recent years.

In line with the sustainability and circular economy programmes in which the Company has invested, research and development of new raw materials capable of matching the properties of petroleum-derived materials and partially replacing them have been intensified in recent years. This will allow a reduction in carbon dioxide emissions.

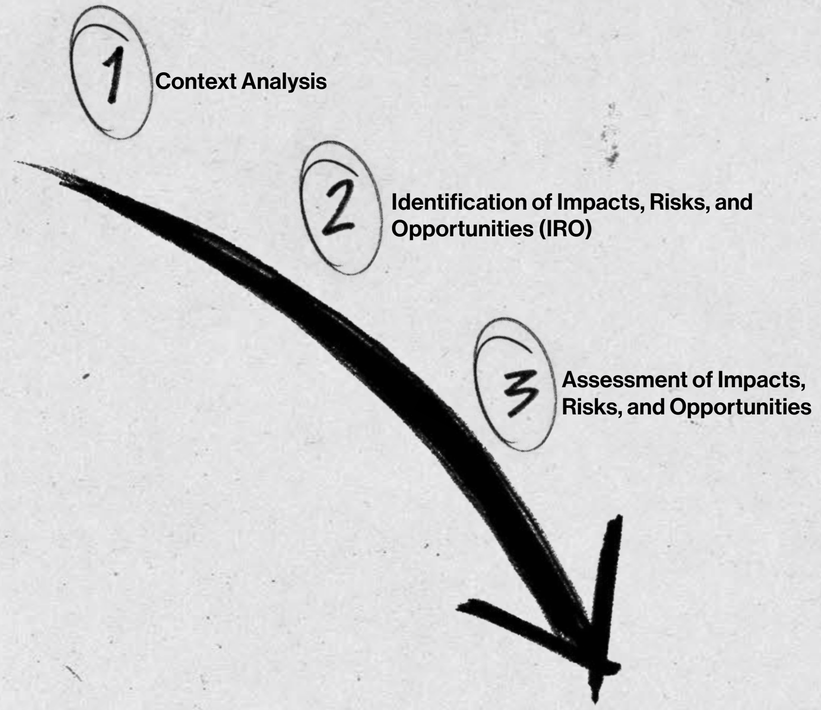
Indeed, the Company has created new products containing increasing amounts of partially bio-based polymers and recycled polyester. In Fiscal Year 2025, products containing partially bio-based polymers and recycled polyester represented, respectively, 12% and 13% of the total sales volume. The Company acknowledges that the road ahead remains long. For this reason, it has organised all future activities by developing an action and decarbonisation plan focused on energy efficiency, circular economy, and supply chain efficiency, aiming to significantly reduce its impact prior to offsetting.

9. Trichloroethylene CAS n. 79-01-6 and Dimethylformamide CAS n. 68-12-2

1.5 DOUBLE MATERIALITY ASSESSMENT

The process

The double materiality analysis (DMA) conducted in December 2024 followed a methodology aimed both at maintaining adherence to the GRI 3 Standard, with the identification and prioritisation of positive and negative, actual and potential impacts relevant to Alcantara, and at balancing the requirements introduced by the CSRD and the ESRS, taking into account the Implementation Guidance 1 – Materiality Assessment, published by EFRAG in May 2024.
The methodology used, summarised below, divided the process into three main phases.



Context analysis

As described in the preceding paragraphs, Alcantara is an Italian company with administrative headquarters in Milan and a production plant in Nera Montoro (Terni). All activities are carried out in Italy in compliance with current regulations. The Company has adopted certified management systems for quality, safety, environment, and energy, through which environmental and social aspects are regularly monitored and subject to annual improvement plans (see paragraph 'Certified management systems'). As presented in the section dedicated to the value chain, Alcantara material is mainly used in the automotive sector and, to a lesser extent, as interior design material, in the production of consumer electronics, and in the fashion sector. Consequently, Alcantara's commercial relationships are exclusively B2B. Although the final user is not a direct interlocutor, Alcantara

recognises the importance of ensuring the highest levels of consumer safety and providing transparent and clear information.

Regarding the upstream segment of the value chain, Alcantara relies on a stable, well-established network of suppliers mainly located in Italy. The verification process includes periodic and random audits of key suppliers. Additionally, suppliers are required to complete a self-assessment questionnaire that also explores social and environmental elements.

Identification of impacts, risks, and opportunities

The DMA exercise continued the process of awareness and in-depth analysis of the impacts generated by Alcantara on the environment and people (Impact materiality – Sustainability Report 2023) and of the risks and opportunities affecting the Organisation (Financial materiality – Sustainability Report 2024). Based on the results from previous analyses, the process of identifying impacts, risks, and opportunities was further updated to:

- **Reformulate and identify the sustainability issues listed in Application Requirement 16 of ESRS 1 that were not examined in previous exercises, deepening the related IROs (Impacts, Risks, and Opportunities);**
- **Include any findings emerging from the consultation of internal and/or public sources.**

The identified impacts, risks, and opportunities (IRO) were reviewed and validated by the managers of the various Company departments, who actively contributed both to the identification of potentially relevant IROs and to the subsequent evaluation phase.

TOPICS	SUSTAINABILITY ISSUES	AREAS OF RESPONSIBILITY
Climate Change	Mitigation, adaptation to climate change, and energy consumption	Technical Department
Pollution	Use of pollutants and air and water pollution	Technical Department
Water resources	Water withdrawal, consumption, and discharge	Technical Department
Resource use and circular economy	Waste production, use, and discharge of resources related to products	Technical Department
Own workforce	Working conditions, health, and safety	Human Resources
Workers in the value chain	Working conditions, health, and safety	Procurement
Consumers and end users	Health and safety of end users, responsible commercial practices	Sales Department
Business conduct	Supply chain management, ethics and integrity, corporate culture	Management

Assessment of impacts, risks, and opportunities

The IROs (Impacts, Risks, and Opportunities), categorised by areas of responsibility as shown in the table above, were evaluated by dedicated working teams and approved by the directors of the respective Company departments.

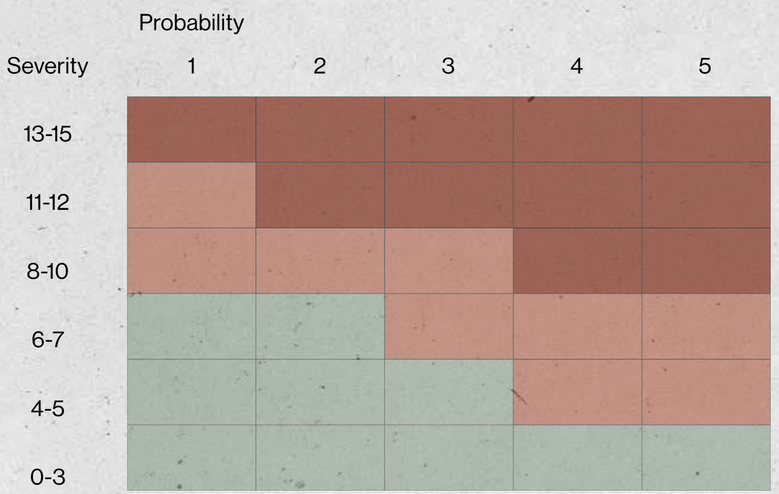
The assessment of impacts involved assigning a score from 1 to 5 on a numerical scale of increasing significance for the following variables:

- **Severity of the impacts**[10]**,** calculated by separately evaluating the scope, magnitude, and irreversibility of the impact;
- **Likelihood of the impacts**[11]**,** meaning the possibility that the impact occurs in the short, medium, or long term.

The identified opportunities and risks were evaluated using a similar scale for the following variables:

- **Financial effect magnitude**[12]**;**
- **Probability of occurrence.**

The materiality threshold was defined using a heatmap based on the scores assigned to the variables associated with impacts, risks, and opportunities. ESG topics with at least one IRO scoring above this threshold are considered material, as illustrated in the heatmap below:

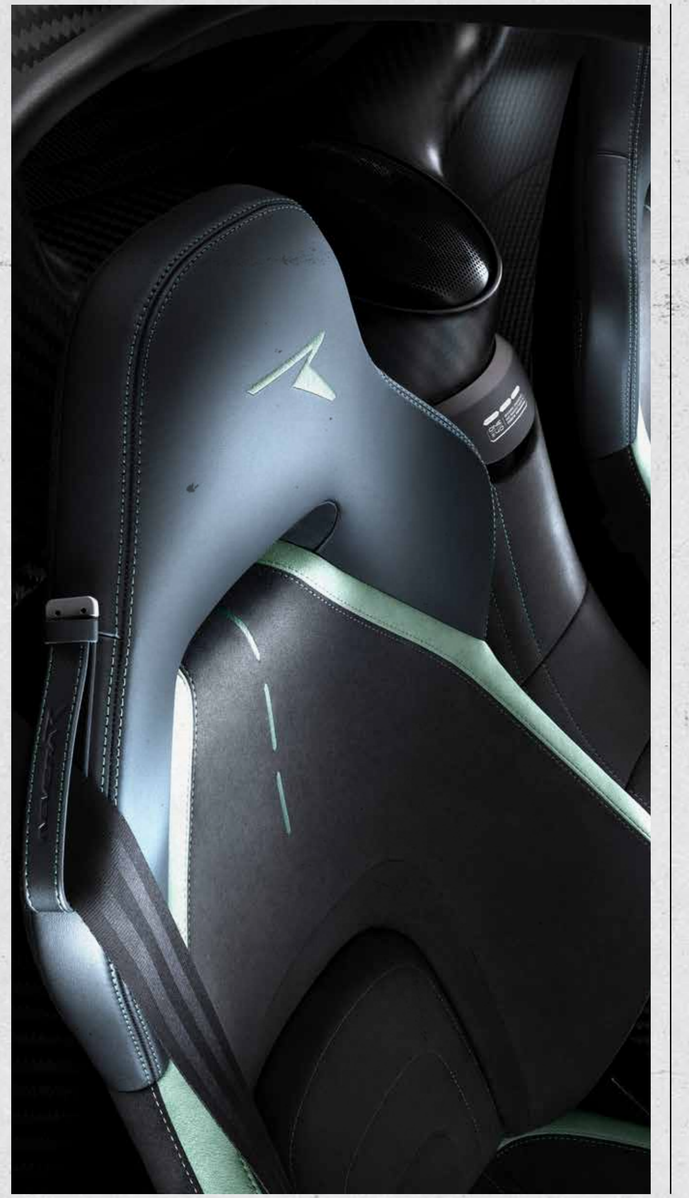


Compared to the materiality analysis conducted in 2023, the formulation of the topics has undergone significant, but not substantial, changes aimed at simplification. The topics identified for the environmental area are climate change, pollution, water, and circular economy; although differently formulated, they encompass all the aspects previously deemed relevant in the prior analysis (water and waste management, energy efficiency and renewable sources, circular economy, Carbon Neutrality and GHG emissions, tackling climate change and mitigation of climate-related risks, Carbon Neutrality of the supply chain).

Regarding the social area, the material topics identified as own workforce, workers in the value chain, and consumers and end users summarise the results of the previous analysis (respect for human rights, welfare, working conditions, health and safety for workers, product safety and quality, customer satisfaction and responsible marketing).

The topic Corporate Conduct primarily includes impacts and risks related to ethics and integrity and supply chain management.

The topics that were not confirmed as material in the DMA are: certifications, strategies and sustainability governance, risk management, adequate and timely emergency management, long-term value creation and distribution, and local production.



10. Each factor (extent, magnitude, and scale) was assessed separately; the severity was calculated by summing the assigned scores.

11. In the case of probability, the highest score represents a certain event.

12. See Chapter 2.

Stakeholder engagement

Alcantara operates within a broad context and according to a global vision that involves various national and international entities with whom it constantly interacts. For this reason, listening to and engaging stakeholders is fundamental to fostering continuous development based on the relationship between the Company's objectives and stakeholders' interests, with the aim of creating shared value. During Fiscal Year 2025, the Company continued various dialogue and consultation initiatives targeted at its main stakeholders, enabling systematic discussion on all topics directly or indirectly related to sustainability and their ongoing monitoring.

STAKEHOLDER	KEY TOPICS	STAKEHOLDER' S EXPECTATIONS	MAIN ENGAGEMENT ACTIVITIES
CLIENTS AND CONSUMERS	• Design, customisation and exclusivity • Innovation and research • Transparency and commercial fairness • Pre and post sales services • Effective communication and responsible promotion • Regulatory and information compliance - product laws - to protect the end consumer • Packaging and recyclability • Corporate and product sustainability • Carbon Neutrality	• Maximisation of value for the consumer • Quality and continuity in product supply	• Organisation of meetings with the senior management of major clients to present the details of the Company's commitment to sustainability • Initiatives to promote and raise public awareness on sustainability issues • Analysis of client satisfaction and the market • Customer care • Ad hoc visits to the Company and open door policy (e.g. school groups) • Research & Development Centre team's direct and proactive interaction with the client through meetings and/or information activities to customise the offering • Direct contact at industry events and trade fairs • Production of information materials on sustainability
SUPPLIERS	• Work continuity and quality • Reputation • Collaboration on research and development activities • Safety and sustainability as values	• Compliance with all antitrust competition • Laws in countries within the operational scope	• Assessment envisaged by the supplier qualification process or by certified systems • Technical visits and periodic meetings • Systematic quality response • Collaborations for improvement or innovation
SHAREHOLDERS	• Profitability and business value • Reputational protection • Transparency • Correct management	• Value creation for shareholders • Corporate governance and risk management • Representation of minorities • Transparency and timeliness in economic and financial information	• Shareholders' Meeting and representation to the Board of Directors • Participation in events and international conferences • Engagement in the formulation and revision of the Code of Ethics and Organisational Model • Periodic review of: J-SOX, ERM (Enterprise Risk Management), Security Trade Control, C-MOS (Control Monitoring Online System

STAKEHOLDER	KEY TOPICS	STAKEHOLDER' EXPECTATIONS	MAIN ENGAGEMENT ACTIVITIES
HUMAN RESOURCES	• Professional growth and continuous learning • Meritocracy and delegation • Job security • Internal climate: collaboration and sharing of objectives and knowledge • Remuneration and benefits • Work-life balance • Health and well-being in the workplace	• Equal opportunities • Safety in the workplace • Professional development for all employee categories • Participation in corporate life and all related initiatives • Work-life balance • Security	• Internal communication events (safety day, meetings, etc.) • Meetings for sharing objectives • Strategic objective working groups • Six-monthly 'House organ' as an internal information and sharing tool • Constant climate monitoring and surveys every 3-4 years to understand work-life balance or other needs • Team building • Meetings with trade union representatives • Meetings and relations with the local community at various levels • Meetings with institutional bodies
ENVIRONMENT	• Atmospheric emissions • Use of raw materials • Responsibility in the production process • Conservation and appreciation of environmental-biodiversity assets • Investments in environmental protection	• Prevention and respect for the environment • Corporate strategy aimed at reducing the consumption of natural resources	• AIA - Integrated Environmental Authorisation • Research at institutions considered influential on environmental matters • Participation in innovative projects with scientific institutions and publicising them effectively • Collaboration on controls by the bodies in charge • Participation in trade association discussions

STAKEHOLDER	KEY TOPICS	STAKEHOLDER' EXPECTATIONS	MAIN ENGAGEMENT ACTIVITIES
LOCAL COMMUNITY	• Activities-investments and value creation in the community • Environmental and quality of life protection and Carbon Neutrality • Respect for human rights • Transparency and completeness in communicating with the media and the local community • Support for research and development, education, art and culture initiatives • Communication with its stakeholders on the awareness and the importance of sustainability	• Listening to requests • Contribution to and support for initiatives in the region and local communities • Access to information • Protection of heritage and the environment • Health and safety	• Collaboration projects with universities and training schools in Italy and abroad • Contests and scholarships for young designers/artists or students living in the area around the plant • Focus on the digital sphere as a channel for dialogue with clients and stakeholders, without excluding the design community and the end consumer • Organisation of visits to the productive plant for press and clients. • Attendance at conferences and joint organisation of events • International sustainability workshops • Renewed annual membership of the UN Global Compact as a Participant Member and of the Global Compact Network Italy Foundation • Organisation of international events at national and international level
PUBLIC INSTITUTIONS	• Legal compliance • Correct administrative and fiscal conduct • Investments and value creation in the community	• Collaboration, technical support and information sharing • Participation in community activity planning • Compliance with legislation in all countries where Alcantara operates	• Collaboration with visits or inspections by public bodies • Participation in projects, calls for tender or institutional research • Monitoring of updates issued by the Italian Accounting Body • Periodic reporting to ISTAT, Bank of Italy, Mediobanca and Lombardy Region

Material impact, risk and opportunities

ENVIRONMENT			
Climate Change			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SECTION**
The production of Alcantara requires the consumption of significant amounts of electricity and natural gas. Consequently, the presence of the production facilities in Nera Montoro inevitably places a strain on the local supply system in terms of energy availability. Another impact related to energy use is the resulting production of greenhouse gases. The generation of Scope 1, 2, and 3 emissions and energy consumption are negative impacts that Alcantara mitigates through available means and technologies. Specifically, the Company has a positive impact by investing in energy efficiency, renewable sources, and implementing decarbonisation measures. Finally, Alcantara annually offsets residual emissions by resorting to carbon offsetting projects. From the perspective of risks and opportunities for Alcantara, business operations, which depend heavily on energy use, may be exposed to price volatility, which in the worst case can cause a significant increase in production costs. At the same time, consistent with its internal sustainability commitments, the use of energy from renewable sources and the push for energy efficiency enable access to tax incentives and strengthen the Company's reputation as a sustainability-conscious brand.	GRI 3-3 — Management of material topics GRI 302-1— Energy consumed within the organisation GRI 302-4 — Reduction of energy consumption GRI 305-1 — Direct GHG emissions (Scope 1) GRI 305-2 — Indirect GHG emissions from energy consumption (Scope 2) GRI 305-3 — Other indirect GHG emissions (Scope 3) GRI 305-5 — Reduction of GHG emissions ESRS E1-1 – Transition plan for climate change mitigation ESRS E1-2 – Policies on climate change mitigation and adaptation ESRS E1-3 – Actions and resources related to climate policies ESRS E1-4 – Climate change mitigation and adaptation targets ESRS E1-5 – Energy consumption and energy mix ESRS E1-6 – Gross GHG emissions scopes 1, 2, 3 and total GHG emissions ESRS E1-7 – GHG removals and carbon credit-funded GHG mitigation projects	Health, Safety and Environment Policy ISO 50001 Energy Management System certification ISO 14001 Environmental Management System certification Carbon Neutrality certification (TÜV SÜD) Development of a medium-to-long term programme (2030-2050) for further reduction of greenhouse gas emissions associated with Alcantara's products and activities, prior to offsetting.	Environmental information

ENVIRONMENT

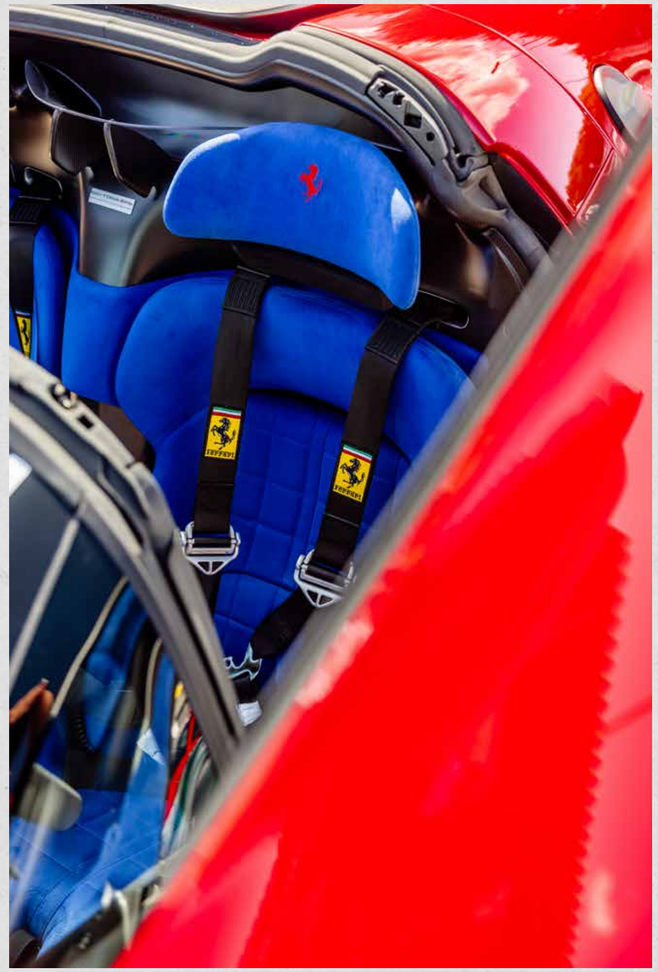
Pollution

IMPACTS, RISKS, AND OPPORTUNITIES	GRI / ESRS DISCLOSURE	POLICIES, INITIATIVES AND ACTIONS	SECTION
Alcantara production requires the use of hazardous substances, specifically the solvents DMF and TCE. The absence or malfunctioning of the currently implemented safeguards could generate impacts on the environment (particularly water bodies) and nearby ecosystems, as well as on workers and the community. Currently, the use of these substances is necessary for most production volumes; however, studies and research are underway aimed at replacing DMF and TCE solvents. In this context, Alcantara has seen an opportunity to replace these substances with alternatives with the goal of offering an improved product to the market. Finally, it cannot be excluded that potential regulatory restrictions or market demand for solvent-free products could create difficulties	GRI 3-3 — Management of material topics GRI 305-7— Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions KPI 'Substances' KPI 'Quality of industrial wastewater' ESRS E2-1 – Transition plan for pollution mitigation ESRS E2-1 – Pollution policies ESRS E2-2 – Actions and resources related to pollution ESRS E2-3 – Pollution targets ESRS E2-4 – Air, water, and soil pollution ESRS E2-5 – Substances of concern and substances of very high concern	Health, Safety and Environment Policy ISO 14001 Environmental Management System certification 'Product Safety' procedure 'Water-based' project Water reuse plant Wastewater treatment plant	Environmental information

Water

The Nera Montoro site is located in a water-stressed area. High water consumption has the potential to worsen the condition of the water resource in terms of availability for the local community and ecosystems.	GRI 3-3 — Management of material topics GRI 303-1— Interaction with water as a shared resource GRI 303-2 — Management of water discharge-related impacts GRI 303-3 — Water withdrawal GRI 303-4 — Water discharge GRI 303-5 — Water consumption ESRS E-1 – Policies related to water and marine resources ESRS E3-2 – Actions and resources related to water and marine resources ESRS E3-3 – Targets related to water and marine resources ESRS E3-4 – Water consumption	Health, Safety and Environment Policy ISO 14001 Environmental Management System certification Water Footprint Water reuse plant Wastewater treatment plant	Environmental information

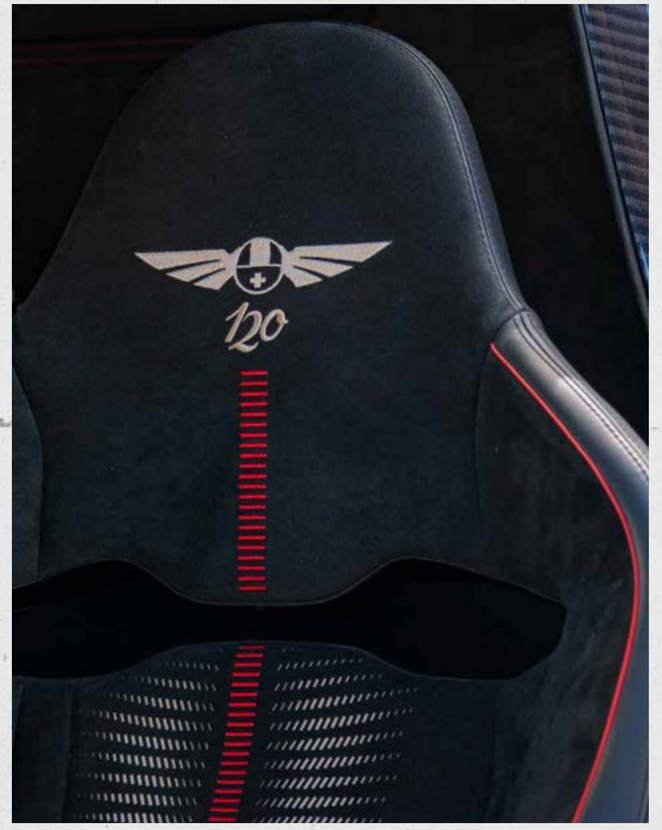
Material impact, risk and opportunities



ENVIRONMENT			
Circular economy			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SECTION**
Alcantara is a material that, due to its characteristics, is used in durable goods applications (cars, interiors, furnishings, etc.). The material's properties ensure a fairly long life cycle, delaying replacement and end-of-life. This aspect represents a positive characteristic in terms of circular economy and benefits the end user. Regarding the production process, the use of polymers from recycling (R-PET), as a substitute for virgin raw materials, can reduce dependence on other types of polymers, bringing environmental benefits (including decarbonisation). Another positive impact derives from the recovery of waste and the commercialisation of by-products for different markets (Alcanol and Alcaren). The main negative impact identified regarding resource use concerns waste production. In terms of risks for the Company, it should be noted that potential fluctuations in the price of strategic raw materials or their scarcity could cause an increase in procurement costs.	GRI 3-3 — Management of material topics GRI 301-1 — Materials used by weight or volume GRI 301-2 — Materials used that come from recycling GRI 306-1 — Waste production and significant waste-related impacts GRI 306-2 — Management of significant waste-related impacts GRI 306-3 — Waste produced GRI 306-4 Waste not destined for disposal GRI 306-5 — Waste destined for disposal ESRS E5-1 — Policies related to resource use and circular economy ESRS E5-2 — Actions and resources related to resource use and circular economy ESRS E5-3 – Targets related to resource use and circular economy ESRS E5-4 – Incoming resource flows ESRS E5-5 – Outgoing resource flows	Health, Safety and Environment Policy ISO 14001 Environmental Management System certification	Environmental information

Material impact, risk and opportunities

Material impact, risk and opportunities

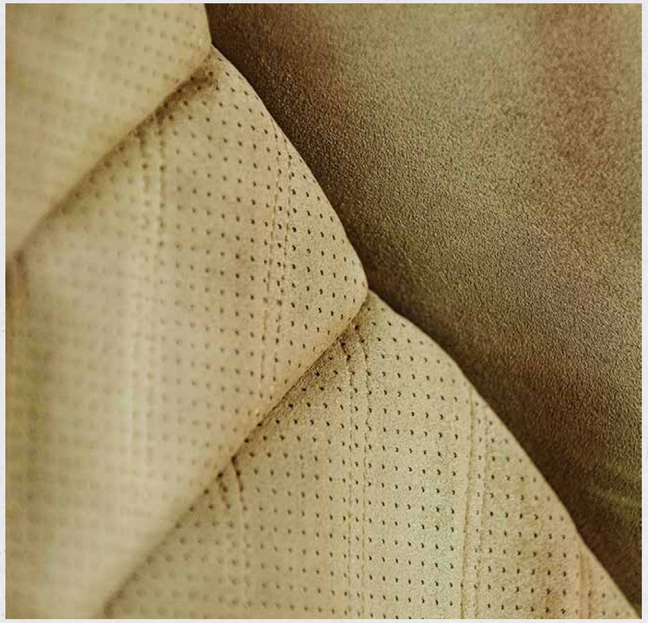


SOCIAL			
Own workforce			
IMPACTS, RISKS, AND OPPORTUNITIES	GRI / ESRS DISCLOSURE	POLICIES, INITIATIVES AND ACTIONS	SECTION
The risk of accidents, harming the health and safety of all personnel and collaborators, cannot be completely eliminated but is kept very limited thanks to careful management. Furthermore, from the Company's perspective, implementing adequate safeguards and management systems represents an opportunity to reduce exposure to reputational damage and sanctions. Impacts related to employment stability and economic security, without discrimination, are crucial. Although the objective possibility of causing harm to many employees remains a negative impact that cannot be ruled out, the Company is committed to reducing job insecurity for all personnel, even during difficult periods.	GRI 3-3 — Management of material topics GRI 401-1 — Hiring and turnover GRI 401-2 — Benefits for full-time employees not available to part-time or temporary employees GRI 401-3 — Parental leave GRI 403-1 — to 403-10 Health and safety GRI 403-2 — Hazard identification, risk assessment, and incident investigation GRI 403-3 — Occupational health services GRI 403-4 — Worker participation, consultation, and communication on occupational health and safety GRI 403-5 — Worker training on occupational health and safety GRI 403-6 — Promotion of worker health GRI 403-7 — Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8 — Workers covered by an occupational health and safety management system GRI 403-9 — Work-related injuries GRI 403-10 — Work-related ill health GRI 404-1 — Average hours of training per year per employee GRI 404-2 — Programmes for upgrading employee skills and transition assistance programmes GRI 404-3 — Percentage of employees receiving regular performance and career development reviews GRI 405-1 — Diversity in governance bodies and among employees GRI 405-2 — Ratio of basic salary and remuneration of women to men GRI 406-1 — Incidents of discrimination and corrective measures adopted	Health, Safety and Environment Policy ISO 45001 Occupational Health and Safety Management System certification Code of Ethics Training and assessment programmes Global Compact SA8000	Social information

SOCIAL			
Own workforce			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SECTION**
	ESRS S1-1 — Policies related to own workforce ESRS S1-2 – Engagement processes ESRS S1-3 – Remediation processes ESRS S1-4 – Actions on relevant impacts ESRS S1-5 – Targets ESRS S1-6 – Employee characteristics ESRS S1-7 – Characteristics of non-employee workers ESRS S1-8 – Collective bargaining coverage and social dialogue ESRS S1-9 – Diversity metrics ESRS S1-10 – Adequate wages ESRS S1-11 – Social protection ESRS S1-12 – Persons with disabilities ESRS S1-13 – Training and skills development metrics ESRS S1-14 – Health and safety metrics ESRS S1-15 – Work-life balance metrics ESRS S1-16 – Remuneration metrics ESRS S1-17 – Incidents, complaints, and severe human rights impacts		

Material impact, risk and opportunities

Material impact, risk and opportunities



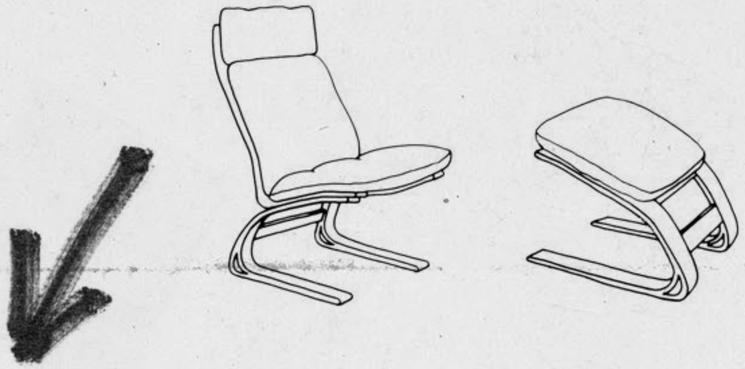
SOCIAL			
Value chain workers			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SECTION**
The selection of partners for the supply of products, raw materials, and services represents an opportunity for the Company to demonstrate its commitment to sustainability across the upstream value chain. For this reason, the Company believes it can create a positive impact through its supplier qualification and evaluation procedures, which enable it to identify and prioritise those aligned with Alcantara's commitments. Alcantara selects partners who ensure economic stability, decent working conditions, and the protection of health and safety for all workers throughout the supply chain. The absence of such safeguards could lead Alcantara to inadvertently contribute to the continuation of inadequate practices along the value chain (such as human rights violations, lack of protection, health and safety risks, etc.).	GRI 3-3 — Management of material topics GRI 204-1 — Proportion of spending on local suppliers GRI 308-1 — New suppliers screened using environmental criteria GRI 308-2 — Negative environmental impacts in the supply chain and actions taken GRI 408-1 — Operations and suppliers at significant risk for incidents of child labour GRI 409-1 — Operations and suppliers at significant risk for incidents of forced or compulsory labour GRI 414-1 — New suppliers screened using social criteria GRI 414-2 — Negative social impacts in the supply chain and actions taken ESRS S2-1 — Policies related to workers in the value chain ESRS S2-2 — Processes for engaging with workers in the value chain on impacts ESRS S2-3 — Processes to remediate negative impacts and channels for value chain workers to raise concerns ESRS S2-4 — Actions on material impacts ESRS S2-5 — Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities	Code of Ethics Global Compact SA8000 Supplier qualification and evaluation procedure	Governance information

Material impact, risk and opportunities

SOCIAL			
Consumers and End Users			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SECTION**
Impacts related to end users are primarily linked to the quality and safety of the product. Alcantara also believes it is essential to maintain transparent, direct, and comprehensive communication regarding sustainability performance and product-related information (e.g., material care instructions). Failure to do so could lead to negative impacts on customers and end users. In terms of risks and opportunities, poor communication management could result in considerable reputational damage to the brand. Alcantara, however, has taken the opportunity to strengthen customer and consumer trust through direct, transparent communication based on analysis, evidence, and recognisrecognised standards.	GRI 3-3 — Management of material topics GRI 416-1 — Assessment of the health and safety impacts of product and service categories GRI 416-2 — Incidents of non-compliance concerning the health and safety impacts of products and services GRI 417-1 — Requirements for product and service information and labeling GRI 417-2 — Incidents of non-compliance concerning product and service information and labeling GRI 417-3 — Incidents of non-compliance concerning marketing communications GRI 418-1 — Substantiated complaints concerning breaches of customer privacy and losses of customer data ESRS S4-1 — Policies related to consumers and end users ESRS S4-2 — Processes for engaging with consumers and end users on impacts ESRS S4-3 — Remediation processes and channels for consumers and end users to raise concerns ESRS S4-4 — Actions on material impacts and approaches to mitigate relevant risks and seize opportunities related to consumers and end users, and effectiveness of these actions ESRS S4-5 — Targets for managing material negative impacts, enhancing positive impacts, and managing relevant risks and opportunities	Code of Ethics SA8000 ISO 9001 certified Quality Management System Critical evaluation of qualitative performance indicators (complaints, service level, client assessment reports) Examination of failure cases Technical and Design meetings with clients	Social information

BUSINESS CONDUCT			
Governance			
IMPACTS, RISKS, AND OPPORTUNITIES	**GRI / ESRS DISCLOSURE**	**POLICIES, INITIATIVES AND ACTIONS**	**SEZIONE**
The lack of a robust governance system attentive to sustainability issues can result in negative impacts on people and the environment within the Company's boundaries. Additionally, the absence of appropriate controls may contribute to the spread of unethical and non-compliant practices throughout the value chain. Conversely, a strong commitment to promoting virtuous practices and solid ethical principles across the supply chain helps raise market awareness on ESG issues.	GRI 3-3 — Management of material topics GRI 203-1 — Infrastructure investments and services supported GRI 205-2 — Communication and training about anti-corruption policies and procedures GRI 205-3 — Confirmed incidents of corruption and actions taken GRI 417-3 — Incidents of non-compliance concerning marketing communications ESRS G1-1 — Policies regarding corporate culture and business conduct ESRS G1-2 — Management of supplier relationships ESRS G1-3 — Prevention and detection of bribery and corruption ESRS G1-4 — Incidents of bribery and corruption	Code of Ethics Organisational Model 231 Global Compact SA8000	Governance information

Material impact, risk and opportunities



2. ENVIRONMENTAL INFORMATION

2.1

Climate change and Carbon Neutrality

Alcantara's activities and value chain

Strategy and sustainability

2.2

Pollution

Alcantara's activities and value chain

Strategy and sustainability

2.3

Water

Governance model

Risk management

2.4

Circular economy

Alcantara's activities and value chain

Strategy and sustainability

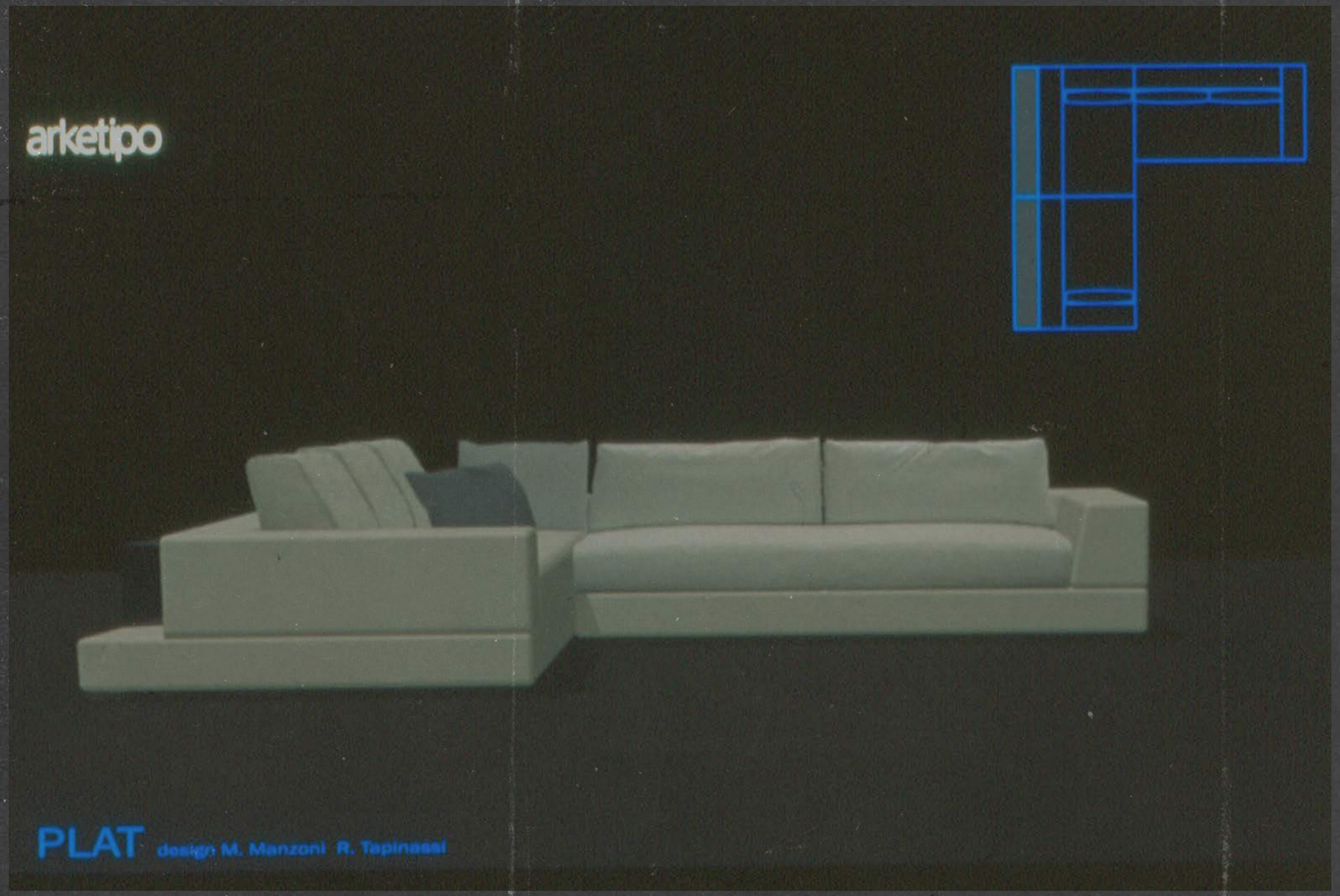
HIGHLIGHTS

Compliance to ISO 14068

4,850 TOE of energy saved in the Calendar Year 2024 thanks to the cogeneration and trigeneration plants

128,251,574 kg of CO_2 offset

16.882,72 MWh certified with Guarantees of Origin



Impacts, risks and opportunities

Alcantara's production is energy-intensive, requiring significant electricity and natural gas, and contributes to greenhouse gas emissions (Scope 1, 2, and 3). To mitigate these impacts, the Company invests in energy efficiency, renewable energy, and decarbonisation, and offsets residual emissions through carbon offset projects. While energy dependency poses cost risks due to price volatility, it also presents opportunities through incentives and enhanced brand reputation tied to sustainability.

The production process involves hazardous solvents (DMF and TCE), which could harm the environment and health if safeguards fail. Although currently necessary, Alcantara is researching safer alternatives, anticipating regulatory or market shifts toward solvent-free products. In addition, production processes generate atmospheric emissions, which are monitored in compliance with the requirements of the Integrated Environmental Authorization.

The Nera Montoro site is located in a water-stressed area. High water consumption has the potential to worsen the condition of the water resource in terms of availability for the local community and ecosystems.

The use of recycled polymers (R-PET) and by-product recovery (e.g., Alcanol, Alcarene) further reduce environmental impact. The main resource-related risk is the volatility or scarcity of strategic raw materials, potentially increasing costs.

2.1 CLIMATE CHANGE AND CARBON NEUTRALITY

Alcantara first became Carbon Neutral in 2009. At that time, the certification was issued by TÜV SÜD, according to their internal standard CMS Standard GHG41.

Starting from 2014, the Company obtained the Carbon Neutral certification according to PAS 2060, on an annual basis, and starting from 2025, the Company has complied with the new ISO 14068 standard.

The Company acknowledges that offsetting is not the ultimate solution. Financing climate action through certified carbon credits is an integral part of its corporate strategy. To achieve the Paris Agreement's 1.5°C target, the world must reach net-zero emissions by 2050, achieving a 43% reduction from 2019 levels by 2030 (ref. "The evidence is clear: The time for action is now. We can halve emissions by 2030," IPCC) and ensure that global emissions peak by 2025. Current global actions are far from the minimum required level, and the Intergovernmental Panel on Climate Change (IPCC) and the global scientific community expect that emission cuts will miss the 1.5°C target by a wide margin (ref. "Climate Change 2022: Mitigation of Climate Change," IPCC). Current levels of climate investment must increase by at least sevenfold by the end of this decade: governments cannot achieve this alone, and the private sector plays a key role. The Voluntary Carbon Market remains one of the most viable, near-term, and credible options for companies to accelerate their climate action beyond their value chain and measurably reduce global emissions. Purchasing carbon credits allows businesses to fund vital climate action projects around the world that would otherwise not be funded. These climate action projects not only reduce emissions but also offer a host of social benefits such as improved health, better education, and the building of sustainable communities.

Worldwide, certified climate action projects reduce or avoid greenhouse gas emissions generating emission savings that translate into 'carbon credits': each credit is a certificate with a unique serial number, attesting that 1 metric ton of carbon dioxide equivalent (1 tCO_2e) has been avoided or reduced. Companies can then purchase these carbon credits to offset a number of emissions equivalents to their own carbon footprint. Each carbon credit is stored in a public registry; as soon as it is sold, it is removed (or 'retired') to ensure it can only be used once, so there is no risk of double counting. High-quality carbon credits have undergone rigorous verification: this is because the project they come from is registered with a world-class verification standard, approved by ICROA (the organisation that promotes best practices within the Voluntary Carbon Market), such as the Clean Development Mechanism, Verra, or the Gold Standard. This standard sets strict criteria and

organises independent reviews to examine the project, ensuring that the carbon reduction is permanent and additional to what would happen without the project's existence. It also requires that the project supports sustainable development in the Global South, as the populations located there are the most vulnerable to climate change.

When it comes to climate finance, there is no time to waste. Of course, the most important action a company can take to combat climate change is to reduce its own carbon footprint within its value chain. But purchasing carbon credits is not separate from this strategy; it is a key part of it. Any company operating today, even the most committed to decarbonising, will be left with leftover emissions—officially known as 'unavoidable' or 'residual' emissions. Offsetting residual emissions by buying the equivalent number of certified carbon credits means that a company is doing everything in its power for the environment. This is recognised by the Paris Agreement, particularly in Article 6.4, and by the Science Based Targets initiative (SBTi), which recommends that companies "take immediate action above and beyond their science-based targets to contribute to reaching global net-zero through beyond value chain mitigation."

In the longer term, consistent with its Carbon Neutrality path, Alcantara will not only offset residual emissions but will eventually neutralise (i.e., offset through credits specifically attesting to carbon removal actions from the atmosphere) all remaining residual emissions by 2050.

Climate change policies

Alcantara has implemented a comprehensive Health, Safety, and Environmental (HSE) Management System, guided by its HSE Policy and aligned with the ISO 14001 standard. This system supports the Company's commitment to environmental protection and continuous improvement in sustainability performance. The Company is certified for its Product Carbon Footprint Systematic Approach Management System under ISO 14067:2018 Annex C. Its Corporate GHG Inventory and its Carbon Neutrality were verified according to ISO 14064-1 and ISO 14068[14]. Moreover, Alcantara is considering the possibility to commit to the **Science Based Targets initiative (SBTi)**, aligning its emissions reduction goals with internationally recognised climate science. These certifications, along with ISO 14001, reinforce Alcantara's strong environmental management practices[15].

In addition to the above-mentioned certifications the Company has obtained several other relevant certifications that reinforce its environmental management practices:

Certification of the Environmental Management System since 2000, in accordance with UNI EN ISO 14001	**Integrated Environmental Authorisation (IEA),** valid until May 2025	**Certified Carbon Neutral** According to **ISO 14068 standard on Climate Neutrality** (former PAS 2060)	**ISO 50001 Energy Certification** since 2017

All of Alcantara's policies, including those related to environmental matters, are formally approved by the Chief Executive Officer, ensuring alignment with strategic objectives and top-level accountability.

14. As of the approval date of this Sustainability Report, the compliance assessment with the standard was completed by TÜV SÜD in July 2025 and the final report is pending.

15. Alcantara is currently evaluating the possibility of formally joining the SBTi initiative by submitting its targets for external validation in order to obtain recognition for aligning with the highest level of climate ambition, based on the goal of limiting global temperature rise to 1.5°C above pre-industrial levels.

Alcantara's transition plan for climate change mitigation[16]

Alcantara has been developing a comprehensive decarbonisation plan aligned with the **ISO 14068-1:2023 standard** and the **SBTi Net-Zero Standard,** prioritising **direct emissions reductions** as the core of its Carbon Neutrality journey. The Company has set ambitious climate targets for **2030**:

- a short-term absolute reduction of 42% in Scope 1 and Scope 2 emissions by 2030, corresponding to an average annual reduction rate of at least 4.2%;
- for Scope 3 emissions Alcantara has adopted a target to reduce emission intensity by at least 7% per year per linear metre of Alcantara product by 2030, covering at least 67% of total indirect emissions along the value chain.

(Baseline: Fiscal Year 2021–2022)

These intermediate targets are part of a broader and more ambitious vision that will lead Alcantara to achieve Net-Zero status by 2050.

To meet these targets, Alcantara has implemented a set of actions across internal operations, supplier engagement, and external scenario planning, detailed in its **Carbon Management Plan**, updated annually.

16. As of 31 March 2025, Alcantara is finalising the feasibility assessments of the Transition Plan.

Targets

The adoption of ambitious, science-based climate targets allows the Company to actively contribute to limiting global warming to 1.5°C above pre-industrial levels, as stipulated by the Paris Agreement.

Decarbonisation targets form the basis of the Company's 'Carbon Neutrality Management Plan,' ensuring that emission reductions are always prioritised over offsetting measures.

Consistent with the SBTi criteria, starting from the 2021 base year, Alcantara has defined a progressive reduction path for its greenhouse gas emissions. This path includes a short-term absolute reduction of 42% in Scope 1 and Scope 2 emissions (categories 1 and 2 of the inventory according to ISO 14064) by 2030, corresponding to an average annual reduction rate of at least 4.2%, in line with the SBTi trajectory for the 1.5°C scenario. Furthermore, for Scope 3 emissions (categories 3-6 of the inventory according to ISO 14064), Alcantara has adopted a target to reduce emission intensity by at least 7% per year per linear metre of Alcantara product by 2030, covering at least 67% of total indirect emissions along the value chain.

These intermediate targets are part of a broader and more ambitious vision that will lead Alcantara to achieve Net-Zero status by 2050. To reach this goal, Alcantara has adopted the following long-term targets: an absolute reduction of 90% in Scope 1 and Scope 2 emissions; for Scope 3 emissions, a reduction in emission intensity of 97% per linear metre of Alcantara product, covering a minimum of 90% of the base year's Scope 3 emissions.

Alcantara has developed its decarbonisation pathway following the principles and criteria required by SBTi, specifically:

Minimum requirements considered by Alcantara for formulating its targets according to SBTi Net-Zero criteria

	Scope 1+2	*Scope 3*
TARGET BOUNDARY	**>95% of Scope 1+2 emissions**	**> 67% of Scope 3 emissions by 2030** **> 90% of Scope 3 emissions by 2050**
LEVEL OF AMBITION	**Aligned to 1,5°C**	**Aligned to Well-Below 2°C by 2030** **Aligned to 1.5°C by 2050**
TARGET TYPE	**Absolute emissions**	**Physical intensity** (Specific emissions per linear metre of product produced in the inventory period)
REQUIRED REDUCTION	-42% reduction by 2030 -90% reduction by 2050	-51.60% reduction by 2030 -97% reduction by 2050

Reduction strategies and results achieved in the reporting year

The core of Alcantara's Carbon Neutrality journey is the prioritisation of direct emission reductions, a strategy fully aligned with both the ISO 14068-1:2023 standard and the SBTi Net-Zero Standard. Each mitigation measure is selected for its technical feasibility, environmental integrity, and its projected contribution to our medium and long-term climate goals.

To build a science-aligned decarbonisation plan, we have adopted a range of reduction initiatives spanning internal operations, external actions, and targeted supplier engagement.

These measures are detailed in the Company's Carbon Management Plan, which is reviewed and updated annually.

Key actions from the current reporting period include:

Set of internal levers implemented or to be implemented to constitute Alcantara's emission reduction plan

ISO 14064 CATEGORY	REDUCTION MEASURE	REDUCTION MEASURE	QUANTIFICATION OF EMISSION REDUCTION
Cat. 1 - Direct emissions	Use of biomethane to replace natural gas	Internal	For Fiscal Year 2024-2025, Alcantara purchased biomethane certificates for a total quantity of 4,206,000 kWh.
Cat. 1 - Direct emissions	Conversion of the Company fleet to hybrid and electric vehicles	Internal	Alcantara has continued the transition of its entire fleet to hybrid and electric vehicles, in line with its target of full replacement by Fiscal Year 2025-2026.
Cat. 1 & 2 - Direct emissions and from imported energy	Energy efficiency of production processes (water, steam)	Internal	Energy savings associated with cogeneration of electricity and steam: 11,517 tCO_2e
Cat. 2 - Em. from imported energy	Maintaining 100% electricity purchases with Guarantees of Origin	Internal	Zero emissions Category 2 (market-based approach)
Cat. 3 - Em. emissions from transportation	Carpooling incentives for employees	Internal	Increase in the number of people per car, commuting to and from work at the Nera Montoro site.
Cat. 4 - Em. from products and services	Increased use of recycled polyester to replace virgin	Internal	In Fiscal Year 24-25, the use of R-PET in spinning was equal to 15.6% of total polyester consumption, compared to a percentage of 7.70% in the previous year.
Cat. 4 - Em. from products and services	Self-production of nitrogen (technical gases) for energy saving	Internal	Supply contract finalised. Benefits expected in the next financial year.
Cat. 4 - Em. from products and services	Top 10 suppliers reach 100% renewable electricity	Target Suppliers	Alcantara has launched a request for the use of renewable electricity for its top 10 suppliers.

External levers, on the other hand, represent expected reductions that derive from changes outside the Company's direct control but are considered in planning through forecast scenarios or recognised regulatory developments.

Since these levers essentially contribute to a forecast figure, a numerical contribution in terms of actual reductions is not directly attributable to the reporting year.

Key Performance Indicators

Cogeneration and trigeneration plants

Since 2013, thanks to a contract with the company ENGIE, Alcantara has operated a cogeneration plant for the supply of electricity and steam, recognised by the GSE (National Energy Services Manager) as a high-efficiency cogeneration plant within a User Efficiency System.

The cogeneration plant, operated under a long-standing contract with ENGIE since 2013, is capable of supplying steam with a maximum contractual capacity of 48 tons per hour (t/h) and generating up to approximately **50,000 megawatt-hours of electricity per year (MWh/year).**

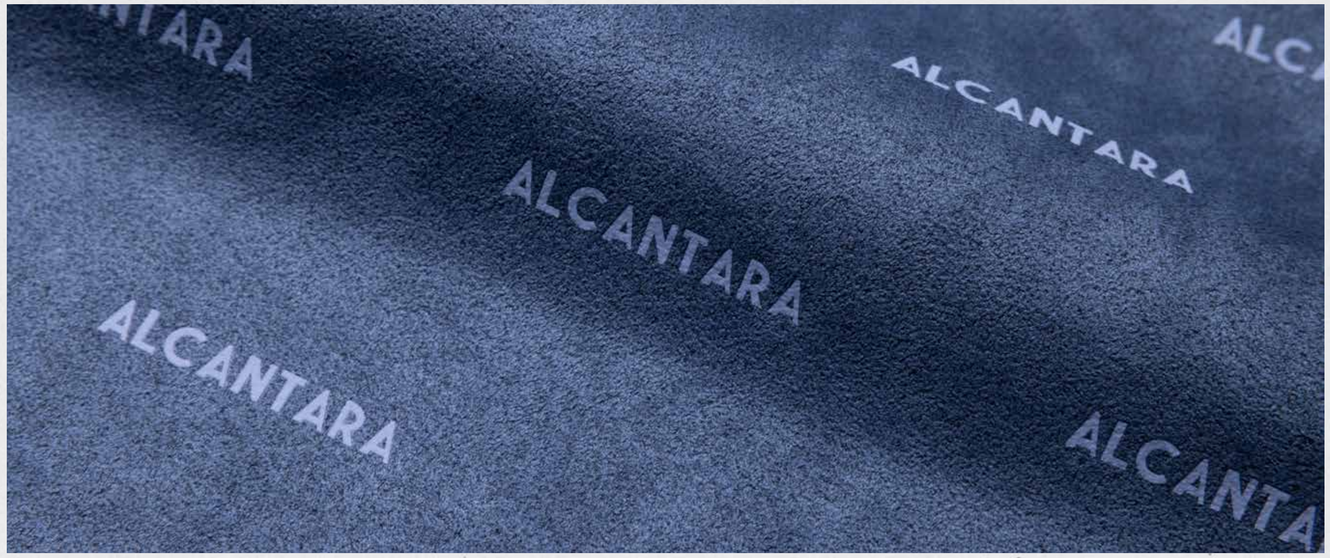
In 2019, following an increase in energy consumption due to higher production levels, the Company expanded the plant's capacity by installing a trigeneration unit to ensure the continued availability of electricity within the facility. This expansion led to significant cost savings and reduced the environmental impact of production. Finally, in the first quarter of 2025, a new cogeneration plant was installed, matching the production capacity of the one installed in 2013.

In Fiscal Year 2025, the cogeneration plant supplied **191,120 MWh** of thermal steam and **62,628 MWh** of electricity, generating significant energy, environmental, and economic benefits. Specifically, the cogeneration system reduced primary energy consumption by approximately **5,250 tonnes** of oil equivalent (toe) per year.

The following table, which reports data on a calendar-year basis, quantifies the actual benefits derived from the cogeneration system, including:

- **High energy efficiency** enabled by next-generation technologies;
- **Simple heat recovery** cogeneration of approximately 13 t/h (zero-cost steam generated from hot exhaust gases from the gas turbine);
- **Energy efficiency certificates** (so-called 'white certificates');
- **Tax incentives** for natural gas supplied to HEC-qualified power stations;
- **Significantly lower energy bills** from an economic standpoint;
- **Greater energy independence and supply reliability;**
- **No capital investment required** for the construction of the plant, allowing funds to remain available for the Company's core business.

BENEFITS OF COGENERATION	UM	2017	2018	2019	2020	2021	2022	2023	2024	Total
Amount of gas saved	MWh	66,329	71,018	66,030	53,512	63,152	64,913	64,586	56,397	732,945
	TOE	5,704	6,108	5,679	4,602	5,431	5,583	5,554	4,850	63,033
Benefits	TEE	7,510	8,039	7,474	6,058	7,148	7,350	0	0	69,292
CO_2 avoided	ton	13,418	1,370	13,301	10,833	12,780	13,136	13,141	11,517	148,630



The trigeneration plant, commissioned in 2019, has an annual production capacity of **21,050 MWh** of electricity, **10,697 MWh** of cogenerated thermal energy (produced without additional fuel input), and **8,174 MWh** of cooling energy.

Over the past six years, the plant has enabled the generation of approximately **1,280 Energy Efficiency Certificates (EECs)** per year.

In the 2024 calendar year, compared to the separate production of electricity, heat, and cooling, the trigeneration system allowed the Company to avoid **2,252 tonnes of CO_2 emissions** and to save **11,028 MWh of energy.**

TRIGENERATION PLANT	UM	2023	2024
Natural gas saved	MWh	9,844	11,028
	TOE	847	948
CO_2 avoided	TONS	2,003	2,252

Photovoltaic plants

The photovoltaic system (PV) installed at the Milan headquarters in Fiscal Year 2023 produced **101 MWh** of electricity in Fiscal Year 2025, **93%** of which was used for self-consumption and **7%** fed back into the grid. This allowed the site to cover **19%** of its electricity demand with self-produced renewable energy.

Additionally, the photovoltaic system at the Nera Montoro produced 198 MWh of electricity, of which 70.3% were self-consumed.

Energy consumption

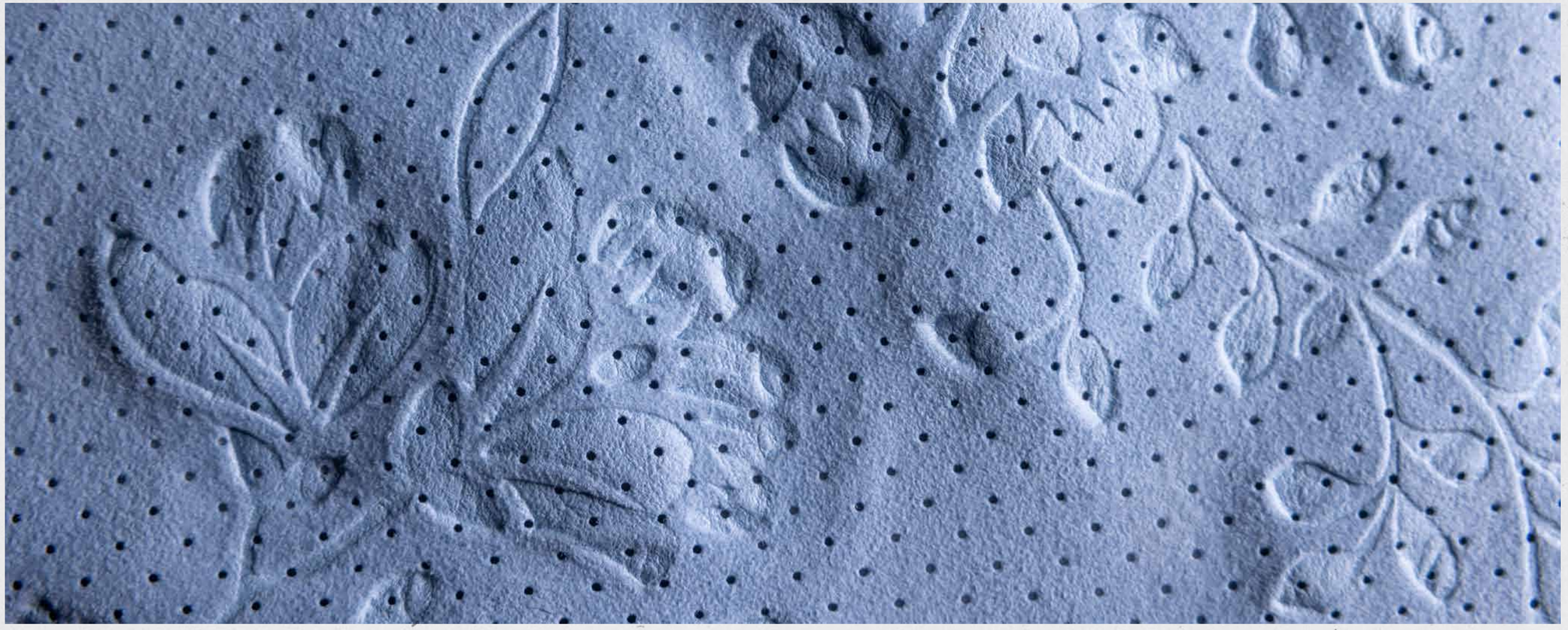
Energy consumption recorded in the commercial and administrative offices at the Milan headquarters is related for the most part to the use of:

- natural gas for heating rooms;
- electricity for normal office activities, cooling rooms, and the operation of the heating plant.

The Nera Montoro production site, on the other hand, consumes:

- natural gas for direct heating, for the production of steam at a pressure of 6 bar, and for the canteen;
- steam at a pressure of 6 bar, guaranteed by the cogeneration plant and the trigenerator inside the plant;
- electricity, mainly used for the production process;
- diesel fuel.

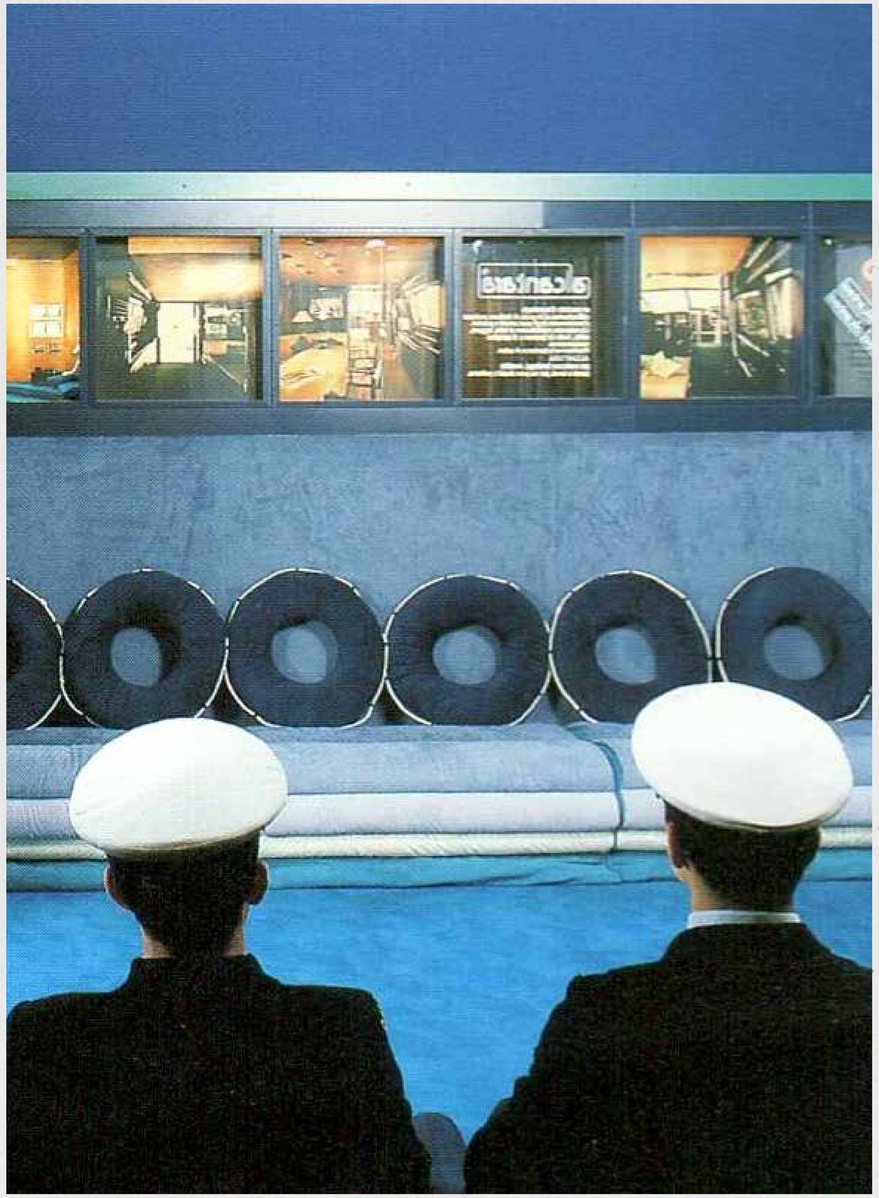
ENERGY CONSUMPTION	UM	FY 2023	FY 2024	FY 2025
ENERGY CONSUMPTION FROM NON RENEWABLE SOURCES (excluding Cogeneration plant)				
Natural Gas	TJ	**80.12**	**78.17**	**65.40**
of which: for heating	TJ	0.28	0.28	0.99
of which: for the production plant	TJ	79.84	77.89	64.42
Diesel	TJ	**1.54**	**1.86**	**1.80**
of which: for business travel by Company cars	TJ	1.44	1.70	1.66
of which: for production processes	TJ	0.09	0.16	0.14
ENERGY CONSUMPTION FROM ELECTRICITY				
Electricity	TJ	**84.91**	**88.50**	**61.62**
of which: purchased	TJ	84.54	88.03	60.78
of which: self-produced from photovoltaic plant	TJ	0.37	0.47	0.84
ENERGY CONSUMPTION FROM COGENERATION PLANT (Gas generated energy)				
Total energy consumption from cogeneration plant	TJ	**1,040.51**	**1,012.91**	**913.49**
of which: electricity	TJ	235.87	234.76	225.46
of which: steam	TJ	804.64	778.15	688.03
TOTAL ENERGY CONSUMPTION	TJ	**1,207.08**	**1,181.44**	**1,042.32**



From 2024 to 2025 there was a 11.78% decrease in total energy consumption, from 1,181.44 TJ in 2024 to 1,042.32 TJ in 2025. The total amount of electricity purchased from renewable sources in Fiscal Year 2025, certified with Guarantees of Origin, was **16.882,72 MWh (60,78 TJ)**, broken down as follows:

ELECTRICITY PURCHASED FROM RENEWABLE SOURCES (Tj)	UM	FY 2023	FY 2024	FY 2025
Renewable energy purchased and covered by Guarantee of Origin	**Tj**	**84.54**	**88.03**	**60.78**
Photovoltaic	Tj	0.90	0.00	1.46
Wind	Tj	83.04	85.39	52.88
Hydropower	Tj	-	2.64	1.08
Biomass	Tj	0.60	0.00	5.35

Alcantara's total self-produced renewable energy in Fiscal Year 2025 amounted to **299.51 MWh**, with **233.88 MWh (78%)** consumed for its own operations and **65.63 MWh (32%)** sold externally. This represents a significant increase in self-production, up by **115.21%** from **131.67 MWh** in the previous Fiscal Year.



GHG emissions

In Fiscal Year 2025, the Company's inventory of direct and indirect GHG emissions was prepared in accordance with the guidelines of the UNI ISO 14064-1:2019 standard and verified by TÜV SÜD. The results, expressed in tons of CO_2 equivalent, are summarised in the table below, compared with the previous years, starting from the baseline.

GHG EMISSION (tonCO_2e) (market based)	FY 2022 (baseline)	FY 2023	FY 2024	FY 2025
Scope 1 - Direct GHG emissions	**73,726.24**	**72,540.25**	**70,272.48**	**63,934.42**
Scope 2 - Indirect GHG emissions (market based)	**32.19**	**1.71**	**0.00**	**15.17**
Scope 3 - Other indirect GHG emissions	**94,480.42**	**91,660.85**	**92,120.69**	**79,549.67**
Indirect GHG emissions from transportation	5,414.84	6,248.04	6,148.18	4,925.06
Indirect emissions from products used by the Organisation	82,497.65	81,539.43	82,642.83	71,578.46
Indirect emissions associated with the use of the Organisation's products	5,572.18	2,775.27	2,229.5	2,185.50
Indirect GHG emissions from other sources	995.75	1,098.13	1,100.18	860.65
TOTAL GHG EMISSIONS (Scope 1 + Scope 2 + Scope 3)	**168,238.85**	**164,202.83**	**162,393.17**	**143,499.26**

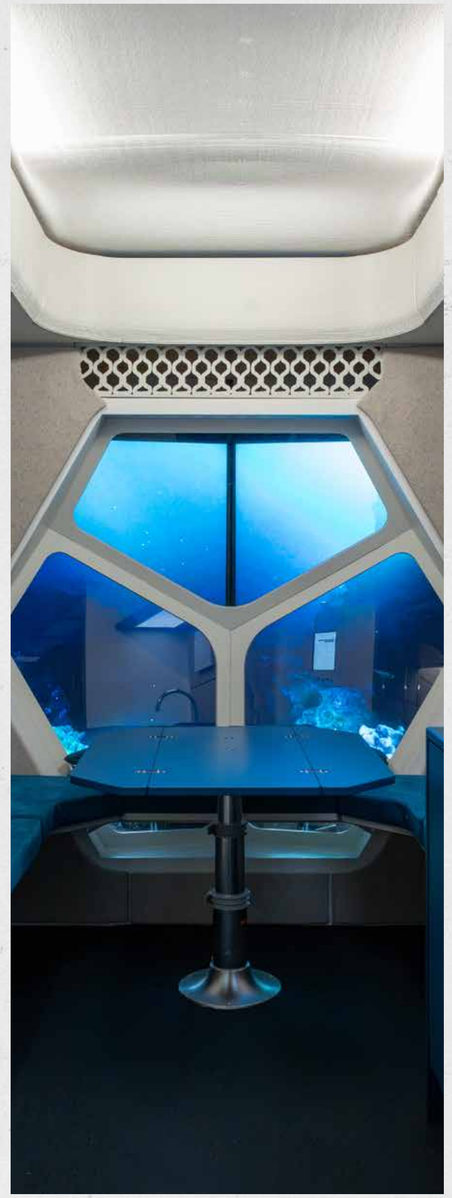
GHG EMISSION ($tonCO_2e$) (market based)	FY 2022 (baseline)	FY 2023	FY 2024	FY 2025
Scope 1 - Direct GHG emissions	**73,726.24**	**72,540.25**	**70,991.28**	**64,831.25**
Scope 2 - Indirect GHG emissions (location based)	**5,195.06**	**6,051.59**	**6,301.33**	**4,350.61**
Scope 3 - Other indirect GHG emissions	**95,954.43**	**93,416.12**	**94,238.43**	**80,600.38**
Indirect GHG emissions from transportation	5,414.84	6,248.04	6,148.18	4,925.06
Indirect emissions from products used by the Organisation	82,216.60	81,186.98	82,498.02	71,174.58
Indirect emissions associated with the use of the Organisation's products	5,257.23	2,487.08	1,973.45	1,904.88
Indirect GHG emissions from other sources	3,065.78	3,494.02	3,618.78	2,595.86
TOTAL GHG EMISSIONS (Scope 1 + Scope 2 + Scope 3)	**174,875.75**	**172,007.96**	**171,531.04**	**149,782.25**

In the Fiscal Year 2025, the boundaries of the GHG inventory were expanded to include certain subcategories within categories 3, 4, and 6 that had previously been excluded. To ensure a consistent assessment over time, data for the baseline and subsequent years have been internally recalculated using standardized methodologies and category classifications, in accordance with ISO 14064 and ISO 14068. The Ecoinvent v3.9 secondary dataset has been used for all calculations to guarantee comparability.

GHG Emissions in the Base Year (Baseline)
The base year for Alcantara's Carbon Neutrality journey is the period between April 2021 and March 2022. During this period, total greenhouse gas emissions, calculated in accordance with ISO 14064-1, amounted to 168,239 tCO_2e.

Reductions Achieved and Unabated Emissions
In the reporting period April 2024 – March 2025 (Fiscal Year 24-25), Alcantara's total GHG annual emissions amount to 143,499 tCO_2e. Comparing this figure with the base year's emissions of 168,239 tCO_2e, a reduction of 24,740 tCO_2e has been achieved to date.

While this demonstrates clear progress, our current emissions remain above our long-term target for residual emissions (21,329 tCO_2e by 2050). The difference, 122,170 tCO_2e, represents the unabated emissions that our decarbonisation pathway is designed to eliminate in the coming years.



Offsetting greenhouse gases

In line with its commitment to Carbon Neutrality and as an integral part of its management plan under ISO 14068-1:2023, Alcantara has defined a structured offsetting strategy to address both unabated and residual GHG emissions that cannot be eliminated during the reference period.

- **Residual emissions** are those that cannot be eliminated with currently available or economically accessible technologies, meaning they are present even after all possible reduction and removal measures have been implemented.
- **Unabated emissions** are all emissions not yet reduced or removed in the considered period, but which are expected to be completely eliminated by the end of the implementation period of all reduction levers, net of residual emissions.

Offsetting is applied exclusively to unabated and residual emissions, following the Company's decarbonisation hierarchy, where internal emission reductions and removals always have priority. The offsetting strategy reflects the Organisation's intention to maintain a state of Carbon Neutrality during the transition to deep decarbonisation and, ultimately, the achievement of net-zero emissions status.

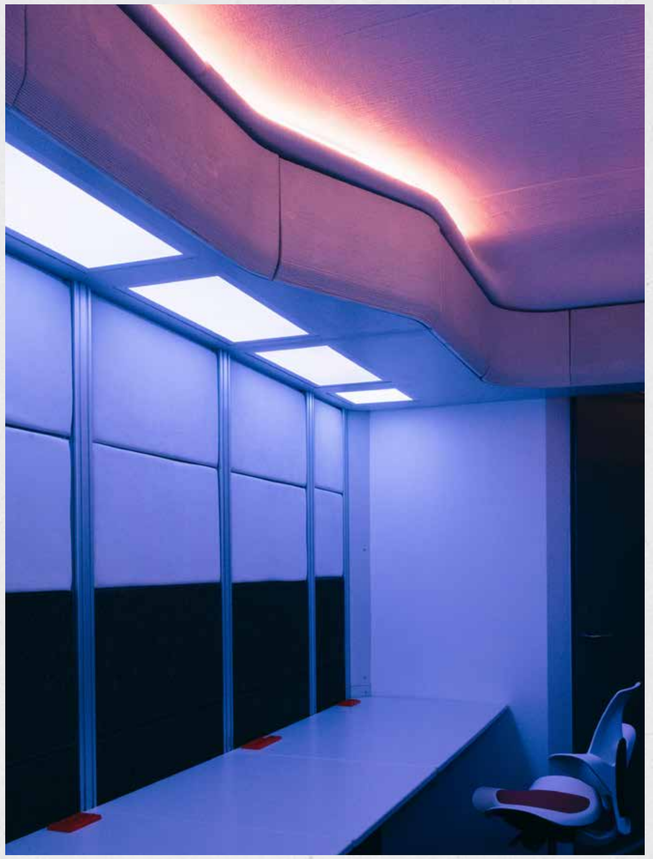
Alcantara's offsetting strategy is based on the principles of ISO 14068. This standard sets out the requirement to ensure the quality and integrity of the emission reductions used to generate carbon credits. This approach guarantees that the credits are real, measurable, additional, permanent, and verified by third parties, and that the carbon crediting programmes ensure maximum transparency through public registries to prevent double counting. The Gold Standard and VCS certified credits, specifically used for offsetting in the Fiscal Year 24-25 reporting year, are subject to stringent integrity requirements according to the principles expressed in the reference documentation published by the entities themselves. (respectively https://globalgoals.goldstandard.org/standards/101_V2.1_PAR_Principles-Requirements.pdf and https://verra.org/wp-content/uploads/2023/08/VCS-Program-Guide-v4.4.pdf).
Alcantara has also decided to involve some of its suppliers by collecting their greenhouse gas inventories and requesting them to offset their own emissions. For the Fiscal Year 2024-2025, the amount of emissions offset by suppliers is 15,247,683 $kgCO_2e$.

To offset the quantity of unabated and residual emissions in the reporting year, net of emissions already traceably offset by suppliers for the same period, Alcantara is purchasing the following quantity of carbon credits for the year 2024-2025:

Total Alcantara Market Based FY 24-25 ($kgCO_2e$)	143,499,257
Suppliers Compensation ($kgCO_2e$)	15,247,683
Compensation by Alcantara ($kgCO_2e$)	128,251,574

Thanks to the quantification of emissions for each Fiscal Year, the Company can offset its residual CO_2 emissions by financing certified and verified offsetting projects. These projects are validated and assessed by an accredited third-party organisation, following the rigorous audits to which all offsetting initiatives are subject, and contribute to improving the economic, social, and environmental conditions of the planet.

The credits acquired during Fiscal Year 2025 are linked to the generation of electricity from hydropower, wind, and solar energy. These initiatives resulted in the offsetting of a total of 128,252 tonnes of CO_2 equivalent.



Breakdown of Alcantara's Offsets

The offsets managed by Alcantara have been allocated to the following projects, exclusively selected from projects certified by VCS or Gold Standard.

Chorokhi Hydropower Plant Project

The Chorokhi Hydropower Plant Project generates approximately 410.8 GWh of electricity per year, reducing the amount of energy produced by thermal power plants and, consequently, decreasing CO_2 emissions in Georgia.
One of the project's key goals is to demonstrate the feasibility of privately-owned hydropower plants in ensuring energy security, improving air quality and local living conditions, and supporting the sustainable development of the renewable energy industry.
Moreover, Georgia is investing in hydropower plants to increase renewable energy production and reduce dependence on both imports and thermal energy generation.
The total annual reduction in CO_2 equivalent emissions (tCO_2e) will be 423,245 tonnes, of which 225,312 tonnes for Georgia and 197,933 tonnes for Turkey.
Most of the electricity generated will be fed into Georgia's national grid, while a portion will be exported to Turkey. Since hydropower currently generates more electricity than all other renewable technologies combined, this project represents a significant step forward for Georgia in commercialising the use of grid-connected renewable technologies through private investment.

Belen Wind Power Project

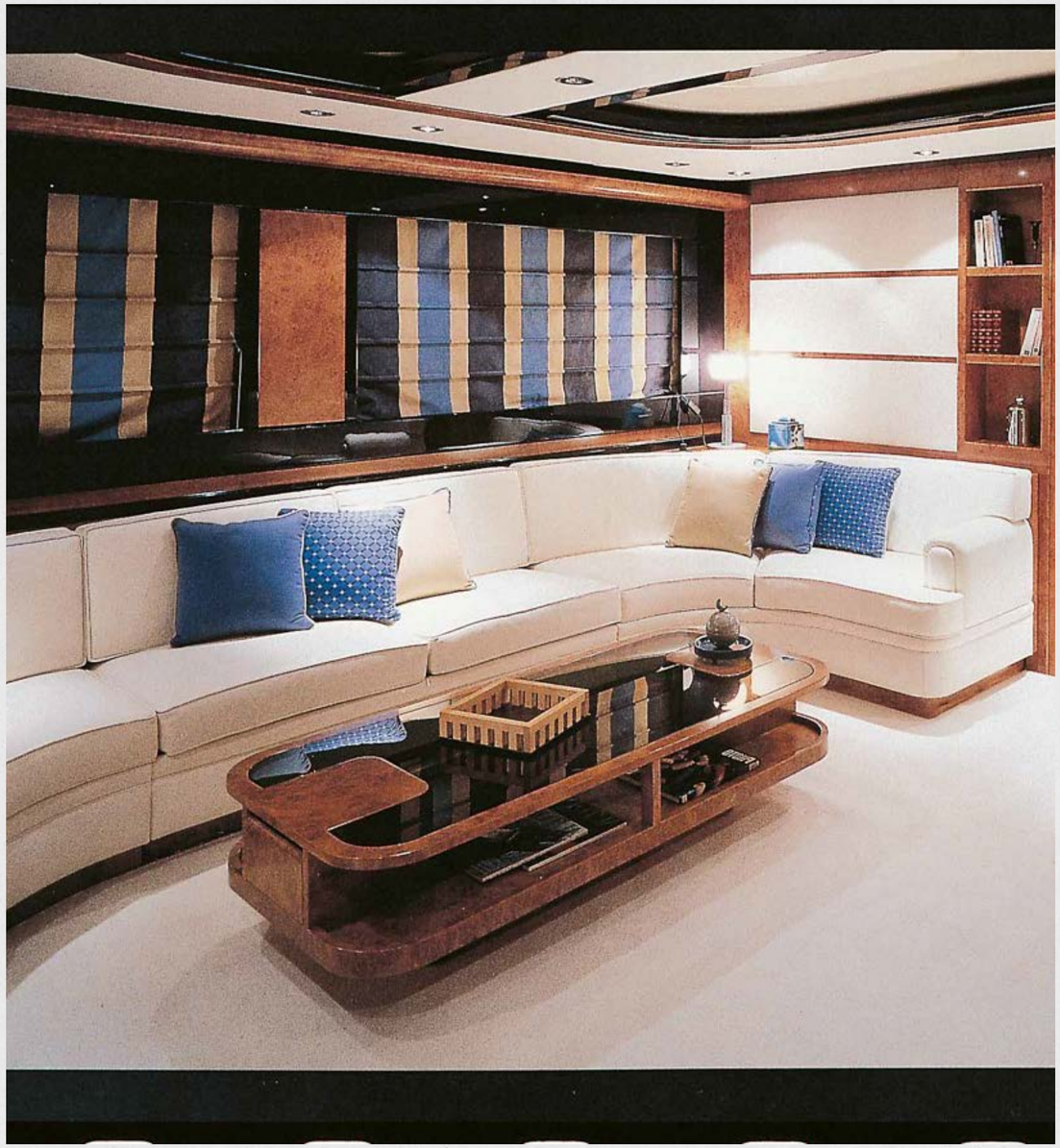
The 'Belen Wind Power' project consists of a wind farm with 16 turbines, each with a capacity of 3,000 kW, located in Belen, Hatay, on the southeastern Mediterranean coast of Turkey.
The wind farm has a total capacity of 48 MW and is connected to the national electricity grid. The project uses cutting-edge technologies and has installed high-capacity 3 MW turbines instead of the previously installed 1.5 MW turbines, marking a significant improvement in Turkey's wind energy development. These new turbines allow for better exploitation of wind potential with a smaller footprint, minimising the impact on the natural environment.
The project's primary goal is to supply renewable electricity to the fast-growing Turkish electricity market. It generates approximately 135,000 MWh of electricity annually and avoids about 74,444 tonnes of CO_2 emissions per year compared to the baseline scenario.
The project is registered as a Gold Standard Voluntary Emission Reduction (GS-VER) project, as it uses renewable resources to produce electricity for a national grid still dominated by fossil fuel-based power generation.
Given that financial incentives for renewable energy generation are not sufficient in the country, investing in renewable energy is not currently attractive for the private sector.

Allain Duhangan Hydropower Project

The Allain Duhangan Hydropower Project (ADHP) is a 192 MW run-of-river hydropower plant located at the confluence of the Allain and Duhangan streams near the village of Pirni, in Manali city, Kullu district, Himachal Pradesh, India.
The project consists of a high-discharge underground power station that utilises water flows resulting from glacial melt and monsoon rains, harnessed from the two streams to generate hydropower.
The electricity generated is fed into the Indian national grid, which is predominantly powered by fossil fuel plants.
The project is estimated to result in an average annual reduction of 494,668 tCO_2e.

Solar Power Plant Projects in India

This project represents a step forward in supporting the implementation and installation of grid-connected solar power plants in India.
The project's implementation helps to ensure energy security, diversify the generation mix of the grid, and promote the sustainable growth of the electricity generation sector in India, with the aim of attracting investments in large-scale, grid-connected plants at the regional/national level.
The project enabled the installation of 12 plants ranging from 10 MW to 100 MW, for a total installed capacity of 480 MW, replacing an equivalent amount of electricity that would have otherwise been produced primarily by fossil fuel power plants.
As a result, the estimated annual reduction in greenhouse gas emissions from the project is 852,639 tonnes of CO_2 equivalent.



Energising India using Solar Energy Projects

The proposed project activity is a step towards supporting the implementation and installation of grid connected renewable solar energy power plants in India. The main goal of project activity is to implement renewable energy projects in the country and the significant importance of revenues from sale of Verified Carbon Units (VCUs) to achieve this goal forms the basis of the implementation of this project activity. The project activity is a voluntary action and each SPV will be the Project Proponent for their project activity. Azure Power India Pvt ltd as a parent company formed different SPVs (Special Purpose Vehicles) for solar projects and projects are developed by name of SPVs. The total AC capacity of the project activity is 416.9 MW and the power produced displaces an equivalent amount of power from the activity will be 684,229 tonnes of CO_2e and total GHG emission reductions for the chosen 10-year crediting period will be 6,842,290 tonnes of CO_2e.

Alkumru Hydroelectric Power Plant

The Alkumru Hydroelectric Power Plant project is located at the Eastern Anatolia Geographical district of Turkey over the Botan River that is one of the major tributaries of the Tigris. The Alkumru HPP will be producing electricity by utilising the energy of the Botan river, a major tributary to River Tigris. Energy will be produced using the head difference between the 647 m maximum water level and 541.80 m tail water levels. With the latest design updates the project is expected to produce an annual amount of 881,210 MWh of electricity. This accounts for 475,143 tonnes of VCUs per year.

Location	Vintage	Project	Volume	Certificate Type	Serial number	Retirement Date
Georgia	2020	Chorokhi Hydro Power Plant Project vcs1485 Hydroelectric plant	7,257	VCS[17]	13630-518676226-518683482-VCS-VCU-262-VER-GE-1-1485-01012019-31122019-0	15/07/2024
Turkey	2020	Belen Wind Power Project 390 Wind Power Plant	24,000	Gold Standard[18]	GS1-1-TR-GS390-12-2020-26991-382-19073 (18.692 tons) GS1-1-TR-GS390-12-2021-26992-1373-6680 (5.308 tons)	22/07/2024 https://registry.goldstandard.org/batch-retirements/details/183306
India	2020	Allain Duhangan Hydroelectric Project (ADHP) VCS2026 Hydroelectric plant	55,000	VCS[19]	9970-169949241-169989240-VCS-VCU-997-VER-IN-1-2026-01012019-30092019-0 (40.000 tons) 9969-169885382-169887297-VCS-VCU-997-VER-IN-1-2026-01012019-30092019-0 (1.916 tons) 9971-170238500-170245041-VCS-VCU-997-VER-IN-1-2026-01012019-30092019-0 (6.542 tons) 9969-169805382-169811923-VCS-VCU-997-VER-IN-1-2026-01012019-30092019-0 (6.542 tons)	30/04/2025
India	2020	Energising India using Solar Energy Projects VCS1931 Solar power plant	41,995	VCS[20]	11436-330311256-330321255-VCS-VCU-997-VER-IN-1-1931-01032020-31122020-0 (10.000 tons) 11436-330296256-330311255-VCS-VCU-997-VER-IN-1-1931-01032020-31122020-0 (15.000 tons) 11436-330330958-330347952-VCS-VCU-997-VER-IN-1-1931-01032020-31122020-0 (16.995 tons)	17/07/2025

17. http://registry.verra.org/app/projectDetail/VCS/1485

18. https://registry.goldstandard.org/projects/details/1642

19. https://registry.verra.org/app/projectDetail/VCS/2026

20. https://registry.verra.org/app/projectDetail/VCS/1931

Table 5 - Details of offsetting projects for the year 2024-2025

As a down payment on emissions for the Fiscal Year 2025-2026, the purchase of certificates for an amount of 65,000 tCO_2e has been optioned, not less than 50% of the emissions for the year 2024-2025. The following projects have been optioned (or orders placed for).

Location	Vintage	Project	Volume	Certificate Type	Serial number	Retirement Date
India	2020	Wind Power project in Jamnagar Gujarat VCS 2019	55,000	VCS[21]	14231-565028052-565083050-VCS-VCU-1491-VER-IN-1-2019-01012020-31122020-0 (54.999 tons) 14231-565028051-565028051-VCS-VCU-1491-VER-IN-1-2019-01012020-31122020-0 (1 ton)	30/07/25
India	2020	Energising India using Solar Energy Projects VCS1931 Impianto solare	73	VCS[22]	11436-330347953-330348025-VCS-VCU-997-VER-IN-1-1931-01032020-31122020-0 (73 tons)	17/07/25
Turkey	2020	Alkumru Hydroelectric Power Plant VCS1464 Impianto idroelettrico	10.000	VCS[23]	9877-154238916-154248915-VCS-VCU-1514-VER-TR-1-1464-01012020-30092020-0 (10.000 tons)	17/07/25

21. https://registry.verra.org/app/projectDetail/VCS/2019

22. https://registry.verra.org/app/projectDetail/VCS/1931

23. https://registry.verra.org/app/projectDetail/VCS/1464

Carbon Neutrality under ISO 14068: methodology for quantifying direct and indirect GHG emissions

Carbon Neutrality under ISO 14068: methodology for quantifying direct and indirect GHG emissions
For the definition of the Company's organisational boundaries, the 'control approach' is applied. According to this approach, the Organisation accounts for 100% of the greenhouse gas emissions and/or removals related to operations and facilities/plants over which it has financial or operational control.
The Organisation comprises two sites:

- the production site is in Narni (TR), Nera Montoro, where the entire production process takes place, and the Research Centre is located;
- the commercial/administrative offices in Milan (Via Mecenate, 86), which house the Company's management and where commercial, logistical, and market support activities are located, as well as the human resources and finance and control departments.

These sites have been identified by the type of activity (production and commercial/administrative) over which the Organisation exercises control for the accounting of the greenhouse gas emissions inventory. The GHG inventory is prepared each Fiscal Year according to the EN ISO 14064-1:2019 standard 'Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals'.

Baseline and reference period

Although reliable data for emissions calculation has been available since 2009, the latest update of the Company's decarbonisation plan identified the Fiscal Year from April 2021 to March 2022 as the reference year for measuring the effectiveness of future decarbonisation actions. The results for this year were disclosed in the 2022 Sustainability Report.
In that base year, total greenhouse gas emissions were quantified at 168,239 metric tons of CO_2 equivalent (tCO_2e). On this basis, the Company has defined a medium-term target for 2030 and a long-term (Net-Zero) target for 2050, aligning with the principles of the Science Based Targets initiative (SBTi).
This was in consideration of two macro-factors that significantly influenced the Company's activities:

- the pandemic emergency, which in 2020 significantly affected the Company's business scenario;
- the completion of the main steps of a five-year investment plan aimed at increasing production capacity and industrialising a new, water-based process.

The Company's production volumes growth projection makes the choice of a base year particularly challenging. Despite this expected growth, Alcantara is committed to implementing measures aimed at reducing total Scope 1 and 2 emissions and substantially lowering the specific emissions of other categories (3-6).
To ensure a consistent assessment over time, data for the baseline and subsequent years have been recalculated using standardised methodologies and category classifications, in accordance with ISO 14064 and ISO 14068. The ecoinvent v3.9 secondary dataset has been used for all calculations to guarantee comparability.

GHG inventory – methodology used

The GHG inventory calculation has considered carbon emissions in the scopes provided by the ISO 14064:2018 standard. The calculation study is implemented annually and was carried out using SimaPro software, with the currently available version being SimaPro v10.2, in line with the EN ISO 14064-1:2019 standard and the ISO 14040/14044 series of standards.
According to EN ISO 14064-1:2019, the emissions reported within a corporate Carbon Footprint are divided into the following categories:

- **Category 1:** Direct emissions from sources owned or controlled by the Organisation.
- **Category 2:** Indirect greenhouse gas emissions associated with the production and consumption of energy imported by the Organisation.
- **Category 3:** Indirect greenhouse gas emissions from transport.
- **Category 4:** Indirect greenhouse gas emissions from products used by the Organisation.
- **Category 5:** Indirect greenhouse gas emissions associated with the use of products from the Organisation.
- **Category 6:** Indirect greenhouse gas emissions from other sources.

The analysis is presented as a partial corporate Carbon Footprint and includes direct emissions (Category 1), indirect emissions from imported energy produced through combustion (Category 2), indirect emissions from transport (Category 3), indirect emissions from products used by the Organisation (Category 4), indirect emissions associated with the use of products from the Organisation (Category 5), and indirect emissions from other sources (Category 6). Excluded, as indicated by the significance analysis, are emissions from 'Category 3 - Customer and visitor travel,' 'Category 4 - Milan waste,' 'Category 5 - Leased assets,' and 'Category 5 - Investments.'
Alcantara is committed to ensuring the compliance and transparency of its greenhouse gas emissions inventory by subjecting it to annual verification by an independent third party according to the requirements of the ISO 14064-1 standard.
As of the approval date of this Sustainability Report, the compliance assessment with the standard was completed by TÜV SÜD in July 2025 and the final report is pending.

Assumptions, data, sources, and emission factors

The assessment is based on primary data sourced directly from Alcantara's operations. This includes detailed energy consumption figures, such as natural gas for boilers, cogeneration, trigeneration, drying, and steam production, as well as diesel for backup generators and fire pumps, and fuel for the corporate fleet. The data also covers F-gas emissions and refills, grid electricity, water usage, and waste quantities. The analysis extends to logistics and value chain activities, incorporating data on employee commutes, business travel, purchased goods, product use, and outsourced processing. Information from key suppliers, customers, and waste treatment partners was also integrated. For all other processes, the study drew upon secondary data, primarily from the ecoinvent v3.9 LCA database.

Temporal representativeness of the most recent inventory data (FY 24-25)

The primary data used refers to the entire Fiscal Year (April-March) of the reference year. This period becomes the reference year as it is the time frame for which the Carbon Footprint is calculated.
The secondary data used in the study come from the ecoinvent v3.9 database, published in 2023.

Geographical representativeness of data

Primary data are collected at Alcantara's headquarters and production site, located in Milan and Nera Montoro (TR), respectively. The Company operates on a global scale, sourcing raw materials from international suppliers and distributing its products across Europe and the rest of the world.

Allocation rules

For virgin resources, raw materials and production processes are included. No allocation is made for recycled materials. For the recycled resources input, the recycling process is included. Outputs subject to recycling are considered inputs for the next life cycle.
For data from the ecoinvent database, the 'ecoinvent 3.9, allocation, cut-off by classification' database was selected, in line with the approach described above.

Environmental impact assessment method

The Life Cycle Impact Assessment (LCIA) phase aims to aggregate and convert inventory results into their respective potential environmental impacts. The LCIA phase allows for associating inventory table data with environmental themes (impact categories) such as global warming, using impact indicators, and weighting and classification factors.
The environmental impact assessment was conducted using the IPCC 2021 GWP 100a v1.02 method. This methodology quantifies the contributions of all greenhouse gases specified in the EN ISO 14064 standard—including carbon dioxide, methane, nitrous oxide, sulfur hexafluoride, and nitrogen trifluoride—aggregating them into a single metric expressed in kg of CO_2 equivalent.
Calculating our corporate carbon footprint is a cornerstone of our environmental strategy, providing the critical data needed to manage and improve our performance.

Cut-off rules and exclusions

In accordance with the EN ISO 14064-1 standard, a materiality assessment was performed on the indirect emission categories (Categories 2, 3, 4, 5, and 6) indicated in the standard. The criteria used for the significance analysis as indicated in the reference standard are:

- magnitude. Indirect emissions/removals that are presumed to be quantitatively substantial;
- level of influence. The extent to which the organisation has the ability to monitor and reduce emissions/removals (e.g., energy efficiency, eco-design, customer engagement, in terms of reference);
- risk or opportunity. Indirect emissions/removals that contribute to the organisation's risk exposure or business opportunities;
- sector-specific guidance. Greenhouse gas emissions are considered significant by the business sector, based on specific guidelines/standards;
- outsourcing. Indirect emissions/removals from outsourced activities are typical core business activities of the Organisation;
- employee engagement. Indirect emissions that could motivate employees to reduce energy consumption or that allow for associating team spirit with climate change;
- data availability. Availability of data from the Organisation.

Each criterion was weighted, and the significance score was calculated as a weighted average across all criteria for each category. It was decided to consider emissions with a score greater than 2.5 as significant. The significance analysis carried out based on the criteria listed above was divided according to the registered office and the production site, as the assigned scores can vary greatly between the two.
Indirect emissions from imported energy (excluding electricity) are not present in the reference year of the analysis, for which reason the significance analysis is not applicable for this subcategory.
Emissions from 'Category 3 - Customer and visitor travel,' 'Category 4 - Milan waste,' 'Category 5 - Leased assets,' and 'Category 5 - Investments' were excluded from the analysis due to the complexity of accessing the necessary information for quantification. It is assumed, however, that these emissions are not significant in relation to the Organisation's total emissions.

Third party verification

The verification of the Carbon Neutrality declaration according to the ISO 14068-1:2023 standard was entrusted to TÜV SÜD Italia, which committed to observing the ethical and behavioural principles stated in the Code of Ethics, available at the link http://www.tuv.it/it-it/chi-siamo/tuev-italia/codice-etico adopted by TÜV Italia along with the Organisation and Management Model pursuant to Decree 231/01.
As of the approval date of this Sustainability Report, the verification was carried out by TÜV SÜD in July 2025 and the final report is pending.
The Carbon Neutrality Report for the current reporting year, prepared in accordance with the principles of ISO 14068 and verified by TÜV SÜD, is available in its full version upon request.

2.2 POLLUTION

Policies and commitments against pollution

As introduced in the previous sections, Alcantara renewed in 2025 the Environment, Health and Safety Policy[24] which contains the main commitments towards environmental protection, safety and health. Concerning pollution, Alcantara's commitment is currently focused on the elimination of hazardous substances from the production cycle and implementing a Chemical Management System in accordance with the **CHEM 4sustainability®** protocol, applicable to both the water-based and closed-loop solvent processes.
The **CHEM 4sustainability®** protocol is a structured methodology developed to support companies in the responsible management of chemicals throughout their production processes. It aligns with the goals of **ZDHC (Zero Discharge of Hazardous Chemicals)** and aims to eliminate or replace hazardous substances, ensuring safer and more sustainable chemical use.
Over years Alcantara has been leading a series of concrete and voluntary actions aimed at reducing the use of hazardous substances, including:

- progressive replacement of SVHC substances, with particular focus on the phasing out of TCE (trichloroethylene) and DMF (dimethylformamide), in favour of safer and more sustainable water-based processes;
- recovery and closed-loop reuse of solvents still in use, ensuring the minimisation of emissions and worker exposure;
- application of Best Available Techniques (BAT) through a detailed analysis of production processes;
- treatment of industrial wastewater, including runoff from first rainfall events, before discharge into the surface water body (Nera River), which is located in a protected area, in compliance with the limits set by the Integrated Environmental Authorization.

The Environment, Health and Safety Policy, which is communicated within the Organisation and made available to other interested parties, is applied through the definition of targets, the implementation of annual Operational Plans, and the deployment of Environmental and Health & Safety Management Systems, ensuring their widespread adoption at all levels of the Organisation.

Water based process

Since 2013, Alcantara has launched an innovative project internally referred to as 'water-based', introducing a production process based on alternative raw materials and low environmental impact technologies. The new system has enabled the elimination of TCE and DMF solvents, replacing them with water and reducing the energy demand of the production cycle.
This new generation of 'water-based' products is currently supplied to strategic customers in the automotive and consumer electronics sectors. Research and Development activities are still ongoing, with the aim of expanding the product range and increasing market penetration in other segments.

24. Available online: company_policies_alcantara_2025.pdf

Water treatment initiatives

Phyto-treatment

Phyto-treatment allows for the use of plant systems to reduce or eliminate the transfer of sludge leachates from the internal landfill outside of the plant. The intervention allowed for an overall environmental improvement of the landfill area, by interrupting the cycle that leads to the production of waste and by opening new destinations for the biological sludge produced by the water treatment system. Over the years, the phyto-treatment plant has proven its usefulness with regard to its initial objectives, by managing sludge leachates in safe and legal conditions. Following a few adverse events (fungus and frosts), with the aim to restore the full functionality of the vegetation, Alcantara appointed the University of Tuscia to prepare a replanting project, approved by the Umbria Region in 2022 and completed in May 2023.

Wastewater treatment plants

Since 2021, two plants have been in operation to treat dyeing machine effluents, with the aim of increasing the recovery and reuse of water in Alcantara's processes. Following the construction of a plant to treat the separate water flows from the dyeing cycle—based on cutting-edge MBR (Membrane Bioreactor) technology—the Company also developed a plant for the treatment of wastewater from the greige process. This latter initiative is aimed at recovering and reusing the acid aqueous solution, following the separation of surfactants, leveraging the specific expertise and know-how developed in this area. The plant's structure includes a combination of ultrafiltration and nanofiltration technologies, along with a physical pre-treatment section. The compact and highly automated system became operational in June 2023.

Key Performance Indicators

Uses of Raw Materials

Alcantara ensures that all raw materials used in the production process comply with the principles established by regulations. The main auxiliary raw materials, such as certain thermoplastic polymers and finishing agents used, are treated, recovered, and reused in the production cycle or allocated to other industrial uses. As previously mentioned, Alcantara intentionally uses the solvents TCE and DMF in the traditional production process. These solvents are included in the list of SVHC (Substances of Very High Concern) and are not used in the new water-based process. Other SVHC substances are present as minor components in the raw materials or chemicals used in the process. All the substances listed above were already in use at the time of the introduction of the SVHC classification and do not remain in the finished product in quantities exceeding 0.1%, as verified during the annual renewal analysis of the STANDARD 100 by OEKO-TEX® certification. Consequently, no safety precautions are required for professional users nor for the final consumer, who is not exposed to any risk.

For the solvents intentionally used in their pure form, the safety measures adopted within the production site include, in addition to the closed-loop system already described in previous editions of the Sustainability Report, those prescribed by the **authorisation issued by ECHA for TCE and by REACH Annex XVII for DMF.**

For substances present in formulations, the precautions adopted are evaluated and implemented by our competent functions, in line with the indications contained in the Safety Data Sheets of the formulations, prepared by suppliers in accordance with the CLP Regulation, which we constantly update.

The TCE and DMF solvents used in the production process are operated in a closed circuit, recovered, regenerated, and reused within the production cycle. In compliance with the **REACH Regulation,** Alcantara has been authorised by the European Commission for the use of TCE in its production process (closed system).

Cutting-edge high-technology treatment systems ensure that atmospheric emissions and worker exposure are far below the legal limits currently in force in Italy. The operating conditions and risk management measures currently adopted at the Alcantara site have been deemed suitable to reduce direct worker exposure to TCE to a level considered negligible/acceptable/tolerable by major regulatory bodies. This is also confirmed by rigorous internal controls and medical monitoring procedures, external audits, and evaluations conducted by competent authorities. For the general population, indirect environmental exposure is negligible. The final product contains neither TCE nor traces of it.

SUBSTANCES	CAS	EC	NOTES
Dimethylformamide (DMF)	**68-12-2**	**200-679-5**	Pure
Tricloroethylene (TCE)	**79-01-6**	**201-167-4**	Pure
Glutaral	**111-30-8**	**203-856-5**	In mixture as a component
1,4-Dioxan	**123-91-1**	**204-661-8**	In mixture as a component
Octamethylcyclotetrasiloxane (D4)	**556-67-2**	**209-136-7**	In mixture as a component
Decamethylcyclopentasiloxane (D5)	**541-02-6**	**208-764-9**	In mixture as a component
Dodecamethylcyclohexasiloxane (D6)	**540-97-6**	**208-762-8**	In mixture as a component

Quality of industrial wastewater

The wastewater generated from the production process and internal operations, as well as the first rainfall from the loading/unloading area near the warehouse, is treated before discharge. The treated water is discharged through a single outlet into a surface water body, specifically the Nera River. This discharge point is located within the protected area of Lake San Liberato and, in addition to being authorised and monitored by the provincial administration of Terni, is managed in compliance with legal requirements.

All parameters related to authorised discharges (including the presence of hazardous substances as per Table 5, Annex 5, Part III of Italian Legislative Decree 152/06, as subsequently amended) are regularly monitored by qualified external laboratories, in accordance with the requirements of the Integrated Environmental Authorization.

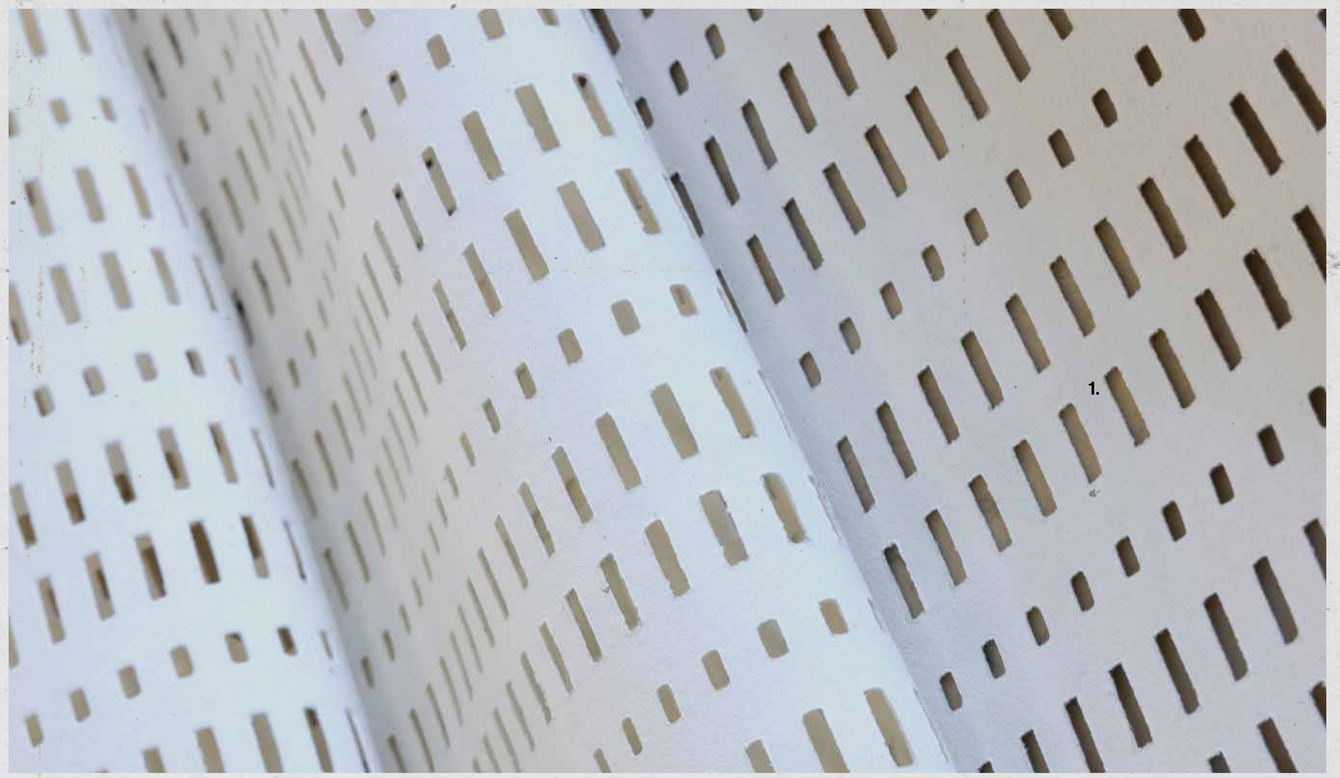
It is important to note that the quality parameters of the wastewater are well below the limits established by current legislation, maintaining values within an extremely safe range. Moreover, acute toxicity tests performed on the wastewater have consistently produced results below the legal thresholds. The table in the following page shows the average values of the main pollutants with the greatest environmental impact, compared with the legal limits.

QUALITY OF INDUSTRIAL WASTEWATER DISCHARGE: ANNUAL AVERAGE VALUES OF MAIN POLLUTANTS (FY 2024/25)												
PARAMETER	**pH**	**Suspended Solids**	**BOD^5**	**COD**	**Hexavalent Chromium (Cr VI)**	**Nitrous Nitrogen**	**Ammoniacal Nitrogen (NH_4)**	**Total Surfactants**	**Nitrogen-Based Organic Solvents**	**Chlorinated Solvents**	**Escherichia Coli**	**Acute Toxicity Test**
UM	-	mg/l	mg/l	mg/l	mg/l	mg/l	mg/l	mg/l	mg/l	mg/l	UFC/100ml	
Legal limits for discharge into surface water	5.5-9.5	80	40	160	0.2	0.6	15	2	0.1	1	5000	<= 50% tot
Average value from 2019–2020 analysis	8.15	9	4.3	<15	<0.03	0.04	<0.01	0.4	<0.1	<0.1	9.0	Acceptable
Average value from 2020-2021 analysis	7.69	2.1	<5	3.98	<0.01	<0.01	<0.01	0.2	<0.05	<0.5	0	Acceptable
Average value from 2021-2022 analysis	8.31	2.4	10.5	23.4	<0.01	<0.05	<0.01	0.46	<0.05	<0.5	0	Acceptable
Average value from 2021-2022 analysis	8.4	1.5	8.1	27.5	<0.01	<0.05	0.11	0.88	<0.05	<0.5	0	Acceptable
Average value from 2023-2024 analysis	7.3	7	17.8	79.6	>0.03	<0.02	0.36	1.1	<0.1	<0.1	8	Acceptable
Average Value from 2024-2025 analysis	8.3	13	10	47.1	<0.01	0.1	0.5	0.7	<0.005	<0.01	5	Acceptable

Other emissions

Atmospheric emissions from authorised emission points, such as stacks of abatement systems, extraction hoods, and other localised systems, are monitored in compliance with the requirements of the Integrated Environmental Authorization.

The table below reports the annual emission values for three main pollutants: NOx (nitrogen oxides), VOCs (volatile organic compounds), and dust. Starting from the Fiscal Year 2023, the pollutant SO_2 has been replaced with the parameter 'Dust,' as the latter has become more relevant following the commissioning of new plants in the greige department and the launch of specific projects aimed at reducing particulate emissions.



1.

Other Emissions[25]	UM	FY 2023	FY 2024	FY 2025
NOx (Nitrogen Oxides)	Kg	3,887	1,599	4,835
Dust[26]	Kg	1,104	680	968
VOCs (Volatile Organic Compounds)	Kg	6,926	4,716	6,515

25. Annual values may vary from year to year, as the data are based on concentrations measured periodically (typically once a year), reflecting both plant operations and changes in production processes. Emissions are calculated using analysis certificates issued by qualified laboratories, which employ sampling and analysis methods recognised by regulations. The accounting process is based on the processing of these analysis certificates, which serve as the primary source for environmental reporting. The collected data include concentration values, flow rates, and operating conditions at the time of sampling.

26. For Fiscal Year 2025, the dust composition includes 816 kg of general dust and 152 kg of polyvinyl alchol.

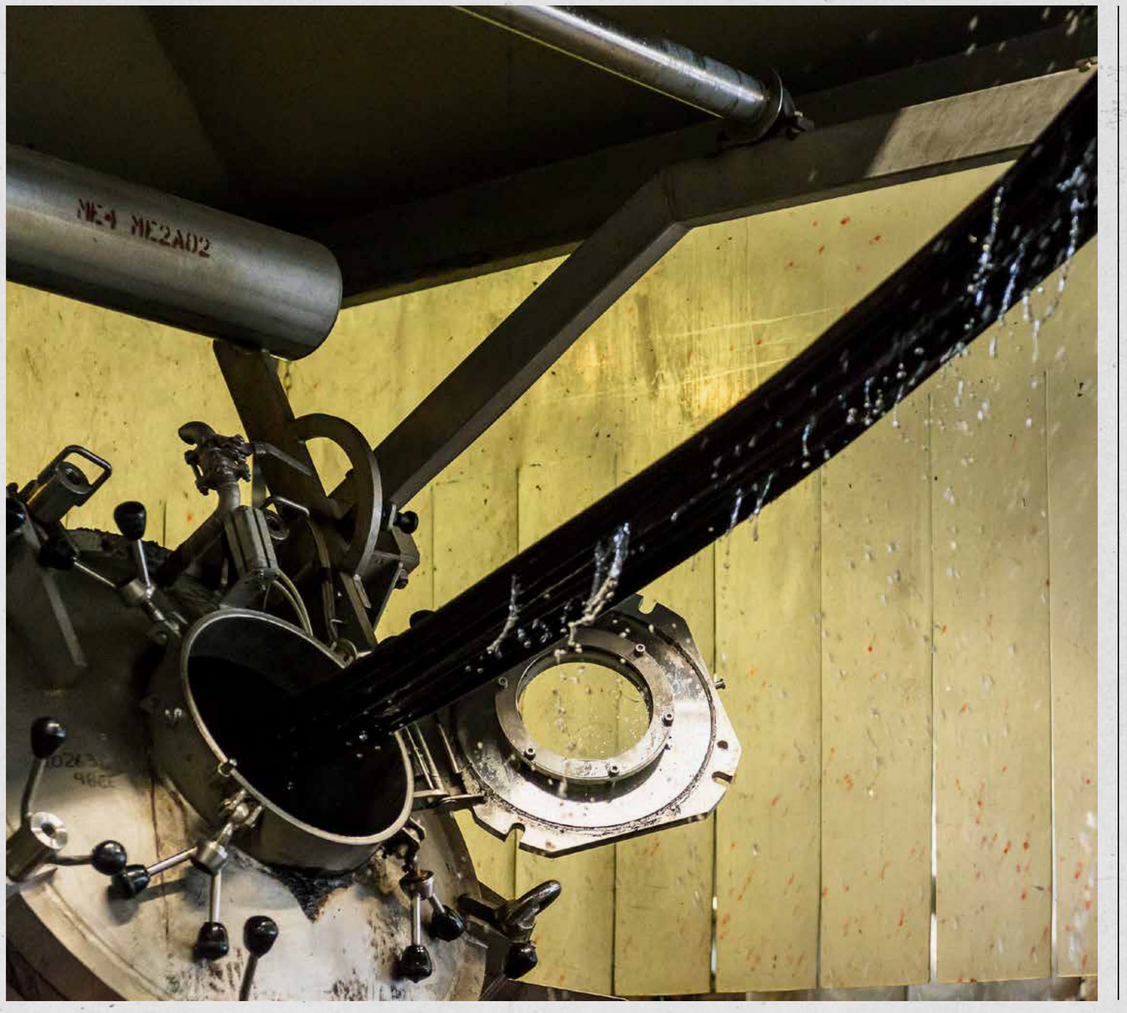
2.3 WATER

Policies and processes for water management

The primary source of water for the industrial operations at the Nera Montoro plant is the Nera River. River water is used for various purposes including firefighting, irrigation, sanitary and industrial purposes and is used above all in dyeing the finished product. The wastewater produced by these processes is then sent to an internal treatment plant. We are particularly careful with regard to the quantity of drinking water that is drawn from the municipal supply, in order to enable greater consumption by local communities and new production sites in the area.

Alcantara's production site in **Nera Montoro** is located in a region identified as being subject to **high water stress,** making the **sustainable management of water resources** a critical environmental and operational priority. The site is highly dependent on local freshwater resources, with the **Nera River** serving as the **primary source of water** for its industrial operations. Other sources include **groundwater wells** and limited volumes from the **Terni Province municipal supply.** The wastewater produced by these processes is then sent to an internal treatment plant. Acknowledging the potential risks to both the surrounding **ecosystem** and **local communities,** the Company has adopted a comprehensive approach to **water stewardship** aimed at preventing, mitigating, and managing adverse impacts. To this end, Alcantara has implemented **robust environmental management system**[27]**,** including a certification under **ISO 14001**, which provides a structured framework for monitoring, evaluating, and continuously improving the environmental performance of its operations. This includes specific protocols for **water consumption, discharge quality, and emergency response,** ensuring that water-related risks are identified and addressed at every stage of the production process.
In particular, ISO 14001 supports the Company in:

- identifying and assessing **site-specific risks related with water** (both physical and regulatory);
- defining clear **objectives and targets** for water use efficiency and quality control;
- implementing **preventive measures** to avoid environmental degradation or community conflict;
- monitoring compliance with **local water regulations and ecosystem thresholds.**



27. The ISO 14001-certified Environmental Management System applies to the entire operational perimeter of Alcantara S.p.A. All water management policies and related procedures are formally approved by the Chief Executive Officer (Amministratore Delegato), ensuring top-level oversight and alignment with the Company's environmental objectives.

In addition, a water reuse plant, located downstream of the wastewater treatment station, has been operational since January 2021. As of 31 March 2024, it has recovered 11,647 cubic metres of industrial water.

Key Performance Indicators

Water withdrawal, discharge and consumption

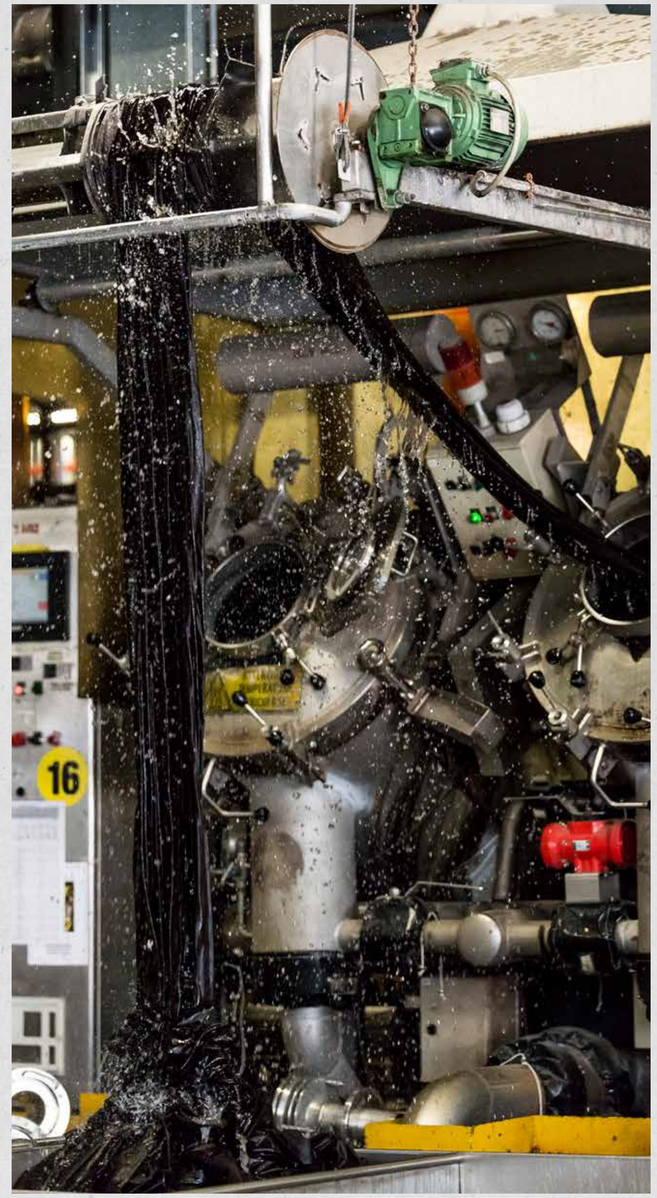
Overall, in Fiscal Year 2025, the amount of water withdrawn equalled **1,927,275 m³.** Additionally, the Company also supplied ENGIE with the industrial water necessary for steam production, totalling **247,990 m³.** The values in the table (both withdrawal and discharge) do not include the water managed by ENGIE's Turbogas plant.

All water used by Alcantara is sourced from and discharged into areas classified as water-stressed. In Fiscal Year 2025, Alcantara discharged a total of 1,509,186m³. Wastewater from the production process and on-site activities, as well as the first rainwater from the discharge area at the warehouse, is subject to purification. The treated water is delivered via a single discharge into a surface water body, namely the Nera River.

WATER CONSUMPTION (m³)[28]	FY 2023	FY 2024	FY 2025
Total water withdrawal	2,232,000	1,853,000	1,927,275
Total water discharge	2,001,000	1,739,000	1,509,186
Aggregate water consumption	231,000	114,000	418,089

The allocation of water withdrawals by source is detailed in the following table:

WATER WITHDRAWALS BY SOURCE	UM	FY 2023	FY 2024	FY 2025
Surface water	Ml	2,200	1,820	1,877
Groundwater	Ml	31	31	46
Seawater	Ml	-	-	
Produced water	Ml	-	-	
Third-party water resources	Ml	2	2	4
TOTAL WITHDRAWALS	**Ml**	**2,232**	**1,853**	**1,927**
of which: freshwater (≤1,000 mg/l total dissolved solids)	Ml	2,232	1,853	1,927
of which: other types of water (>1,000 mg/l total dissolved solids)	Ml	-	-	-



28. The values of water withdrawal and discharge have been obtained through direct readings from water metres and are reported in cubic metres (m³)

The breakdown of water discharge by source is presented in the table below:

WATER DISCHARGE BY SOURCE	UM	FY 2023	FY 2024	FY 2025
Surface water	Ml	2,001	1,739	1,509
Groundwater	Ml	-	-	-
Seawater	Ml	-	-	-
Third-party water resources	Ml	-	-	-
TOTAL DISCHARGE	**Ml**	**2,001**	**1,739**	**1,509**
of which: freshwater (≤1,000 mg/l total dissolved solids)	Ml	2,001	1,739	1,509
of which: other types of water (>1,000 mg/l total dissolved solids)	Ml	-	-	-

In the following table are presented the values for water consumption by:

WATER CONSUMPTION	UM	FY 2023	FY 2024	FY 2025
Total water consumption in all areas	Ml	231	114	418
Total water consumption in water-scarce areas	Ml	231	114	418

For all parameters relating to authorised discharges (including the presence of hazardous substances pursuant to Table 5, Annex 5 to Part III of Italian Legislative Decree 152/06, as subsequently amended), checks are performed by qualified external laboratories in compliance with the requirements of the Integrated Environmental Authorization. Additional information regarding wastewater quality parameters is presented in 'Pollution' section.

Water Footprint

Since 2011, we have applied the LCA (Life Cycle Assessment) methodology, in line with the ISO 14046 standard, to assess our water footprint and the potential environmental impacts of the life cycle of production from cradle to grave. It thus includes all production activities and processes (water consumption, electricity and thermal energy, waste production, etc.), both upstream (raw materials, transport) and downstream (distribution, use, end of life).

The specific method used for the water footprint is the Available WAter REmaining (AWARE) method (Boulay et al., 2016), which represents the remaining water available per area after human and ecosystem demand has been met. It therefore involves the assessment of the potential for water deprivation for both humans and ecosystems, assuming that the less water is available, the greater the likelihood that another user will be deprived.

The greatest contributions to the water footprint are raw materials, the plant's direct water consumption and auxiliary materials. The table below shows the results of the evaluation of the AWARE water footprint, calculated in the Fiscal Year 2024 and 2025.

It is noted that the Fiscal Year 2024 results have been recalculated using the new model adopted in 2025, in order to maintain consistent assumptions when comparing the two years. Compared to the previous year's model, the basic assumptions, the modeling of certain raw materials, auxiliaries, and outsourced processing have been updated.

WATER FOOTPRINT - AWARE 1.05 Method	(m^3 e)		(m^3 e/Kg)		(m^3 e/m^2)	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Alcantara total average	44,592,322	44,455,878	21,2	26,2	6,7	9,2
Alcantara average[29] (dyeing process only)	25,998,119	25,289,154	12,4	14,9	3,9	5,2
Alcantara average[30] (excluding dyeing process)	18,594,203	19,166,724	8,8	11,3	2,8	4,0

29. To assess the AWARE water footprint of the Alcantara dyeing process, the following elements were included: water consumption, equal to 75% of the total freshwater consumption; 100% of the raw materials associated with dyeing; 75%-100% of the chemicals used for water treatment; 50% of the electricity consumption used for water treatment; and the electricity and thermal energy consumption related to the dyeing department.

30. The value was calculated by subtracting from the total WSF the amount related only to the dyeing process.

2.4 CIRCULAR ECONOMY

Policies, commitments and actions for a more circular Alcantara

The Company commitments toward a more circular mode of production takes two main directions: the use of alternative polymers (recycled, partially bio-based) and the active research of technologies to improve the management of the end of life of the material itself.

Over the years, Alcantara has launched a comprehensive plan of actions aimed at improve the circularity of the material itself. One of the main areas of focus involves increasing the use of recycled materials, particularly post-consumer recycled PET (rPET).

The increasing demand for the Alcantara® sustainable product line, has made it necessary to validate more than one sourcing stream for the bottles used to produce rPET pellets. The assessment of new sources is currently underway and is expected to be completed by the end of Fiscal Year 2025–2026, through the selection of at least one additional supplier—both for flakes and pellets. To support this effort, a specific flake evaluation methodology has been defined, based on cleanliness levels and the presence of impurities, along with tests to assess the filterability of the resulting rPET chips and estimate the service life of production lines.

Innovation

For Alcantara, Italian-made products have always stood for quality, value, safety, cutting-edge technology, and a focus on style and design. Regarding **recycling**, at the end of their useful life, Alcantara products can technically be downcycled[31] into nonwoven fabrics, insulation panels, or reconstituted foams. To enable true circularity, the Company has launched an R&D plan aimed at identifying a technology capable of recycling Alcantara material at end-of-life through depolymerisation and chemical recycling, despite the heterogeneous composition of the products.

Thanks to its collaboration with GR3N, an innovative startup committed to eliminate plastic waste on a global scale, Alcantara has received laboratory-level confirmation that it is possible to fully recover the polyester component of end-of-life material. GR3N's patented technology, called MADE – Microwave Assisted Depolymerization - enables the recycling of PET plastic waste and polyester fiber into virgin-quality PET.

This technology was successfully applied to recover Alcantara material used in the Seed Bed exhibition (part of the Alcantara–MAXXI project), confirming its effectiveness at pilot scale and the quality of the recovered monomers.

As part of its sustainability commitment, the Company has, in recent years, intensified its research and development activities to identify **raw materials** that serve as alternatives to fossil-based polymers, with the goal of reducing carbon dioxide emissions. This effort has led to the creation of new products containing increasing percentages of:

- **Partially bio-based polymers**, composed at least in part of material derived from biomass. For instance, the polyester used by Alcantara includes ethylene glycol sourced from sugar industry waste;
- **Recycled polymers (rPET)**, obtained through the mechanical recycling of post-consumer waste without the use of chemical treatments. This approach helps lower the carbon footprint and reduce plastic waste. This process uses a **mechanically recycled, post-consumer polymer** of European origin, certified under the **Global Recycled Standard (GRS)** by Textile Exchange.

With regard to laminated products, the Company has promoted the use of **textile backings containing recycled raw materials,** favoring, whenever possible, **post-consumer content and GRS-certified suppliers.**

The new generation of recycled-based materials has been presented to numerous clients, generating strong interest and initiating several development projects—particularly in the **automotive** and **high-end accessories** sectors—with initial launches by renowned OEMs.

Analysis and certification activities aimed at ensuring the effective content of these materials to customers have been undertaken. Analytical assessments of the percentage of bio-based polymers content were introduced, measuring the

31. Downcycling is the process of producing recycled materials that have a lower economic value or quality compared to the original product.

percentage of 'modern carbon' as per ASTM D6866 (American Society for Testing and Materials) standards. Such evaluations are performed monthly on every batch of incoming polymer and for every kind of material produced. The percentage is reported in the product's technical specifications. No standard laboratory methods are currently available to accurately define the presence and quantity of recycled polyester in the end product.

In 2025, the Company renewed its **Recycled Claim Standard (RCS)** certification from Textile Exchange, which certifies the use of recycled material and ensures **traceability throughout the entire supply chain.**

Research and development

Alcantara invests an average of 3% to 5% of its annual revenue in Research and Development activities. The Company operates a unique Research and Development Centre in Europe, fully dedicated to product and process improvement. It is equipped with pilot plants, advanced analytical facilities, and specialised laboratories. This scientific hub is the core of Alcantara's innovation, backed by proprietary know-how covering the entire spectrum of polymer processing, textile and chemical processes, application technologies, and finishing techniques. The R&D team is made up of approximately 50 professionals, including PhDs, technical graduates, and highly skilled operators. Activities are structured around an 'on-demand' approach, aimed at meeting customers' specific needs, and an 'on-proposal' model, designed to anticipate market trends by offering original, high value-added solutions.

Goals and targets

As part of its environmental strategy, the Company has defined a series of target related to the use of materials and the transition toward a more circular model of production. These objectives are part of a continuous improvement path aimed at reducing dependence on fossil-based raw materials, enhancing the value of recycled resources, and optimising input and output flows across the entire production cycle.

Main targets

1. **Reduce the use of fossil-based polymers** by increasingly replacing them with recycled or partially bio-based materials.
2. **Diversify sourcing,** validating multiple suppliers of rPET chips and flakes by selecting flake sources with consistent quality and low impurity levels.
3. **Gradually increase the use of recycled PET** in spinning processes, with an internal goal to exceed **50% rPET usage by Fiscal Year 2031.**
4. **Improve material circularity** by valorising by-products and promoting the recovery of resources in downstream processes.

During the period April 2021 – March 2022, the polymers used in spinning were composed of 10.4% partially bio-based PET and 1.5% mechanically recycled PET. By 2025, these percentages evolved to 9.6% bio-based PET and 15.6% recycled PET, showing a significant increase in the use of recycled materials.

The definition of these targets is grounded in a responsible production approach, which integrates product quality, consumer safety, and environmental protection. Among the innovations introduced is a new patent pending dyeing technology applied on an industrial scale, which reduces the use of energy and dyes, improves product performance, and limits the impact on wastewater discharges. Compliance with regulations on restricted substances is regularly verified by independent external laboratories. These checks are complemented by ongoing internal monitoring and the requirement for all suppliers to annually update technical documentation and renew their REACH Regulation compliance declarations.

The Company's objectives are closely linked to the management of material flows, in line with the principles of the circular economy:

- **promotion of circular design**, which considers product durability, recyclability, and disassembly;
- **increased circular use of materials**, through growing use of recycled PET;
- **reduction in the use of virgin raw materials**, prioritising sustainable sourcing and material recovery;
- **valorisation of production by-products**, such as:
  - **ALCANOL®**, a recovered vinyl polymer used as an adhesive in the paper industry;
  - **ALCARENE®**, a thermoplastic polymer used in spinning and later destined for the plastics and footwear sectors.

Both polymers, along with the solvents used in production, are **recovered, purified, and reintegrated** into the manufacturing cycle, thereby reducing waste and **generating value from secondary materials.**

Key Performance Indicators

Materials used by weight

During Fiscal Year 2025, total raw material consumption decreased compared to previous years. In particular, there was a decline in the use of raw materials for polyurethane, thermoplastic polymers, solvents, adhesives, and binders, while nitrogen consumption increased. The use of recycled PET also continued, with still significant absolute values, reaffirming the commitment to a circular economy.

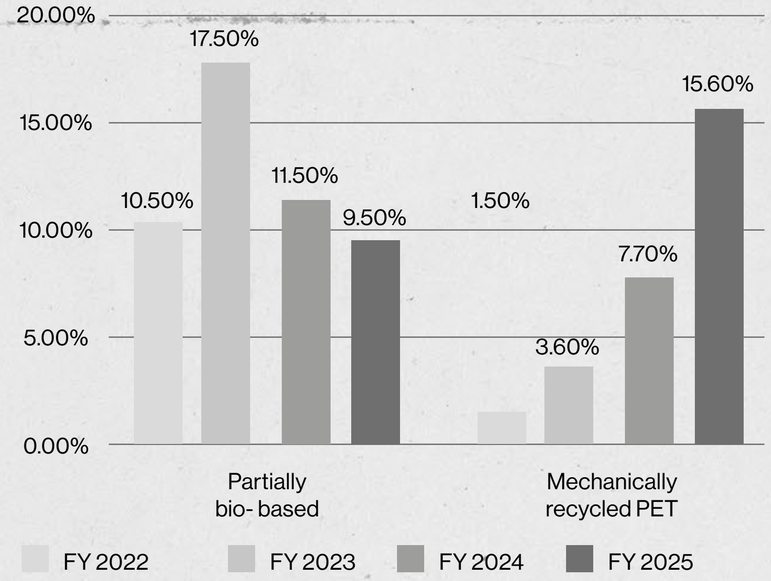
MATERIALS USED BY WEIGHT	Unit	Non renewable resources[32]	FY 2023	FY 2024	FY 2025
Raw materials for polyurethane	Kg	X	1,930,356	2,082,427	1,670,250
Plastic packaging	Kg		27,929	268,416	38,839
Thermoplastic polymers	Kg	X	5,151,164	5,148,373	3,834,924
Paper and cardboard for packaging	Kg		332,249	358,954	345,482
Wooden pallets	Kg		595,450	672,875	495,850
Nitrogen	Kg		4,682,907	4,371,999	5,377,658
Dyes and auxiliaries	Kg		3,825,074	4,172,920	3,541,365
Textile supports	Kg		546,922	640,531	562,953
Adhesives and sizing agents	Kg	X	1,111,850	1,045,600	850,250
Post-treatment auxiliaries	Kg		547,155	602,950	531,720
Solvents	Kg	X	259,427	223,374	125,000
Abrasive papers	Kg		15,129	15,951	74,886
Steel needles	Kg		850	748	1,000
Stainless steel splitting blades	Kg		1,620	1,440	900
Oils and TAC-TAS chemicals	Kg		5,449,872	5,652,385	5,207,090
Total weight of materials used	Kg		24,477,954	25,258,942	22,658,167

USE OF THERMOPLASTIC POLYMERS	Unit	FY 2023	FY 2024	FY 2025
Total materials used	Kg	5,151,164	5,148,373	3,834,924
of which: partially bio-based	Kg	679,060	150,000	150,000
	%	13.18%	2.91%	3.91%
of which: recycled	Kg	227,570	364,051	216,974
	%	4.42%	7.07%	5.66%

32. X stands for resources that cannot be regenerated within a short timeframe, such as minerals, metals, oil, gas, carbon, etc.

Regarding spinning phase, in Fiscal Year 2025, Alcantara used **9.6% partially bio-based PET polymers** and **15.6% mechanically recycled PET** in its polyester spinning phase, relative to total polyester applied in such phase. The Company's stated goal is to **progressively increase** these percentages while simultaneously **reducing the use of fossil-based polymers.**

Polymers used in spinning



	PERCENTAGE OF POLYMERS USED IN SPINNING – FY 2025
Partially bio-based	**9.5%**
Recycled PET	**15.6%**

Water-based process

The production based on the new water-based process, previously mentioned, has continued to generate tangible environmental benefits, with a reduction in CO_2 emissions and primary energy savings compared to the average values from the 2012–2014 period.

For the most recent period (April 2024 – March 2025), internal monitoring confirmed the continued environmental benefits, with an energy saving of 1.44 TOE/km ALC® FANS and a reduction in emissions of 3.06 tons CO_2e/km ALC® FANS, following the same calculation method previously validated by the GSE.

These results demonstrate the consistency and effectiveness of the innovative process, even beyond the official incentive period.

		MONITORING PERIOD APRIL 2023 – AUGUST 2024	MONITORING PERIOD APRIL 2024 – MARCH 2025
Specific Energy Savings	**TOE/ km ALC® FANS**	**1.17**	**1.44**
Emissions avoided	**ton CO_2e / km ALC® FANS**	**2.58**	**3.06**
Note:		Recognised by the GSE (National Energy Services Manager) through the issuing of Energy Efficiency	Internal estimation based on the same monitoring and calculation scheme used for GSE

Production of by-products

At the end of the production process, polystyrene and polyvinyl alcohol waste is generated. Since these materials cannot be reused by the Company due to quality requirements in the production process, they are sold as by-products for industrial use under the following names:

- ALCANOL®: a vinyl polymer used during production as a fixative, which is later dissolved in water, recovered, and purified. It is widely used as an adhesive, primarily in the paper industry.
- ALCARENE®: a thermoplastic polymer used as an auxiliary component during the spinning phase to protect extremely fine fibers. It is later dissolved with a selective solvent. Both the solvent and the polymer are recovered and purified as part of the production process. The polymer is then marketed for injection molding applications in the plastics and footwear industries.

Both the solvent and the polymer are recovered and purified as part of the production process. The polymer is then marketed for injection molding applications in the plastics and footwear industries.

PRODUCTS AND BY-PRODUCTS SOLD ON THE MARKET[33]	UNITS	FY 2023	FY 2024	FY 2025
Alcanol®				
Quantity produced and sold on the market	Kg	564,601	447,416	521.544
Product percentage compared to the raw material	%	59.50%	50.39%	70,56%
Alcarene®				
Quantity produced and sold on the market	Kg	1,260,619	1,119,942	636.659
Product percentage compared to the raw material	%	73.51%	83.11%	74,25%
Alk-Fill Fl e Alk-Fill FE (textile waste)				
Quantity produced and sold on the market	Kg	123,236	155,937	154.890
Alk-Fill Buff (buffing powder)				
Quantity produced and sold on the market	Kg	5,444	3,300	-

33. The percentages shown in the table are calculated in relation to the raw materials actually used in production.

Waste

The waste produced is subject to off-site recovery or disposal operations. In Fiscal Year 2025, the Company generated 11,359.869 tonnes of waste, 83.4% of which was classified as non-hazardous.
The main types of non-hazardous waste include:

- sludge from on-site wastewater treatment (representing 40% of non-hazardous waste), and
- waste chemicals (11%).

Hazardous waste accounts for 16.6% of the total, of which:

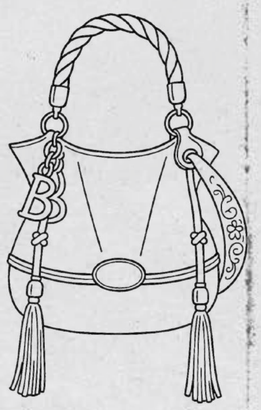
- 39% consists of organic waste containing hazardous substances,
- 6% is filter sludge and spent absorbents, and
- 13% consists of packaging containing residues of hazardous substances.

All waste is sent to facilities located within Italian territory.

Compared to the previous Fiscal Year, variations in the amounts assigned to categories D1, D9, and D13 were mainly due to technical and economic factors.

The following tables provide a breakdown, by type and volume, of waste produced and disposed.

WASTE MANAGMENT	Unit	FY 2024				FY 2025			
		Hazardous	Non hazardous	Total	%	Hazardous	Non hazardous	Total	% Total
WASTE DIVERTED FROM DISPOSAL	ton	1,275.8	7,116.6	8,392.4	68%	979.064	3,740.900	4,719.964	42%
WASTE DIRECTED TO DISPOSAL	ton	880.9	3,084.30	3,965.20	32%	913.106	5,726.799	6,639.905	58%
Total waste	ton	2,156.7	10,200.9	12,357.6	100%	1,892.400	9,467.400	11,359.869	100%



3. SOCIAL INFORMATION

3.1

Alcantara's employees

Policies

Actions, initiatives, and projects

Dialogue with employees in Fiscal Year 2025

Goals and targets

Key Perfomance Indicators

3.2

Alcantara's clients and end users

Policies

Process to engage with clients and end users

Actions, initiatives, projects and targets

HIGHLIGHTS

601 employees

99.84% of employees have permanent contracts

35.22 average training hours per employee delivered in FY 2025

Injury rate equal to 0

99% of employees subject to performance evaluation

111 meetings with OEM Design and Colour & Trim offices during FY 2025

Impacts, risks and opportunities

As part of the double materiality assessment, the various impacts that the Company's activities may have on its employees were thoroughly examined. Some of these impacts – both positive and negative – are already occurring, while others may materialise in the future. Health and safety in the workplace are among the topics of greatest concern for all stakeholders. While the risk of accidents cannot be eliminated, it is kept to a very low level through careful and effective management. From a corporate perspective, the implementation of appropriate safeguards and management systems also represents an opportunity to reduce the Company's exposure to reputational damage and regulatory sanctions. Moreover, the analysis highlighted that impacts related to employment stability and economic security – ensured without discrimination – are of critical importance. While it is acknowledged that the risk of negative impacts cannot be entirely ruled out, the Company is committed to promote stable and protected working conditions, even during periods of economic or organisational difficulty.

Impacts related to end users are primarily linked to the quality and safety of the product. Alcantara also believes it is essential to maintain transparent, direct, and comprehensive communication regarding sustainability performance and product-related information (e.g., material care instructions). Failure to do so could lead to negative impacts on customers and end users. In terms of risks and opportunities, poor communication management could result in considerable reputational damage to the brand. Alcantara, however, has taken the opportunity to strengthen customer and consumer trust through direct, transparent communication based on analysis, evidence, and recognised standards.

3.1 ALCANTARA'S EMPLOYEES

Policies

People represent the key factor in Alcantara's success, and this principle forms the foundation of the Company's human resources management policies. Alcantara places great importance on maintaining a healthy, safe, and inclusive work environment, providing individuals with the tools they need to protect their rights and support their full professional and personal development.

In this context, Alcantara has integrated into its corporate policies specific measures aimed at protecting and improving working conditions, with particular focus on:

- **respect for fundamental human rights;**
- **health and safety in the workplace;**
- **the physical and mental well-being of its employees.**

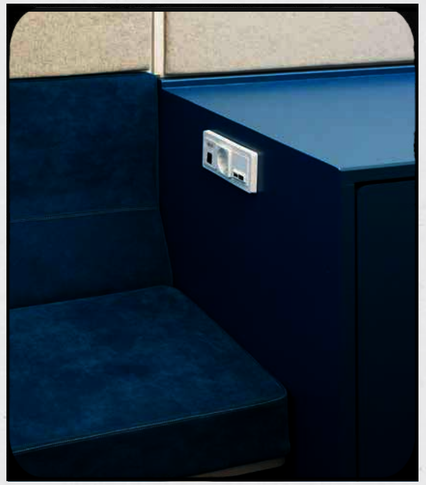
These areas are an integral part of the Company's sustainability strategy and its responsible human resource management model.

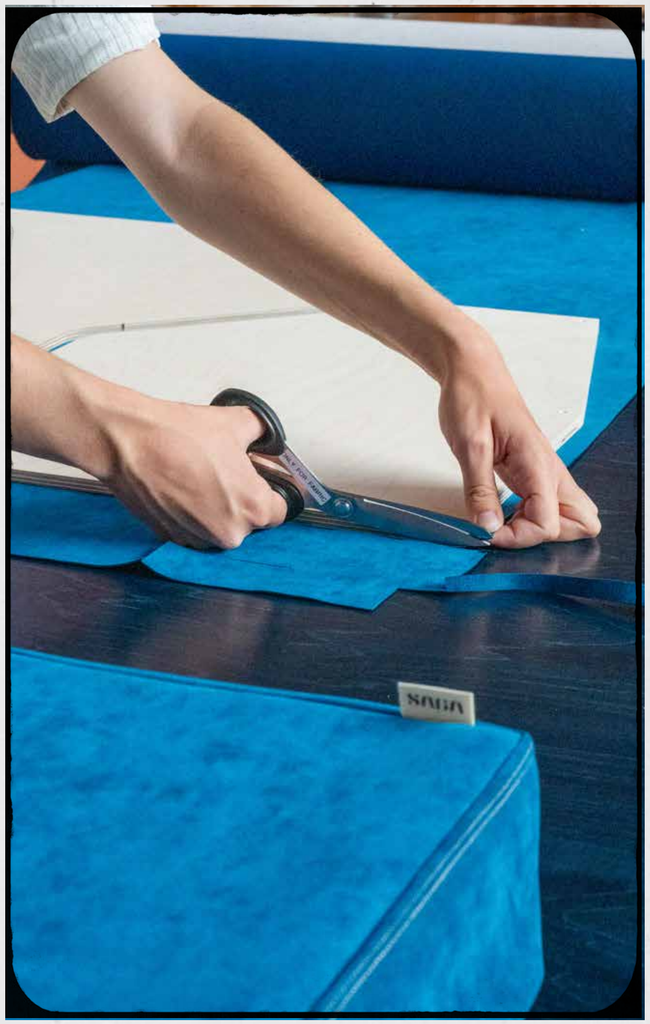
As a confirmation of its commitment, Alcantara formally adheres to the main international standards on social rights, including the Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO), and the United Nations Conventions on the Rights of the Child. These principles are incorporated into the Company's Code of Ethics, which is publicly available and accessible to all employees, collaborators, and external stakeholders, in a spirit of transparency and accountability.

Furthermore, Alcantara periodically renews its **SA8000** certification, which requires companies to uphold fundamental human rights for workers. This includes the prohibition of child and forced labour, assurance of health and safety in the workplace, recognition of the right to freedom of association and collective bargaining, and a ban on discrimination and degrading disciplinary practices. The standard also sets limits on working hours in line with local and international regulations and requires the payment of a living wage. Additionally, companies must adopt a management system to continuously monitor and improve social compliance.

With regard to health and safety in the workplace, it is worth noting that since 2021, Alcantara has been certified under the **ISO 45001** standard, applicable to both its Milan Headquarters and the Nera Montoro Production Site. This certification attests to the adoption of an Occupational Health and Safety Management System in accordance with the ISO 45001 international standard. The system is designed as a dynamic tool, focused on continuous improvement, and is based on the active and cross-functional engagement of all personnel at every level of the Organisation.

The Company's commitment to safeguarding the health and safety of all employees and collaborators is fully expressed in its **Health, Safety and Environment Policy** (HSE Policy), which is publicly available online.

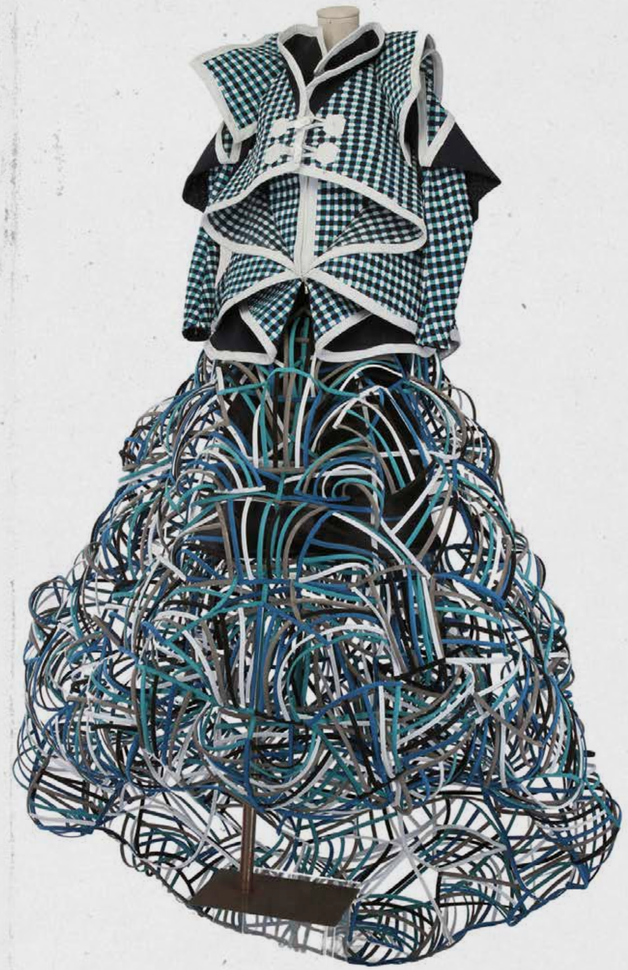




Support for the United Nations Global Compact

In Fiscal Year 2025, the Company renewed its support for the United Nations Global Compact (UNGC) for the eighth consecutive year—the world's largest corporate sustainability initiative. By reaffirming its adherence to the UNGC, the Company reinforces its long-term commitment to a responsible growth model based on the respect for and promotion of the Ten Principles related to human rights, labour, the environment, and anti-corruption.

Through the implementation of strategic initiatives, the Company actively contributes to the advancement of the United Nations Sustainable Development Goals (SDGs). In line with this commitment, the Company provides annual reporting on its activities and progress related to the Ten Principles through this document, which also serves as its Communication on Progress (CoP).



Employee engagement

The definition and implementation of corporate strategies at Alcantara are grounded in the unwavering commitment to upholding all employee rights. Throughout its processes, the Company actively listens to and takes into account the opinions and interests of its workforce through a variety of formal and informal dialogue and engagement tools.

These include continuous dialogue with trade union representatives (RSU and RLSA), direct interactions between managers and team members, discussions with the Human Resources Department, involvement of the workers' representative for SA8000, as well as active reporting channels through the Supervisory Body and the Whistleblowing system. These mechanisms are complemented by periodic initiatives and surveys—also in collaboration with the Parent Company—aimed at continuously monitoring and enhancing employee well-being.

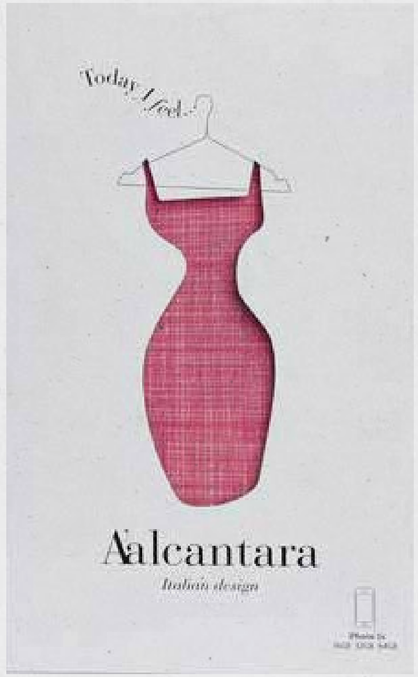
Dialogue with trade unions and employees is a constant and ongoing process, based on openness and transparency. This approach enables the Company to promptly address employee concerns and needs, particularly through:

- The **Social Performance Team,** established under the SA8000 standard, which meets every six months to monitor and improve social and labour-related conditions within the Organisation;
- The **annual meeting of the Corporate Observatory**, as required by the National Collective Labour Agreement (CCNL), serves as an additional forum for reviewing and assessing corporate policies related to employee well-being and rights.

The operational responsibility for ensuring effective employee engagement—and for integrating the resulting insights into decision-making processes— rests with the Company's top management. Specifically, the CEO and functional Directors are tasked with ensuring alignment between defined policies, the needs expressed by employees, and the strategic objectives of the Organisation.

Dialogue with employees in Fiscal Year 2025

Throughout Fiscal Year 2025, the Organisation maintained a structured and continuous dialogue with workers' representatives (RSUs), in line with the principles of collective bargaining and active employee participation, as established by national regulations. These meetings aimed to ensure transparency in corporate decision-making and to promote the early involvement of social partners in key organisational processes.



TOPICS OF DISCUSSION	ENGAGEMENT ACTIVITIES
WORKING HOURS AND DOWNTIME	A periodic schedule of production plant and head office closures was shared with the RSUs, defined based on market trends and production needs, including international market demands. Decisions were communicated in advance and, when necessary, jointly discussed.
PRODUCTION PLANT REORGANISATION	In response to demand fluctuations, factory layouts were periodically revised to ensure safety, quality, efficiency, and work-life balance. These changes were implemented through collective agreements, emphasising the responsible and shared use of work flexibility, both in terms of organisation and job content. The agreements also included training initiatives to support multi-skilling and professional development.
REMOTE WORK	The use of remote work was increased for employees at the Milan office. Implementation methods were defined in collaboration with trade union representatives, taking into account both operational requirements and employee well-being.
CORPORATE OBSERVATORY AND TECHNICAL COMMITTEES	In addition to formal bargaining meetings, non-binding discussions were held through the Corporate Observatory and thematic committees. These forums facilitated information-sharing on specific or general topics, with the aim of preventing conflicts, promoting constructive dialogue, and managing organisational change collaboratively.
PERFORMANCE BONUS SCHEME	The five-year performance bonus framework agreement was confirmed with the RSUs. The annual bonus amount is linked to the achievement of corporate objectives, with progressive incentive mechanisms. For Fiscal Year 2024, 50% of the target was achieved, notwithstanding an unfavorable international context. The 2025 bonus included: • an attendance-based supplement; • €200 in additional welfare services; • €50 paid into the industry pension fund (Fonchim) for each enrolled employee; • the option to convert individual bonuses into welfare credits via a dedicated platform. Over the past 10 years, the Participation Bonus has generated a total economic value of approximately €14,000 per employee, in addition to €500 in supplementary contributions to the Fonchim pension fund for participating employees.
JOINT TRAINING INITIATIVES	Training programmes were subject to union consultation and focused on developing soft skills for Company managers, technical training for R&D staff (project management), and regulatory and technical updates in the automotive and lean manufacturing sectors (3S/5S). Thanks to second-level bargaining, training plans worth approximately €470,000 have been financed through the interprofessional fund Fondimpresa over the past 10 years.

Protection of rights and management of grievances

With reference to any critical concerns regarding potential or actual negative impacts on stakeholders or the conduct of business operations and relationships, Alcantara adopts a responsible and transparent approach. Such critical issues, if deemed significant, are promptly brought to the attention of the governance bodies, respecting the convening timelines established by the Company's Bylaws. In particular, relevant matters are submitted to the Executive Committee and the Board of Directors, each with specific responsibilities and decision-making scopes.

Since 2018, Alcantara has implemented a structured whistleblowing system. During the 2024 Fiscal Year, in accordance with the development of relevant legislation, the Whistleblowing Policy was updated. The procedure has been disseminated both internally and externally and is publicly accessible via the Company website. To support this procedure, an IT platform for collecting reports has been implemented and made available. The Company's Organisational Model, which integrates the Whistleblowing Procedure, also provides for specific periodic training courses for employees.

For guidance on the application of the Organisation's policies and practices for responsible business conduct and to raise concerns regarding corporate behavior, several reporting channels exist, including the Legal Department of the holding company, as well as tools designed to protect whistleblowers. According to the Company's procedure, a whistleblowing department has been established, composed of the Supervisory Body, the Human Resources Director, and the external legal advisor. This department plays a central role, being identified as the primary autonomous and independent recipient of reports and responsible for conducting the preliminary investigation concerning the reported facts.

Within the scope of the SA8000 Certification, a communication channel has been established for SA8000 workers' representatives at the Milan headquarters and the Nera Montoro plant. Anonymous reports can also be submitted via mailboxes located both at the headquarters and the plant. The Company maintains a well-developed system of industrial relations, where the union can engage and request clarifications at all levels, with both official and informal interlocutions with the Human Resources Management and meeting the CEO at least once a year.

Actions, initiatives, and projects

Training

Alcantara believes that staff training is a fundamental tool to promote the growth and personal development of employees, enhancing each individual's role and contributing to the achievement of corporate goals. Each year, the Company identifies the training needs of every division, assigning a priority level to each requested course. All categories of personnel are directly involved in training actions and plans in the following cases:

- **onboarding into the Company;**
- **transfers to other positions;**
- **organisational changes and technological innovations that significantly modify the professional content.**

Providing effective training is one of the main objectives of the Human Resources department, which assesses the effectiveness of training packages delivered through a learning test at the end of the course (for external courses and Environmental Safety Services). Additionally, department managers evaluate the effectiveness of the training carried out for employees as part of their annual performance appraisal.

Health and Safety

The management system adopted is based on a set of well-established actions formalised within the Health, Safety, and Environment Policy, which contribute to keeping the health and safety system active and dynamic through the involvement of all personnel at every level of the Organisation. This commitment enabled the Company to obtain certification of the health and safety management system according to the ISO 45001 standard, issued in September 2021 at the end of the migration project from the OHSAS 18001 certification. During Fiscal Year 2025, Alcantara continued to strengthen and develop its system through the following initiatives:

- **continuous updating of risk assessments, including those related to the environmental context such as climate change and extreme weather events;**
- **the 'Zero Accidents Project,' aimed at minimising incidents;**
- **TORAY Group's international audits, resumed in-person in 2024 after the Covid-19 emergency, aimed at maintaining high safety standards and sharing best practices within the Group;**
- **establishment of functional working groups created to encourage active participation of personnel in the correct identification, assessment, and reduction of risks and impacts in health, safety, and environmental areas;**
- **emergency management with equipment exceeding regulatory requirements, including dedicated firefighting means, internal ambulance, Company infirmary, and a medical facility active daily and available 24/7;**
- **training and awareness activities also addressed to employers of contracting companies, on specific topics such as DPR 177/2011 regulations (work in confined spaces), preparation of the DUVRI, and other safety measures.**

The 'Zero Accident Project'

The 'Zero Accident Project' was created with the goal of establishing a set of measures aimed at identifying possible actions to improve safety management beyond the requirements set by mandatory regulations and current standards, with the ultimate aim of achieving the 'zero accidents' goal. Over the past 16 years, the project has undergone significant technical and operational improvements, mainly thanks to the implementation of a structured and diversified set of tools and measures.

Safety Policy:
Every year, the holding company uses various resources to raise awareness about Health and Safety and to emphasise the importance of the current policy.

Hyari-Hatto (Incidents):
The holding company sends incident reports from each company to all Group companies; the main purpose is to allow evaluation of similar situations and to propose specific prevention and protection measures based on the circumstances of each company.

Safety Patrol and Safety Shift Leader:
Weekly or shift-based internal checks and inspections. Since 2014, the Safety Patrol team has also included the three operators who stood out in the previous year for the highest number of safety proposals submitted.

Safety Day and Safety Dinner:
Collective explanation of the main Company events of the quarter and sharing of guidelines and Company projects with all factory employees. Award ceremony for the best incentivised units of the 'Zero Accidents Project' during the quarter.

Safety Shift Meeting:
Safety meetings for shift operators.

Near Miss:
An event that had the potential to cause harm but did not actually result in injury to people.

Potential Risk Situation:
A risk situation that could cause an accident, reported by employees as part of prevention and training activities to raise risk awareness.

Safety Proposal:
The goal is to improve health, safety, and the working environment beyond the requirements set by mandatory regulations and current standards, through suggestions from employees, followed by the implementation of appropriate solutions.

ZERO ACCIDENT PROJECT RESULTS	NEAR MISS	POTENTIAL RISK	SAFETY PROPOSAL
FY 2023	23	122	230
FY 2024	23	215	352
FY 2025	17	220	347

Carpooling

As part of the Environmental and Social Sustainability project promoted by Alcantara, a system to encourage carpooling and the use of non-polluting personal transportation (bicycles and electric micro-mobility) was launched in December 2023 for the Nera Montoro plant and the Milan office.

The project involves the use of a specialised digital platform, UP2GO, which allows employees to plan their commutes by offering or requesting rides from colleagues through an app available on any smartphone.

The platform enables the monitoring of shared trips, kilometres traveled, and CO_2 saved, awarding users credits to activate a quarterly economic incentive system.

The 37.621,16 km traveled by project participants between 1 April 2024, and 31 March 2025, resulted in an estimated emissions savings of 11709,2 kg CO_2eq, as calculated by UP2GO.

During the mentioned period, quarterly prizes were awarded to the top three carpooling users and the best user of non-polluting means of transport for each quarter.

Employees benefits

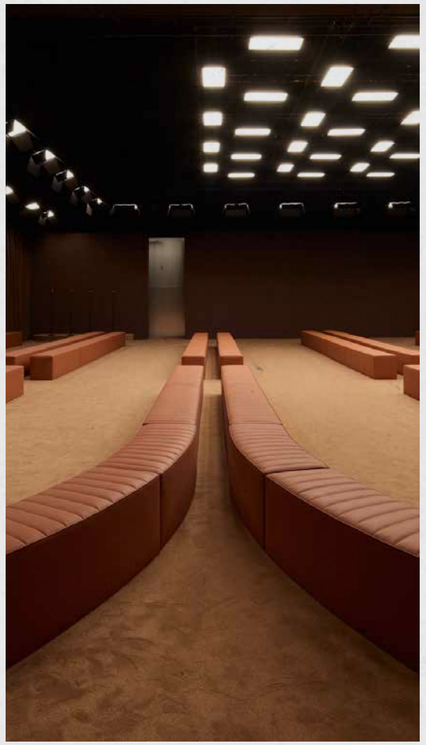
All personnel benefit from additional advantages beyond those established by the collective labour agreement, with the aim of promoting and improving employee well-being within the Company environment. In Fiscal Year 2025, the Company allocated 1.62% of Alcantara's revenues—amounting to a total of €2,300,000.00—to employee benefits, including:

- **scholarships** for employees' children;
- **bonuses related to the 'Zero Accident Project'**
- **'No Barriers Award'**: a bonus established in 2016 for employees' children with disabilities;
- **loyalty bonus:** awarded to employees who reach 25 years of service;
- **inter-Company nursery:** the facility has been operating for the eleventh consecutive year in collaboration with two other local companies. The nursery is open to all children in the area, not just employees' children;
- **Company canteen:** the Company fully covers fixed operating costs. Employees pay only a small percentage of the meal cost;
- **supplementary professional and non-professional insurance:** a policy provided by the Company in addition to INAIL coverage, extended to non-work-related activities as well;
- **Fida and Faschim funds**: by paying a small monthly fee, employees can join a fund largely financed by Alcantara that offers reimbursements for healthcare services;
- **extra-curricular activities**: an annual amount allocated by the Company to organise cultural and sports activities for employees and their families;
- **24/7 on-site medical service:** a medical unit with an ambulance and defibrillator is available at the Nera Montoro facility;
- **on-call allowance:** granted to personnel responsible for emergency and maintenance management;
- **routine and extraordinary maintenance of green areas and renovation of various offices and meeting rooms;**
- **Alcantara welfare plan:** as part of Company-level bargaining, Alcantara has implemented a welfare credit plan for the next five years. These credits can be used on the corporate website for goods and services in the fields of health, sports and wellness, education, culture, and entertainment—including for the benefit of family members—while also offering tax advantages. In addition to these credits, employees may add more by converting part or all of their performance bonus into welfare credits;
- **bonus for the Carpooling Project.**

Communication activities

Alcantara uses the following internal communication tools to encourage interaction and engagement:

- Intranet and Company bulletin boards, with continuous updates and the integration of employee communications into the new HR management software;
- 'Inside' Company newsletter, published every six months and distributed in print format to all employees at the headquarters and production plant.



Remote working

During the Fiscal Year covered by this report, there was an increase in the number of remote working hours, enabled through a dedicated agreement with the trade unions. This tool is considered to support a better work-life balance while also enhancing employee awareness and overall Company productivity.

The agreements in place also allow for broader use of remote work for parents of young children, caregivers of people with disabilities, or in the presence of exceptional family or personal circumstances.

TOTAL REMOTE WORKING HOURS	FY 2024		FY 2025	
	Men	Women	Men	Women
Executive/ Manager	7,167.48	4,257.75	10,032.02	7,091.49
White collars	4,979.75	13,636.22	8,090.42	2,377.43
Apprentices	1.068,93	948.2	574.75	686.35
TOTAL	13,21.,16	18,842.17	18,697.19	30,155.27

Incentive measures

Through its policies, incentive tools, and development programmes, Alcantara aims to value, retain, and attract talent, with a focus on resource development and recognition. To this end, these measures are constantly evolving, with the goal of improving organisational tools and contractual mechanisms, while enhancing individual professionalism.

Despite the reference period being particularly challenging for the global economy, the Company chose to uphold its planned development pathways, as shown in the table below.

NUMBER OF PEOPLE INVOLVED IN INCENTIVE MEASURES	FY 2023	FY 2024	FY 2025
M.B.O. (management by objective) and one-off	94	120	90
Salary increase	5	16	36
Change in job classification level	188	70	69
TOTAL	271	206	195

Goals and targets

Among the commitments made, Alcantara has set itself an ambitious goal: to eliminate workplace accidents entirely. To achieve this, the Company has implemented a structured set of prevention and protection measures, monitoring procedures, and dedicated training programmes, with the aim of continuously improving workplace safety conditions and ensuring the well-being of its employees.

KPI - Key Perfomance Indicators

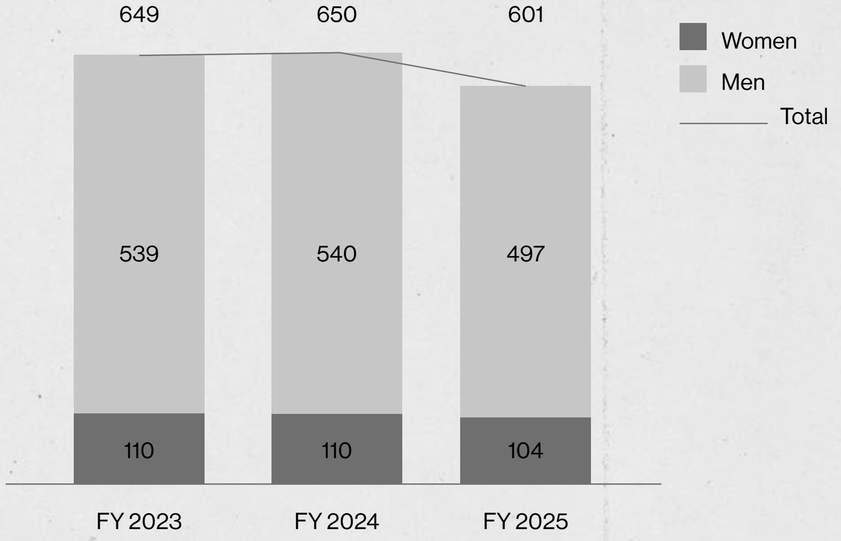
Employees profile

As of 31 March 2025, the Company employs 601 people, of which 91 are based at the Milan office (one of whom works for the representative office in China), and 510 at the production plant and R&D centre in Nera Montoro.

The average number of employees during Fiscal Year 2025 was 607, representing a decrease of 58 compared to the average headcount of the previous Fiscal Year (which was 665), when there had been greater use of fixed-term contracts.

TOTAL EMPLOYEES BY GENDER AND COUNTRY	FY 2023			FY 2024			FY 2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
ITALY	110	538	548	110	539	649	104	496	600
CHINA	-	1	1	-	1	1	-	1	1
TOTAL EMPLOYEES	110	539	649	110	540	650	104	497	601

Total employees by gender



In order to ensure employment stability, 99.84% of the workforce is employed under permanent contracts. During the reporting period, all Alcantara employees were hired on full-time contracts, with no part-time arrangements. This data highlights an organisational structure focused on providing stability and continuity in employment.

EMPLOYEES BY CONTRACT TYPE (CONSOLIDATED)[34]	FY 2023			FY 2024			FY 2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent contract	106	508	615	104	508	612	103	497	600
Temporary contract	4	31	35	6	32	38	1	-	1
TOTAL	**110**	**539**	**649**	**110**	**540**	**650**	**104**	**497**	**601**
Full time contract	109	539	648	109	540	649	104	497	601
Part time contract	1	-	1	1	-	1	-	-	-
Flexible hours contract	-	-	-	-	-	-	-	-	-
TOTAL	**110**	**539**	**649**	**110**	**540**	**650**	**104**	**497**	**601**

34. The employee working in China was hired on a full-time permanent contract.

Over the past 10 years, Alcantara's workforce has grown by 25.8%, with the Company hiring 123 additional employees since 2015. During Fiscal Year 2025, Alcantara recorded 19 new hires, corresponding to a positive turnover rate of 3.16%. In the same period, there were 31 terminations, resulting in a negative turnover rate of 5.15%.

TURNOVER[35]					
YEAR	N. EMPLOYEES	NO. OF NEW HIRES	NO. OF TERMINATIONS	POSITIVE TURNOVER RATE	NEGATIVE TURNOVER RATE
2023[36]	649	43	43	**6.63%**	**6.63%**
2024	650	75	93	**11.54%**	**14.31%**
2025	601	19	68	**3.16%**	**11.31%**

35. The data related to employee turnover are calculated based on the number of employees ('headcount') as of the reporting period's closing date, 31 March, 2025. The calculation excludes temporary changes and is based on comparing the number of hires and departures recorded during the period relative to the total workforce at the end of the Fiscal Year.

36. The turnover data for 2023 refer to the total number of personnel movements, not to the count of individual employees hired or terminated. This includes cases where the same person was hired and terminated multiple times throughout the year.

During Fiscal Year 2025, due to temporary and contingent situations related to the global macroeconomic and geopolitical context, the Company implemented a rotating use of ordinary wage guarantee fund (cassa integrazione ordinaria) for a total of 47,569 hours, involving 575 workers across the two Company sites. The wage guarantee period ended on 1 April 2025, with the regular resumption of production activities.
In addition to Alcantara's 601 employees, including both permanent and fixed-term contracts, the Company employed 3 temporary agency workers at the China Representative Office during the reporting period.
Alcantara also hosted 10 interns and trainees at its Italian locations as part of various training programmes.
At the Nera Montoro plant, the following programmes were activated:

- 3 school-to-work alternation internships (Alternanza Scuola-Lavoro);
- 2 ITS training courses (Higher Technical Institutes).

At the Milan office, the following were activated:

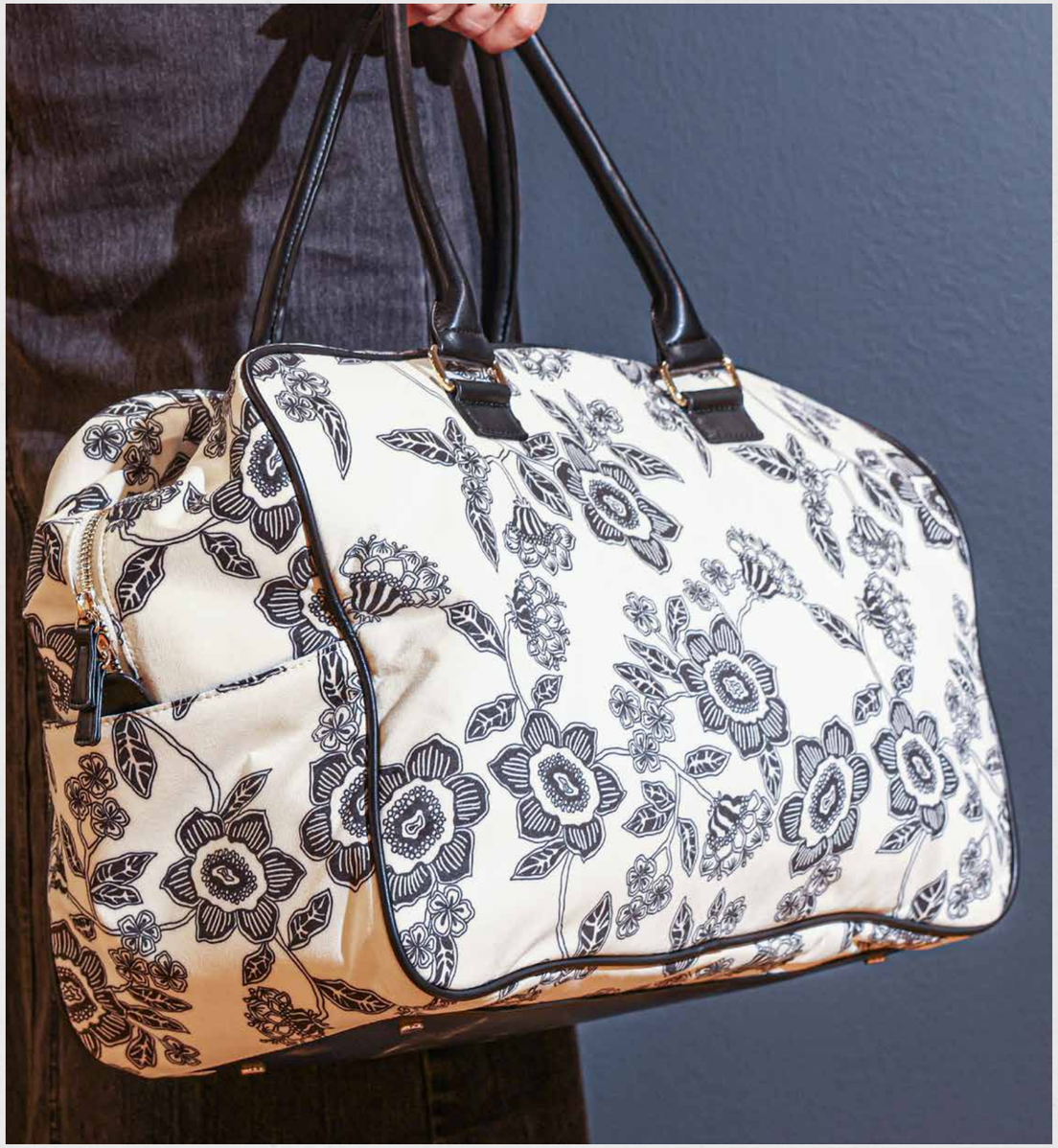
- 4 extracurricular internships;
- 1 curricular internship.

At the end of the internship experience, 3 extracurricular interns were hired under apprenticeship contracts, while one internship was still ongoing as of the close of the reporting period. The use of these forms of engagement addressed both training and operational needs, maintaining a connection with the local area and the technical-professional education system.

TOTAL									
NON-EMPLOYEE WORKERS BY CONTRACT TYPE, GENDER, AND REGION	FY 2023			FY 2024			FY 2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Self-employed workers	-	-	-	-	-	-	-	-	-
Temporary agency workers	1	2	3	1	2	3	1	2	3
Interns and trainees	-	9	9	3	10	13	2	8	10
Contractors	-	-	-	-	-	-	-	-	-
Subcontractors	-	-	-	-	-	-	-	-	-
TOTAL	**1**	**11**	**12**	**4**	**12**	**15**	**3**	**10**	**13**

ITALY									
NON-EMPLOYEE WORKERS BY CONTRACT TYPE, GENDER, AND REGION	FY 2023			FY 2024			FY 2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Self-employed workers	-	-	-	-	-	-	-	-	-
Temporary agency workers	-	-	-	-	-	-	-	-	-
Interns and trainees	-	9	9	3	10	13	2	8	10
Contractors	-	-	-	-	-	-	-	-	-
Subcontractors	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**9**	**9**	**3**	**10**	**13**	**2**	**8**	**10**

CHINA									
NON-EMPLOYEE WORKERS BY CONTRACT TYPE, GENDER, AND REGION	FY 2023			FY 2024			FY 2025		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Self-employed workers	-	-	-	-	-	-	-	-	-
Temporary agency workers	1	2	3	1	2	3	1	2	3
Interns and trainees	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Subcontractors	-	-	-	-	-	-	-	-	-
TOTAL	1	2	3	1	2	3	1	2	3



Diversity

Gender

In 2025, the Organisation's workforce is composed of 601 employees, including 104 women and 497 men. The predominance of male personnel reflects a general trend in the industry in which it operates, which has traditionally employed more men than women. Nevertheless, there is a continued commitment to ensuring equal opportunities for all staff and fostering maximum inclusion within the Company. This commitment is demonstrated by the fact that, since 2015, Alcantara has seen a 48.5% increase in female employees (compared to a total increase of 25.73%), reaching a total of 104 women in the workforce in Fiscal Year 2025 (up from 70 in 2015).

Age

The age distribution shows a predominance in the 30–50 age group, which represents 67% of the total workforce (402 individuals). Employees over the age of 50 make up 29% (173 individuals), while those under 30 account for 4% (26 individuals). From an age perspective, the distribution is mainly concentrated in the 30–50 range, which accounts for 67% of the staff (402 individuals). Employees over 50 represent 29% (173 individuals), while 4% (26 individuals) are under 30, reflecting a mature and well-established demographic structure, yet one that leaves room for generational renewal initiatives.

EMPLOYEES BY AGE GROUP	FY 2023				FY 2024				FY 2025			
	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total	< 30 years	30-50 years	> 50 years	Total
Total employees	51	461	137	649	56	441	153	650	26	402	173	601

Management by gender

In 2025, Alcantara's managerial structure is organised into two main levels of responsibility: executives and middle managers. There are 15 executives, all of whom are male, while the middle management category includes 64 individuals—20 women and 44 men. The female representation, accounting for 31% among middle managers, is more significant than at the executive level, indicating an initial sign of diversification in intermediate roles.

MANAGEMENT BY GENDER	FY 2023			FY 2023			FY 2023		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Executives	0	14	14	0	15	15	0	15	15
Middle managers	18	48	66	18	48	66	20	44	64
TOTAL	**18**	**62**	**80**	**18**	**63**	**81**	**20**	**59**	**79**

Protected categories

With the aim of promoting greater inclusion within the Company, employment opportunities are offered to individuals belonging to the protected categories defined by current legislation. In Fiscal Year 2025, employees from protected categories accounted for 7.82% of the total workforce—a figure exceeding the legal minimum requirement.
To support this approach, any violations of the Code of Ethics or potential risks in this regard can be reported to the competent supervisory body, with the option, if necessary, to involve SA8000® workers' representatives.

PROTECTED CATEGORIES	FY 2023	FY 2024	FY 2025
No. of employees belonging to protected categories	48	46	47
% of protected categories out of total employees	7.39%	7.07%	7.82%
No. of Board members belonging to protected categories	-	0	0
% of protected categories out of total Board members	-	0	0

Parenting and Leave

During Fiscal Year 2025, a total of 172 employees (144 men and 28 women) took maternity or paternity leave (both mandatory and optional), or parental leave to care for family members with disabilities (in accordance with Italian Law No. 104). At the end of the leave period, all employees—except those still on maternity leave—returned to work. This figure is consistent with the previous year's trend (174 employees).

Fair wages and remuneration

The uniform, non-discriminatory application of the National Collective Labour Agreement (CCNL) for the chemical industry represents the minimum standard for protecting the economic and regulatory conditions of the workforce. All employees receive salaries above the minimum levels set by the national contract. Through negotiations with trade union representatives, the Company has established more favourable conditions than those required by the CCNL. These include additional financial incentives, welfare measures, and initiatives supporting work–life balance. The Organisation also adopts mechanisms to safeguard employees' economic stability, such as access to social safety nets, which are managed in accordance with legal requirements and contractual provisions. All actions are carried out in line with national regulations and the applicable collective agreement.

In Fiscal Year 2025, the ratio between the average Gross Annual Salary (RAL) of female employees and that of male employees is as follows:

- **0.73** for executives and middle managers;
- **0.98** for office staff and apprentices;
- **1.04** for blue-collar workers and apprentices.

The salary for new hires matches the minimum stipulated by the national contract, with no gender-based distinction. The ratio between the highest-paid employee's annual salary and the median salary is **7.11.** The ratio between the percentage increase in the highest remuneration and the percentage increase in the median remuneration[37] excluding the highest remuneration is 2.02.

The variable remuneration system, further strengthened in Fiscal Year 2025, is linked to the achievement of different types of goals and performance targets defined both at the individual and team levels.

For the entire Company workforce, except for executives, the so-called 'Participation Bonus' is established through a specific union agreement pursuant to Article 48 of the current collective labour agreement (CCNL) in use within the Company. This bonus is tied to general Company objectives, which are identified not only based on profitability and productivity criteria but also on efficiency and sustainability.

Furthermore, for executives and middle management, an additional variable remuneration system is established. This system allows performance evaluation of:

- senior management, meaning all executives and key managers included in an annual variable incentive plan linked to objectives that take into account the economic, social, and environmental performance of the Organisation;
- managerial staff, evaluated based on the responsibilities managed within the manager-employee relationship.

In Fiscal Year 2025, 31.7% of the senior management's variable remuneration was linked to achieving sustainability-related goals, in terms of reducing environmental impact, energy efficiency, and health and safety at work (SSA).

Additionally, one-time bonuses are awarded to those who achieve results exceeding the set objectives. Finally, the Company has introduced changes in professional classifications following growth and development pathways.

37. The remunerations considered in the calculation are not the total remunerations, but the gross annual salaries (RAL).

Employee training and evaluation

During Fiscal Year 2025, a total of 24,847 hours of training were delivered. Of this:

- **58.87%** was dedicated to onboarding courses for new hires,
- **29.55%** to the development of professional technical skills, and
- **6.93%** to health, safety, and environmental training.

CATEGORY	GENDER	EMPLOYEES EVALUATED	% OF TOTAL
Blue collar	Men	0	0%
Blue collar	Women	0	0%
White collar	Men	10	12%
White collar	Women	33	49%
Middle manager	Men	15	34%
Middle manager	Women	10	50%
Apprentices	Men	3	43%
Apprentices	Women	2	100%
Executives	Men	n/a	n/a
Executives	Women	n/a	n/a
	Total	73	12%

TRAINING PROVIDED	FY 2023	FY 2024	FY 2025
Average hours per capita (hours/person)	44	43.5	35.96
Costs (€)	24,394	76,965	107,130.07
Total training hours delivered, including:	**28,438**	**32,066**	**24,847**
- Technical and professional development	3,468	4,073	7,322.45
- Courses for new hires	22,432	23,879	14,680.5
- Quality	335	309	248.5
- Health, safety, and environment	2,014	3,201	1,690.25
- IT	189	604	905.3

TRAINING HOURS FY 2025	Nera Montoro		Milan		TOTAL
	Men	Women	Men	Women	
Blue collars	1,248.5	148	0	0	14,396.5
Apprentices	403	0	77	84,8	564.8
White collars	1,787	2,531	419.5	700.2	5,437.70
Middle managers	1.936,5	540,5	626.6	336.5	3,440.1
External	229	39	162.75	18,5	449.25
Executives	15	0	543.7	0	558.7

Additionally, during Fiscal Year 2025, a total of 434 hours of HSE training were delivered to 90 individuals belonging to the intern and external personnel categories (e.g., employees of other companies).

38. Ratio between total training hours and total employees (601) and 90 employees of other companies subject of training.

Performance Evaluation

In Fiscal Year 2025, 99% of employees underwent at least one performance evaluation conducted by their supervisor. All personnel employed – except those on extended leave or newly hired – are systematically evaluated at every role change and, in any case, at least once per year..

Health and Safety

As reported in the previous sections, Alcantara has implemented a Health and Safety, Management System certified according to the ISO 45001 standard, applied to both Company's operational sites. The management system covers 100% of employees, ensuring the protection and safety of all personnel involved in Company activities.

TOTAL NUMBER OF EMPLOYEES COVERED BY HEALTH AND SAFETY MANAGEMENT SYSTEM	FY 2023	FY 2024	FY 2025
Number of employees	649	650	601
Number of employees covered by H&S system	649	650	601
% of employees covered by H&S system	100%	100%	100%

During Fiscal Year 2025, no workplace accidents occurred, maintaining a stable accident rate compared to the previous Fiscal Year.

NERA MONTORO			
WORKPLACE ACCIDENTS[39]	FY 2023	FY 2024	FY 2025
Number of deaths due to work-related injuries and illnesses	-	-	-
Number of recordable workplace injuries	-	-	-
Hours worked[40]	847,349	880,908	985,230
Recordable workplace injury rate [41]	-	-	-

MILAN			
WORKPLACE ACCIDENTS[42]	FY 2023	FY 2024	FY 2025
Number of deaths due to work-related injuries and illnesses	-	-	-
Number of recordable workplace injuries	1	-	-
Hours worked[43]	154,026	145,298	185,856
Recordable workplace injury rate	12,72	-	-

39. The information regarding workplace injuries is taken from the Injury Register, maintained on a voluntary basis in accordance with the Health, Safety, and Environment Management System (HSE).

40. Total hours worked include only those of employees and executives.

*41. Calculated as follows: (Number of recordable workplace injuries/hours worked)*1.0.00.000.*

42. The information regarding workplace injuries is taken from the Injury Register, maintained on a voluntary basis in accordance with the Health, Safety, and Environment Management System (HSE).

43. Total hours worked include only those of employees and executives.

No cases of occupational diseases related to work activities were reported during the year.

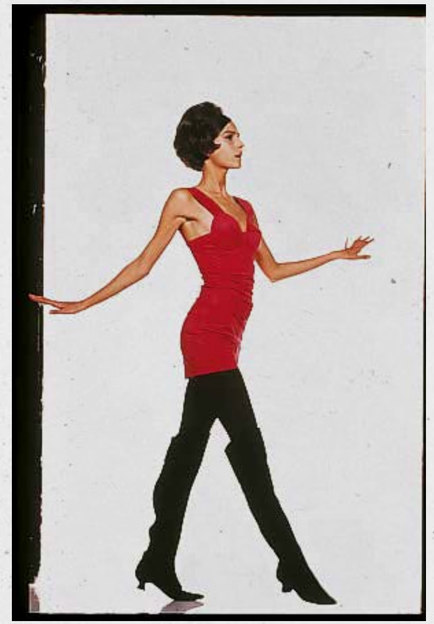
NERA MONTORO			
OCCUPATIONAL DISEASES[44]	FY 2023	FY 2024	FY 2025
Number of recordable work-related diseases (including commuting accidents)	-	1	-
Number of workdays lost due to injuries and deaths from work-related accidents and occupational diseases	-	15	-

MILAN			
OCCUPATIONAL DISEASES[45]	FY 2023	FY 2024	FY 2025
Number of recordable work-related diseases (including commuting accidents)	-	-	-
Number of workdays lost due to injuries and deaths from work-related accidents and occupational diseases	-	-	-

44. The information regarding occupational diseases is taken from the Injury Register, maintained on a voluntary basis in accordance with the Health, Safety, and Environment Management System (HSE).

45. The information regarding occupational diseases is taken from the Injury Register, maintained on a voluntary basis in accordance with the Health, Safety, and Environment Management System (HSE).

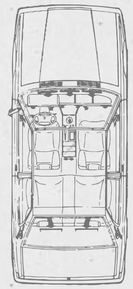
3.2 ALCANTARA'S CLIENTS AND END USERS



Alcantara recognises the importance of clients and end users as significant groups of stakeholders, even though direct contact with the latter is limited, as the Company mainly interfaces with manufacturers of finished or semi-finished goods.

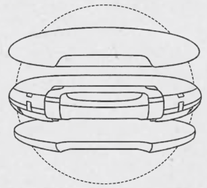
Alcantara's internal Organisation is structured by industrial sectors, allowing it to offer each client highly specialised and contextualised support. This targeted assistance, especially during decision-making phases, encourages informed choices that also take into account impacts on the end user. The management of the relationship with clients is entrusted to multidisciplinary teams, capable of effectively responding to different needs and contributing, through dialogue and active listening, to the ongoing evolution of the business strategy in line with the variety of consumer needs.

Alcantara's sectors of application[46]:



AUTOMOTIVE

FASHION AND ACCESSORIES



CONSUMER ELECTRONICS

INTERIOR, CONTRACT, MARINE AND AVIATION

Alcantara continuously assesses the impact of its activities on consumer health, safety, and rights — including the right to transparent information. To this end, the Company carries out robust compliance activities to guarantee the safety of its products and processes. It is also committed to provide clients with clear, accessible, and transparent information to facilitate the transmission of accurate knowledge. The subjects directly affected by these impacts are Alcantara's clients, but the scope of evaluation and responsibility also extends to their clients, i.e., the end user. These subjects are heterogeneous and vary depending on the Company's multiple business sectors, including Automotive, Fashion, Interiors, and Consumer Electronics, as well as the different geographic areas in which Alcantara operates.

The material produced is not inherently harmful to health, and the potential impacts on end users largely depend on the context of use within the finished product. In some cases, end users may include vulnerable individuals, but in these contexts, Alcantara takes responsibility for ensuring the accuracy and transparency of information. Furthermore, through its website, the Company provides user manuals, cleaning instructions, and certifications to facilitate the correct and safe use of the material, thereby helping to prevent potential misuse or harmful use.

Policies

Alcantara, operating primarily in a B2B context, adopts policies aimed at managing impacts, risks, and opportunities related to the end user end users through the protection of privacy, informational transparency, and regulatory compliance of materials and production processes.

Specifically, the Company guarantees the protection of personal data in accordance with Regulation (EU) 2016/679 (GDPR) and ensures direct access to detailed product information, such as maintenance manuals and material certifications. Compliance with regulations regarding the safety of materials and processes is ensured by following standards such as REACH, CLP, fire behavior regulations, and voluntary certifications such as OEKO-TEX® STANDARD 100 and the ZDHC protocol for the Fashion sector.

These policies are implemented across all Company functions and applied to all clients and end-users without geographical or sectoral discrimination. The Chief Executive Officer is responsible for their implementation and monitoring, which takes place through the analysis of performance indicators such as complaints, service levels, evaluation reports, and technical meetings with clients.

46. See section 'Activities & value chain'.

Process to engage with clients and end users

Alcantara engages end users primarily through its direct clients, namely manufacturers of semi-finished and finished products. The Company is committed to provide all necessary information about safety and to ensure the best use of the product, including manuals for cleaning, washing, stain removal and safety information. The relationship with clients is managed transparently by the Commercial Departments.
Alcantara ensures a direct contact with clients using various tools, including:

- a dedicated email inbox, managed internally by the Organisation,
- direct assistance through in-person meetings,
- general contact options available on the website, also accessible to the end user.

These channels allow for receiving reports, collaborating to resolve negative impacts, and evaluating the effectiveness of the remedies provided. Alcantara has in place a structured B2B processes dedicated to handling complaints from its clients. These represent the main channel through which support and resolution of product-related issues are managed.

End user can obtain assistance by Alcantara directly via the contacts published on the website, organised by area of interest, thus ensuring a direct and easily accessible channel. The email inbox represents a direct channel managed by internal staff, allowing precise control over every received report. Contact channels are widely accessible and easily found on Alcantara's website, ensuring that end users and end users are aware of how to express concerns or request assistance.

Main engagement activities

Clients engagement is carried out on a regular basis and across multiple phases of interaction, through mechanisms such as:

- meetings with senior management of key clients to present Alcantara's commitment to sustainability and related initiatives;
- technical meetings to identify specific product or application requirements in order to develop tailored solutions;
- design meetings, starting with the presentation of ideas and materials and continuing with the development of customised solutions based on customer needs;
- active participation in industry events, trade fairs, and Company visits, including open-door initiatives such as school group tours;
- proactive interaction of the Research & Development team with clients to customise the offering;
- production and distribution of informational materials on sustainability.

During the Fiscal Year 2025, 111 meetings were organised with the Design and Colour & Trim offices of clients in the automotive sector, with 56% of activities carried out outside Europe.

Alcantara indirectly evaluates the effectiveness of its engagement efforts based on customer feedback gathered through a scorecard system, which clients use to assess the Company's performance against criteria they deem important. Additionally, the Company constantly monitors customer satisfaction by analysing qualitative performance indicators such as complaints, service levels, and evaluation reports, and conducts an in-depth analysis of failure cases involving area managers, project managers, and product development and quality personnel.

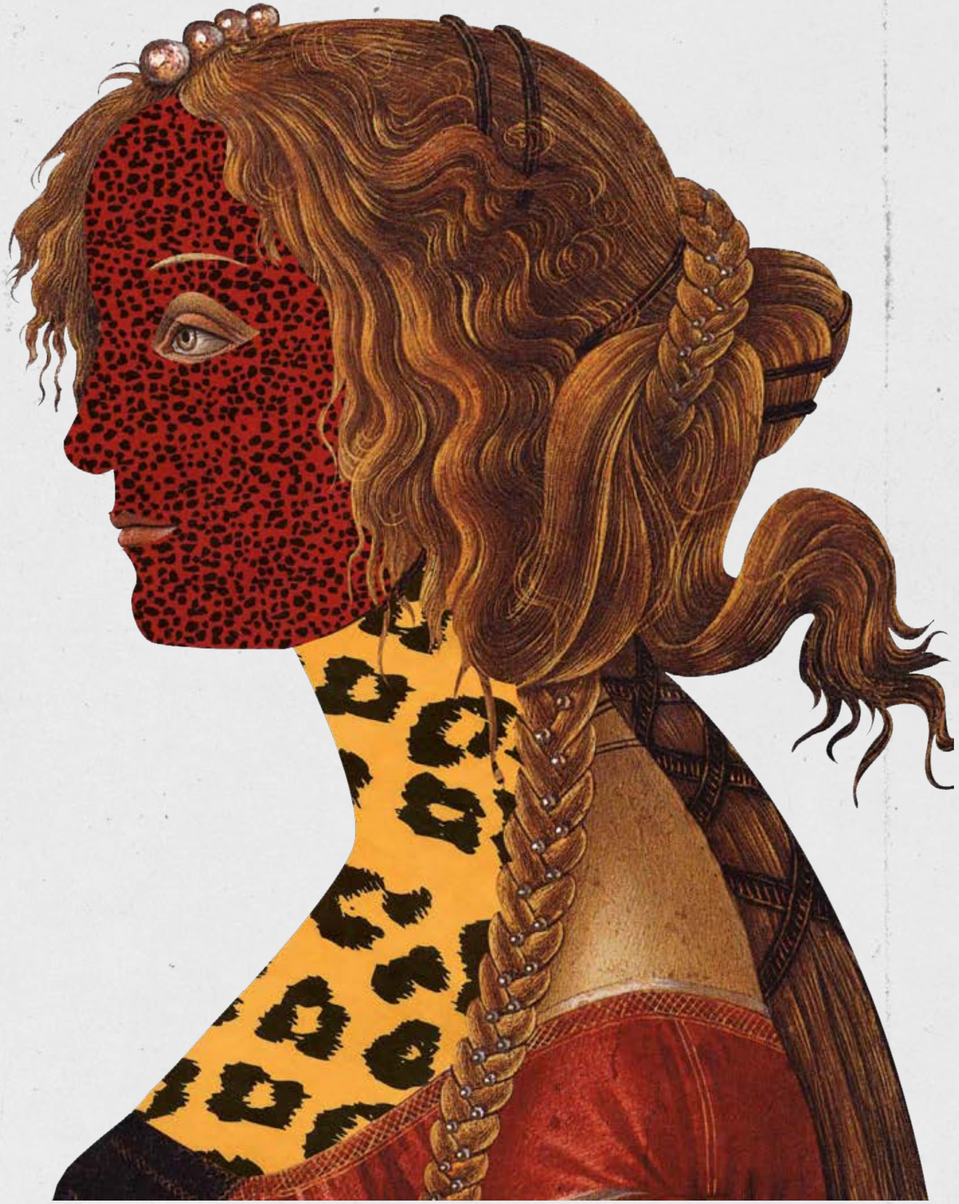
Unless explicitly requested by the customer or end user, the Company does not offer specific product adaptations for particularly vulnerable user groups. Additionally, no product suitability warnings are currently issued for specific user categories.

Actions, initiatives, projects and targets

Operating under a B2B model, Alcantara nonetheless puts end-user safety and satisfaction at the centre of its operations. To this end, the Company adopts rigorous controls, carefully selects qualified suppliers, and ensures regulatory compliance through certified processes. This commitment is reflected in continuous quality monitoring and in the transparency of the information provided to clients, so that it can be accurately conveyed to end users.

Product safety is ensured through tests commissioned by independent laboratories, which verify the compliance of materials with regulations and standards governing restricted substances. These assessments take place at least once a year and, for specific substances, following new regulations or updates.

For the materials used in the process, specific information regarding applicable safety documents (SDS and/or data sheets), REACH compliance declarations (EU Regulation for the Registration, Evaluation, Authorization, and Restriction of Chemicals), compliance with customer and industry specifications — including voluntary protocols adhered to by Alcantara — are requested from suppliers of chemicals and articles during the initial validation phase and, if necessary, to investigate specific risks.
The commitment to eliminating potentially hazardous substances from its production processes—launched in 2017 in collaboration with leading fashion brands and implemented through a structured Chemical Management System (CMS)—was reaffirmed in 2025.



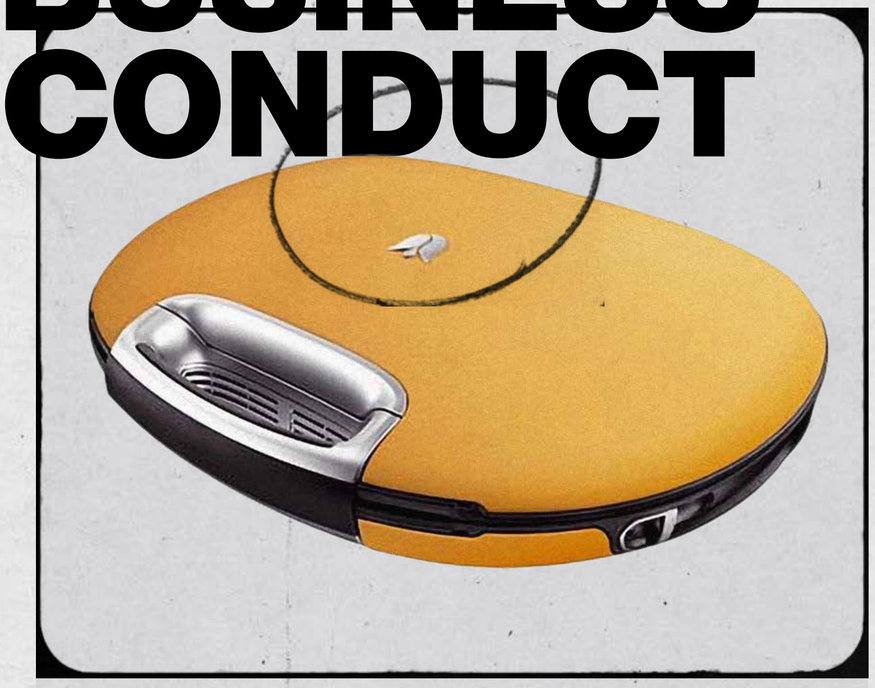
The guidelines defined by the ZDHC programme — Zero Discharge of Hazardous Chemicals — and the CHEM 4sustainability® protocol are adopted. These foresee the progressive elimination of substances listed in the ZDHC-MRSL (Manufacturing Restricted Substances List), currently at Version 3.1, involving the entire supply chain. To this end, a compliance clause with the ZDHC MRSL and Alcantara PRSL (Product Restricted Substances List) has been included in purchase contracts.

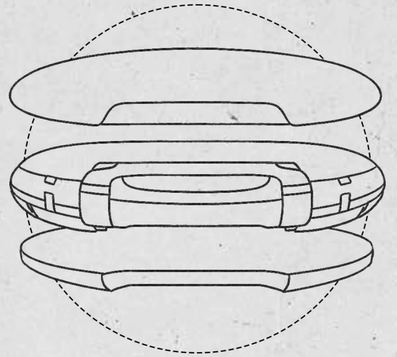
The Oeko-Tex label, which applies to specific product categories, guarantees end users that there are no toxicological risks in products categorised as 'Decorative Material' (Class IV) or 'Material in Direct Contact with Skin' (Class II), in accordance with the requirements of STANDARD 100 by OEKO-TEX®. This also ensures compliance with EU textile legislation (Annex XVII of REACH), U.S. legislation on lead content in children's clothing (CPSIA), and the Chinese standard GB 18401:2010.

During the initial development of a new product, alongside its technical and performance requirements, the mandatory and specific customer requirements on product safety are implemented and circulated across the various levels of the Company through system documentation.

During the Fiscal Year 2025, no critical events or market reports concerning product safety issues were recorded.

4. BUSINESS CONDUCT





4.1

Ethics and business culture

Policies

Additional corporate social responsibility tools

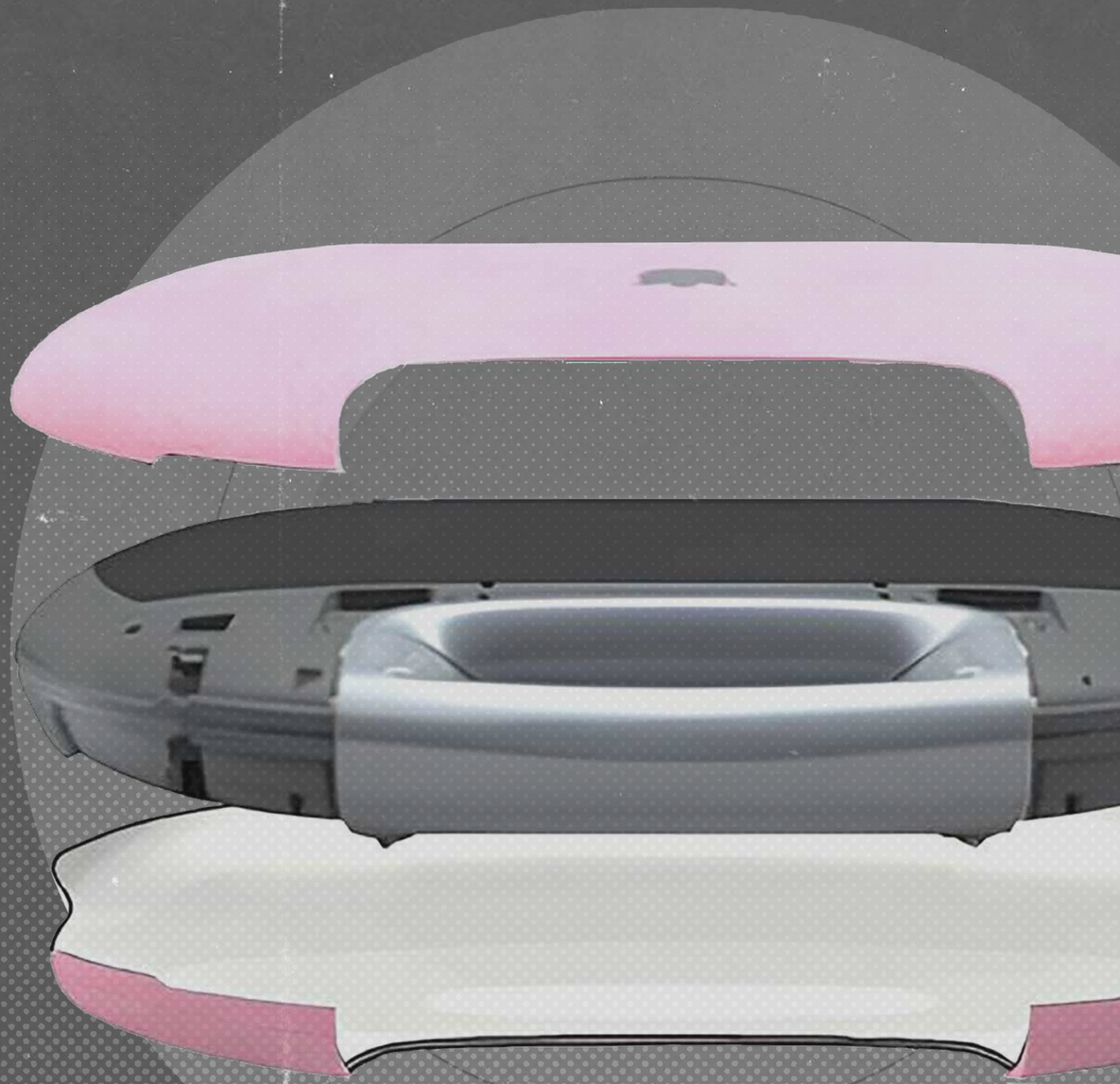
Prevention and monitoring

4.2

Management of supplier's relationships

Protection of human rights and supply chain policies

Tools for supply chain management



HIGHLIGHTS

Code of Ethics

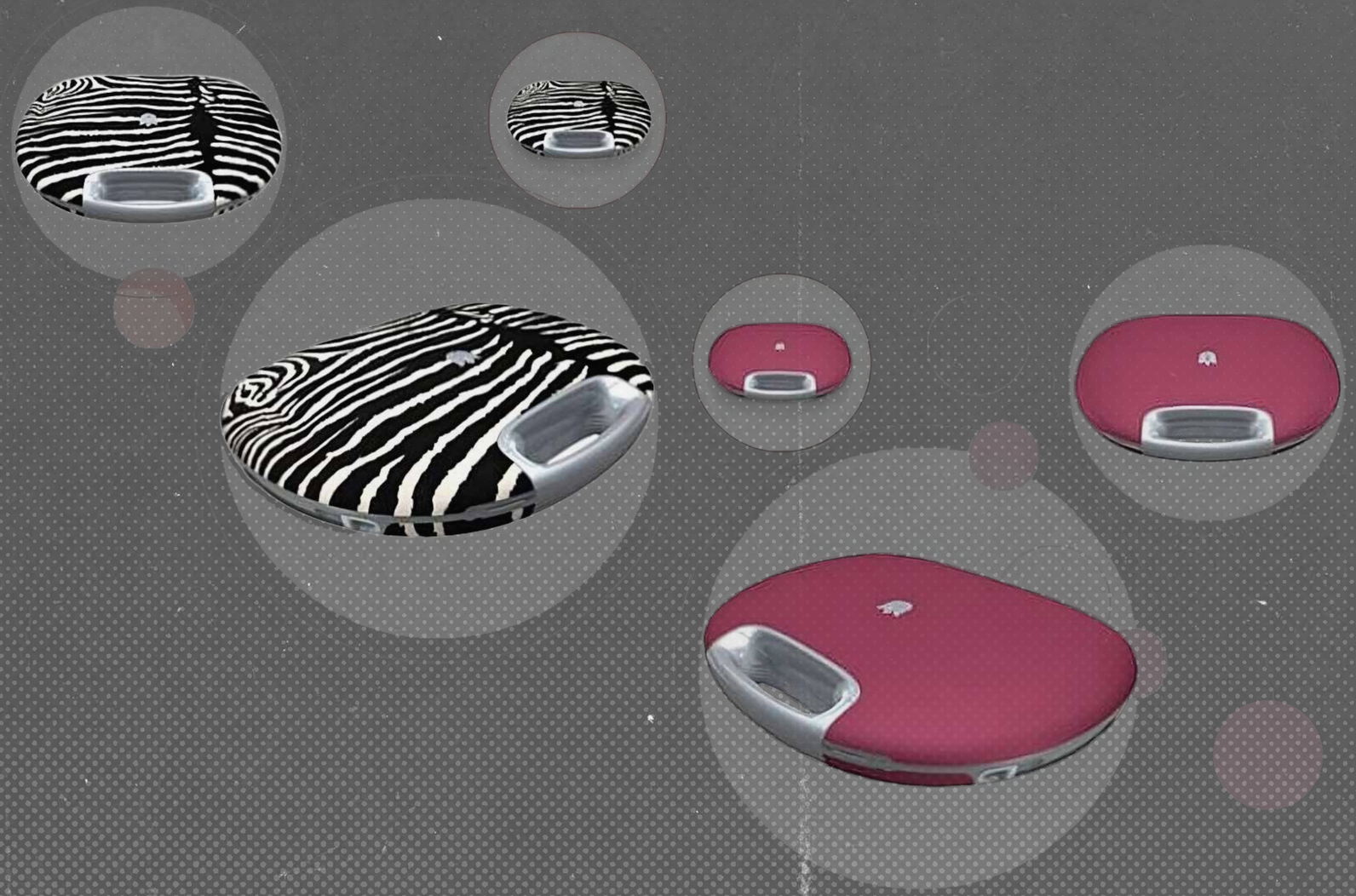
Whistleblowing Policy

68 suppliers assessed according to environmental and social criteria

Organisational, Management and Control Model pursuant to Legislative Decree No. 231/2001

Impacts, risks and opportunities

The lack of robust governance with a strong focus on sustainability issues can lead to negative impacts on both people and the environment within the Company's operations. In addition, the absence of effective safeguards may contribute to the spread of unethical and unsustainable practices throughout the value chain. Conversely, a strong commitment to promote responsible practices and solid ethical principles across the supply chain helps raise market awareness of ESG-related issues.



4.1 ETHICS AND BUSINESS CULTURE

The Company, aware of the negative effects of corrupt practices on economic and social development in the areas in which it operates, is committed to prevent and fight unlawful conduct in the course of its business activities.

For Alcantara and the Toray Group, preventing corrupt practices is not merely a legal obligation; it is one of the core principles that guides the Group's conduct. This commitment is especially significant given the strategic importance of the sector in which the Company operates, its impact on the legal and social contexts in which it is present, and the substantial financial penalties that may be imposed for non compliance with national and international regulations on the matter.

Policies

As a concrete implementation of its commitment, Alcantara has adopted a Code of Ethics, which defines the values it is inspired by in pursuing its objectives and the key principles guiding its activities, in close integration with:

- the **Organisation, management and control model** pursuant to Legislative Decree 231/2001,
- the **Whistleblowing Policy** (Legislative Decree 24/2023),
- and the **Toray Group Guidelines**.

The **Code of Ethics** and **Organisational Model** are made available to the public through the Company's website: https://www.alcantara.com/corporate/.

As an additional tool against unlawful conduct, Alcantara has defined an **Anti-Corruption Policy**[47]**,** updated in July 2024, which aims to consolidate and integrate existing anti-corruption rules into a comprehensive framework. The Policy explicitly refers to the United Nations Convention against Corruption and Law No. 116/2009 and seeks to enhance awareness among its recipients regarding the appropriate conduct to be adopted.

Alcantara promotes a corporate culture based on ethics, integrity, and compliance with not only mandatory regulations, but also voluntary ones, such as those related to management systems (e.g., SA8000). This approach is reflected in an integrated and constantly evolving compliance system, which includes a structured process of ongoing training.

The corporate culture takes shape starting from the **onboarding** phase, during which the Company's values are presented and all components of the compliance system are illustrated: the Organisational Model, Code of Ethics, Whistleblowing and Anti-Corruption Policies, Company certifications, and more. Every significant update to procedures involves dedicated **training and information** activities for all personnel.

Given the nature of Alcantara's activities, the following areas are considered **most vulnerable to corruption risk:**

- relations with Public Administration;
- gifts, hospitality, and representation expenses;
- relations with political and trade union organisations;
- relations with Public Officials and relevant Private Entities;
- assignment of consultancy, specialist, or professional services;
- contracting of works and supply of goods and services;
- extraordinary operations (acquisitions, mergers, disposals);
- personnel selection and recruitment;
- non-profit initiatives and sponsorships;
- accounting records.

47. The Company's Anticorruption Policy: company_anti_corruption_policy.pdf

Additional Corporate Social Responsibility tools

Alcantara addresses any critical issues—whether potentially or harmful to stakeholders or the Company's operations—in a timely and structured manner, bringing them to the attention of the appropriate governance bodies (Executive Committee and Board of Directors), in accordance with the timelines set out in the Company's bylaws.

Since 2018, a **whistleblowing system** has been in place for reporting unlawful behaviour, accessible to both internal and external parties. In line with regulatory updates, the **Whistleblowing Policy** was further revised during the 2025 Fiscal Year and is publicly available on the Company's website. Reports can be submitted either in written or oral form through the dedicated platform: https://alcantara.segnalazioni.net/en/.

The procedure is integrated into the **Organisational Model** and is part of the regular training provided to employees. To ensure effective management of reports, a **Whistleblowing Team** has been established, composed of the Board of Statutory Auditors, the HR Director, and an external legal advisor. This independent body is the primary recipient of the reports and is responsible for conducting preliminary investigations. To date, no reports have been received through this channel.

Although not mandatory, Alcantara has adopted an **Organisational Model** and an **autonomous and independent Supervisory Body** with control, verification, and investigation powers over all Company functions since 2005. As part of the **SA8000®** certification, a direct communication channel has also been established with **worker representatives** at the Milan headquarters and the Nera Montoro plant. Anonymous reports can also be submitted through dedicated mailboxes.

Additionally, for the past eight years, Alcantara has been a member of the **UNGC**, based on ten universal principles related to human rights, labour, the environment, and the fight against corruption. Membership implies the integration of these principles into business strategies, daily operations, and organisational culture.

Finally, Alcantara promotes a strong system of **industrial relations**, providing the union with the opportunity for discussion and dialogue at all levels of the Company. The union has access to both formal and informal discussions with the Human Resource Management and meets at least once a year with the Chairman and CEO.
Since 2008, the Company has held the SA8000® certification (the international Social Accountability 8000 standard), which confirms the implementation of measures and procedures to respect human rights and labour rights within the Company and along the value chain.

As shown in the following table, all employees are informed and periodically updated on the principles and values of the standard through training and meetings.

	TRAINING HOURS	TRAINED WORKERS	TRAINING HOURS	TRAINED WORKERS	TRAINING HOURS	TRAINED WORKERS
	FY 2023		FY 2024		FY 2025	
Training on D.lgs.231/01	62,5	72	54	70	6,5	13
Sustainability project and SA8000	425	38	175	70	35	14

Prevention and monitoring

To ensure the effectiveness of the control and prevention system, Alcantara adopts the principle of **segregation of responsibilities,** ensuring that the person responsible for a specific operational activity is always distinct from the one who controls or authorises it. Signing powers are formalised and assigned in accordance with organisational responsibilities, and their exercise must comply with value and subject matter limits, Company directives, and applicable regulations. Each approval process is tracked and documented, and the proposing functions are responsible for ensuring the legitimacy of the practices.

Anti-Corruption Communication and Training

The **Anti-Corruption Officer** is responsible for periodically reviewing the **Anti-Corruption Policy** to ensure its effectiveness, proposing any updates in collaboration with:

- the **Supervisory Body;**
- Alcantara's **Human Resource Management / Organisation and Information Systems;**
- the **General Manager of Legal & Administration** of the Toray Group.

Such updates are based on best practices and the evolution of the national and international regulatory framework.
In case of violations, the Responsible Officer assesses the need to modify the Policy or internal procedures to prevent the recurrence of unlawful conduct. They also prepare a **semi-annual report** on monitoring activities, which is sent to the main control and management bodies. This report may include, where appropriate, detailed analyses of the events identified, the causes, the individuals involved, and proposals for corrective action.
In line with applicable regulatory references and the directives of the Toray Group, **Alcantara plans, manages, and monitors** specific anti-corruption training activities, with the goal of ensuring that each employee understands, in relation to their role:

- the corruption risks to which the Organisation and individuals may be exposed;
- the policy and measures adopted for the prevention of corruption;
- the aspects of the anti-corruption management system relevant to their role;
- the preventive actions and methods for reporting risks or suspicions of unlawful conduct.

Participation in training programmes is mandatory for the **internal functions** identified by the Human Resources/ Organisation and Information Systems Department, which also monitors their proper participation.

The Anti-Corruption Policy is communicated to all employees and available on the Company intranet. It is the subject of ongoing information and update initiatives, both during employee onboarding and when there are regulatory or procedural changes.

During the 2025 Fiscal Year, most of Alcantara directors[48] participated in an e-learning course on anti-corruption, delivered through the Toray Group's **Agylia** platform. The course lasted 30 minutes per participant and aimed to provide a general overview of the relevant legislation, including case studies and a final learning test.

The training for senior management, conducted annually, represents a strategic in-depth session on the principles and dynamics related to the prevention of corruption. The main topics covered include a reflection on the various forms corruption can take, the analysis of internal policies adopted by the Company to combat it, and an explanation of the operational procedures aimed at the timely identification and proper management of any risky behaviours.

48.
11 directors out of 13.

4.2 MANAGEMENT OF SUPPLIER'S RELATIONSHIPS

Alcantara adopts a structured and proactive approach to oversee its supply chain, with the aim of identifying, preventing, and mitigating potential social and environmental impacts throughout the entire value chain.

Collaboration with suppliers is considered a key element in the Company's responsible sourcing strategy. In this context, Alcantara requires its business partners to adhere to specific contractual clauses focused on sustainability, promoting high standards in terms of human rights, working conditions, and social responsibility.
In particular:

- through the sharing of the Supply Chain Sustainability Guidelines, Alcantara integrates social and human rights criteria into the supplier selection, qualification, and evaluation processes;
- the Company has adopted the SA8000® standard, one of the main international benchmarks for managing social responsibility;
- it periodically conducts Corporate Social Responsibility Assessments (CSR Assessments) on its suppliers to verify compliance with the Company's sustainability policies and to identify potential areas for improvement.

Protection of human rights and supply chain policies

Alcantara adopts a rigorous and systematic approach to promote the respect for human rights and working conditions throughout its value chain, aligning with the most widely recognised international standards. Through the **'Supply Chain Sustainability Guidelines'** document and **CSR Assessment** audit programmes, the Company defines and communicates its expectations regarding social responsibility to its suppliers. These tools are based on key references such as the **United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.**

The **Guidelines** not only establish clear requirements for suppliers, but also promote a direct involvement of supply chain workers through interviews conducted during on-site supplier audits.

Alcantara's corporate policies explicitly prohibit all forms of **human trafficking, forced labour, child labour**, and any other practices that violate fundamental human rights. These principles are integrated into the Supplier Code of Conduct, which serves as a binding annex to contractual agreements with business partners.

Through **due diligence** processes, regular audits, and a **corrective action monitoring system**, Alcantara assesses and manages potential risks along the supply chain. In addition, grievance and reporting mechanisms are made available to further strengthen the Company's ability to act and ensure transparency.

Tools for supply chain management

Communication channels

Alcantara promotes a culture of transparency and accountability throughout its supply chain by providing workers with a secure and confidential channel to report any irregularities. The Company's **Whistleblowing Policy** allows supply chain workers to communicate directly with Alcantara in a confidential manner, through an internal mechanism managed with the utmost care for the protection of the reporting individual. Additionally, the **'Supply Chain Sustainability Guidelines'** require suppliers to establish **effective reporting systems** of their own, accessible to workers. To this end, Alcantara provides a **dedicated email address** - supplychainsustainability@alcantara.com - through which reports or clarification requests can be submitted. During CSR Assessment audits, the Company verifies the actual presence and accessibility of such mechanisms at suppliers, ensuring that every worker has the opportunity to voice their concerns freely and safely. This network of listening tools helps strengthen the prevention, **monitoring, and management system for social risks** along the supply chain, fostering a fairer, safer working environment that complies with the Company's ethical standards.

Supplier qualification

In the Fiscal Year 2025, Alcantara selected **20** suppliers based on environmental criteria and **48** based on social responsibility criteria. Compared to the previous year, the number of suppliers assessed for social responsibility increased by **2**, while the number of environmental assessments remained unchanged.

NUMBER OF SUPPLIERS SELECTED BASED ON	FY 2023	FY 2024	FY 2025
Environmental criteria	19	20	20
Social criteria	42	46	48

During the Fiscal Year 2025, seven new suppliers were integrated compared to the previous year. Of these, three suppliers were evaluated based on social criteria, representing 42.8% of new suppliers, while one supplier was evaluated based on environmental criteria, corresponding to 14.2% of new suppliers.

Supplier evaluation and classification

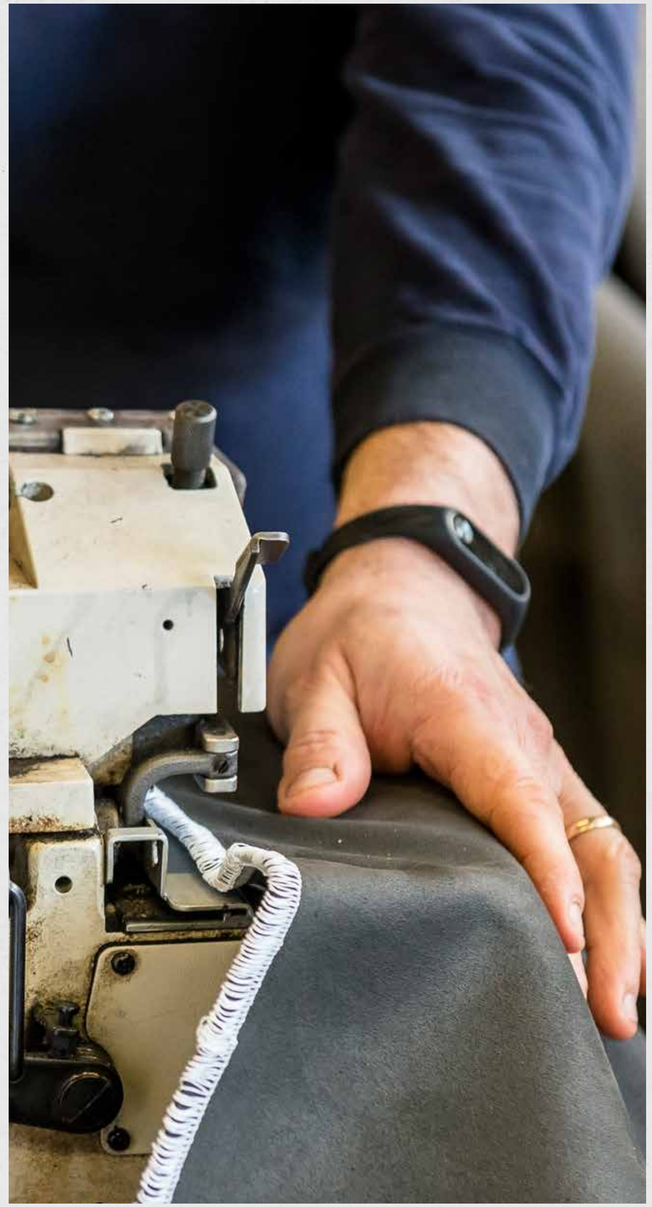
Alcantara adopts a structured suppliers classification system based on the potential impact level regarding EHS (environment, health, and safety) requirements and social responsibility. The final is to build monitoring and evaluation activities that are proportionate to the risk.

Regarding EHS criteria, suppliers are classified into three risk levels:

- **high impact (HIGH):** for example, suppliers involved in waste management or operating in contexts with significant environmental and safety implications;
- **medium impact (MEDIUM):** includes **contractors** operating in construction areas and **outsourced third-party services** with a significant presence.

Based on social responsibility requirements, the evaluation distinguishes:

- **high impact (HIGH):** 'Super CORE' suppliers who play a strategic role in the production or distribution process and are considered critical for managing social risk;
- **medium impact (MEDIUM):** Suppliers who **continuously operate within Alcantara's facilities or in partnerships.**



Alcantara pays particular attention to the selection and management of suppliers through the implementation of a series of measures and procedures that are aimed at ensuring compliance with the sustainability, quality and safety policies we have adopted. During the Fiscal Year 2025, Alcantara intensified its audits and activities related with findings management. The inspections were supported by a risk analysis based on the most exposed geographical areas, identified through a supply chain mapping process. This approach allowed the Company to pinpoint potentially critical contexts and take targeted actions.

These are the main supplier verification and evaluation activities carried out by the Company:

- in the last three Fiscal Years, audits conducted to verify the ability to meet specific supply conditions and compliance with the requirements of certified management systems (quality, safety, environment, social responsibility) have been run on site and online;
- incentives for the adoption of programmes to optimise energy consumption, reduce hazardous materials, reduce emissions, use recycled materials and optimise waste management. The Company verifies that the programmes are correctly implemented through objective documentary evidence and through technical/ organisational audits at suppliers;
- updated mapping of suppliers based on the identification of important factors for assessing the environmental and social risks associated with supply, adherence to the code of ethics and participation;
- the signing by suppliers of work and services contracts, within the contracts signed, who undertake to comply with the principles referred to in the SA8000® standard and to observe, for the purposes of the execution of the tasks conferred, the General Part of the Organisational Model (as per Italian Legislative Decree no. 231/2001) and the Alcantara's Code of Ethics;
- promotion, among its suppliers (and sub-suppliers), of transparent and ethical conduct, and responsible management paths, in compliance with the principles of environmental protection, human rights, labour standards and the fight against corruption;
- sharing of the guidelines issued by Alcantara to improve sustainability performance along the supply chain.

AREA INVESTIGATED IN FY 2023-2025	ASSESSMENT	RATING PER AREA
Commitment to responsible management and transparency	HIGH	92%
Fair business practices	GOOD	86%
Market and consumers	GOOD	86%
Working practices and human rights	GOOD	89%
Environment	GOOD	88%
Supply chain and suppliers	GOOD	87%
Community and local region	GOOD	79%
MEDIA	**GOOD**	**87%**

Following second-party audits, Alcantara provides suppliers with an evaluation report and an improvement plan, suggesting possible measures to enhance performance in the analysed areas. Findings deriving from audits conducted over the last three Fiscal Years are presented below and classified based on the investigated areas.

IMPROVEMENT MEASURES SUGGESTED IN FY 2023-2025	FY 2023	FY 2024	FY 2025	Total
Commitment to responsible management and transparency	5	9	2	16
Fair business practices	2	1	2	5
Market and consumers	1	1	1	3
Working practices and human rights	-	-	4	4
Environment	5	7	4	16
Supply chain and suppliers	2	6	7	15
Community and local region	-	1	-	1

Within the Company's supply chain, 127 suppliers are considered priority suppliers, as the goods or services they provide have a significant economic impact and support activities that may influence stakeholder assessments.

48 of these are called 'super core' suppliers (as they operate continuously on our premises or in production process and distribution partnerships), while the remaining 79 are so-called 'core' suppliers (as they perform some non-continuous services on corporate premises or can become production process partners). New suppliers formally affirmed as priority in the Fiscal Year 2025 are included in our long-term evaluation programme. Two out of four suppliers involved in the CSR audits in the Fiscal Year 2025 are in fact new to this process. This involves, among other things, an assessment of environmental and social criteria relating to workers' human rights. In addition to identifying priority suppliers, we generally consider suppliers of the following services/products as strategic:

- product processing;
- contracting and logistics services (technical and maintenance companies operating at the plant and headquarters, warehouse management, transport);
- general services (waste recovery and disposal);
- raw materials.

CSR self-assessment

The Corporate Social Responsibility (CSR) assessment along the supply chain enables suppliers to demonstrate their risk management level and identify sustainability opportunities to be adopted. A series of evaluation forms are compiled to identify potential measures aimed at improving performance and creating value sustainably, while minimising the impact on the environment and local communities in which they operate.

Through this initiative, suppliers can respond to Alcantara's sustainability requirements and align with the socially responsible business model it promotes. Additionally, they can implement more effective governance and control mechanisms through:

- the identification of ethical, social, and environmental risks and opportunities;
- understanding the current level of management of these aspects;
- identifying the necessary actions to reach an acceptable standard;
- evaluating and measuring progress over time;
- engaging employees and encouraging internal dialogue;
- initiating dialogue with other companies and organisations.

Thanks to this assessment model, suppliers can become accredited within Alcantara's supplier management system, in alignment with sustainability standards.

CSR Supplier assessment

As at the end of the Fiscal Year 2025, the number of accredited suppliers equalled 66. 74% of super-core suppliers were accredited super-core suppliers in the Fiscal Year 2025, in coherence with the previous year, while the percentage of accredited core suppliers amounted to 39% (compared to 34% in the Fiscal Year 2024).

TYPE OF SUPPLY	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	TOTAL AS OF 31/03/2025
Product processing and ennobling	1	3	-	-	-	-	1	-	-		5
Contracting and logistics services	3	6	5	5	4	1	-	-	2		26
Services/ performance/ waste	-	1	2	-	-	-	2	-	-		5
Raw materials/ packaging	1	-	-	2	1	4	5	6	6	4	29
Total audit	**5**	**10**	**7**	**7**	**5**	**5**	**8**	**6**	**8**	**4**	**65**

SUSTAINABILITY STANDARD ACCREDITATION STATUS AS OF 31/03/2025	SUPER-CORE	CORE	TOTAL
Total number of priority suppliers	48	79	127
Accredited suppliers	34	31	65
Percentage of accredited suppliers compared to priority suppliers	74%	39%	51%

The Company's goal is to progressively expand the scope of audits, including an increasing number of suppliers, including indirect ones, to ensure a more comprehensive and proactive management of social and environmental impacts along the entire supply chain.

During the 2025 Fiscal Year, Alcantara continued to raise awareness along the supply chain about its environmental sustainability model, expanding the categories of suppliers involved in CO_2 emissions calculations and related offsetting efforts through the well-established practice of purchasing offsetting projects.

This was achieved through the involvement of:

- an additional supplier of chemicals/auxiliaries, bringing the total to 12 raw material suppliers participating in offsetting;
- 13 logistics service providers involved in the offsetting initiative;
- one supplier of industrial services participating in compensation.

5. CONTENT INDEX

STATEMENT OF USE	Alcantara S.p.A. has reported in accordance with the GRI Standards for the period 1 April 12024 – 31 March 2025.
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD	No applicable GRI Sector Standard
MATERIAL TOPICS	1.3 Double Materiality assessment

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 2: GENERAL DISCLOSURES 2021	2-1	Organisational details	1.1 Methodology				
	2-2	Entities included in the organisation's sustainability reporting	1.1 Methodology				
	2-3	Reporting period, frequency and contact point	1.1 Methodology				
	2-4	Restatements of information	1.1 Methodology				
	2-5	External assurance	1.1 Methodology				
	2-6	Activities, value chain and other business relationships	1.4 Strategy and value chain				
	2-7	Employees	3.1 Alcantara's employees				
	2-8	Workers who are not employees	3.1 Alcantara's employees				
	2-9	Governance structure and composition	1.3 Governance				

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 2: GENERAL DISCLOSURES 2021	2-10	Nomination and selection of the highest governance body		Entire disclosure	Confidentiality constraints		
	2-11	Chair of the highest governance body		Entire disclosure	Confidentiality constraints		
	2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Governance				
	2-13	Delegation of responsibility for managing impacts	1.3 Governance				
	2-14	Role of the highest governance body in sustainability reporting	1.3 Governance				
	2-15	Conflicts of interest		Entire disclosure	Confidentiality constraints		
	2-16	Communication of critical concerns	1.3 Governance				
	2-17	Collective knowledge of the highest governance body	1.3 Governance				
	2-18	Evaluation of the performance of the highest governance body	3.1 Alcantara's employees				
	2-19	Remuneration policies	3.1 Alcantara's employees				
	2-20	Process to determine remuneration	3.1 Alcantara's employees				
	2-21	Annual total compensation ratio	3.1 Alcantara's employees				

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 2: GENERAL DISCLOSURES 2021	2-22	Statement on sustainable development strategy	A message from our CEO				
	2-23	Policy commitments	1.4 Strategy and value chain[49]				
	2-24	Embedding policy commitments	1.4 Strategy and value chain				
	2-25	Processes to remediate negative impacts	1.5 Double Materiality assessment				
	2-26	Mechanisms for seeking advice and raising concerns	4.1 Ethics and business culture				
	2-27	Compliance with laws and regulations					No significant instances of non-compliance occurred
	2-28	Membership associations					As of 31 March 2025, Alcantara was a member of the following associations: Assofibre; Federchimica; Assolombarda; Fondazione Global Compact; Aused; Fondazione Italia-Giappone; Comitato Leonardo; Japan Chamber Of Commerce; Confindustria Umbria, Scuola Giapponese; SMI Sistema Moda Italia; Wettbewerbszentrale (German consumers association)

49. For a detailed overview of Alcantara's policy commitments, please refer to the 'Policy' chapters within the Environmental Information, Social Information, and Business Conduct Information sections of the Sustainability Report.

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 2: GENERAL DISCLOSURES 2021	2-29	Approach to stakeholder engagement	1.5 Double Materiality assessment				
	2-30	Collective bargaining agreements	3.1 Alcantara's employees				
MATERIAL TOPICS							
GRI 3: MATERIAL TOPICS 2021	3-1	Process to determine material topics	1.5 Double Materiality assessment				
	3-2	List of material topics	1.5 Double Materiality assessment				
	3-3	Management of material topics	1.5 Double Materiality assessment				
MATERIAL TOPIC: CLIMATE CHANGE							
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 302: ENERGY 2016	302-1	Energy consumption within the organisation	2.1 Climate change				
	302-4	Reduction of energy consumption	2.1 Climate change				
GRI 305: EMISSIONS 2016	305-1	Direct (Scope 1) GHG emissions	2.1 Climate change				
	305-2	Energy indirect (Scope 2) GHG emissions	2.1 Climate change				

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: CLIMATE CHANGE							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 305: EMISSIONS 2016	305-3	Other indirect (Scope 3) GHG emissions	2.1 Climate change				
	305-5	Reduction of GHG emissions	2.1 Climate change				
MATERIAL TOPIC: WATER							
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 303: WATER AND EFFLUENTS 2018	303-1	Interactions with water as a shared resource	2.3 Water				
	303-2	Management of water discharge-related impacts	2.3 Water				
	303-3	Water withdrawal	2.3 Water				
	303-4	Water discharge	2.3 Water				
	303-5	Water consumption	2.3 Water				
MATERIAL TOPIC: POLLUTION							
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 305: EMISSIONS 2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	2.2 Pollution				

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: CIRCULAR ECONOMY							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 301: MATERIALS 2016	301-1	Materials used by weight or volume	2.4 Circular Economy				
	301-2	Recycled input materials used	2.4 Circular Economy				
GRI 306: WASTE 2020	306-1	Waste generation and significant waste-related impacts	2.4 Circular economy				
	306-2	Management of significant waste-related impacts	2.4 Circular economy				
	306-3	Waste generated	2.4 Circular economy				
	306-4	Waste diverted from disposal	2.4 Circular economy	Omission of items b, c, d and e	Information unavailable	The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	
	306-5	Waste directed to disposal	2.4 Circular economy	Omission of items b, c, d and e	Information unavailable	The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: VALUE CHAIN WORKFORCE							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Proportion of spending on local suppliers	1.4 Strategy and value chain				
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria	4.2 Management of supplier's relationships				
	308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Management of supplier's relationships				
GRI 408: CHILD LABOUR 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	4.2 Management of supplier's relationships				Alcantara has identified no significant risk of child labour among its suppliers.
GRI 409: FORCED AND COMPULSORY LABOUR 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.2 Management of supplier's relationships				Alcantara has identified no significant risk of forced or compulsory labour among its suppliers.

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: VALUE CHAIN WORKFORCE							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1	New suppliers that were screened using social criteria	4.2 Management of supplier's relationships				
	414-2	Negative social impacts in the supply chain and actions taken	4.2 Management of supplier's relationships				
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment				
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	3.1 Alcantara's employees	For both items a and b, the breakdown by gender, age, and region is missing	Information unavailable	Due to limitations in data processing. The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1 Alcantara's employees				
GRI 3: MATERIAL TOPICS 2021	401-3	Parental leave	3.1 Alcantara's employees		Information unavailable	Due to limitations in data processing The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: VALUE CHAIN WORKFORCE							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system	3.1 Alcantara's employees				The ISO 45001 certification led to the creation of a safety management system. The responsible are those laid down by the Italian Legislation
	403-2	Hazard identification, risk assessment, and incident investigation	3.1 Alcantara's employees				
	403-3	Occupational health services	3.1 Alcantara's employees				
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.1 Alcantara's employees				
	403-5	Worker training on occupational health and safety	3.1 Alcantara's employees				
	403-6	Promotion of worker health	3.1 Alcantara's employees				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.1 Alcantara's employees				
	403-8	Workers covered by an occupational health and safety management system	3.1 Alcantara's employees				
	403-9	Work-related injuries	3.1 Alcantara's employees				
	403-10	Work-related ill health	3.1 Alcantara's employees				

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: VALUE CHAIN WORKFORCE							
GRI STANDARD TITLE	GRI DISCLOSURE NUMBER	GRI DISCLOSURE TITLE	PARAGRAPH				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.1 Alcantara's employees				
	403-8	Workers covered by an occupational health and safety management system	3.1 Alcantara's employees				
	403-9	Work-related injuries	3.1 Alcantara's employees				
	403-10	Work-related ill health	3.1 Alcantara's employees				
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	3.1 Alcantara's employees	Average training hours by gender and employee category are not reported	Information incomplete	Due to limitations in data processing. The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	404-2	Programmes for upgrading employee skills and transition assistance programmes	3.1 Alcantara's employees				
	404-3	Percentage of employees receiving regular performance and career development reviews	3.1 Alcantara's employees	It cannot cover the percentage of total employees across all categories of employees	Information incomplete	Data for Executives not available due to limitations in data processing. The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: VALUE CHAIN WORKFORCE							
GRI STANDARD TITLE	**GRI DISCLOSURE NUMBER**	**GRI DISCLOSURE TITLE**	**PARAGRAPH**				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1	Diversity of governance bodies and employees	1.3 Governance model	Item b missing	Information incomplete	Due to limitations in data processing. The information is expected to be covered in the next Sustainability Report, unless changes occur in the adopted reporting standards.	
	405-2	Ratio of basic salary and remuneration of women to men	3.1 Alcantara's employees				
GRI 406: NON-DISCRIMINATION 2016	406-1	Incidents of discrimination and corrective actions taken					No incidents occurred
MATERIAL TOPIC: CONSUMERS AND END USERS							
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment[50]				
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1	Assessment of the health and safety impacts of product and service categories	4.2 Alcantara's clients and end users				All products categories are assessed
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services					No incidents of non-compliance occurred
GRI 417: MARKETING AND LABELING 2016	417-1	Requirements for product and service information and labeling	4.2 Alcantara's clients and end users				
	417-2	Incidents of non-compliance concerning product and service information and labeling					No incidents of non-compliance occurred
	417-3	Incidents of non-compliance concerning marketing communications					No incidents of non-compliance occurred

50. For a detailed overview of Alcantara's management of material topics, please refer to the Environmental Information, Social Information, and Business Conduct Information sections of the Sustainability Report.

GRI SUSTAINABILITY REPORTING STANDARD/ OTHER SOURCE			LOCATION	OMISSION			NOTES
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPIC: CONSUMERS AND END USERS							
GRI STANDARD TITLE	**GRI DISCLOSURE NUMBER**	**GRI DISCLOSURE TITLE**	**PARAGRAPH**				
GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data					No complaints received
MATERIAL TOPIC: BUSINESS CONDUCT							
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.5 Double Materiality assessment[51]				
GRI 205: ANTI-CORRUPTION 2016	205-2	Communication and training about anti-corruption policies and procedures	4.1 Ethics and business culture				
	205-3	Confirmed incidents of corruption and actions taken					No incidents occurred
GRI 417: MARKETING AND LABELING 2016	417-3	Incidents of non-compliance concerning marketing communications					No incidents occurred
OTHER KPIS							
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	Infrastructure investments and services supported	1.4 Strategy and value chain				No incidents occurred
GRI 415: PUBLIC POLICY 2016	415-1	Political contributions					Alcantara S.p.A. has never made contributions to politicians and political parties

51. For a detailed overview of Alcantara's management of material topics, please refer to the Environmental Information, Social Information, and Business Conduct Information sections of the Sustainability Report.

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Independent auditors' report on the "Sustainability Report 2025"

To the Board of Directors of
Alcantara S.p.A.

We have been appointed to perform a limited assurance engagement on the "Sustainability Report 2025" (hereinafter the "Sustainability Report") of Alcantara S.p.A. for the year ended on March 31, 2025.

Directors' responsibility on the Sustainability Report

The Directors of Alcantara S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodology" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Alcantara regarding the sustainability performance, as well as the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQM Italy 1), under which it is required to establish, implement, and operate a quality management system that includes instructions and procedures on compliance with ethical principles, professional principles, and applicable legal and regulatory provisions.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

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Capitale Sociale Euro 2.975.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998

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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

   In particular, we have conducted interviews and discussions with the personnel of Alcantara S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

   Furthermore, for significant information, considering the Company's activities and characteristics:

   a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;

   b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

   For the production site of Nera Montoro (Terni) of Alcantara S.p.A., we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainabilty Report of Alcantara for the year ended on March 31, 2025 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodology" of the Sustainability Report.

Milan, Aug 4, 2025

EY S.p.A.

Gabriele Grignaffini
(Auditor)

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Alcantara® is a registered trademark of
Alcantara S.p.A.

Further information on Alcantara's sustainability
is available on the corporate website:
www.alcantara.com

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