

Sustainability Report 2024



CartiereCarrara
CARING FOR WHAT'S NEXT





Cartiere**Carrara**
CARING FOR WHAT'S NEXT

Sustainability Report
2024



Sustainability Report

2024

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Letter to Stakeholders

People at the centre



In 2023, Cartiere Carrara celebrated its 150th birthday and decided to mark this exceptional milestone by outlining its commitment to sustainability in black and white in the form of a ten-point Manifesto.

2024 saw us take steps to fulfil this commitment.

We continued and fine-tuned many activities already begun the previous year and we also introduced new measures, enriching our sustainability plan and fully integrating it into the Group's business plans. This is because, as our story shows, we firmly believe that sustainability is not simply a way of acting but a *raison d'être*, an integral and inherent part of the Company's production activity.

As is well documented, paper production is closely linked to the use of gas and water. Reducing the consumption of these elements and their related environmental impact goes hand in hand with reducing operating costs, and is therefore one of our primary goals: one which we work on constantly by investing in technology and process innovation. The results have been positive: while the intensity of energy consumption per tonne of paper produced was largely unchanged from the previous year, we reduced our water consumption by 3% in 2024 compared to 2023 and by 11% compared to 2022.

However, it is important to reiterate that our Manifesto puts our commitment to people before all else. We believe that a healthy and profitable business not only produces value but is also able to distribute it and contribute to the growth of society and the region. In 2024, Cartiere Carrara increased its production volumes by 7% compared to 2023 and expanded its workforce by 86 units. The production bonus distributed to staff was raised by 17% compared to the average of the previous three years, and the average gross remuneration per employee also increased. Our constant effort to ensure optimal safety conditions has led to the halving of the number of accidents since 2022, and a reduction in the incidence rate of working days lost due to work-related injuries of 29% compared to 2022 and 15% compared to 2023.

Results that, year after year, consolidate the fruits of a collective effort of which we are extremely proud.

Our growth plans for the next few years will require us to double down on this commitment but the results we have achieved so far give us an insight into the Company's potential and motivate us to achieve new goals while preserving our guiding ethos of *"caring for what's next"*.

This, alas, against a backdrop of change and uncertainty, which unfortunately also includes sustainability legislation. It is common knowledge, in fact, that this year should have seen the entry into force of a series of important new regulations, in particular with regard to reporting. However, this has not happened and the doubt and uncertainty that shrouds their future does nothing to help the work of those who want to adopt the best standards. For our part, we did our best to take account of the upcoming regulatory changes, in particular the CSRD and the adoption of the ESRS, when producing the sustainability report. So while the hesitation of lawmakers does not help, we have nevertheless done our bit. More specifically, the sustainability report we present to you contains a new in-depth materiality analysis, conducted according to the concept of double materiality dictated by the ESRS principles, and includes a large part of the reporting packages required by the same principles.

We hope that our commitment to transparency meets with your approval, because - as we like to repeat - in a world in which the future continues to be steeped in uncertainty, our sense of responsibility towards our stakeholders remains our number one priority.

Gaetano Ievolella

Cartiere Carrara S.p.A., Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Gaetano Ievolella', written over a light blue horizontal line.

01 Highlights 2024

01 | Highlights 2024¹

Business

NUMBER
OF GROUP
COMPANIES

7

NUMBER
OF PRODUCTION
SITES

7

NUMBER
OF COUNTRIES
SERVED

50

QUANTITY
OF PAPER
PRODUCED (TONNES)

243,078

QUANTITY OF PRODUCTS
FROM CONVERTING LINES
(TONNES)

121,451

Economic

TOTAL TURNOVER (€/M)

443,825,713

VALUE GENERATED (€/M)

464,016,006

VALUE DISTRIBUTED (€/M)

428,849,345

1. All data in the Highlights 2024 table refers to the period between 1/1/2024 and 31/12/2024.

Social

TOTAL NUMBER OF
EMPLOYEES² (HEADCOUNT)

724

TOTAL TRAINING
HOURS

14,766

AVERAGE TRAINING HOURS
PER EMPLOYEE

20.4

GENDER PAY
GAP (% TOT)

-5%

GROWTH IN THE NUMBER
OF GROUP EMPLOYEES

4%

COMPANY POPULATION
HIRED ON PERMANENT
CONTRACTS

98%

2. Figure refers to Cartiere Carrara S.p.A.

Environment

TOTAL ENERGY
CONSUMPTION
(MWH)

807,474

TOTAL GHG EMISSIONS SCOPE 1 +
SCOPE 2 LOCATION-BASED + GHG
SCOPE 3 (TCO₂E)

487,723

PERCENTAGE OF
WASTE DESTINED
FOR RECOVERY

45%

TOTAL WATER WITHDRAWAL
(COMPARED TO 2022)

-8.6%

CO₂e OFFSET BY PLANTING TREES
(TCO₂e)

230

TREES PLANTED
SINCE 2020

14,185





Cartiere Carrara:

over 150 years of papermaking excellence and innovation

The information in this paragraph is not required by the ESRS disclosure.

Our vision

"Caring for what's next - Let's build a better future to enjoy together. We want to generate a positive impact on the environment and people, always looking to the future, aware of what we are today."

The **Cartiere Carrara Group** one of Europe's leading tissue paper producers, was born from the business acumen of the Carrara family, which has been passing down its passion, expertise and vision in the paper industry for over 150 years. Over five generations, this legacy has been transformed into a modern company that is able to innovate without losing sight of its original values. Today, the Group stands out for its quality - which has always been the focal point of its strategy - and for an integrated production process that enables it to transform raw materials into a wide range of finished products for customers in Italy and the biggest international markets.

With **seven production sites in Italy and 952 employees**, the Group boasts a production capacity of more than **300,000 tonnes per year** of tissue paper, made from both pure cellulose and recycled paper, and serves customers in **50 countries** in Europe and beyond. The Group's target market comprises three business lines: *Away-from-home (or Professional)*, with products for intermediate consumers such as offices, hotels, restaurants, bars, healthcare facilities and industry; *Consumer*, aimed at the end user; and *Mother Reels*, mother reels of tissue paper produced from virgin or recycled fibres for transformation into finished products.

Our values

"We imagine a future in which innovation and sustainability are at the heart of industrial production. A world where quality, efficiency and environmental responsibility can coexist, creating value for people and communities. We believe that progress must be driven by informed decisions, balancing tradition and technology to guarantee a sustainable future."

The Cartiere Carrara Group's business model is based on key cornerstones that guide every aspect of its processes, guaranteeing excellence, innovation and sustainability at all stages of production and distribution:

Product and service quality - Controlled and certified, quality is the defining characteristic of all stages of the supply chain, from the purchase of certified virgin raw materials to after-sales service.

Process and technology innovation - Continuous investments in research and development optimise productivity and efficiency, strengthening the Group's competitiveness.

Commitment to people and the environment - From the use of certified raw materials to reforestation projects, through to and energy consumption, water use and greenhouse gas emissions.

Our heritage is our future - Our professional and entrepreneurial passion, passed down five generations, guides every stage of the value chain, combining tradition and craftsmanship with our business vision.

History and Innovation

Cartiere Carrara Group Mission.

“Since 1873 we have been transforming an ancient craft through constant innovation. We make high quality tissue products using the most efficient technologies, at the same time respecting the environment and communities.”

The history of **Cartiere Carrara** is marked by a series of milestones that have shaped its growth and development:

1873 - The Carrara family enters the paper industry and opens a factory for the production of straw paper in Pietrabuona.

1960 - The first **continuous tissue paper machine** is installed at the same site, introducing an important technological innovation to production processes.

1980 - The **Cartoinvest Group** is founded, taking control of twelve companies in Italy and Europe and strengthening the Group's presence and influence in the sector.

1987 - Cartoinvest becomes **exclusive licensee of the Kleenex brand for Europe**, consolidating its leading role in the European tissue market.

2002 - With the new millennium, Cartoinvest is sold to multinational **SCA**, marking the start of a new phase of change.

2005 - The “Mario Carrara” branch of the family takes back control of the activities not included in the sale, re-entering the professional and consumer tissue market with new impetus.

2016 - The activities of the Carrara family are united under the umbrella of **Cartiere Carrara S.p.A.**, combining its resources and consolidating its competitive position in the sector.

2020 - The **Cartiere Carrara Group** is born from the acquisition of the **Caldaroni Group**, marking a new period of growth and development.

2023 - Cartiere Carrara celebrates its **150th anniversary**, underlining its strong foundations and ability to innovate over time.

2024 - The Group opens the new **Cartiere Carrara BV** logistics platform in the Netherlands which boosts its distribution capacity in the area, brings the Company closer to its customers with faster and more personalised services, and provides more efficient support for their activities.





1873

In **1873**, the **Carrara family** enters the paper production industry.



2002

The new millennium brings new opportunities. Cartoinvest is sold to multinational company SCA.

2005

The "Mario Carrara" branch of the family decides to take over the activities previously excluded from the 2002 sale, starting with Cartiera Carma, which has always been wholly-owned. It re-enters the professional and consumer tissue market with new impetus.

2016

The activities of the Carrara family are united under the umbrella of Cartiere Carrara S.p.A., combining its resources and consolidating its position.

2020

The Cartiere Carrara Group is born from the acquisition of the Caldaroni Group, paving the way for new growth and new goals.

2021

Cartiere Carrara renews its corporate identity, summed up in the payoff "Caring for what's next".

2023

The Cartiere Carrara Group celebrates its 150th anniversary.



Group Companies

The **Cartiere Carrara Group** comprises several specialist companies that contribute to its excellence and diversification in the tissue paper sector:



R.C.TT S.r.l. – Castel del Piano (Grosseto): Founded in 2010, this company specialises in Table Top products for both the Professional and the Retail markets. The quality and reliability of its products are guaranteed by ISO 9001, ISO 22000, BRCC Packaging and FSC certification. Research and development are an essential part of the company's mission, with particular attention focused on quality and customer satisfaction. The R.C.TT range includes paper napkins, cutlery bags and accessories for the hospitality industry.



CarraraLab S.r.l. – Capannori (Lucca): Founded in 2020, Carrara Lab aims to implement an Industry 4.0 project using advanced technical and technological knowledge. With its highly innovative production structure, Carrara Lab transforms semi-finished products and raw materials supplied by Cartiere Carrara, manufacturing tissue paper articles mainly for the large-scale retail market in Italy and abroad both under its own brands and for private labels. Carrara Lab is IFS HPC certified.



CRC Tissue S.r.l. – Sermoneta (Latina): Founded as a paper mill in 1972, it began its converting activities in 1989 and was acquired by Cartiere Carrara in 2020. It produces tissue reels for its own consumption and for sale to other converting companies, and markets tissue paper articles for the large-scale retail market and traditional wholesalers under the Maxi and Voilet brands. Its quality standards are guaranteed by ISO 9001, ISO 14001, FSC and PEFC certification.

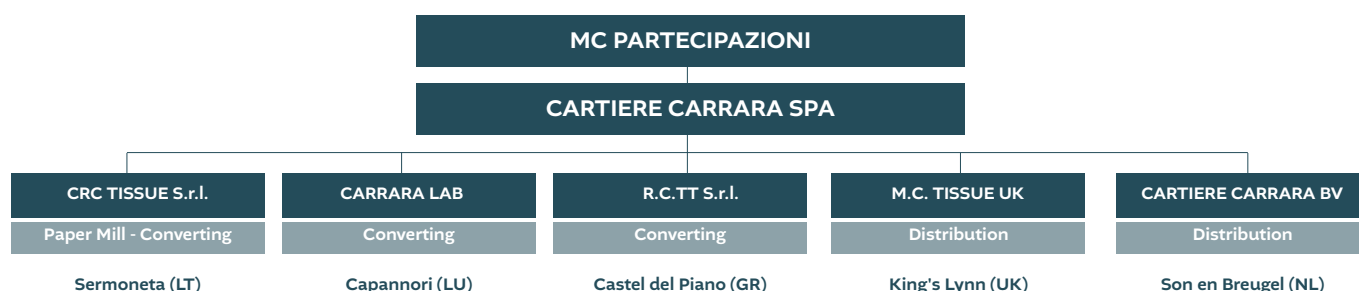


MC Tissue UK LTD – King's Lynn UK: This limited company, registered at Companies House in the UK, began operating in 2019. Its core business is the sale and wholesale distribution of disposable tissue paper products, imported from Cartiere Carrara S.p.A., through a network of around 450 independent distributors which serve the Hospitality, Janitorial and Facilities Management markets.



Cartiere Carrara BV – Son en Breugel (NL): Limited liability company. Established in 2024, the new logistics platform in the Netherlands allows Cartiere Carrara to be even closer to its customers and to improve the market development of the Benelux region. As well as improving its distribution capacity, this new logistics hub strengthens the Company's commitment to continuously supporting its customers' operations.

In 2024, the Cartiere Carrara Group took control of La Badia Società Agricola S.r.l. and Sun Tissue S.r.l., two unconsolidated companies which are therefore not included in the reporting scope of this document. La Badia has stood out for its commitment to reforestation and environmental regeneration through sustainable agricultural projects that strengthen the link between industry and the land



Production Sites

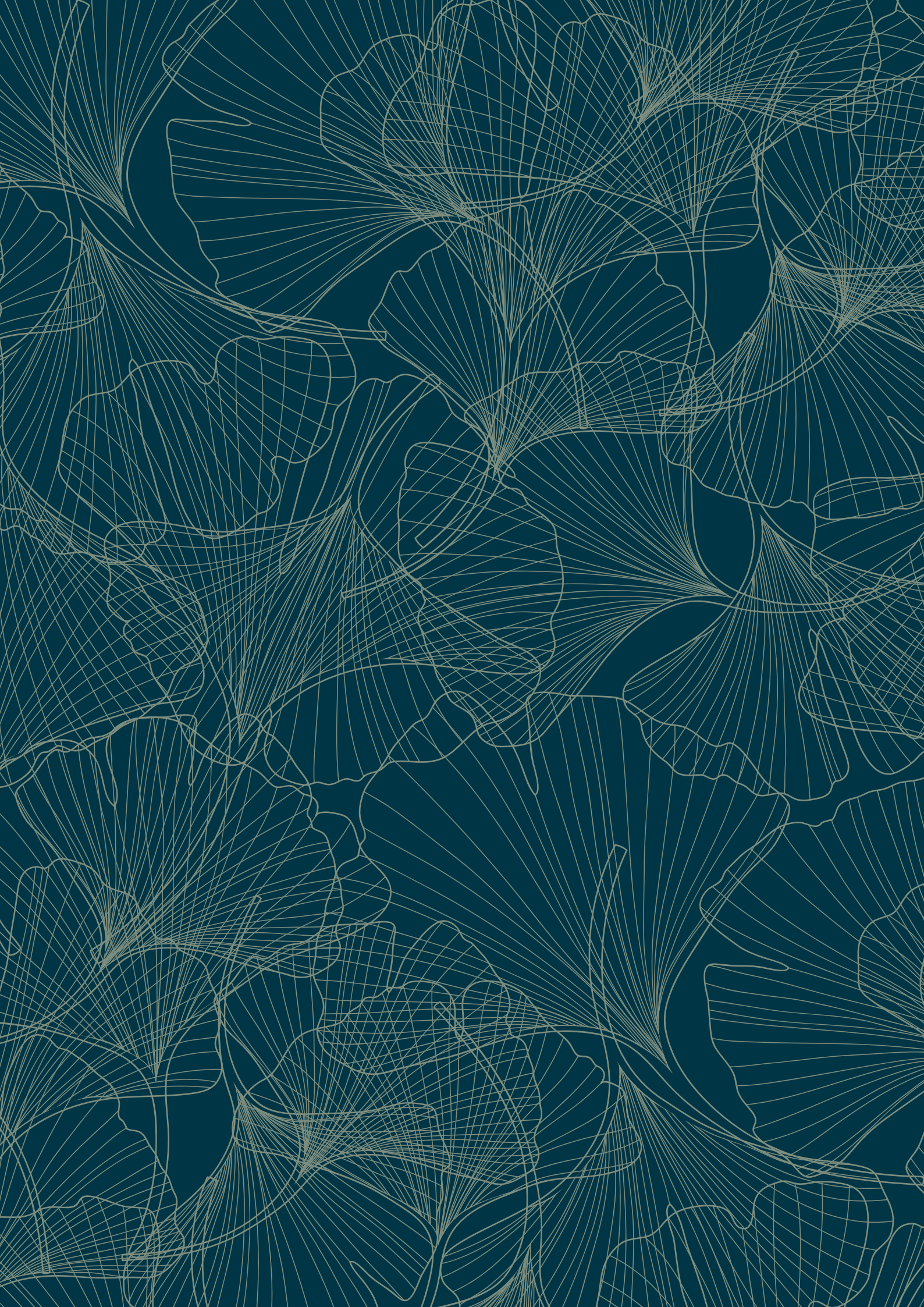


Business management system - SAP



In the third quarter of 2023, Cartiere Carrara began a major digital transformation process with the introduction of the SAP management system. This project was a key step towards the integration and optimisation of business processes with the aim of improving operational efficiency and the quality of management information. In the course of 2024, the implementation of SAP was successfully completed at the Cartiere Carrara head office, gradually extending also to some of its subsidiaries, to facilitate the more centralised and transparent management of activities and greater consistency in information flows.





02 | ESRS 2 General disclosures



ESRS 2

General disclosures

BP-1 General basis for preparation of the sustainability statement

DR 3, DR 4, DR 5 a), b i.), b ii.), c), d), e)

Following the evolution of the European regulatory framework concerning non-financial reporting, the **Cartiere Carrara Group** (hereinafter "Cartiere Carrara" or the "Group") has begun a gradual process of alignment with the requirements of the **ESRS** (European Sustainability Reporting Standards) introduced by the European Commission as part of the **CSRD** (Corporate Sustainability Reporting Directive), to which the Group is not currently subject.

For the year 2024, Cartiere Carrara has decided to **voluntarily publish** its own Sustainability **Report inspired** by the new European Sustainability Reporting Standards (ESRS), following general criteria that guarantee the **transparency** and **accuracy** of the information.

This document aims to provide a detailed overview of the **Company's performance** with regard to **ESG** (Environmental, Social, Governance) aspects, the **actions** taken and the **goals** of Cartiere Carrara.

The qualitative information presented in the report is prepared on a consolidated basis and pertains to the consolidated companies Cartiere Carrara S.p.A., R.C.TT srl, Carrara Lab srl, CRC Tissue srl, Cartiera San Felice srl, Lama srl, Zeta Lab srl, Cartiere Carrara B.V. and MC Tissue, in line with the scope of the consolidated financial statements. With regard to the quantitative information, the report only includes information from Cartiere Carrara S.p.A..

The document provides significant information on the **value chain**, both upstream and downstream, which is based on the results of **the Double Materiality Analysis**, explored in more detail in the following sections.

Cartiere Carrara has decided not to make use of the option to omit information regarding intellectual property, know-how or innovative results, nor has it requested exemptions regarding the disclosure of impending developments or matters in the course of negotiation, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU. The Group did not take advantage of exemptions relating to the non-disclosure of impending developments or matters in the course of negotiation, as provided for companies based in an EU Member State.

BP-2 Disclosures in relation to specific circumstances

DR 9 (a), (b)

When drafting the Report, Cartiere Carrara uses the short-, medium- and long-term **time horizons** described in ESRS 1, section 6.4, which defines them as follows:

- Short-term: the reporting period in the Financial Statements
- Medium-term: up to 5 years from the end of the short-term horizon of the Financial Statement
- Long-term: more than 5 years.

Value chain estimation

DR 10 a), b), c), d)

In line with the provisions of ESRS 1, Cartiere Carrara adopts the **Phase-in** faculty provided for in Chapter 10.2. In the first three years of group sustainability reporting according to the ESRS standards, this makes it possible to exclude information on upstream and downstream value chain metrics.

Sources of estimation and outcome uncertainty

DR 11 a), b i.) b ii.), DR 12)

Quantitative metrics and monetary amounts subject to high levels of measurement uncertainty are explicitly specified within the text.

Changes in preparation or presentation of sustainability information

DR 13), DR 14)

The structure of the information presented in the 2023 Sustainability Report was consistent with the GRI standards, published by the Global Reporting Initiative in 2021, following the "with reference to" reporting method.

As mentioned in paragraph BP-1, for **Cartiere Carrara** 2024 is the first year in which it has voluntarily reported non-financial information according to the ESRS standards. Any differences in the 2023 data do not derive from significant errors in the data from previous periods but are the result of adopting different reporting criteria.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

DR 15)

The structure of the ESRS standards was adopted for the 2024 Sustainability Report, excluding disclosures required by other legislation that imposes sustainability reporting obligations or other generally accepted practices.

Incorporation by reference

DR 16)

Cartiere Carrara did not use the incorporation by reference option when drafting the 2024 Sustainability Report.

GOV-I The role of the administrative, management and supervisory bodies

DR 18), DR 19), DR 20 a), b), c), DR 21 a), b), c), d), e) DR 22 a), b), c i), ii), iii), d), DR 23 a), b)

The Group's business model is supported by **sound Governance** geared to promoting responsible growth that generates short- and long-term value. To achieve this goal, the ownership employs a Chief Executive Officer who is in charge of defining strategies, planning development actions and maintaining growth levels, in cooperation with the Board of Directors.

The Cartiere Carrara Board, consisting of **six men, one of which under 30, one between 30 and 50 and four over 50 years old**, has extensive experience in the sector, ensuring a comprehensive and integrated view of business dynamics. Of these, **four are executive members and two are non-executive members. The experience** that the **Directors** have acquired in the paper industry, together with their own specific skills, makes them **qualified to identify and manage potential impacts, risks and opportunities** for the Group, guaranteeing a **complete and comprehensive overview** of the Company's dynamics. Furthermore, when dealing with issues that require specialist expertise and in-depth knowledge, such as certain environmental and sustainability issues, the Board is supported by in-house technicians and qualified consultants who provide targeted advice and solutions that comply with environmental regulations and sustainable practices.

100% of the board members cannot be considered independent. In fact, 67% are members of the shareholder family while the remainder have held or currently hold positions within the Group or are employees of the Group.

The Board of Directors has put in place an adequate system of delegated powers to allow the Company to **operate and take decisions quickly**, while maintaining extensive internal dialogue on the most important issues. There are no employee or other workers' representatives on the administrative, management or supervisory bodies. As per the articles of association, the Board of Directors (BoD) of Cartiere Carrara has **broad powers** for the ordinary and extraordinary management of the Company and the ability to take all actions necessary to achieve the Group's objectives. In addition, the Board contributes to identifying and evaluating the Company's **impacts, risks and opportunities** (also **IRO**) in the field of sustainability and is responsible for developing and implementing **strategies and policies** for their management, as well as monitoring the status and effectiveness of the **actions** that have been taken.

Every quarter the Board of Directors brings itself up to speed with the Company's overall performance, both financial and otherwise, and subsequently defines targets, strategies and actions to be taken, monitoring their progress.

Composition of the Board of Directors by gender and age

Year		2024		2023	
Age range	Unit	Men	Women	Men	Women
<30	no.	1	0	1	0%
	%	16.6%	0%	14%	0%
30-50	no.	1	0%	1	0%
	%	16.6%	0%	14%	0%
>50	no.	4	0%	5	0%
	%	66.6%	0%	72%	0%

President of the Board of Directors, **Massimo Carrara**, has been given a mandate covering **strategic, commercial and business areas**, acknowledging his extensive experience in the industry. This mandate gives the Company a strong reference point for the most delicate and significant decisions. As legal representative of Cartiere Carrara, the President possesses broad powers relating to both the ordinary and extraordinary management of the Company. His responsibilities include signing corporate correspondence, managing the purchase and sale of materials, products and real estate, as well as the authority to sign contracts and leases. In addition, he is involved in staff management and actively participates in the shareholders' meetings of the investee companies. The President also has the power to issue special mandates to employees and third parties for specific operations, guaranteeing the effective management of the Company's activities.

Chief Executive Officer (CEO) Gaetano Ievolella has been entrusted with organisational powers including the **management of internal resources**, the **preparation of budgets** and the **supervision of numerous ongoing projects**. His professional experience and specific expertise are essential for building an internal structure capable of effectively and resiliently facing the challenges of the market. Responsible for planning and approving the annual budget, the CEO ensures that all decisions are aligned with the Company's corporate and sustainability objectives. In addition, as an employer pursuant to Legislative Decree 81/2008, he is responsible for supervising issues related to **occupational health and safety**, ensuring compliance with regulations and the implementation of preventive measures. Finally, he advocates compliance with **environmental laws** and the adoption of **sustainable practices**, reflecting Cartiere Carrara's commitment to social responsibility and sustainability.

Vice President Mario Carrara is responsible for external **communication** activities, his task being to strengthen and promote the image of the Company and the Group. He has also been appointed to oversee business development with the aim of defining the future prospects of the Company and the Group.

Managing Director Giuseppe Cristiani is in charge of **managing legal and corporate affairs**. A lawyer with many years of experience and a professor at the University of Florence, he has the necessary skills to perform this role to the full.

Completing the Board of Directors are the non-executive directors **Matteo Carrara** and **Marco Carrara**, who both have expertise and national and international experience in economics and business.

In accordance with the requirements of Article 2477 of the Italian Civil Code, the Company has formed a board of auditors consisting of three standing auditors and two alternates, and appointed **Baker Tilly Revisa S.p.A.** as statutory auditor. In addition to the Board of Directors and the Board of Statutory Auditors, the Company has delegated specific powers of attorney to internal figures. Given the complexity of the Company, this decision helps to improve the efficiency of corporate governance. Consisting of 5 members in accordance with legal provisions, the **Board of Statutory Auditors** supervises corporate management and compliance with regulations and the Articles of Association. It closely scrutinises the adequacy and effectiveness of the internal control system and ensures accurate and compliant reporting, guaranteeing respect for all regulatory requirements.

The Group has formed a **Supervisory Board (SB)** in order to guarantee regulatory compliance and corporate transparency. It is appointed by resolution of the Board of Directors, which approves the Model pursuant to Law 231, establishing the term of office which shall not exceed the term of office of the Board of Directors or the Board of Statutory Auditors. The SB maintains its **autonomy, independence and professional integrity**, without interference from the management, reporting directly to the Board of Directors. It has no operational tasks, guaranteeing its objectivity, and has adequate financial resources. Its technical and professional expertise enable it to assess and manage risks. It has unrestricted access to company information and collaborates with specialists inside and outside the Company.

Cartiere Carrara's corporate governance is geared towards ensuring the effective and responsible



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management of sustainability-related impacts, risks and opportunities. This process is implemented through the involvement of various bodies and key figures within the company, ensuring that sustainability policies are aligned with the Company's mission and sustainable development principles that reflect the Group's commitment to generating a positive impact on people and the environment, while looking to the future. Cartiere Carrara is committed to guaranteeing the quality of its products and services, promoting innovative processes and technologies, and supporting environmental and social sustainability. Its ultimate goal is to build a better future, putting employee safety and care for the land and the environment before all else.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

DR 24) DR 25) DR 26 a), b), c)

The Group has several internal functions responsible for the operational management of sustainability issues. These departments are in charge of implementing initiatives, monitoring key performance indicators (KPIs), achieving set targets and producing reports on behalf of the various stakeholders. Key functions include the Quality and Sustainability Manager, the Group HSE Manager, the Energy Manager, the Planning Manager, the Procurement Manager, the Paper Production Technical and Maintenance Manager and the Logistics Manager.

The Governance Body monitors the progress of the measures taken to manage significant impacts, risks and opportunities through scheduled meetings held at least once a year, and is periodically informed of the implementation of activities by the functions concerned. Furthermore, where necessary, it also integrates corrective measures into decision-making processes related to business (but not sustainability) issues.

The first Double Materiality exercise was conducted in 2024. During the year, the administrative, management and supervisory bodies, together with the senior management, were involved in identifying and assessing relevant impacts, risks and opportunities for Cartiere Carrara. The analysis was also approved by the Board of Directors during the document approval session in September 2025.

For impacts, risks and opportunities assessed as material, see the relevant section in chapter SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

GOV-3 Integration of sustainability-related performance in incentive schemes

DR 27), DR 28), DR 29 a), b), c), d), e)

With regard to the integration of sustainability-related performance in incentive schemes, the Group currently has no sustainability-related MBOs for members of the administrative, management and supervisory bodies. One exception is the figure of the Technical Manager, who has specific objectives related to the reduction of energy consumption.

GOV-4 Statement on due diligence

DR 30), DR 31), DR 32), DR 33)

Cartiere Carrara, to date, does not have a structured due diligence process regarding sustainability issues. However, some elements of due diligence have already been put in place by the Group through an ongoing process of identifying, preventing and mitigating both actual and potential negative impacts on the environment and people related to its activities. This process extends not only to internal operations but right along the entire value chain, both upstream and downstream, including its products, services and commercial dealings.

The following table summarises these elements and their references within the document

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS
a) Embedding due diligence in governance, strategy and business model	GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies; GOV-3 – Integration of sustainability-related performance in incentive schemes; SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 – Interests and views of stakeholders
c) Identifying and assessing adverse impacts	IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

d) Taking actions to address those adverse impacts	SBM-1 – Strategy, business model and value chain; E1-3 – Actions and resources in relation to climate change policies; E2-2 Actions and resources related to pollution; E3-2 Actions and resources related to water and marine resources; E4-3 - Actions and resources related to biodiversity and ecosystems; E5-2 Actions and resources related to resource use and circular economy; S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns; S1-4 – Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches; S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns; S2-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions; S4-3 – Processes to remediate negative impacts and channels for consumers and end users to raise concerns; S4-4 – Taking action on material impacts on consumers and end users, approaches to managing material risks and opportunities in relation to consumers and end users, and effectiveness of those actions: G1-3 – Prevention and detection of corruption and bribery
e) Tracking the effectiveness of these efforts and communicating	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; GOV-5 - Risk management and internal controls over Sustainability Reporting; E1-4 – Targets related to climate change mitigation and adaptation; E2-3 Targets related to pollution; E3-3 Targets related to water and marine resources; E4-4 - Targets related to biodiversity and ecosystems; E5-3 Targets related to resource use and circular economy; S1-5 – Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities; S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

GOV-5 Risk management and internal controls over sustainability reporting

DR 34), DR 35), DR 36 a), b), c), d), e)

At present, Cartiere Carrara has not yet defined or implemented a specific internal control system for sustainability aspects. However, the Company uses internal control and risk management tools in accordance with Legislative Decree 231/2001 through the application of its own 231 Model. Cartiere Carrara's "**231 Organisation, Management and Control Model**" (Model 231/2001) comprises organisational and control rules and procedures designed to identify and prevent criminally relevant conduct under Decree 231/2001. The adoption of this Model is aimed at preventing illegal activities and promoting a culture of honesty and transparency in business. It allows the prevention mechanisms required by Decree 231/2001 to be integrated into the Company's risk management system according to a risk-based approach that considers the inherent or potential risk of offences being committed.

The Organisation, Management and Control Model is made up of a "General Part" and individual "Special Parts" drawn up for the different types of crime considered in Legislative Decree 231/2001:

- The **General Part** identifies the company activities to monitor, mapping risks and developing a preventive control system.
- The **Special Parts** begin with the defined risks and present the procedures adopted to avoid or reduce the commission of offences. Each Special Part is dedicated to a specific category of crime (e.g. crimes against public authorities, corporate crimes, environmental crimes, computer crimes, etc.) and

contains an analysis of sensitive business processes, the ways in which crimes can be committed, and the specific control standards to be applied. These standards are constructed on the basis of a detailed mapping of business processes and risk areas, as set out in the Matrix of Sensitive Processes, which makes it possible to associate each process with potentially relevant categories of crimes.

The Model is inspired by the ERM of the Committee of Sponsoring Organisations of the Treadway Commission, adopted in international standards and best practices. The main **risk management** activities include:

- **Identification of the risk of crimes being committed:** analysis of the company context to identify areas and forms of harmful events.
- **Assessment of internal controls:** analysis of the ability of existing controls to reduce risks to an acceptable level.
- **Risk management:** measures to reduce the probability and impact of risk events.
- **Monitoring of internal control systems:** systematic evaluation of the adequacy of controls with respect to organisational and business changes.

In particular, the internal control system is based on **four general standards**:

1. the existence of company rules that provide guidelines for the regulation of sensitive activities;
2. the segregation of duties, which separates those who execute from those who control and those who authorise;
3. the formalisation of signatory and authorisation powers;
4. the traceability of activities, which makes it possible to reconstruct decisions and information and financial flows.



These are joined by specific control standards, defined for each type of crime in the relevant Special Part, which detail the operational measures to be taken in sensitive processes.

The verification of the adequacy of the internal control systems in relation to the risk of the commission of crimes pursuant to Decree 231/2001 is included in the internal audit programmes and in the **Annual Supervisory Programme** of the Supervisory Board (SB).

The Supervisory Board reports to the President of the Board of Directors on an ongoing basis and to the Board of Directors and the Board of Statutory Auditors on a half-yearly basis regarding the implementation of the 231 Model and the emergence of any critical aspects, and communicates the outcome of the activities carried out as part of its assigned tasks.

The half-year report includes a summary of the activities carried out, the controls and audits performed, and the annual supervisory programme in accordance with the 231 Model, and details all legislative developments concerning the administrative liability of entities.

The Supervisory Board shall promptly inform the Board of Statutory Auditors of all material or significant facts.

The Group also adopts **Management Systems for quality, the environment, energy and health and safety** which identify and assess the operating context, stakeholder needs and expectations, and risks and opportunities. The international **ISO 31000:2018** guidelines were followed in the risk management process.

The heads of **Quality Management, Safety Management and Environment Management** evaluate the **risks and opportunities** related to their respective areas, to compliance obligations, and to other factors and requirements identified by the Company to achieve pre-established objectives, to mitigate and prevent unwanted effects, and to continue along the path of continuous improvement.

Risks are identified via the following process:

1. **Identification and evaluation of relevant factors and requirements** by completing context and risk analysis forms;
2. **Identification of stakeholders** - internal, direct external or indirect external - connected with each factor, also describing the relevant requirement of the stakeholder regarding that factor;
3. **Identification and evaluation of risks and opportunities**, reporting the specific risks or opportunities for each factor to which a risk or opportunity was associated. Subsequently, the degree of criticality of the risks and the value of the opportunities identified are assessed, assigning a magnitude parameter (extent of the damage or benefit) and a likelihood parameter.

Depending on the degree of relevance identified, the Management is tasked with planning and implementing adequate mitigation actions.

In 2024, the Group also conducted an initial **analysis of sustainability-related business risks** in conjunction with the definition of financial materiality according to the double materiality principles of ESRS 2. This first assessment is a crucial starting point for Cartiere Carrara as it embarks on a strategic path aimed at promoting a strong culture of sustainability and corporate risk management. For more details, see the relevant section in chapter **SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**.

SBM-I Strategy, business model and value chain

DR 37), DR 38), DR 39) DR 40 a i), ii), iii), iv), b), c), d i), ii), iii), iv), e), f), g)

Cartiere Carrara's target market is divided into three main business areas:

Professional (or Away From Home), virgin or recycled fibre products and systems for consumption away from home (B2B market: Hospitality, Healthcare, Entertainment, Offices, Cleaning businesses, Industry, Food Industry). Products are sold both under our own brands (BulkySoft, Carind, CC PRO and Bliss) and for private labels.

Consumer, virgin fibre products for home consumption (B2C). Products are sold both under our own brands (Tuscany, BulkySoft and Maxi) and for private labels.

Mother Reels, tissue paper mother reels made from virgin (pure cellulose) or recycled fibres, for transformation into finished products for the Professional and Consumer markets.

Our brands for the Professional market



CC PRO Carrara Professional. Through the ESSENTIA and EVSOLUTION ranges of paper and soap dispensers, Carrara Professional products and systems are designed to meet the needs of professional operators. These products are distributed in 19 countries, 13 EU and 6 non-EU.



BULKYSOFT - *Luxury Hygiene Solution*. One of the widest and most comprehensive ranges on the professional market, including toilet paper, hand towels, kitchen towels, reels, medical sheets, tissues, handkerchiefs, napkins and tablecloths. Thanks to both their intrinsic qualities and highly efficient dispensing systems, BulkySoft products are designed to enable considerable savings. These products are distributed in 38 countries, 25 EU and 13 non-EU.



CARIND - *Professional Global Solution*. Household name in the professional cleaning sector. Its products include toilet paper, towels, kitchen towels, reels, medical sheets, tissues, napkins. Extensive and comprehensive, the Carind range of solutions is designed to meet all hygiene and cleaning needs in all contexts. These products are distributed in 24 countries, 14 EU and 10 non-EU.



BLISS. The tissue paper range designed for the hygiene and cleaning needs of private and professional customers in the DIY sector and specialised distribution channels. The range includes toilet paper, kitchen towels, reels, hand towels, medical sheets. These products are distributed in 9 countries, 6 EU and 3 non-EU.





Our brands for the Consumer market



TUSCANY. The beauty of paper. A product line created to bring the beauty of paper into every home. The products in this line include: toilet paper, kitchen towels, napkins, handkerchiefs, tissues. These products are distributed in 5 EU countries.



BULKYSOFT. A range of products designed to cover all the needs of the consumer market: toilet paper, kitchen towels, reels, napkins, handkerchiefs and tissues. These products are distributed in 9 EU countries.



MAXI. The super value super paper. A range of paper products designed to offer value for money. It includes toilet paper, kitchen towels, reels, napkins, handkerchiefs, tissues.

With seven production sites in Italy and a total workforce of 724 employees, the Cartiere Carrara Group boasts a production capacity of more than 300,000 tonnes per year of tissue paper, both in pure cellulose and recycled paper. In 2024, the Group generated revenues of 473 million euro¹.

For more information on employees, see paragraph "S1-1 Policies related to own workforce" in chapter "ESRS S1 Own workforce".

The sustainability strategy: Caring for what's next

Cartiere Carrara's values reflect the essence of sustainability, which is inextricably linked with the principles of responsible growth that have always guided the path of a family: generate, protect and look to the future. With ambition and pragmatism, over time the Company has developed a precise strategy consisting of tangible actions and measurable results.

1. Considering that on the date of publication of this document the sector standards had not yet been issued, it is not possible to include Cartiere Carrara in one of the significant sectors defined by the ESRS.

“

Sustainability Manifesto

2024 was a year of ongoing progress that further underlined Cartiere Carrara's commitment to sustainability. Following the publication of its Sustainability Manifesto in 2023, in the year of the Company's 150th anniversary Cartiere Carrara resolutely continued along its path, clearly outlining its vision and goals for the future. Faithful to its tradition and its ties with the territory, the Company acts responsibly not only towards the people and communities of today, but also towards the generations of tomorrow, seeking to make an active contribution to protecting the environment, sustainable economic growth and social welfare. Creating and distributing value, generating lasting growth and guaranteeing the protection of economic, human, social and natural assets are the commitments that Cartiere Carrara pursues on an ongoing and transparent basis, strengthening its stakeholder relations and building trust through concrete actions. The goal remains that of achieving measurable results by 2030 while continuing to promote a sustainable and prosperous future for all.

CARING FOR WHAT'S NEXT

1. Care for people and protection of rights

Creating a sustainable business model, for us, means generating positive impact on people and guaranteeing opportunities for growth and wellbeing, starting from the work environment, from health and safety, from complete respect for rights, and from the enhancement of individuals' unique traits and talents.



2. Prosperity for the community and local territory

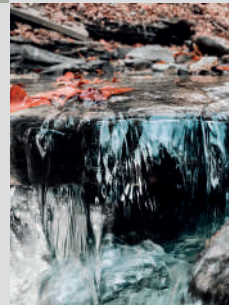
We want to strengthen the relationship with local communities through cultural, social and educational projects. To this end, we commit to developing a structured program of initiatives destined to the territories where we operate, and to measuring its social impact.



Generation after generation, we take care of the people that are close to us and of those who will come after us. We want to make a tangible contribution to environmental protection, sustainable economic growth and social wellbeing. We are committed to creating and sharing value, to generating lasting growth, and to guaranteeing future generations that we will safeguard, according to principles of equality, the economic, human, social and natural heritage we have enjoyed – by preserving our bond with the local territory and by building relationships of trust with all stakeholders. This is our pledge for a better future, aiming to achieve concrete and measurable goals by 2030.

3. Value chain initiatives

We want our sustainability goals to be embraced and actively pursued by our partners along the entire value chain. To this end, we promote projects in collaboration with suppliers and clients who share our principles, and ask our partners to comply with our ESG policy.



4. Responsible use of water

Water is a precious resource, at the heart of our transformation cycle, and we always use it with care and respect. We promote constant improvement of our activities' water footprint, with continued investments in research and development geared towards keeping average consumption below 4 cubic meters per metric ton of paper manufactured.

5. Saving energy and reducing emissions

We make substantial investments to limit our energy consumption, favoring alternative sources that can replace fossil fuels and minimize carbon dioxide emissions into the atmosphere. Year after year, we increase our use of self-produced renewable energy and commit to progressively expanding the share generated from sources certified with guarantees of origin.



6. Circularity and regeneration

We commit to optimizing the use of raw and auxiliary material in our production processes and along the entire value chain, preferring options that are recycled and responsibly sourced. With the support of our suppliers, we promote the use of secondary raw materials deriving from production waste, and we aim to maximize the adoption of recyclable packaging, so as to reduce the share of non-recoverable waste under 35%.



7. Product life cycle and biodiversity

We monitor our products in every phase with Life Cycle Assessments aimed at reducing their potential environmental impacts. In order to minimize waste, we commit to developing innovative technologies and solutions that allow for the efficient use of our products. We apply PEFC-FSC® standards to everything we make, selecting recycled raw materials and certified cellulose, which respect the chain of custody of the original forests.



8. Sustainability culture

Sustainability requires individuals' commitment to continuous improvement, but can be achieved only with the strength of collective actions. This is why we want to play an active role – within our organization and beyond – in the conception, dissemination and promotion of initiatives aimed at raising awareness and engaging other players in the value chain on the issue of sustainability.

9. Forestation projects

Over the past few years, we have planted 12,000 trees through completely self-financed forestation projects, carried out on our own properties. Looking ahead, we will continue the Paper that plants trees project, adding another 150,000 trees, promoting further initiatives in favor of the territory, and giving the community a dedicated training center focused on environmental sustainability issues and on the enhancement of the forest-paper supply chain.



10. Transparency and reporting

We believe it is essential to communicate responsibly and to highlight the actions we take, starting from clear and measurable objectives to promptly and transparently report on the progress made and the results achieved, applying criteria that all our stakeholders can share and understand.

Making high-quality paper since 1873



Cartiere Carrara
CARING FOR WHAT'S NEXT

Sustainability Plan

Consistent with the Group Vision, *Caring for what's next*, Cartiere Carrara has developed a three-year Sustainability Plan (2023-2025), drawn up with the contribution of company managers and approved by the Chief Executive Officer. The Plan identifies priority action areas and puts the Group's strategy into operation with macro-objectives that contribute directly to the global challenges outlined in the UN Sustainable Development Goals (SDGs). Its commitments are expressed in qualitative and quantitative targets, measurable over time and applicable to all Group companies. The Plan is based on ten Sustainability Pillars, which guide the organisation in its pursuit of informed and truly sustainable development.

Pillar	Macro sustainability objectives	SDGs
1. Care for people and protecting rights	Generate a positive impact on people and guarantee opportunities for growth and wellbeing, starting with the working environment, health and safety, full respect for rights and promoting the uniqueness of individuals and their talents	   
2. Prosperity for the community and local territory	Strengthen the relationship with local communities through cultural and social initiatives and education projects	   
3. Value chain initiatives	Promote projects in collaboration with suppliers and customers who share our principles and request that our partners comply with ESG conduct policies.	  
4. Responsible water consumption	Promote the constant improvement of the water footprint of our processes through continuous investment in research and development	
5. Energy saving and emissions reduction	Invest significant resources to curb our energy consumption, prioritising alternative sources to fossil fuels capable of minimising carbon dioxide emissions	   
6. Circularity and regeneration	Optimise the use of raw and other materials in our production processes and throughout the value chain, prioritising recycled and responsibly-sourced materials.	  
7. Product life cycle and biodiversity	Monitor the entire life cycle of our products with Life Cycle Assessment projects aimed at reducing their potential environmental impacts	  
8. Sustainability culture	Play an active role in promoting sustainability within and outside the boundaries of our organisation	
9. Forestation projects	Promote and continue the "Paper that plants trees" project	
10. Transparency and reporting	Communicate responsibly and provide evidence of actions taken, starting with clear and measurable objectives and reporting on the progress made and the results achieved in a prompt and transparent manner, applying criteria shared and understood by all our stakeholders	  

UN Global Compact

In 2024 Cartiere Carrara took a strategic step in its sustainability journey by officially joining the **United Nations Global Compact**, the world's largest voluntary corporate responsibility initiative. With this membership, the Company has made a commitment to respecting and promoting the **Ten Universal Principles** on human rights, working conditions, environmental protection and anti-corruption, strengthening its alignment with the goals of the **2030 Agenda** and the **European Green Deal**.

Joining the Global Compact is the natural next step on the path first undertaken with the publication of the **2023 Sustainability Report** and is part of a broader vision of responsible growth based on the circular economy, sustainable innovation and the empowerment of people and communities. Starting this year, the Company will publish the annual **Communication on Progress (CoP)**, a document that certifies its achievements and guarantees transparency and accountability to all stakeholders.

As underlined by Vice President **Mario Carrara**, this membership is not just a declaration of intent but an active commitment to constructing a fairer, more inclusive and more prosperous future. Every action taken by the Company is geared towards generating a positive and lasting impact, actively contributing to the achievement of the **17 Sustainable Development Goals (SDGs)**.

Lastly, joining the Global Compact network strengthens Cartiere Carrara's desire to collaborate with other virtuous organisations because only through the sharing of good practices and cooperation between companies will it be possible to effectively tackle the environmental and social challenges of our time.

LA NAZIONE
Lucca

Per la sostenibilità Cartiere Carrara aderisce alla rete "Global Impact"

L'azienda leader del settore cartario ha sposato il progetto delle Nazioni Unite
Obiettivo è quello di allinearsi ai Dieci Principi Universali del lavoro

CAPANNORI

Impegno sostenibile. Cartiere Carrara aderisce alla rete Global Compact delle Nazioni Unite, un passo importante che conferma il suo impegno verso la responsabilità sociale e ambientale. Con questa adesione, l'impresa si allinea ai Dieci Principi Universali, che riguardano i diritti umani, le condizioni di lavoro, la tutela ambientale e la lotta alla corruzione. Ogni anno l'azienda renderà conto dei progressi compiuti, garantendo trasparenza e impegno verso il miglioramento continuo. «Questa adesione rappresenta un passo decisivo nel nostro percorso di responsabilità. È il naturale proseguimento delle azioni intraprese con il nostro Bilancio di Sostenibilità 2023 in cui abbia-

mo già avviato un processo di rendicontazione delle azioni legate ai tre pilastri della sostenibilità: ambientale, sociale ed economico. Siamo determinati a continuare a innovare e promuovere una crescita sostenibile in un settore in continua evoluzione», ha dichiarato Mario Carrara, Vicepresidente di Cartiere Carrara.

I principi dell'Agenda 2030 per lo sviluppo sostenibile delle Nazioni Unite e del Green Deal europeo sono già parte integrante della visione e delle azioni quotidiane di Cartiere Carrara, con l'obiettivo di promuovere l'economia circolare e tutelare l'ambiente. Tra questi, particolare attenzione è rivolta ai 17 Obiettivi di Sviluppo Sostenibile (SDGs), che rappresentano una guida strategica per le nostre scelte

future.

Questo impegno si traduce in azioni concrete e misurabili, come delineato nel Manifesto per la sostenibilità «Caring for what's next», redatto lo scorso anno, tradotto poi in un piano di sostenibilità, con l'ambizione di raggiungere risultati significativi entro il 2030.

«Per noi, l'adesione allo UN Global Compact - ha aggiunto Mario Carrara - non è solo una dichiarazione di intenti, ma un impegno tangibile. Ogni azione che intraprendiamo oggi è finalizzata a costruire un futuro più equo, responsabile e prospero per tutti. «Questo è solo l'inizio di un percorso di miglioramento continuo. La sostenibilità e l'inclusività sono i principi fondamentali su cui vogliamo basare il nostro futuro», ha concluso Carrara. L'impresa condividerà con altre realtà tutto ciò.

Massimo Stefanini

IL PROGETTO

«Un passo decisivo nel nostro percorso di responsabilità. Proseguimento del Bilancio di Sostenibilità»



Mario Carrara, Vicepresidente di Cartiere Carrara, ha spiegato il progetto

WE SUPPORT



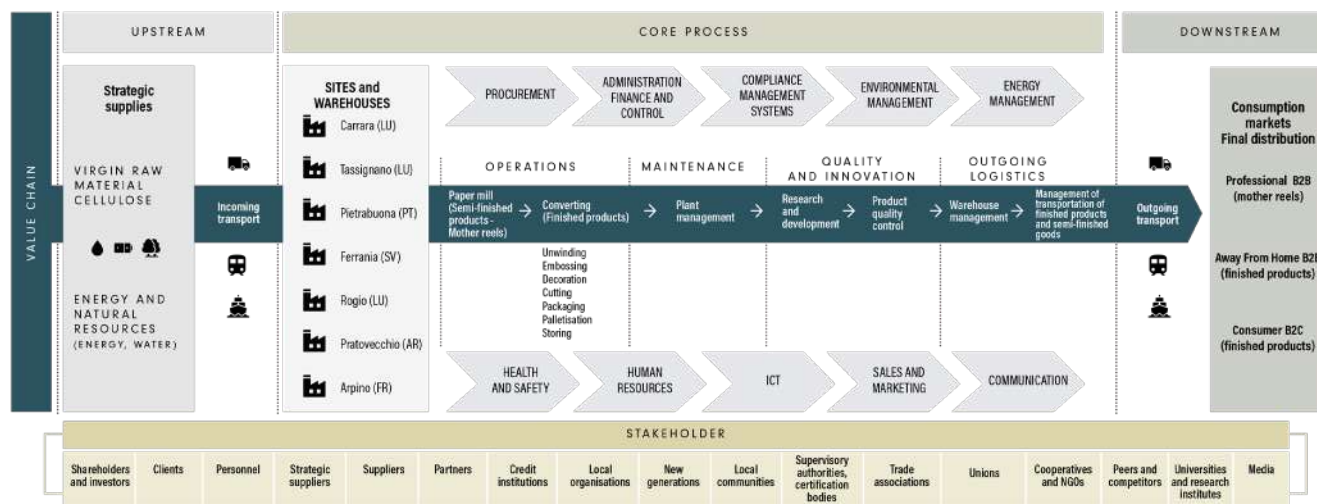
CartiereCarrara

CARING FOR WHAT'S NEXT

The Cartiere Carrara value chain

DR 42 a), b), c)

Cartiere Carrara is part of the tissue paper supply chain, as a manufacturer, transformer and seller. The Company works with a global network of suppliers, customers and business partners to promote innovation and sustainability throughout the value chain.



Upstream value chain - Cartiere Carrara's main suppliers at this stage of the supply chain are suppliers of cellulose and recycled raw materials. The process starts with the purchase of virgin raw material, i.e. cellulose pulp, which is FSC® or PEFC-certified and mainly sourced from the coniferous forests of northern Europe or from acacia, birch and eucalyptus forests in South America. The cellulose is transported by sea and, via intermodal transport, reaches Cartiere Carrara's warehouses and mills for processing.

The Group works with electricity suppliers to ensure a stable supply, which is essential for the continuous operation of production facilities.

The Company relies on natural gas suppliers to guarantee continuous and secure supplies of the gas necessary for heating and trigeneration. In addition, Cartiere Carrara selects auxiliary suppliers for maintenance and chemicals, which are essential for maintaining high standards of quality and operational safety, improving the efficiency of production processes.

Cartiere Carrara considers its suppliers to be strategic partners and is committed to building lasting relationships based on professional competences and the sharing of the principles of its Code of Ethics. The Company has implemented an evaluation procedure to ensure that suppliers meet the requirements of the SA 8000 standard, requiring them to complete a self-assessment questionnaire and a declaration of commitment. Targeted audits and awareness-raising activities are also planned to further involve suppliers.

Internal operations - The production process consists of paper mill and converting activities. Inside the paper mill, machines transform virgin cellulose and secondary raw material into a semi-finished product, i.e. the tissue paper mother reel. Subsequently, the converting plants create the finished product through the various processes of unwinding, embossing, decoration, cutting and packaging. The finished product is then stacked on pallets and stored. Secondary raw material, produced during the pulp processing phase and when cutting mother reels, is recycled within the manufacturing cycle to create new paper. In addition to the production process, Cartiere Carrara carries out a series of core processes (plant management, research and development, quality control, warehouse management and transport of finished products) with activities directly linked to the creation of a high-quality finished product. Finally, the cross processes (Human Resources, Health and Safety, Sales and Marketing, Communication, ICT, Purchasing, Administration Finance and Control, Management Systems and Compliance, Environmental Management, Energy Management) ensure the correct management of all company activities and therefore the constant creation of long-term value.

Downstream value chain - Cartiere Carrara products are distributed and sold to end consumers in the Professional B2B (semi-finished product - mother reels), Away From Home B2B (finished product) and Consumer B2C (finished product) markets. Cartiere Carrara is committed to guaranteeing customer satisfaction through sustainable solutions and transparent business policies. Quality is certified and controlled in all phases, from the definition of product requirements to after-sales assistance.

SBM-2 – Interests and views of stakeholders

DR 45 a i), ii), iii), iv), v), b), c i), ii), iii), d)

Stakeholders play a crucial role in the area of corporate sustainability and influence or are influenced by the Company's activities. In accordance with the Code of Ethics, the Group aims to maintain and strengthen relationships of trust based on cooperation and mutual benefits with all of its stakeholders. Cartiere Carrara's stakeholders can be classified in the following categories:

- **Suppliers** - They represent a key part of the supply chain, providing raw materials, packaging, energy, logistics, chemicals and pallets. Working with suppliers who share values of sustainability and social responsibility is essential to ensure environmentally-friendly paper production.
- **Credit institutions** - These financial actors are crucial for providing the economic support and investment needed to implement sustainable practices and technological innovations. Constant dialogue with lending institutions helps ensure the financing of projects that promote sustainability.
- **Customers** - Customer satisfaction and retention are priorities. The Company is committed to offering high quality, sustainably manufactured products, responding to the growing demand for environmentally-friendly and responsible solutions.
- **Supervisory authorities** - Regulations and guidelines established by supervisory authorities are crucial for ensuring legal compliance and transparency in business operations. Collaborating with these authorities is essential to maintain high standards of security and sustainability.
- **Certifying bodies** - These bodies play a crucial role in monitoring and certifying the Company's sustainable practices. Collaboration with certifying bodies helps to ensure that operations are in line with international sustainability and quality standards.
- **New generations** - The younger generation is increasingly aware of environmental and social issues. Involving them through educational programmes and social responsibility initiatives enables the Company to build a sustainable future and attract motivated talent.
- **Partners** - Strategic alliances with other companies and organisations can drive innovation and sustainability. Collaborating with partners who share similar goals maximises the positive impact on the environment and society.
- **Staff** - Our employees are the beating heart of the Company. Investing in their professional development and wellbeing is key to creating a positive and productive working environment. Their active participation in sustainability initiatives is essential for the success of the Company.



- **Local authorities** - Establishing strong relationships with local communities is crucial for ensuring that our business operations are aligned with the needs and expectations of the population. The Company is committed to contributing to the wellbeing of the communities in which it operates.
- **Trade unions** - Working with trade unions is important for ensuring that workers' rights are respected and that there is open dialogue on labour and safety issues.
- **Associations** - Trade associations and non-governmental organisations can provide valuable support and resources to promote sustainable and responsible practices. Collaborating with these entities helps strengthen the Company's commitment to sustainability.
- **Universities and research institutions** - Collaboration with academic and research institutions is essential for promoting innovation and the development of new sustainable technologies. Investing in research and development allows the Company to remain at the forefront of sustainable paper production.

An open and transparent dialogue with stakeholders enables the Group to understand their expectations and concerns regarding the environmental and social impact of its operations.

Incorporating stakeholder feedback in business strategies not only enhances the Company's reputation, it also helps create shared value.

In 2023, stakeholders were involved in an engagement initiative that represented a twofold opportunity for the Group: a chance to share the key issues with stakeholders and the commitments made to manage them, but at the same time also to gather their views and understand their goals in order to inform Cartiere Carrara's strategies and business model. Following the analysis, the boards of directors, management and control were informed of the views and interests of stakeholders in order to identify actions to optimise the benefits and reduce the negative impacts of the business on the environment, people and communities in 2024. This process also encouraged innovation and laid the groundwork for future collaborations on sustainability projects.

The most appropriate method of engagement was identified for each chosen stakeholder: survey or one-to-one interview. Based on the nature and particular characteristics of the categories involved, a customised form of engagement was designed, asking each stakeholder for input on sustainability issues of common interest to them and the Company.

Stakeholders were involved in three main areas of investigation:

1. **Assessment of priorities** - Identification of short-term (within 18 months), medium-term (18-36 months) and long-term (36-60 months) priorities for achieving specific strategic goals related to sustainability.
2. **Proposal of tangible actions** - Ideas for tangible actions to support Cartiere Carrara in achieving shared objectives and projects.
3. **Additional areas of commitment** - Identification of further areas of commitment to be integrated in the sustainability strategy.

The activity involved a total of 38 actors, with very positive results: a survey response rate of 86% and a one-to-one meeting participation rate of 82%.

These results were a key starting point for the Group in the definition of the Double Materiality analysis for 2024. This analysis was subsequently evaluated by internal stakeholders, also taking into account the opinions of external stakeholders.

The Group is committed to periodically reviewing the analysis in order to respond more accurately to stakeholders' expectations, integrating their visions and positions in Cartiere Carrara's strategy and business model. Moreover, through its sustainability report, Cartiere Carrara aims to clearly and effectively communicate its initiatives in the field of sustainability, highlighting the progress it has made and the challenges it has faced in the process of making the paper production process more responsible and sustainable. In this way, the Group not only meets the needs of its stakeholders, it also establishes itself as a sustainability leader, helping to build a better future for all.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model

DR 46), DR 47), DR 48 a), b), c i), ii), iii), iv), d), e), f), g), h)

The **Double Materiality** analysis is a key approach for assessing and understanding the impact of business activities. This method not only considers the effects of the Group's activities on the environment and society through its own operations or value chain (Impact materiality), taking an inside-out perspective, it also examines how environmental, social and governance (ESG) factors affect the financial performance and resilience of the Company itself (Financial materiality), as per the outside-in perspective.

To date, the impacts, risks and opportunities identified have not led to immediate structural changes in the business model or corporate strategy, but have contributed to a greater integration of ESG criteria in decision-making processes. However, the anticipated effects of certain risks and opportunities may require future adjustments to the business model or strategy, to which the Group will respond with measures it deems most appropriate.

With regard to information on the expected financial effects of risks and opportunities, the Group makes use of the "phase in" provision in accordance with ESRS 1, Appendix C and will provide qualitative information for the current reporting year. Therefore, in this first year of the Double Materiality analysis, no further quantitative insights into financial resilience assessments were made.

In addition, since this is the first year of the ESRS-inspired materiality analysis, it is not possible to document changes in material impacts, risks and opportunities compared with the previous reporting period.

Summarised below are the **IRO impacts, risks and opportunities** (where **I** identifies impacts, **R** risks and **O** opportunities) that emerged as relevant and material for the Group. For their description, see the **Appendix**.

Description	Positive/ Negative	Actual/ Potential	Time horizon	Value chain
I-Contribution to climate change due to the generation of GHG emissions by Direct and Indirect Group Activities	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-High energy consumption	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Release of pollutants into the air	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Pollution of surface water	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Contribution to water depletion	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Loss of biodiversity and threats to ecosystems caused by the use of natural resources.	Negative	Potential	Medium-long term	Activities along the value chain (downstream)
I-Contribution to the reduction of CO ₂ in the atmosphere through multi-cycle plantation activities.	Positive	Actual	Short and medium-long term	Direct activity
I-Waste production	Negative	Actual	Short and medium-long term	Direct activity
I-Generation of packaging for disposable products	Negative	Actual	Short and medium-long term	Direct activity
I-Consumption of virgin raw materials	Negative	Actual	Short and medium-long term	Direct activity
I-Failure to respect the human rights of workers along the value chain	Negative	Potential	Medium-long term	Direct activities and activities along the value chain (upstream)
I-Impact of work-related injuries and occupational diseases on employee health and safety	Negative	Actual	Short and medium-long term	Direct activity

I-Failure to respect equal opportunities and gender diversity	Negative	Potential	Short and medium-long term	Direct activity
I-Possible damage to the health of local communities caused by noise production	Negative	Potential	Short and medium-long term	Direct activity
I-Impact of product safety on customer and consumer health	Negative	Potential	Short and medium-long term	Direct activity
I-Negative impact of irresponsible business practices on customers and brand loyalty	Negative	Potential	Medium-long term	Direct activity
I-Contribution to the wellbeing of employees	Positive	Actual	Short and medium-long term	Direct activity
I-Attracting qualified and competent staff	Positive	Actual	Short and medium-long term	Direct activity
I-Contribution to the socio-economic development of the community	Positive	Potential	Short and medium-long term	Direct activity
I-Impact of possible episodes of corruption or non-compliance with laws and regulations on persons or the environment.	Negative	Potential	Medium-long term	Direct activity

Description	Time horizon	Value chain
R-Economic and operational risk related to extreme weather events caused by climate change	Short and medium-long term	Direct activities and activities along the value chain
R-Economic risk related to rising energy costs and ETS allowances	Short and medium-long term	Activities along the value chain
R-Economic and reputational risk of exceeding legal limits for the release of pollutants into the atmosphere, on land and in groundwater	Short and medium-long term	Direct activities
O-Economic opportunity linked to accessing grants and tax breaks for energy efficiency, renewable energy investments	Short and medium-long term	Direct activities
O- Economic and reputational opportunities from the use of recycled products	Short and medium-long term	Direct activities
O- Reputational and economic opportunity related to the multi-cycle plantation project	Short and medium-long term	Direct activities
R-Economic and operational risk related to business interruptions caused by the depletion of water resources	Medium-long term	Direct activities and activities along the value chain

IRO-I Description of the process to identify and assess material impacts, risks and opportunities

DR 53 a), b i), ii), iii), iv), c i), ii), iii), d), e), f), g), h), DR 59)

Cartiere Carrara carried out an Impact Analysis and a Financial Analysis on all activities along the value chain with the aim of identifying material issues for the organisation. These analyses are essential for establishing action and reporting priorities.

Impact Materiality

The Group analysed the current and potential impacts, both positive and negative, direct and indirect, generated by the Company and its business relations on the environment and people. The most material sustainability issues for the Company were defined through a two-stage process.

In the **first phase**, a preliminary analysis was carried out to understand the internal and external context related to sustainability. During this phase, the activities, products and location of the mills were examined, as well as the business relationships along the entire value chain. Industry trend reports, specific regulations and internal documentation were analysed and accompanied by a benchmark analysis of the sustainability practices of similar organisations in order to identify industry best practices. In particular, as anticipated in section "SBM-2 Interests and views of stakeholders", the interests and opinions gathered from various

stakeholders through the stakeholder engagement analysis conducted in 2023 were taken into account. This analysis enabled us to understand the expectations and needs of stakeholders, ensuring that sustainability strategies are aligned with their priorities and contributing to a more inclusive and responsible approach to corporate policymaking.

In the **second phase**, impacts were identified and assessed using Severity and Likelihood criteria. The combination of these two dimensions determines the significance of the impact on the external environment and its actors.

Severity is divided into three dimensions: the scale of intensity, which measures how severe the negative impact is or how beneficial the positive impact is for people or the environment; the scope, which assesses the extent of the impact, whether negative or positive, and may refer to the extent of environmental damage or the number of individuals affected; and the irremediable character, which measures the possibility of remedying the negative impacts by restoring the environment or people affected to their previous state.

Likelihood, on the other hand, is defined as the possibility of the impact occurring and can be measured both qualitatively and quantitatively, varying according to the measures adopted by the Company to prevent and/or mitigate the impact. In the case of potential negative impacts related to the non-respect of human rights, the severity of the impact was prioritised over its likelihood, as required by the ESRS standards.

During the evaluation process, specific activities related to production, procurement, waste management and business relations with suppliers, customers and end users were considered. The possible location of production sites in areas of high water stress was also evaluated. Other factors taken into account include the relationship with internal and external stakeholders, which may increase the likelihood of generating negative impacts.

Financial Materiality

The analysis of financial materiality examines the influence of **sustainability issues** along the entire value chain on the **financial performance** of the Group in the short, medium and long term.

The **financial risks** associated with sustainability include environmental, social or governance events or conditions that, if they occurred, could have a significant negative impact on the Company's business model, strategy and ability to achieve its objectives and create value. These risks can influence business decisions and business relations in the area of sustainability.

On the contrary, the **financial opportunities** related to sustainability refer to uncertain environmental, social or governance events or conditions which, if they materialised, could generate a significant positive effect on the Company's business model, strategy and ability to achieve its objectives and create value. These opportunities can influence the Company's decisions and those of its business partners in relation to sustainability.

In other words, if a sustainability issue causes or has the potential to cause **significant financial effects** on the Company's performance, it can generate risks or opportunities that substantially affect aspects such as cash flow, growth, financial performance, access to finance and cost of capital.

The process of identifying and evaluating all risks and opportunities was broken down into the following two phases:

1. **Analysis of the Group's operating environment** by examining business plans and strategies, mapping the products offered and the geographical areas where these activities take place. Business relationships and the value chain, both upstream and downstream, are also mapped. Also analysed are the relevant legal and regulatory context, sustainability practices adopted by similar and competing companies, and industry reports and other publications on sustainability trends. The analysis of corporate reporting aims to identify risks and opportunities for the Group by examining the following aspects:
 - **Impact** - identification of risks or opportunities deriving from the Group's impact on people and the environment.
 - **Dependencies** - evaluation of key natural, human and social resources for business processes.
 - **Sustainability context** - analysis of the actions taken by the Group to reduce negative impacts and maximise positive impacts on sustainability.

In addition, as with the impact analysis, the interests and opinions gathered from various stakeholders through the stakeholder engagement analysis conducted last year were also taken into account.

2. **Evaluation of the significance** of risks and opportunities over the short and medium-long term time horizons according to the dimensions of:
 - **Likelihood**, defined as the possibility of the risk or opportunity occurring;

- **Magnitude**, understood as the relevance of a sustainability risk or opportunity in terms of its financial impact on the Company.

Although Cartiere Carrara has not yet implemented an integrated system for managing risks and business opportunities, this first analysis in the field of sustainability is a significant step. It is an opportunity to develop a risk culture that can be integrated into business practices, paving the way for a more informed and proactive future. Concerning internal control activities related to the reporting of metrics of relevant IROs, see section "GOV-5 Risk management and internal controls over Sustainability Reporting".

Double Materiality

Once the two materiality analyses were completed, the results were merged into a single Double Materiality analysis. When an issue emerges as relevant for impact or financial materiality, the impact is considered material and the issue is then reported in the Company sustainability report. In addition, the aggregated results of the analyses were presented to senior management during a dedicated workshop aimed at validating the results, which were subsequently approved by the Board of Directors.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

DR 54), DR 55), DR 56), DR 59)

As a result of the Double Materiality analysis, the disclosures listed in the following table were identified as material:

ESRS	Disclosure
ESRS 2	BP-1 General basis for preparation of the sustainability statement
	BP-2 Disclosures in relation to specific circumstances
	GOV-1 The role of the administrative, management and supervisory bodies
	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	GOV-3 Integration of sustainability-related performance in incentive schemes
	GOV-4 Statement on due diligence
	GOV-5 Risk management and internal controls over sustainability reporting
	SBM-1 Strategy, business model and value chain
	SBM-2 Interests and views of stakeholders
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS E1	GOV-3 Integration of sustainability-related performance in incentive schemes
	E1-1 Transition plan for climate change mitigation
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to the climate
	E1-2 Policies related to climate change mitigation and adaptation
	E1-3 Actions and resources in relation to climate change policies
	E1-4 Targets related to climate change mitigation and adaptation
	E1-5 Energy consumption and mix
	E1-6 Gross scopes 1, 2, 3 and total GHG emissions
ESRS E2	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to pollution
	E2-1 Policies related to pollution
	E2-2 Actions and resources related to pollution
	E2-3 Targets related to pollution
ESRS E3	E2-4 Pollution of air, water and soil
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to water and marine resources
	E3-1 Policies related to water and marine resources
	E3-2 Actions and resources related to water and marine resources
	E3-3 Targets related to water and marine resources
ESRS E4	E3-4 Water consumption
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems
	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model
	E4-2 Policies related to biodiversity and ecosystems
	E4-3 Actions and resources related to biodiversity and ecosystems
ESRS E5	E4-4 Targets related to biodiversity and ecosystems
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to the use of resources and the circular economy
	E5-1 Policies related to resource use and circular economy
	E5-2 Actions and resources related to resource use and circular economy
	E5-3 Targets related to resource use and circular economy
	E5-4 Resource inflows
	E5-5 Resource outflows

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1 Policies related to own workforce

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

S1-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

S1-5 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

S1-6 Characteristics of the undertaking's employees

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

ESRS S1 S1-8 Collective bargaining coverage and social dialogue

S1-9 Diversity metrics

S1-10 Adequate wages

S1-11 Social protection

S1-12 Persons with disabilities

S1-13 Training and skills development metrics

S1-14 Health and safety metrics

S1-15 Work-life balance metrics

S1-16 Remuneration metrics (pay gap and total remuneration)

S1-17 Incidents, complaints and severe human rights impacts

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S2-1 Policies related to value chain workers

ESRS S2 S2-2 Processes for engaging with value chain workers about impacts

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S3-1 Policies related to affected communities

ESRS S3 S3-2 Processes for engaging with affected communities about impacts

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

	SBM-2 Interests and views of stakeholders
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	S4-1 Policies related to consumers and end users
ESRS S4	S4-2 Processes for engaging with consumers and end users about impacts
	S4-3 Processes to remediate negative impacts and channels for consumers and end users to raise concerns
	S4-4 Taking action on material impacts on consumers and end users, approaches to managing material risks and opportunities in relation to consumers and end users, and effectiveness of those actions
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	GOV-1 The role of the administrative, management and supervisory bodies
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	G1-1 Corporate culture and business conduct policies
ESRS G1	G1-2 Management of relationships with suppliers
	G1-3 Prevention and detection of corruption and bribery
	G1-4 Incidents of corruption or bribery
	G1-6 Payment practices

For the descriptions of the negative impacts, risks and opportunities deriving from the materiality analysis, see the detailed tables in the Appendix, which provide information on the E1 Climate change, E2 Pollution, E3 Water, E4 Biodiversity and ecosystems, E5 Circular economy, S1 Own workforce, S2 Workers in value chain, S3 Affected communities, S4 Consumers and end users and ESRS G1 Business conduct standards.

In this section, Cartiere Carrara provides a detailed explanation of the conclusions that emerged from its materiality assessment, illustrating the reasons that make the impacts, risks and opportunities analysed significant. This approach ensures that the Group's sustainability statement is not only complete and transparent, but also complies with current regulations.

Through an in-depth analysis, Cartiere Carrara offers a clear insight into its sustainability practices, highlighting the Company's commitment to responsibly managing environmental and social challenges. The information presented reflects Cartiere Carrara's dedication to operating ethically and sustainably, and contributing to a better future for all.



ESRS 2

General disclosures

BP-1 General basis for preparation of the sustainability statement

DR 3, DR 4, DR 5 a), b i.), b ii.), c), d), e)

Following the evolution of the European regulatory framework concerning non-financial reporting, the **Cartiere Carrara Group** (hereinafter "Cartiere Carrara" or the "Group") has begun a gradual process of alignment with the requirements of the **ESRS** (European Sustainability Reporting Standards) introduced by the European Commission as part of the **CSRD** (Corporate Sustainability Reporting Directive), to which the Group is not currently subject.

For the year 2024, Cartiere Carrara has decided to **voluntarily publish** its own Sustainability **Report inspired** by the new European Sustainability Reporting Standards (ESRS), following general criteria that guarantee the **transparency** and **accuracy** of the information.

This document aims to provide a detailed overview of the **Company's performance** with regard to **ESG** (Environmental, Social, Governance) aspects, the **actions** taken and the **goals** of Cartiere Carrara.

The qualitative information presented in the report is prepared on a consolidated basis and pertains to the consolidated companies Cartiere Carrara S.p.A., R.C.TT srl, Carrara Lab srl, CRC Tissue srl, Cartiera San Felice srl, Lama srl, Zeta Lab srl, Cartiere Carrara B.V. and MC Tissue, in line with the scope of the consolidated financial statements. With regard to the quantitative information, the report only includes information from Cartiere Carrara S.p.A..

The document provides significant information on the **value chain**, both upstream and downstream, which is based on the results of **the Double Materiality Analysis**, explored in more detail in the following sections.

Cartiere Carrara has decided not to make use of the option to omit information regarding intellectual property, know-how or innovative results, nor has it requested exemptions regarding the disclosure of impending developments or matters in the course of negotiation, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU. The Group did not take advantage of exemptions relating to the non-disclosure of impending developments or matters in the course of negotiation, as provided for companies based in an EU Member State.

BP-2 Disclosures in relation to specific circumstances

DR 9 (a), (b)

When drafting the Report, Cartiere Carrara uses the short-, medium- and long-term **time horizons** described in ESRS 1, section 6.4, which defines them as follows:

- Short-term: the reporting period in the Financial Statements
- Medium-term: up to 5 years from the end of the short-term horizon of the Financial Statement
- Long-term: more than 5 years.

Value chain estimation

DR 10 a), b), c), d)

In line with the provisions of ESRS 1, Cartiere Carrara adopts the **Phase-in** faculty provided for in Chapter 10.2. In the first three years of group sustainability reporting according to the ESRS standards, this makes it possible to exclude information on upstream and downstream value chain metrics.

Sources of estimation and outcome uncertainty

DR 11 a), b i.) b ii.), DR 12)

Quantitative metrics and monetary amounts subject to high levels of measurement uncertainty are explicitly specified within the text.

Changes in preparation or presentation of sustainability information

DR 13), DR 14)

The structure of the information presented in the 2023 Sustainability Report was consistent with the GRI standards, published by the Global Reporting Initiative in 2021, following the "with reference to" reporting method.

As mentioned in paragraph BP-1, for **Cartiere Carrara** 2024 is the first year in which it has voluntarily reported non-financial information according to the ESRS standards. Any differences in the 2023 data do not derive from significant errors in the data from previous periods but are the result of adopting different reporting criteria.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

DR 15)

The structure of the ESRS standards was adopted for the 2024 Sustainability Report, excluding disclosures required by other legislation that imposes sustainability reporting obligations or other generally accepted practices.

Incorporation by reference

DR 16)

Cartiere Carrara did not use the incorporation by reference option when drafting the 2024 Sustainability Report.

GOV-I The role of the administrative, management and supervisory bodies

DR 18), DR 19), DR 20 a), b), c), DR 21 a), b), c), d), e) DR 22 a), b), c i), ii), iii), d), DR 23 a), b)

The Group's business model is supported by **sound Governance** geared to promoting responsible growth that generates short- and long-term value. To achieve this goal, the ownership employs a Chief Executive Officer who is in charge of defining strategies, planning development actions and maintaining growth levels, in cooperation with the Board of Directors.

The Cartiere Carrara Board, consisting of **six men, one of which under 30, one between 30 and 50 and four over 50 years old**, has extensive experience in the sector, ensuring a comprehensive and integrated view of business dynamics. Of these, **four are executive members and two are non-executive members. The experience** that the **Directors** have acquired in the paper industry, together with their own specific skills, makes them **qualified to identify and manage potential impacts, risks and opportunities** for the Group, guaranteeing a **complete and comprehensive overview** of the Company's dynamics. Furthermore, when dealing with issues that require specialist expertise and in-depth knowledge, such as certain environmental and sustainability issues, the Board is supported by in-house technicians and qualified consultants who provide targeted advice and solutions that comply with environmental regulations and sustainable practices.

100% of the board members cannot be considered independent. In fact, 67% are members of the shareholder family while the remainder have held or currently hold positions within the Group or are employees of the Group.

The Board of Directors has put in place an adequate system of delegated powers to allow the Company to **operate and take decisions quickly**, while maintaining extensive internal dialogue on the most important issues. There are no employee or other workers' representatives on the administrative, management or supervisory bodies. As per the articles of association, the Board of Directors (BoD) of Cartiere Carrara has **broad powers** for the ordinary and extraordinary management of the Company and the ability to take all actions necessary to achieve the Group's objectives. In addition, the Board contributes to identifying and evaluating the Company's **impacts, risks and opportunities** (also **IRO**) in the field of sustainability and is responsible for developing and implementing **strategies and policies** for their management, as well as monitoring the status and effectiveness of the **actions** that have been taken.

Every quarter the Board of Directors brings itself up to speed with the Company's overall performance, both financial and otherwise, and subsequently defines targets, strategies and actions to be taken, monitoring their progress.

Composition of the Board of Directors by gender and age

Year		2024		2023	
Age range	Unit	Men	Women	Men	Women
<30	no.	1	0	1	0%
	%	16.6%	0%	14%	0%
30-50	no.	1	0%	1	0%
	%	16.6%	0%	14%	0%
>50	no.	4	0%	5	0%
	%	66.6%	0%	72%	0%

President of the Board of Directors, **Massimo Carrara**, has been given a mandate covering **strategic, commercial and business areas**, acknowledging his extensive experience in the industry. This mandate gives the Company a strong reference point for the most delicate and significant decisions. As legal representative of Cartiere Carrara, the President possesses broad powers relating to both the ordinary and extraordinary management of the Company. His responsibilities include signing corporate correspondence, managing the purchase and sale of materials, products and real estate, as well as the authority to sign contracts and leases. In addition, he is involved in staff management and actively participates in the shareholders' meetings of the investee companies. The President also has the power to issue special mandates to employees and third parties for specific operations, guaranteeing the effective management of the Company's activities.

Chief Executive Officer (CEO) Gaetano Ievolella has been entrusted with organisational powers including the **management of internal resources**, the **preparation of budgets** and the **supervision of numerous ongoing projects**. His professional experience and specific expertise are essential for building an internal structure capable of effectively and resiliently facing the challenges of the market. Responsible for planning and approving the annual budget, the CEO ensures that all decisions are aligned with the Company's corporate and sustainability objectives. In addition, as an employer pursuant to Legislative Decree 81/2008, he is responsible for supervising issues related to **occupational health and safety**, ensuring compliance with regulations and the implementation of preventive measures. Finally, he advocates compliance with **environmental laws** and the adoption of **sustainable practices**, reflecting Cartiere Carrara's commitment to social responsibility and sustainability.

Vice President Mario Carrara is responsible for external **communication** activities, his task being to strengthen and promote the image of the Company and the Group. He has also been appointed to oversee business development with the aim of defining the future prospects of the Company and the Group.

Managing Director Giuseppe Cristiani is in charge of **managing legal and corporate affairs**. A lawyer with many years of experience and a professor at the University of Florence, he has the necessary skills to perform this role to the full.

Completing the Board of Directors are the non-executive directors **Matteo Carrara** and **Marco Carrara**, who both have expertise and national and international experience in economics and business.

In accordance with the requirements of Article 2477 of the Italian Civil Code, the Company has formed a board of auditors consisting of three standing auditors and two alternates, and appointed **Baker Tilly Revisa S.p.A.** as statutory auditor. In addition to the Board of Directors and the Board of Statutory Auditors, the Company has delegated specific powers of attorney to internal figures. Given the complexity of the Company, this decision helps to improve the efficiency of corporate governance. Consisting of 5 members in accordance with legal provisions, the **Board of Statutory Auditors** supervises corporate management and compliance with regulations and the Articles of Association. It closely scrutinises the adequacy and effectiveness of the internal control system and ensures accurate and compliant reporting, guaranteeing respect for all regulatory requirements.

The Group has formed a **Supervisory Board (SB)** in order to guarantee regulatory compliance and corporate transparency. It is appointed by resolution of the Board of Directors, which approves the Model pursuant to Law 231, establishing the term of office which shall not exceed the term of office of the Board of Directors or the Board of Statutory Auditors. The SB maintains its **autonomy, independence and professional integrity**, without interference from the management, reporting directly to the Board of Directors. It has no operational tasks, guaranteeing its objectivity, and has adequate financial resources. Its technical and professional expertise enable it to assess and manage risks. It has unrestricted access to company information and collaborates with specialists inside and outside the Company.

Cartiere Carrara's corporate governance is geared towards ensuring the effective and responsible



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management of sustainability-related impacts, risks and opportunities. This process is implemented through the involvement of various bodies and key figures within the company, ensuring that sustainability policies are aligned with the Company's mission and sustainable development principles that reflect the Group's commitment to generating a positive impact on people and the environment, while looking to the future. Cartiere Carrara is committed to guaranteeing the quality of its products and services, promoting innovative processes and technologies, and supporting environmental and social sustainability. Its ultimate goal is to build a better future, putting employee safety and care for the land and the environment before all else.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

DR 24) DR 25) DR 26 a), b), c)

The Group has several internal functions responsible for the operational management of sustainability issues. These departments are in charge of implementing initiatives, monitoring key performance indicators (KPIs), achieving set targets and producing reports on behalf of the various stakeholders. Key functions include the Quality and Sustainability Manager, the Group HSE Manager, the Energy Manager, the Planning Manager, the Procurement Manager, the Paper Production Technical and Maintenance Manager and the Logistics Manager.

The Governance Body monitors the progress of the measures taken to manage significant impacts, risks and opportunities through scheduled meetings held at least once a year, and is periodically informed of the implementation of activities by the functions concerned. Furthermore, where necessary, it also integrates corrective measures into decision-making processes related to business (but not sustainability) issues.

The first Double Materiality exercise was conducted in 2024. During the year, the administrative, management and supervisory bodies, together with the senior management, were involved in identifying and assessing relevant impacts, risks and opportunities for Cartiere Carrara. The analysis was also approved by the Board of Directors during the document approval session in September 2025.

For impacts, risks and opportunities assessed as material, see the relevant section in chapter SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model.

GOV-3 Integration of sustainability-related performance in incentive schemes

DR 27), DR 28), DR 29 a), b), c), d), e)

With regard to the integration of sustainability-related performance in incentive schemes, the Group currently has no sustainability-related MBOs for members of the administrative, management and supervisory bodies. One exception is the figure of the Technical Manager, who has specific objectives related to the reduction of energy consumption.

GOV-4 Statement on due diligence

DR 30), DR 31), DR 32), DR 33)

Cartiere Carrara, to date, does not have a structured due diligence process regarding sustainability issues. However, some elements of due diligence have already been put in place by the Group through an ongoing process of identifying, preventing and mitigating both actual and potential negative impacts on the environment and people related to its activities. This process extends not only to internal operations but right along the entire value chain, both upstream and downstream, including its products, services and commercial dealings.

The following table summarises these elements and their references within the document

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS
a) Embedding due diligence in governance, strategy and business model	GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies; GOV-3 – Integration of sustainability-related performance in incentive schemes; SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2 – Interests and views of stakeholders
c) Identifying and assessing adverse impacts	IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

d) Taking actions to address those adverse impacts	SBM-1 – Strategy, business model and value chain; E1-3 – Actions and resources in relation to climate change policies; E2-2 Actions and resources related to pollution; E3-2 Actions and resources related to water and marine resources; E4-3 - Actions and resources related to biodiversity and ecosystems; E5-2 Actions and resources related to resource use and circular economy; S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns; S1-4 – Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches; S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns; S2-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; S3-4 - Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions; S4-3 – Processes to remediate negative impacts and channels for consumers and end users to raise concerns; S4-4 – Taking action on material impacts on consumers and end users, approaches to managing material risks and opportunities in relation to consumers and end users, and effectiveness of those actions: G1-3 – Prevention and detection of corruption and bribery
e) Tracking the effectiveness of these efforts and communicating	GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; GOV-5 - Risk management and internal controls over Sustainability Reporting; E1-4 – Targets related to climate change mitigation and adaptation; E2-3 Targets related to pollution; E3-3 Targets related to water and marine resources; E4-4 - Targets related to biodiversity and ecosystems; E5-3 Targets related to resource use and circular economy; S1-5 – Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities; S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities; S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

GOV-5 Risk management and internal controls over sustainability reporting

DR 34), DR 35), DR 36 a), b), c), d), e)

At present, Cartiere Carrara has not yet defined or implemented a specific internal control system for sustainability aspects. However, the Company uses internal control and risk management tools in accordance with Legislative Decree 231/2001 through the application of its own 231 Model. Cartiere Carrara's **"231 Organisation, Management and Control Model"** (Model 231/2001) comprises organisational and control rules and procedures designed to identify and prevent criminally relevant conduct under Decree 231/2001. The adoption of this Model is aimed at preventing illegal activities and promoting a culture of honesty and transparency in business. It allows the prevention mechanisms required by Decree 231/2001 to be integrated into the Company's risk management system according to a risk-based approach that considers the inherent or potential risk of offences being committed.

The Organisation, Management and Control Model is made up of a "General Part" and individual "Special Parts" drawn up for the different types of crime considered in Legislative Decree 231/2001:

- The **General Part** identifies the company activities to monitor, mapping risks and developing a preventive control system.
- The **Special Parts** begin with the defined risks and present the procedures adopted to avoid or reduce the commission of offences. Each Special Part is dedicated to a specific category of crime (e.g. crimes against public authorities, corporate crimes, environmental crimes, computer crimes, etc.) and

contains an analysis of sensitive business processes, the ways in which crimes can be committed, and the specific control standards to be applied. These standards are constructed on the basis of a detailed mapping of business processes and risk areas, as set out in the Matrix of Sensitive Processes, which makes it possible to associate each process with potentially relevant categories of crimes.

The Model is inspired by the ERM of the Committee of Sponsoring Organisations of the Treadway Commission, adopted in international standards and best practices. The main **risk management** activities include:

- **Identification of the risk of crimes being committed:** analysis of the company context to identify areas and forms of harmful events.
- **Assessment of internal controls:** analysis of the ability of existing controls to reduce risks to an acceptable level.
- **Risk management:** measures to reduce the probability and impact of risk events.
- **Monitoring of internal control systems:** systematic evaluation of the adequacy of controls with respect to organisational and business changes.

In particular, the internal control system is based on **four general standards**:

1. the existence of company rules that provide guidelines for the regulation of sensitive activities;
2. the segregation of duties, which separates those who execute from those who control and those who authorise;
3. the formalisation of signatory and authorisation powers;
4. the traceability of activities, which makes it possible to reconstruct decisions and information and financial flows.



These are joined by specific control standards, defined for each type of crime in the relevant Special Part, which detail the operational measures to be taken in sensitive processes.

The verification of the adequacy of the internal control systems in relation to the risk of the commission of crimes pursuant to Decree 231/2001 is included in the internal audit programmes and in the **Annual Supervisory Programme** of the Supervisory Board (SB).

The Supervisory Board reports to the President of the Board of Directors on an ongoing basis and to the Board of Directors and the Board of Statutory Auditors on a half-yearly basis regarding the implementation of the 231 Model and the emergence of any critical aspects, and communicates the outcome of the activities carried out as part of its assigned tasks.

The half-year report includes a summary of the activities carried out, the controls and audits performed, and the annual supervisory programme in accordance with the 231 Model, and details all legislative developments concerning the administrative liability of entities.

The Supervisory Board shall promptly inform the Board of Statutory Auditors of all material or significant facts.

The Group also adopts **Management Systems for quality, the environment, energy and health and safety** which identify and assess the operating context, stakeholder needs and expectations, and risks and opportunities. The international **ISO 31000:2018** guidelines were followed in the risk management process.

The heads of **Quality Management, Safety Management and Environment Management** evaluate the **risks and opportunities** related to their respective areas, to compliance obligations, and to other factors and requirements identified by the Company to achieve pre-established objectives, to mitigate and prevent unwanted effects, and to continue along the path of continuous improvement.

Risks are identified via the following process:

1. **Identification and evaluation of relevant factors and requirements** by completing context and risk analysis forms;
2. **Identification of stakeholders** - internal, direct external or indirect external - connected with each factor, also describing the relevant requirement of the stakeholder regarding that factor;
3. **Identification and evaluation of risks and opportunities**, reporting the specific risks or opportunities for each factor to which a risk or opportunity was associated. Subsequently, the degree of criticality of the risks and the value of the opportunities identified are assessed, assigning a magnitude parameter (extent of the damage or benefit) and a likelihood parameter.

Depending on the degree of relevance identified, the Management is tasked with planning and implementing adequate mitigation actions.

In 2024, the Group also conducted an initial **analysis of sustainability-related business risks** in conjunction with the definition of financial materiality according to the double materiality principles of ESRS 2. This first assessment is a crucial starting point for Cartiere Carrara as it embarks on a strategic path aimed at promoting a strong culture of sustainability and corporate risk management. For more details, see the relevant section in chapter **SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model**.

SBM-I Strategy, business model and value chain

DR 37), DR 38), DR 39) DR 40 a i), ii), iii), iv), b), c), d i), ii), iii), iv), e), f), g)

Cartiere Carrara's target market is divided into three main business areas:

Professional (or Away From Home), virgin or recycled fibre products and systems for consumption away from home (B2B market: Hospitality, Healthcare, Entertainment, Offices, Cleaning businesses, Industry, Food Industry). Products are sold both under our own brands (BulkySoft, Carind, CC PRO and Bliss) and for private labels.

Consumer, virgin fibre products for home consumption (B2C). Products are sold both under our own brands (Tuscany, BulkySoft and Maxi) and for private labels.

Mother Reels, tissue paper mother reels made from virgin (pure cellulose) or recycled fibres, for transformation into finished products for the Professional and Consumer markets.

Our brands for the Professional market



CC PRO Carrara Professional. Through the ESSENTIA and EVSOLUTION ranges of paper and soap dispensers, Carrara Professional products and systems are designed to meet the needs of professional operators. These products are distributed in 19 countries, 13 EU and 6 non-EU.



BULKYSOFT - *Luxury Hygiene Solution*. One of the widest and most comprehensive ranges on the professional market, including toilet paper, hand towels, kitchen towels, reels, medical sheets, tissues, handkerchiefs, napkins and tablecloths. Thanks to both their intrinsic qualities and highly efficient dispensing systems, BulkySoft products are designed to enable considerable savings. These products are distributed in 38 countries, 25 EU and 13 non-EU.



CARIND - *Professional Global Solution*. Household name in the professional cleaning sector. Its products include toilet paper, towels, kitchen towels, reels, medical sheets, tissues, napkins. Extensive and comprehensive, the Carind range of solutions is designed to meet all hygiene and cleaning needs in all contexts. These products are distributed in 24 countries, 14 EU and 10 non-EU.



BLISS. The tissue paper range designed for the hygiene and cleaning needs of private and professional customers in the DIY sector and specialised distribution channels. The range includes toilet paper, kitchen towels, reels, hand towels, medical sheets. These products are distributed in 9 countries, 6 EU and 3 non-EU.





Our brands for the Consumer market



TUSCANY. The beauty of paper. A product line created to bring the beauty of paper into every home. The products in this line include: toilet paper, kitchen towels, napkins, handkerchiefs, tissues. These products are distributed in 5 EU countries.



BULKYSOFT. A range of products designed to cover all the needs of the consumer market: toilet paper, kitchen towels, reels, napkins, handkerchiefs and tissues. These products are distributed in 9 EU countries.



MAXI. The super value super paper. A range of paper products designed to offer value for money. It includes toilet paper, kitchen towels, reels, napkins, handkerchiefs, tissues.

With seven production sites in Italy and a total workforce of 724 employees, the Cartiere Carrara Group boasts a production capacity of more than 300,000 tonnes per year of tissue paper, both in pure cellulose and recycled paper. In 2024, the Group generated revenues of 473 million euro¹.

For more information on employees, see paragraph "S1-1 Policies related to own workforce" in chapter "ESRS S1 Own workforce".

The sustainability strategy: Caring for what's next

Cartiere Carrara's values reflect the essence of sustainability, which is inextricably linked with the principles of responsible growth that have always guided the path of a family: generate, protect and look to the future. With ambition and pragmatism, over time the Company has developed a precise strategy consisting of tangible actions and measurable results.

1. Considering that on the date of publication of this document the sector standards had not yet been issued, it is not possible to include Cartiere Carrara in one of the significant sectors defined by the ESRS.

“

Sustainability Manifesto

2024 was a year of ongoing progress that further underlined Cartiere Carrara's commitment to sustainability. Following the publication of its Sustainability Manifesto in 2023, in the year of the Company's 150th anniversary Cartiere Carrara resolutely continued along its path, clearly outlining its vision and goals for the future. Faithful to its tradition and its ties with the territory, the Company acts responsibly not only towards the people and communities of today, but also towards the generations of tomorrow, seeking to make an active contribution to protecting the environment, sustainable economic growth and social welfare. Creating and distributing value, generating lasting growth and guaranteeing the protection of economic, human, social and natural assets are the commitments that Cartiere Carrara pursues on an ongoing and transparent basis, strengthening its stakeholder relations and building trust through concrete actions. The goal remains that of achieving measurable results by 2030 while continuing to promote a sustainable and prosperous future for all.

CARING FOR WHAT'S NEXT

1. Care for people and protection of rights

Creating a sustainable business model, for us, means generating positive impact on people and guaranteeing opportunities for growth and wellbeing, starting from the work environment, from health and safety, from complete respect for rights, and from the enhancement of individuals' unique traits and talents.



2. Prosperity for the community and local territory

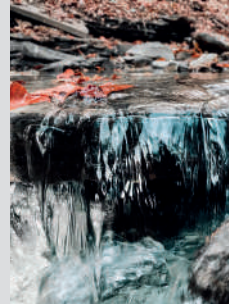
We want to strengthen the relationship with local communities through cultural, social and educational projects. To this end, we commit to developing a structured program of initiatives destined to the territories where we operate, and to measuring its social impact.



Generation after generation, we take care of the people that are close to us and of those who will come after us. We want to make a tangible contribution to environmental protection, sustainable economic growth and social wellbeing. We are committed to creating and sharing value, to generating lasting growth, and to guaranteeing future generations that we will safeguard, according to principles of equality, the economic, human, social and natural heritage we have enjoyed – by preserving our bond with the local territory and by building relationships of trust with all stakeholders. This is our pledge for a better future, aiming to achieve concrete and measurable goals by 2030.

3. Value chain initiatives

We want our sustainability goals to be embraced and actively pursued by our partners along the entire value chain. To this end, we promote projects in collaboration with suppliers and clients who share our principles, and ask our partners to comply with our ESG policy.



4. Responsible use of water

Water is a precious resource, at the heart of our transformation cycle, and we always use it with care and respect. We promote constant improvement of our activities' water footprint, with continued investments in research and development geared towards keeping average consumption below 4 cubic meters per metric ton of paper manufactured.

5. Saving energy and reducing emissions

We make substantial investments to limit our energy consumption, favoring alternative sources that can replace fossil fuels and minimize carbon dioxide emissions into the atmosphere. Year after year, we increase our use of self-produced renewable energy and commit to progressively expanding the share generated from sources certified with guarantees of origin.



6. Circularity and regeneration

We commit to optimizing the use of raw and auxiliary material in our production processes and along the entire value chain, preferring options that are recycled and responsibly sourced. With the support of our suppliers, we promote the use of secondary raw materials deriving from production waste, and we aim to maximize the adoption of recyclable packaging, so as to reduce the share of non-recoverable waste under 35%.



7. Product life cycle and biodiversity

We monitor our products in every phase with Life Cycle Assessments aimed at reducing their potential environmental impacts. In order to minimize waste, we commit to developing innovative technologies and solutions that allow for the efficient use of our products. We apply PEFC-FSC® standards to everything we make, selecting recycled raw materials and certified cellulose, which respect the chain of custody of the original forests.



8. Sustainability culture

Sustainability requires individuals' commitment to continuous improvement, but can be achieved only with the strength of collective actions. This is why we want to play an active role – within our organization and beyond – in the conception, dissemination and promotion of initiatives aimed at raising awareness and engaging other players in the value chain on the issue of sustainability.

9. Forestation projects

Over the past few years, we have planted 12,000 trees through completely self-financed forestation projects, carried out on our own properties. Looking ahead, we will continue the Paper that plants trees project, adding another 150,000 trees, promoting further initiatives in favor of the territory, and giving the community a dedicated training center focused on environmental sustainability issues and on the enhancement of the forest-paper supply chain.



10. Transparency and reporting

We believe it is essential to communicate responsibly and to highlight the actions we take, starting from clear and measurable objectives to promptly and transparently report on the progress made and the results achieved, applying criteria that all our stakeholders can share and understand.

**Making
high-quality paper
since 1873**



Cartiere Carrara
CARING FOR WHAT'S NEXT

Sustainability Plan

Consistent with the Group Vision, *Caring for what's next*, Cartiere Carrara has developed a three-year Sustainability Plan (2023-2025), drawn up with the contribution of company managers and approved by the Chief Executive Officer. The Plan identifies priority action areas and puts the Group's strategy into operation with macro-objectives that contribute directly to the global challenges outlined in the UN Sustainable Development Goals (SDGs). Its commitments are expressed in qualitative and quantitative targets, measurable over time and applicable to all Group companies. The Plan is based on ten Sustainability Pillars, which guide the organisation in its pursuit of informed and truly sustainable development.

Pillar	Macro sustainability objectives	SDGs
1. Care for people and protecting rights	Generate a positive impact on people and guarantee opportunities for growth and wellbeing, starting with the working environment, health and safety, full respect for rights and promoting the uniqueness of individuals and their talents	   
2. Prosperity for the community and local territory	Strengthen the relationship with local communities through cultural and social initiatives and education projects	   
3. Value chain initiatives	Promote projects in collaboration with suppliers and customers who share our principles and request that our partners comply with ESG conduct policies.	  
4. Responsible water consumption	Promote the constant improvement of the water footprint of our processes through continuous investment in research and development	
5. Energy saving and emissions reduction	Invest significant resources to curb our energy consumption, prioritising alternative sources to fossil fuels capable of minimising carbon dioxide emissions	   
6. Circularity and regeneration	Optimise the use of raw and other materials in our production processes and throughout the value chain, prioritising recycled and responsibly-sourced materials.	  
7. Product life cycle and biodiversity	Monitor the entire life cycle of our products with Life Cycle Assessment projects aimed at reducing their potential environmental impacts	  
8. Sustainability culture	Play an active role in promoting sustainability within and outside the boundaries of our organisation	
9. Forestation projects	Promote and continue the "Paper that plants trees" project	
10. Transparency and reporting	Communicate responsibly and provide evidence of actions taken, starting with clear and measurable objectives and reporting on the progress made and the results achieved in a prompt and transparent manner, applying criteria shared and understood by all our stakeholders	  

UN Global Compact

In 2024 Cartiere Carrara took a strategic step in its sustainability journey by officially joining the **United Nations Global Compact**, the world's largest voluntary corporate responsibility initiative. With this membership, the Company has made a commitment to respecting and promoting the **Ten Universal Principles** on human rights, working conditions, environmental protection and anti-corruption, strengthening its alignment with the goals of the **2030 Agenda** and the **European Green Deal**.

Joining the Global Compact is the natural next step on the path first undertaken with the publication of the **2023 Sustainability Report** and is part of a broader vision of responsible growth based on the circular economy, sustainable innovation and the empowerment of people and communities. Starting this year, the Company will publish the annual **Communication on Progress (CoP)**, a document that certifies its achievements and guarantees transparency and accountability to all stakeholders.

As underlined by Vice President **Mario Carrara**, this membership is not just a declaration of intent but an active commitment to constructing a fairer, more inclusive and more prosperous future. Every action taken by the Company is geared towards generating a positive and lasting impact, actively contributing to the achievement of the **17 Sustainable Development Goals (SDGs)**.

Lastly, joining the Global Compact network strengthens Cartiere Carrara's desire to collaborate with other virtuous organisations because only through the sharing of good practices and cooperation between companies will it be possible to effectively tackle the environmental and social challenges of our time.

LA NAZIONE
Lucca

Per la sostenibilità Cartiere Carrara aderisce alla rete "Global Impact"

L'azienda leader del settore cartario ha sposato il progetto delle Nazioni Unite
Obiettivo è quello di allinearsi ai Dieci Principi Universali del lavoro

CAPANNORI

Impegno sostenibile. Cartiere Carrara aderisce alla rete Global Compact delle Nazioni Unite, un passo importante che conferma il suo impegno verso la responsabilità sociale e ambientale. Con questa adesione, l'impresa si allinea ai Dieci Principi Universali, che riguardano i diritti umani, le condizioni di lavoro, la tutela ambientale e la lotta alla corruzione. Ogni anno l'azienda renderà conto dei progressi compiuti, garantendo trasparenza e impegno verso il miglioramento continuo. «Questa adesione rappresenta un passo decisivo nel nostro percorso di responsabilità. È il naturale proseguimento delle azioni intraprese con il nostro Bilancio di Sostenibilità 2023 in cui abbia-

mo già avviato un processo di rendicontazione delle azioni legate ai tre pilastri della sostenibilità: ambientale, sociale ed economico. Siamo determinati a continuare a innovare e promuovere una crescita sostenibile in un settore in continua evoluzione», ha dichiarato Mario Carrara, Vicepresidente di Cartiere Carrara.

I principi dell'Agenda 2030 per lo sviluppo sostenibile delle Nazioni Unite e del Green Deal europeo sono già parte integrante della visione e delle azioni quotidiane di Cartiere Carrara, con l'obiettivo di promuovere l'economia circolare e tutelare l'ambiente. Tra questi, particolare attenzione è rivolta ai 17 Obiettivi di Sviluppo Sostenibile (SDGs), che rappresentano una guida strategica per le nostre scelte

future.

Questo impegno si traduce in azioni concrete e misurabili, come delineato nel Manifesto per la sostenibilità «Caring for what's next», redatto lo scorso anno, tradotto poi in un piano di sostenibilità, con l'ambizione di raggiungere risultati significativi entro il 2030.

«Per noi, l'adesione allo UN Global Compact - ha aggiunto Mario Carrara - non è solo una dichiarazione di intenti, ma un impegno tangibile. Ogni azione che intraprendiamo oggi è finalizzata a costruire un futuro più equo, responsabile e prospero per tutti. «Questo è solo l'inizio di un percorso di miglioramento continuo. La sostenibilità e l'inclusività sono i principi fondamentali su cui vogliamo basare il nostro futuro», ha concluso Carrara. L'impresa condividerà con altre realtà tutto ciò.

Massimo Stefanini

IL PROGETTO

**«Un passo decisivo
nel nostro percorso
di responsabilità
Proseguimento
del Bilancio
di Sostenibilità»**



Mario Carrara, Vicepresidente di Cartiere Carrara, ha spiegato il progetto

WE SUPPORT



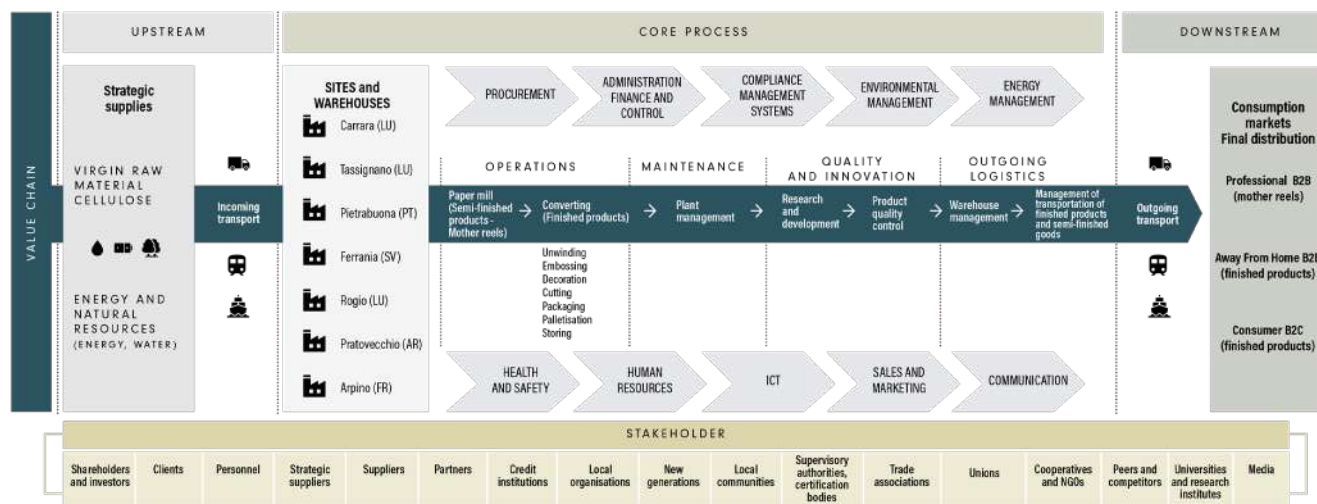
CartiereCarrara

CARING FOR WHAT'S NEXT

The Cartiere Carrara value chain

DR 42 a), b), c)

Cartiere Carrara is part of the tissue paper supply chain, as a manufacturer, transformer and seller. The Company works with a global network of suppliers, customers and business partners to promote innovation and sustainability throughout the value chain.



Upstream value chain - Cartiere Carrara's main suppliers at this stage of the supply chain are suppliers of cellulose and recycled raw materials. The process starts with the purchase of virgin raw material, i.e. cellulose pulp, which is FSC® or PEFC-certified and mainly sourced from the coniferous forests of northern Europe or from acacia, birch and eucalyptus forests in South America. The cellulose is transported by sea and, via intermodal transport, reaches Cartiere Carrara's warehouses and mills for processing.

The Group works with electricity suppliers to ensure a stable supply, which is essential for the continuous operation of production facilities.

The Company relies on natural gas suppliers to guarantee continuous and secure supplies of the gas necessary for heating and trigeneration. In addition, Cartiere Carrara selects auxiliary suppliers for maintenance and chemicals, which are essential for maintaining high standards of quality and operational safety, improving the efficiency of production processes.

Cartiere Carrara considers its suppliers to be strategic partners and is committed to building lasting relationships based on professional competences and the sharing of the principles of its Code of Ethics. The Company has implemented an evaluation procedure to ensure that suppliers meet the requirements of the SA 8000 standard, requiring them to complete a self-assessment questionnaire and a declaration of commitment. Targeted audits and awareness-raising activities are also planned to further involve suppliers.

Internal operations - The production process consists of paper mill and converting activities. Inside the paper mill, machines transform virgin cellulose and secondary raw material into a semi-finished product, i.e. the tissue paper mother reel. Subsequently, the converting plants create the finished product through the various processes of unwinding, embossing, decoration, cutting and packaging. The finished product is then stacked on pallets and stored. Secondary raw material, produced during the pulp processing phase and when cutting mother reels, is recycled within the manufacturing cycle to create new paper. In addition to the production process, Cartiere Carrara carries out a series of core processes (plant management, research and development, quality control, warehouse management and transport of finished products) with activities directly linked to the creation of a high-quality finished product. Finally, the cross processes (Human Resources, Health and Safety, Sales and Marketing, Communication, ICT, Purchasing, Administration Finance and Control, Management Systems and Compliance, Environmental Management, Energy Management) ensure the correct management of all company activities and therefore the constant creation of long-term value.

Downstream value chain - Cartiere Carrara products are distributed and sold to end consumers in the Professional B2B (semi-finished product - mother reels), Away From Home B2B (finished product) and Consumer B2C (finished product) markets. Cartiere Carrara is committed to guaranteeing customer satisfaction through sustainable solutions and transparent business policies. Quality is certified and controlled in all phases, from the definition of product requirements to after-sales assistance.

SBM-2 – Interests and views of stakeholders

DR 45 a i), ii), iii), iv), v), b), c i), ii), iii), d)

Stakeholders play a crucial role in the area of corporate sustainability and influence or are influenced by the Company's activities. In accordance with the Code of Ethics, the Group aims to maintain and strengthen relationships of trust based on cooperation and mutual benefits with all of its stakeholders. Cartiere Carrara's stakeholders can be classified in the following categories:

- **Suppliers** - They represent a key part of the supply chain, providing raw materials, packaging, energy, logistics, chemicals and pallets. Working with suppliers who share values of sustainability and social responsibility is essential to ensure environmentally-friendly paper production.
- **Credit institutions** - These financial actors are crucial for providing the economic support and investment needed to implement sustainable practices and technological innovations. Constant dialogue with lending institutions helps ensure the financing of projects that promote sustainability.
- **Customers** - Customer satisfaction and retention are priorities. The Company is committed to offering high quality, sustainably manufactured products, responding to the growing demand for environmentally-friendly and responsible solutions.
- **Supervisory authorities** - Regulations and guidelines established by supervisory authorities are crucial for ensuring legal compliance and transparency in business operations. Collaborating with these authorities is essential to maintain high standards of security and sustainability.
- **Certifying bodies** - These bodies play a crucial role in monitoring and certifying the Company's sustainable practices. Collaboration with certifying bodies helps to ensure that operations are in line with international sustainability and quality standards.
- **New generations** - The younger generation is increasingly aware of environmental and social issues. Involving them through educational programmes and social responsibility initiatives enables the Company to build a sustainable future and attract motivated talent.
- **Partners** - Strategic alliances with other companies and organisations can drive innovation and sustainability. Collaborating with partners who share similar goals maximises the positive impact on the environment and society.
- **Staff** - Our employees are the beating heart of the Company. Investing in their professional development and wellbeing is key to creating a positive and productive working environment. Their active participation in sustainability initiatives is essential for the success of the Company.



- **Local authorities** - Establishing strong relationships with local communities is crucial for ensuring that our business operations are aligned with the needs and expectations of the population. The Company is committed to contributing to the wellbeing of the communities in which it operates.
- **Trade unions** - Working with trade unions is important for ensuring that workers' rights are respected and that there is open dialogue on labour and safety issues.
- **Associations** - Trade associations and non-governmental organisations can provide valuable support and resources to promote sustainable and responsible practices. Collaborating with these entities helps strengthen the Company's commitment to sustainability.
- **Universities and research institutions** - Collaboration with academic and research institutions is essential for promoting innovation and the development of new sustainable technologies. Investing in research and development allows the Company to remain at the forefront of sustainable paper production.

An open and transparent dialogue with stakeholders enables the Group to understand their expectations and concerns regarding the environmental and social impact of its operations.

Incorporating stakeholder feedback in business strategies not only enhances the Company's reputation, it also helps create shared value.

In 2023, stakeholders were involved in an engagement initiative that represented a twofold opportunity for the Group: a chance to share the key issues with stakeholders and the commitments made to manage them, but at the same time also to gather their views and understand their goals in order to inform Cartiere Carrara's strategies and business model. Following the analysis, the boards of directors, management and control were informed of the views and interests of stakeholders in order to identify actions to optimise the benefits and reduce the negative impacts of the business on the environment, people and communities in 2024. This process also encouraged innovation and laid the groundwork for future collaborations on sustainability projects.

The most appropriate method of engagement was identified for each chosen stakeholder: survey or one-to-one interview. Based on the nature and particular characteristics of the categories involved, a customised form of engagement was designed, asking each stakeholder for input on sustainability issues of common interest to them and the Company.

Stakeholders were involved in three main areas of investigation:

1. **Assessment of priorities** - Identification of short-term (within 18 months), medium-term (18-36 months) and long-term (36-60 months) priorities for achieving specific strategic goals related to sustainability.
2. **Proposal of tangible actions** - Ideas for tangible actions to support Cartiere Carrara in achieving shared objectives and projects.
3. **Additional areas of commitment** - Identification of further areas of commitment to be integrated in the sustainability strategy.

The activity involved a total of 38 actors, with very positive results: a survey response rate of 86% and a one-to-one meeting participation rate of 82%.

These results were a key starting point for the Group in the definition of the Double Materiality analysis for 2024. This analysis was subsequently evaluated by internal stakeholders, also taking into account the opinions of external stakeholders.

The Group is committed to periodically reviewing the analysis in order to respond more accurately to stakeholders' expectations, integrating their visions and positions in Cartiere Carrara's strategy and business model. Moreover, through its sustainability report, Cartiere Carrara aims to clearly and effectively communicate its initiatives in the field of sustainability, highlighting the progress it has made and the challenges it has faced in the process of making the paper production process more responsible and sustainable. In this way, the Group not only meets the needs of its stakeholders, it also establishes itself as a sustainability leader, helping to build a better future for all.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model

DR 46), DR 47), DR 48 a), b), c i), ii), iii), iv), d), e), f), g), h)

The **Double Materiality** analysis is a key approach for assessing and understanding the impact of business activities. This method not only considers the effects of the Group's activities on the environment and society through its own operations or value chain (Impact materiality), taking an inside-out perspective, it also examines how environmental, social and governance (ESG) factors affect the financial performance and resilience of the Company itself (Financial materiality), as per the outside-in perspective.

To date, the impacts, risks and opportunities identified have not led to immediate structural changes in the business model or corporate strategy, but have contributed to a greater integration of ESG criteria in decision-making processes. However, the anticipated effects of certain risks and opportunities may require future adjustments to the business model or strategy, to which the Group will respond with measures it deems most appropriate.

With regard to information on the expected financial effects of risks and opportunities, the Group makes use of the "phase in" provision in accordance with ESRS 1, Appendix C and will provide qualitative information for the current reporting year. Therefore, in this first year of the Double Materiality analysis, no further quantitative insights into financial resilience assessments were made.

In addition, since this is the first year of the ESRS-inspired materiality analysis, it is not possible to document changes in material impacts, risks and opportunities compared with the previous reporting period.

Summarised below are the **IRO impacts, risks and opportunities** (where **I** identifies impacts, **R** risks and **O** opportunities) that emerged as relevant and material for the Group. For their description, see the **Appendix**.

Description	Positive/ Negative	Actual/ Potential	Time horizon	Value chain
I-Contribution to climate change due to the generation of GHG emissions by Direct and Indirect Group Activities	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-High energy consumption	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Release of pollutants into the air	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Pollution of surface water	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Contribution to water depletion	Negative	Actual	Short and medium-long term	Direct activities and activities along the value chain (upstream)
I-Loss of biodiversity and threats to ecosystems caused by the use of natural resources.	Negative	Potential	Medium-long term	Activities along the value chain (downstream)
I-Contribution to the reduction of CO ₂ in the atmosphere through multi-cycle plantation activities.	Positive	Actual	Short and medium-long term	Direct activity
I-Waste production	Negative	Actual	Short and medium-long term	Direct activity
I-Generation of packaging for disposable products	Negative	Actual	Short and medium-long term	Direct activity
I-Consumption of virgin raw materials	Negative	Actual	Short and medium-long term	Direct activity
I-Failure to respect the human rights of workers along the value chain	Negative	Potential	Medium-long term	Direct activities and activities along the value chain (upstream)
I-Impact of work-related injuries and occupational diseases on employee health and safety	Negative	Actual	Short and medium-long term	Direct activity

I-Failure to respect equal opportunities and gender diversity	Negative	Potential	Short and medium-long term	Direct activity
I-Possible damage to the health of local communities caused by noise production	Negative	Potential	Short and medium-long term	Direct activity
I-Impact of product safety on customer and consumer health	Negative	Potential	Short and medium-long term	Direct activity
I-Negative impact of irresponsible business practices on customers and brand loyalty	Negative	Potential	Medium-long term	Direct activity
I-Contribution to the wellbeing of employees	Positive	Actual	Short and medium-long term	Direct activity
I-Attracting qualified and competent staff	Positive	Actual	Short and medium-long term	Direct activity
I-Contribution to the socio-economic development of the community	Positive	Potential	Short and medium-long term	Direct activity
I-Impact of possible episodes of corruption or non-compliance with laws and regulations on persons or the environment.	Negative	Potential	Medium-long term	Direct activity

Description	Time horizon	Value chain
R-Economic and operational risk related to extreme weather events caused by climate change	Short and medium-long term	Direct activities and activities along the value chain
R-Economic risk related to rising energy costs and ETS allowances	Short and medium-long term	Activities along the value chain
R-Economic and reputational risk of exceeding legal limits for the release of pollutants into the atmosphere, on land and in groundwater	Short and medium-long term	Direct activities
O-Economic opportunity linked to accessing grants and tax breaks for energy efficiency, renewable energy investments	Short and medium-long term	Direct activities
O- Economic and reputational opportunities from the use of recycled products	Short and medium-long term	Direct activities
O- Reputational and economic opportunity related to the multi-cycle plantation project	Short and medium-long term	Direct activities
R-Economic and operational risk related to business interruptions caused by the depletion of water resources	Medium-long term	Direct activities and activities along the value chain

IRO-I Description of the process to identify and assess material impacts, risks and opportunities

DR 53 a), b i), ii), iii), iv), c i), ii), iii), d), e), f), g), h), DR 59)

Cartiere Carrara carried out an Impact Analysis and a Financial Analysis on all activities along the value chain with the aim of identifying material issues for the organisation. These analyses are essential for establishing action and reporting priorities.

Impact Materiality

The Group analysed the current and potential impacts, both positive and negative, direct and indirect, generated by the Company and its business relations on the environment and people. The most material sustainability issues for the Company were defined through a two-stage process.

In the **first phase**, a preliminary analysis was carried out to understand the internal and external context related to sustainability. During this phase, the activities, products and location of the mills were examined, as well as the business relationships along the entire value chain. Industry trend reports, specific regulations and internal documentation were analysed and accompanied by a benchmark analysis of the sustainability practices of similar organisations in order to identify industry best practices. In particular, as anticipated in section "SBM-2 Interests and views of stakeholders", the interests and opinions gathered from various

stakeholders through the stakeholder engagement analysis conducted in 2023 were taken into account. This analysis enabled us to understand the expectations and needs of stakeholders, ensuring that sustainability strategies are aligned with their priorities and contributing to a more inclusive and responsible approach to corporate policymaking.

In the **second phase**, impacts were identified and assessed using Severity and Likelihood criteria. The combination of these two dimensions determines the significance of the impact on the external environment and its actors.

Severity is divided into three dimensions: the scale of intensity, which measures how severe the negative impact is or how beneficial the positive impact is for people or the environment; the scope, which assesses the extent of the impact, whether negative or positive, and may refer to the extent of environmental damage or the number of individuals affected; and the irremediable character, which measures the possibility of remedying the negative impacts by restoring the environment or people affected to their previous state.

Likelihood, on the other hand, is defined as the possibility of the impact occurring and can be measured both qualitatively and quantitatively, varying according to the measures adopted by the Company to prevent and/or mitigate the impact. In the case of potential negative impacts related to the non-respect of human rights, the severity of the impact was prioritised over its likelihood, as required by the ESRS standards.

During the evaluation process, specific activities related to production, procurement, waste management and business relations with suppliers, customers and end users were considered. The possible location of production sites in areas of high water stress was also evaluated. Other factors taken into account include the relationship with internal and external stakeholders, which may increase the likelihood of generating negative impacts.

Financial Materiality

The analysis of financial materiality examines the influence of **sustainability issues** along the entire value chain on the **financial performance** of the Group in the short, medium and long term.

The **financial risks** associated with sustainability include environmental, social or governance events or conditions that, if they occurred, could have a significant negative impact on the Company's business model, strategy and ability to achieve its objectives and create value. These risks can influence business decisions and business relations in the area of sustainability.

On the contrary, the **financial opportunities** related to sustainability refer to uncertain environmental, social or governance events or conditions which, if they materialised, could generate a significant positive effect on the Company's business model, strategy and ability to achieve its objectives and create value. These opportunities can influence the Company's decisions and those of its business partners in relation to sustainability.

In other words, if a sustainability issue causes or has the potential to cause **significant financial effects** on the Company's performance, it can generate risks or opportunities that substantially affect aspects such as cash flow, growth, financial performance, access to finance and cost of capital.

The process of identifying and evaluating all risks and opportunities was broken down into the following two phases:

1. **Analysis of the Group's operating environment** by examining business plans and strategies, mapping the products offered and the geographical areas where these activities take place. Business relationships and the value chain, both upstream and downstream, are also mapped. Also analysed are the relevant legal and regulatory context, sustainability practices adopted by similar and competing companies, and industry reports and other publications on sustainability trends. The analysis of corporate reporting aims to identify risks and opportunities for the Group by examining the following aspects:
 - **Impact** - identification of risks or opportunities deriving from the Group's impact on people and the environment.
 - **Dependencies** - evaluation of key natural, human and social resources for business processes.
 - **Sustainability context** - analysis of the actions taken by the Group to reduce negative impacts and maximise positive impacts on sustainability.

In addition, as with the impact analysis, the interests and opinions gathered from various stakeholders through the stakeholder engagement analysis conducted last year were also taken into account.

2. **Evaluation of the significance** of risks and opportunities over the short and medium-long term time horizons according to the dimensions of:
 - **Likelihood**, defined as the possibility of the risk or opportunity occurring;

- **Magnitude**, understood as the relevance of a sustainability risk or opportunity in terms of its financial impact on the Company.

Although Cartiere Carrara has not yet implemented an integrated system for managing risks and business opportunities, this first analysis in the field of sustainability is a significant step. It is an opportunity to develop a risk culture that can be integrated into business practices, paving the way for a more informed and proactive future. Concerning internal control activities related to the reporting of metrics of relevant IROs, see section "GOV-5 Risk management and internal controls over Sustainability Reporting".

Double Materiality

Once the two materiality analyses were completed, the results were merged into a single Double Materiality analysis. When an issue emerges as relevant for impact or financial materiality, the impact is considered material and the issue is then reported in the Company sustainability report. In addition, the aggregated results of the analyses were presented to senior management during a dedicated workshop aimed at validating the results, which were subsequently approved by the Board of Directors.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

DR 54), DR 55), DR 56), DR 59)

As a result of the Double Materiality analysis, the disclosures listed in the following table were identified as material:

ESRS	Disclosure
ESRS 2	BP-1 General basis for preparation of the sustainability statement
	BP-2 Disclosures in relation to specific circumstances
	GOV-1 The role of the administrative, management and supervisory bodies
	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
	GOV-3 Integration of sustainability-related performance in incentive schemes
	GOV-4 Statement on due diligence
	GOV-5 Risk management and internal controls over sustainability reporting
	SBM-1 Strategy, business model and value chain
	SBM-2 Interests and views of stakeholders
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS E1	GOV-3 Integration of sustainability-related performance in incentive schemes
	E1-1 Transition plan for climate change mitigation
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to the climate
	E1-2 Policies related to climate change mitigation and adaptation
	E1-3 Actions and resources in relation to climate change policies
	E1-4 Targets related to climate change mitigation and adaptation
	E1-5 Energy consumption and mix
ESRS E2	E1-6 Gross scopes 1, 2, 3 and total GHG emissions
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to pollution
	E2-1 Policies related to pollution
	E2-2 Actions and resources related to pollution
ESRS E3	E2-3 Targets related to pollution
	E2-4 Pollution of air, water and soil
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to water and marine resources
	E3-1 Policies related to water and marine resources
	E3-2 Actions and resources related to water and marine resources
ESRS E4	E3-3 Targets related to water and marine resources
	E3-4 Water consumption
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems
	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model
	E4-2 Policies related to biodiversity and ecosystems
ESRS E5	E4-3 Actions and resources related to biodiversity and ecosystems
	E4-4 Targets related to biodiversity and ecosystems
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to the use of resources and the circular economy
	E5-1 Policies related to resource use and circular economy
	E5-2 Actions and resources related to resource use and circular economy
ESRS E5	E5-3 Targets related to resource use and circular economy
	E5-4 Resource inflows
	E5-5 Resource outflows

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S1-1 Policies related to own workforce

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

S1-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

S1-5 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

S1-6 Characteristics of the undertaking's employees

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

ESRS S1 S1-8 Collective bargaining coverage and social dialogue

S1-9 Diversity metrics

S1-10 Adequate wages

S1-11 Social protection

S1-12 Persons with disabilities

S1-13 Training and skills development metrics

S1-14 Health and safety metrics

S1-15 Work-life balance metrics

S1-16 Remuneration metrics (pay gap and total remuneration)

S1-17 Incidents, complaints and severe human rights impacts

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S2-1 Policies related to value chain workers

ESRS S2 S2-2 Processes for engaging with value chain workers about impacts

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

S2-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SBM-2 Interests and views of stakeholders

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

S3-1 Policies related to affected communities

ESRS S3 S3-2 Processes for engaging with affected communities about impacts

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

	SBM-2 Interests and views of stakeholders
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
	S4-1 Policies related to consumers and end users
ESRS S4	S4-2 Processes for engaging with consumers and end users about impacts
	S4-3 Processes to remediate negative impacts and channels for consumers and end users to raise concerns
	S4-4 Taking action on material impacts on consumers and end users, approaches to managing material risks and opportunities in relation to consumers and end users, and effectiveness of those actions
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
	GOV-1 The role of the administrative, management and supervisory bodies
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
	G1-1 Corporate culture and business conduct policies
ESRS G1	G1-2 Management of relationships with suppliers
	G1-3 Prevention and detection of corruption and bribery
	G1-4 Incidents of corruption or bribery
	G1-6 Payment practices

For the descriptions of the negative impacts, risks and opportunities deriving from the materiality analysis, see the detailed tables in the Appendix, which provide information on the E1 Climate change, E2 Pollution, E3 Water, E4 Biodiversity and ecosystems, E5 Circular economy, S1 Own workforce, S2 Workers in value chain, S3 Affected communities, S4 Consumers and end users and ESRS G1 Business conduct standards.

In this section, Cartiere Carrara provides a detailed explanation of the conclusions that emerged from its materiality assessment, illustrating the reasons that make the impacts, risks and opportunities analysed significant. This approach ensures that the Group's sustainability statement is not only complete and transparent, but also complies with current regulations.

Through an in-depth analysis, Cartiere Carrara offers a clear insight into its sustainability practices, highlighting the Company's commitment to responsibly managing environmental and social challenges. The information presented reflects Cartiere Carrara's dedication to operating ethically and sustainably, and contributing to a better future for all.

03 | European Taxonomy

European Taxonomy: Cartiere Carrara takes its first steps

In 2024, the Cartiere Carrara Group began an initial analysis of its business activities and operations on the basis of **EU Regulation 852/2020**, also known as **Taxonomy Regulation or Taxonomy**.

This Regulation is a key pillar for promoting sustainable investments within the European Union and plays a crucial role in classifying economic activities according to their ability to contribute to one or more of the six environmental objectives outlined in the Regulation. It provides clear and unified guidance, establishing specific technical criteria for each economic activity described. If these criteria are met, the activity can be considered environmentally sustainable.

The main objective is to direct investments towards virtuous activities which as well as respecting the principles of sustainability also contribute to the ambitious goals of the European Green Deal. In this context, the European taxonomy represents a key instrument for promoting transparency in the market. It helps protect private investors from the risk of greenwashing, i.e. deceptive practices that make a company appear more sustainable than it really is. It also supports companies in their transition towards greener and more responsible practices.

The Regulation also aligns with the Corporate Sustainability Reporting Directive (CSRD) and outlines six environmental objectives which have been used to categorise economic activities:

- Climate change mitigation (CCM);
- Climate change adaptation (CCA);
- Sustainable use and protection of water and marine resources (WTR);
- Transition to a circular economy (CE);
- Pollution prevention and control (PPC);
- Protection and restoration of biodiversity and ecosystems (BIO).

An economic activity is considered **Eligible** if it is included in one of the Delegated Acts that accompany the regulation. It is defined as **Aligned** if, once deemed Eligible, it meets specific technical criteria:

- Substantial Contribution criteria - Criteria which, if met, make it possible to classify the economic activity as capable of contributing to the sustainability of one or more of the six environmental objectives;



- “Do No Significant Harm” (DNSH) criteria - Criteria which, if met, make it possible to state that the economic activity does not harm the sustainability of environmental objectives to which it does not contribute.

- **Minimum Safeguards criteria** - Criteria which, if met, make it possible to assert that the economic activity is carried out with respect for Fundamental Human Rights (i.e. United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the Eight Fundamental Conventions of the International Labour Organisation Declaration on Principles and the International Bill of Human Rights).

Finally, once economic activities have been identified as eligible and aligned, the Taxonomy Disclosures Delegated Act requires the definition of three economic indicators:

- **Turnover:** Turnover generated by products or services related to economic activities considered to be environmentally sustainable.
- **CapEx:** Capitalised expenses associated with eligible economic activities.
- **OpEx:** Operational expenditure associated with assets or processes connected with eligible non-capitalised activities related to research and development, building renovation, short leases, maintenance and repair, and other direct expenses for the maintenance of property, plant and equipment.

In 2024, the Group **voluntary** performed a first **eligibility analysis** of its business operations with the aim of identifying activities that could potentially contribute to the environmental objectives outlined in the **Taxonomy Regulation**.

Currently, the activities of the paper sector do not present eligible operations for the Turnover indicator, but do present eligible operations for the CapEx and OpEx indicators.

The activities identified as Eligible in 2024 for the CapEx indicator are:

- **CCM 1.3 Forest management**
- **CCM 4.3 High-efficiency combined heat and power generation from gaseous fossil fuels**
- **CCM 5.1 Construction, expansion and operation of water collection, treatment and supply systems**
- **CCM 5.2 Renovation of water collection, treatment and supply systems**
- **CCM 7.1 Construction of new buildings**
- **CCM 7.2 Renovation of existing buildings**
- **EC 3.3 Demolition and dismantling of buildings and other structures**
- **CCM 7.3 Installation, maintenance and repair of energy efficiency equipment**
- **CCM 7.4 Installation, maintenance and repair of renewable energy technologies**
- **CCM 7.7 Acquisition and ownership of buildings**

The activities identified as Eligible in 2024 for the OpEx indicator are:

- **CCM 1.3 Forest management**
- **CCM 4.3 High-efficiency combined heat and power generation from gaseous fossil fuels**
- **CCM 5.1 Construction, expansion and operation of water collection, treatment and supply systems**
- **CCM 5.2 Renovation of water collection, treatment and supply systems**
- **CCM 6.5 Transport on motorbikes, cars and light commercial vehicles**
- **CCM 6.6 Freight transport services by road**
- **CCM 7.3 Installation, maintenance and repair of energy efficiency equipment**
- **CCM 7.4 Installation, maintenance and repair of renewable energy technologies**

Activities related to the Climate Change Mitigation target were not eligible for the Climate Change Adaptation target in light of the absence of a Climate Risk Assessment for 2024.

This first analysis is an important step for the **Cartiere Carrara Group** on the path towards greater environmental sustainability, following the criteria established by the **European Taxonomy**. The work carried out in 2024 made it possible to identify eligible activities, creating a solid basis for future developments and investigation. Looking ahead, the Group will continue to monitor the evolution of **EU Regulation 852/2020**, refining its approach to sustainability and aiming to progressively align its business operations with European standards.

Its commitment to sustainability is part of a broader strategy of responsible growth, in line with the objectives of the **European Green Deal** and stakeholder expectations. Transparency and compliance with **ESG** (Environmental, Social, and Governance) standards will guide its business decisions, contributing to long-term value creation.



RICAMENTO
ASTA

ABBASSA

BLOCCA ASTA

BLOCCA

CODA

PRIMARI

ABBASSA

RITORNO

SECONDARI

PRESSA

SOFFIO
VELA

BOB POS.
PARCHEGGIO

ESRS EI Climate change

GOV-3 Integration of sustainability-related performance in incentive schemes

DR 13)

Cartiere Carrara has launched a process to integrate sustainability in its incentive schemes, introducing specific performance targets for the Technical Manager linked to the reduction of energy consumption. This represents a first concrete step towards aligning environmental performance with remuneration policies, an approach that may lead to the extension of such practices to other Company functions in the future.

EI-I Transition plan for climate change mitigation

DR 14), DR 15), DR 16), DR 17)

As part of the Sustainability Plan, the Group has set targets to reduce energy consumption and prioritise the use of renewable sources over fossil fuels, with the aim of contributing to the reduction of CO₂ emissions. Looking to the future, the Group is considering developing a structured climate transition plan and setting specific greenhouse gas (GHG) emission reduction targets, in collaboration with its stakeholders, to further strengthen its environmental strategy and foster the implementation of high positive impact tools and projects.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DR 18), DR 19)

The Double Materiality analysis carried out by the Cartiere Carrara Group brought to light two main categories of risks that could have a significant impact on the Company's operations and economic sustainability.

The first risk is physical and concerns the economic effects and operational disruptions caused by extreme weather events, which are becoming increasingly frequent due to climate change. These events can damage infrastructure and interrupt production, resulting in high repair and recovery costs.

The second risk is economic in nature and concerns the rising cost of energy and ETS (Emission Trading System) allowances. The latter are a key part of the transition to a low-carbon economy as they put a price on CO₂ emissions. Although this incentivises companies to invest in more sustainable technologies, it also leads to an increase in operating costs.

Aware of the importance of strategic and attentive management processes in order to maintain its competitiveness and economic sustainability, the Cartiere Carrara Group intends to constantly monitor climate change risks and to carry out a formal resilience analysis of its business model in the future in order that it may perform resilience and transition analyses and scenario analysis as soon as possible. The aim is to guarantee an effective and proactive response to the environmental and economic challenges that arise.

IRO-I Description of the process to identify and assess material impacts, risks and opportunities related to the climate

DR 20 a), b), c), DR 21)

The process of identifying and assessing impacts, risks and opportunities related to the climate was carried out by the Group through the Double Materiality analysis. This process was performed taking into account the sector in which the Group operates, the regulatory environment to which it is subject, the geographical context and its specific business activities.

Details on the process of identifying impacts, risks and opportunities are provided in the paragraph IRO-1 Description of the process to identify and assess material impacts, risks and opportunities in chapter ESRS 2 General Disclosures.

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Actual Impact (-)	Contribution to climate change due to the generation of GHG emissions by Direct and Indirect Group Activities	The paper industry contributes significantly to climate change through three main types of greenhouse gas (GHG) emissions: Scope 1: Direct emissions from the combustion of gases and fuels in production processes and company vehicles. Scope 2: Indirect emissions from the purchase and consumption of the electricity needed to power machinery and production processes. Scope 3: Emissions along the value chain, including the procurement of raw materials like cellulose, waste management and employee commutes. Overall, these emissions increase the environmental impact of the industry.	Short and medium-long term	Direct activities and activities along the value chain (upstream)
Actual Impact (-)	High energy consumption	The paper industry is known for its high energy consumption. Paper production requires large amounts of thermal and electrical energy, mainly for drying and fibre converting processes. The use of energy from non-renewable sources results in the emission of pollutants and contributes to the depletion of fossil fuels.	Short and medium-long term	Direct activities and activities along the value chain (upstream)
Actual Impact (+)	Contribution to the reduction of CO ₂ in the atmosphere through multi-cycle plantation activities.	Cartiere Carrara's multi-cycle planting project, launched in 2020, aims to reduce CO ₂ emissions through the forestation and environmental redevelopment of approximately 220 hectares in the province of Lucca. This project fosters biodiversity, protects natural habitats and promotes the sustainable management of forest resources. Multi-cycle plantations, in which different plant species have different growth times, help mitigate climate change and support the local economy.	Short and medium-long term	Direct activity
Physical risk	Economic and operational risk related to extreme weather events caused by climate change	The increase in extreme weather events, such as floods, storms and heatwaves, can have serious consequences for business structures. These events can cause physical damage to buildings, equipment and infrastructure, disrupting daily operations and logistics. The repairs needed to restore damaged structures can be very expensive.	Short and medium-long term	Direct activities and activities along the value chain
Transition risk	Economic risk related to rising energy costs and ETS allowances	In 2024, there was an increase in expenditure on electricity and gas compared to 2019. This increase is due to geopolitical tensions, rising energy demand and inflation. These factors have led to higher energy prices, putting pressure on households and businesses, which are still dependent on non-renewable resources. Furthermore, the increase in ETS (Emissions Trading System) allowances could further increase overall energy costs.	Short and medium-long term	Activities along the value chain

Opportunity	Economic opportunity linked to accessing grants and tax breaks for energy efficiency, renewable energy investments	The adoption of photovoltaic, cogeneration and other environmentally-friendly solutions could reduce and stabilise energy costs in the medium to long term, decreasing the vulnerability of companies to variations in the price of conventional energy sources. Furthermore, they could also benefit from subsidised funding and state or European contributions for the ecological transition and the reduction of carbon emissions.	Short and medium-long term	Direct activities
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In 2024, the Group did not conduct any specific or formal analyses of physical risks related to climate change. However, it has taken important steps to protect itself: it has acquired an insurance policy against low-risk events, which also covers natural disasters. Furthermore, in 2025, the Group plans to adopt a supplementary policy, in accordance with Decree Law no. 39/2025, which introduces new provisions for companies, making it compulsory to take out insurance policies for damage caused by natural disasters. These measures demonstrate the Group's commitment to managing climate change risks and protecting its assets.

EI-2 Policies related to climate change mitigation and adaptation

DR 22), DR 23), DR 24), DR 25 a), b), c), d)

“ We are committed to creating and sharing value, to generating lasting growth, and to guaranteeing the future generations that we will safeguard - according to the principle of equality - the economic, human, social and natural heritage that our generation enjoys, preserving our bond with the local territory and building relationships of trust with all of our stakeholders. This is our commitment to a better future, with the aim of achieving concrete and measurable results by 2030.

Sustainability Manifesto

The Cartiere Carrara Group has always been committed to protecting the environment, its increasing awareness of the topic and its range of sustainable products enabling it to attract even the most responsible and sensitive of customers.

In addition to complying with regulations and seeking to protect global systems, prioritising environmental sustainability means improving efficiency in the long term, boosting profitability.

In 2024, the Group launched an important project to develop an integrated policy¹ for the effective management of impacts, risks and opportunities, with a particular focus on climate change mitigation and adaptation. This Integrated Policy will embrace key issues such as quality, product safety, environmental sustainability, energy and occupational health and safety. It is expected to be approved in 2025, marking a significant step towards a more responsible and sustainable future.

At the same time, the Group is certified according to the ISO 14001 and ISO 50001 standards (with the exception of the Pescia site for the latter).

UNI EN ISO 50001:2018 certification establishes the fundamental requirements of an Energy Management System. At Cartiere Carrara we have made the requirements of the standard our own and can now count on a system based on the measurement of electrical and thermal energy consumption and the collection and detailed analysis of data in order to optimise the production process and constantly improve our energy efficiency. The Group does not just limit itself to complying with standards but is actively committed to promoting the streamlined use of energy and increasing the adoption of renewable energy sources, contributing to cleaner and more sustainable technologies in the process. The certification requires the constant review of energy targets, ensuring the continuous improvement of performances. Cartiere Carrara invests in awareness-raising and staff training on energy dynamics. In addition, the Group evaluates the installation of high-efficiency

¹ The Integrated Policy, the Manifesto and the Sustainability Plan apply to parent company Cartiere Carrara S.p.A and the highest management body responsible for implementing all of the policies set out in the document is the Chief Executive Officer.

lighting systems during renovations and extensions. In parallel, it evaluates, designs and procures energy-efficient products, engaging with suppliers to ensure that they respect the principles of the energy policy.

The integrated management system, certified according to UNI EN ISO 14001:2015, focuses on controlling the environmental effects of production activities and reducing their impact on the surrounding environment through the progressive reduction of emissions. Cartiere Carrara actively collaborates with suppliers of goods and services to promote shared improvements in reducing environmental impact. In addition, it is committed to informing and raising awareness of customers on the correct management of the products it supplies so that they too can adopt a more environmentally-friendly approach.

Finally, as detailed in ESRS 2 General Disclosures, section SBM-1 Strategy, business model and value chain, Cartiere Carrara formalised its commitment to sustainability with the publication of its Sustainability Manifesto in 2023. This document sets out the Company's strategy in terms of its vision and policy objectives. Presented to mark the Company's 150th anniversary, the Manifesto consists of ten key points that outline how the Group intends to actively pursue these objectives.

In addition, a three-year Sustainability Plan (2023-2025) has been developed and approved by the CEO, which identifies priority areas on which to focus sustainability efforts. This plan represents a strategic commitment on the part of the Company to promoting sustainable practices and continuously improving its environmental, social and governance performance.

The Group is currently working on the definition of a Decarbonisation Plan, which is expected to be drafted and approved in 2025.

EI-3 Actions and resources in relation to climate change policies

DR 28) DR 29 a), b)

The Cartiere Carrara Group is constantly committed to safeguarding the environment, as evidenced by its adoption of advanced technological choices and implementation of an efficient environmental management system. Thanks to a series of actions taken over the years, the Company has achieved significant results in terms of the efficient use of materials, the self-production of energy and the reduction of its energy consumption. This commitment not only complies with applicable regulations and contributes to the protection of global systems, it also improves long-term efficiency, strengthening the Company's profitability.

Cartiere Carrara has possessed and maintained UNI EN ISO 14001:2015 certification since 2015, demonstrating continuous improvements in its environmental practices. In addition, the Energy Management System (EMS) adopted by the Company on the basis of the UNI EN ISO 50001 standard is a key tool for promoting the organisation's commitment not only to compliance with energy regulations but also to the development of control systems geared to the continuous improvement of energy performance.

The main activities aimed at mitigating and adapting to climate change are outlined below:

- **Energy procurement** - The Tissue paper production process involves significant energy consumption, in particular thermal energy, which is essential for the proper drying of the sheet and therefore for meeting the quality standards of the finished product. In 2024, Cartiere Carrara took a significant step towards decarbonising its production processes, in line with the commitments of the Company's Sustainability Plan. In particular, the Sermoneta (Latina) plant has increased its use of renewable electricity thanks to the Guarantee of Origin (GO) system, a tool recognised at European level for guaranteeing the traceability of green energy. This initiative has enabled the site to meet 30% of its annual electricity needs with certified energy from renewable sources. In this way, Cartiere Carrara actively contributes to reducing indirect CO₂ emissions (Scope 2), underlining its commitment to a more sustainable and responsible production model.

Decarbonisation lever: use of **energy from renewable sources**



- **Installation of photovoltaic panels** - Cartiere Carrara has invested heavily in photovoltaics to promote energy sustainability. In 2019, the first 362 kW system was installed on the roof of the Tronchetto warehouse in Tassignano, followed by a 138 kW system on the new Rogio warehouse. In February 2022 a new 450 kW system went into operation at the Ferrania site, and in April 2023 an existing 198 kW system was acquired at the same site. Given the increasing levels of consumption and the large areas available on the roofs of the mills, the development of larger photovoltaic systems is planned. Currently, the four photovoltaic systems installed in different production sites generate a total output of 1148 kW. By the end of 2025, new projects will be completed, including an 858 kW system at the second site in Via del Rogio, a 1358 kW system for the Carraia converting plant equipped with 1374 kWh FLP storage batteries, and the repowering and retrofitting of the existing system at the Sermoneta site. These activities form part of the 'Industry 4.0' state funding project which aims to promote technological innovation and the digitalisation of production processes. Through these projects, the Company aims to improve its operational efficiency and guarantee a modern and safe working environment.

Decarbonisation lever: use of energy from renewable sources

- **Energy efficiency** - In the 2022-2024 three-year period, Cartiere Carrara launched a wide-ranging programme of energy efficiency measures, involving the Tassignano, Ferrania and Pratovecchio mills in particular.

Its most significant actions included:

- The implementation of an innovative system for the production of high-pressure steam from fumes recovered from the paper drying process at the Tassignano and Pratovecchio sites. Christened "**Steam Pack**", this system enabled the self-production of about **2000 kg/h of steam**, reducing the need for energy from external sources.
- The optimisation of pulper cycle management at Tassignano, Pratovecchio and Ferrania.
- Ceramisation of the fan pump at the Tassignano site.
- Installation of a new compressed air compressor at the Ferrania site.
- Modification of the headbox at the Ferrania site.

These activities were accompanied by a plan to renew the machinery fleet, with the introduction of more modern and efficient technologies capable of improving production performance and reducing energy consumption. The projects were identified by the names "**1000 kW**" for Tassignano, "**500 kW**" for Ferrania and "**250 kW**" for Pratovecchio, reflecting the energy saving potential associated with each site.

In parallel, the **replacement of traditional light fittings with high-efficiency LED systems** continued, helping to reduce electricity consumption and improve lighting quality in the workplace.

Other efficiency measures were also launched in 2024, including:

- The extension of energy optimisation activities to the Company's other continuous machines.
- The **replacement of the boilers** at the **Pietrabuona** and **Pratovecchio** sites.
- **Upgrading of the burners at the Tassignano site:** technical updating aimed at optimising steam production, reducing energy demand and ensuring compliance with the emission limits set by **regional regulations**.
- Work to improve the efficiency of **vacuum pumps**

In 2024 Cartiere Carrara introduced smart software to optimise production processes at the Tassignano site with the aim of improving energy efficiency and reducing operating costs. Designed to analyse data from the plants and control instruments in real time, the system suggests the most efficient operating parameters to the operator, ensuring that daily production and product quality remain constant. Use of this tool will be extended to other lines in the course of 2025.

The cogeneration system also underwent targeted work to improve its efficiency and expand the potential uses of the heat it generates. Modifications are currently being made to the absorbers of the PM6 and PM8 continuous machines with the aim of utilising the excess heat not only for steam and power generation but also to heat and air condition the technical rooms and control rooms.

In 2024, Cartiere Carrara continued its innovation and efficiency path in the converting sector by installing new energy-efficient production lines.

Among its the most significant activities was the start-up of the new **Z6 line for Z-folds** at the Pescia site, designed to replace two previous lines that are now obsolete. This investment represented a major step forward both in terms of production capacity and the reduction of specific energy consumption per tonne of paper produced.

At the same time, the building housing the new line, previously used as a warehouse and not operational for more than three years, was completely renovated. The redevelopment work included the refurbishment of the vacuum pump, building work, the adaptation of the toilets and the painting of the rooms, and restored the full functionality and quality of the production spaces.

Its commitment to energy efficiency has also extended to other production sites. At the **Via del Rogio** site a new facial products line was installed with AC motors that are more high-performance and flexible than their DC predecessors, ensuring better adaptation to operational variations and reducing overall consumption.

Meanwhile, a new warehouse for finished products was completed at the **CV5 site in Carraia**, optimising internal logistics, reducing internal transport, and further contributing to the overall sustainability of the production cycle.

For 2025, investments include the installation of a new line for industrial rolls at the Ferrania site, a new line for handkerchiefs at the Via del Rogio site, and finally a new line for napkins at a new production site in the municipality of Capannori. All lines will be operational in the fourth quarter of 2025.

In addition, the Group also continued to pursue a series of climate change-related initiatives not associated with structural interventions. These include LCA and forestation activities:

LCA - Life Cycle Assessment:

In 2023 Cartiere Carrara introduced the life cycle assessment (LCA) for the first time, a methodology that enables the environmental impact of a product to be assessed at all stages of its life cycle: from extraction of the raw material to production, distribution, use and final disposal. The assessment was performed on a representative product in a worst-case scenario, with the aim of understanding the environmental impact throughout the entire product life cycle, from raw material production to final disposal.

In 2024 the assessment was extended to cover the entire product range, including private label and branded products, also in response to growing customer demand for more transparency and environmental responsibility. The systematic adoption of LCA enables the Company to identify the life cycle phases with the greatest environmental impact and to define targeted strategies for their mitigation, thereby contributing to the continuous improvement of the sustainability of its products.

Decarbonisation lever: process optimisation.

Forestation projects: Cartiere Carrara has adopted a future-oriented vision, built in the present, which is based on caring about today to ensure a sustainable tomorrow for all. In line with this philosophy, the "Kilometroverde® Lucca" and "Multi-Cycle Plantations" forestation projects were launched on land acquired for this purpose over a period of more than ten years. The aim is to restore oxygen to the habitat, creating a green lung near the production areas and leaving a new environmental legacy. Since 2020, through the broader "Paper that plants trees" project, Cartiere Carrara has involved its employees and local schools in forestation activities with the planting of trees.

Developed in collaboration with Rete Clima, "Kilometroverde® Lucca" is a project to create a strip of forest along the southern stretch of the A11 motorway, between the Lucca Est and Capannori exits, and involves the introduction of 1000 new plants and the management of an existing forest. As well as creating a physical and visual barrier between the land and the motorway, the project also helps to capture pollutants produced by traffic and maintain natural continuity with the existing forests.

The Multi-Cyclical Plantations are located on a flat former agricultural area of about 220 hectares in the hamlet of Badia Pozzeveri, in the province of Lucca. More than 14,000 trees have been planted here, including different plant species with different growth and cutting times, permitting improved conservation of the carbon stock in the soil and reducing the impact of cutting operations.

Both projects have ecological, economic and biodiversity benefits, contributing to mitigating local environmental impacts and creating value for both the environment and the local economy. In particular, the forests created by these projects act as carbon sinks, absorbing carbon dioxide from the atmosphere and helping to reduce greenhouse gases.

For 2025, BPER finalised a loan of 5 million euro with a SACE Green Guarantee in favour of La Badia Soc. Agr. Srl, a subsidiary of the Group not included in the scope of consolidation, to support costs and expenses related to forestation activities. Through this initiative, the Company will contribute significantly to climate change mitigation, at the same time supporting economic activities related to the prevention of deforestation and forest degradation. The operation will also make it possible to develop projects aimed at promoting good practices for the restoration and sustainable management of forests, encouraging regenerative agriculture.

Decarbonisation lever: CO₂ absorption





Sustainability has always been part of our DNA. We have built the Company on this principle, adopting a responsible approach that guarantees respect for the environment in every aspect of our operations. Our membership of the UN Global Compact, dating to 2024, further reinforces our path of environmental, social and governance responsibility and transparency. The idea of launching a forestation project dates back many years to a time when these issues were not yet at the centre of debate. Over time, we have acquired land with the aim of preserving the natural areas close to our mills and developing initiatives that also have an educational value. This loan, which will strengthen our virtuous relationship with SACE and BPER, demonstrates how the collaboration between companies and the financial system can represent an engine of development for sustainable projects and is further confirmation of our daily commitment to sustainability, not only as a guiding principle but as a tangible aspect of our way of doing business. Investing in environmental protection and the education of the new generations is a long-term strategic choice for us which translates into concrete actions to safeguard the territory and promote the more informed use of resources.

Mario Carrara, Vice President & Chief Growth Officer.



Cartiere Carrara is introducing a structured programme of actions aimed at mitigating and adapting to climate change, in line with its commitments on environmental sustainability. These actions, already at an advanced stage of implementation, represent a strategic pillar for the transition to a low-carbon production model capable of combining industrial competitiveness with environmental responsibility.

The Group intends to continue and to strengthen this path by implementing the objectives outlined in the **Sustainability Plan** and in the **Decarbonisation Plan**, which is currently being drafted and expected to be published by the end of 2025. These tools will guide the Company's future business decisions on the Group's energy efficiency, reduction of emissions and resilience to climate impacts.

EI-4 Targets related to climate change mitigation and adaptation

DR 31), DR 32); DR 33), MDR-T 81)

Cartiere Carrara has defined ambitious targets related to energy savings and emission reductions in its 2023-2025 Sustainability Plan. The goal is to invest significant resources to curb energy consumption, prioritising alternative sources to fossil fuels that are capable of minimising carbon dioxide emissions, and constantly monitoring their progress.

Operational targets set out in the sustainability plan:

Operational targets	Activity	Status
Increase the use of self-produced renewable energy and progressively increase the share from certified sources with guarantees of origin.	Purchase of energy from renewable sources with Guarantee of Origin (GO) certificates.	Ongoing
	Reduce energy consumption through energy efficiency measures: replacement of lighting system with LED lamps.	Ongoing
	Upgrade machinery introducing more efficient technologies.	Ongoing
	Plan new energy efficiency and renewable energy production projects (e.g. photovoltaic systems, cogeneration, etc.) using resources from existing funding (NRRP).	Ongoing
Track and set targets for reducing atmospheric emissions	Introduce a GHG inventory (GHG Protocol Guideline) on Scope 1 and Scope 2.	Achieved
	Introduce a GHG inventory (GHG Protocol Guideline) on Scope 3.	Achieved
	Define an emissions reduction roadmap and submit reduction commitments for validation by SBTi.	Ongoing
	Take actions to reduce direct scope 1 emissions related to Company production activities and facilities: e.g. eliminating fossil fuel combustion activities for heat/energy production.	Ongoing
	Electrification of the company fleet.	Ongoing
	Automate the calculation of emissions by integrating the emission calculation model in SAP.	Ongoing
	Take offsetting/insetting actions to compensate for GHG emissions that could not be abated.	Ongoing
Certify the sustainability of buildings and production sites	Acquire green certification for buildings, for example: LEED, BREEAM or WELL certification	Ongoing

The targets set out in the Sustainability Plan were defined following an analysis of both the internal and external ESG climate, which provided an insight into Cartiere Carrara's level of maturity in relation to sustainability. Benchmark analyses were carried out and the industry trends and regulatory environment to which Cartiere Carrara is subject were also analysed. Representatives of the 15 key functions were involved in this activity

With regard to increasing the use of self-generated renewable energies and progressively increasing the share from 30 certified sources with guarantees of origin, in 2022, 2023 and 2024 the Group took several significant energy efficiency measures, involving the Tassignano, Ferrania and Pratovecchio paper mills with a view to upgrading the machinery with more efficient technologies. Significant actions included the implementation of a system for the production of steam from fumes recovered from the paper drying process at the Tassignano and Pratovecchio sites, the optimised management of pulper cycles at Tassignano and Ferrania, the modification of the headbox at Ferrania, and the installation of a new compressed air compressor, also at Ferrania. New energy efficiency and renewable energy production projects are also currently being implemented with completion expected by the end of 2025. These include the construction of a new photovoltaic system at the second site in Via del Rogio, a new converting plant at Carraia with FLP storage batteries and, finally, the repowering and retrofitting of the existing system at the Sermoneta site.

With a view to creating an emissions reduction roadmap, Cartiere Carrara has embarked on an ambitious path to formulate a decarbonisation plan, which is currently being drawn up and in 2025 will be approved by the CEO. This plan aims to reduce emissions by 30% compared to 2021 by 2030, in line with the global target of limiting warming to 1.5 °C, and will be updated every five years.

To ensure the robustness and reliability of the data, the Group intends to submit the Plan and its emission reduction targets for validation by the Science Based Targets initiative (SBTi) in 2026.

The decarbonisation levers aimed at achieving the targets related to the use of renewable energies are reported in the paragraph "E1-3 Actions and resources in relation to climate change policies".

EI-5 Energy consumption and mix

DR 35, DR 36, DR 37 a), b), c i), c ii), c iii), DR 38 a), b), c), d), e), DR 39), DR 40), DR 41), DR 42), DR 43)

In 2024, the Cartiere Carrara Group's energy consumption revolved mainly around three sources: natural gas, used in trigeneration processes; diesel, used to power the company fleet; and LPG, used for heating.

Energy consumption and mix ²	Unit of measurement	2022	2023	2024
Consumption of fuel from carbon and carbon products	MWh	-	-	-
Consumption of fuel from crude oil and oil products	MWh	2,150	2,327	2,196
Consumption of fuel from natural gas	MWh	636,968	681,849	716,721
Consumption of fuel from other non-renewable sources	MWh	39	26	49
Consumption of electrical, heat, steam and cooling energy from fossil sources, purchased or acquired	MWh	111,019	89,319	87,115
Total energy consumption from fossil fuels	MWh	750,177	773,520	806,081
Fossil fuels as a proportion of total energy consumption	%	99.8%	99.8%	99.8%
Consumption from nuclear sources	MWh	-	-	-
Nuclear sources as a proportion of total energy consumption	%	-	-	-
Fuel consumption for renewable sources, including biomass (also includes industrial and municipal waste of organic origin, biogas, renewable hydrogen, etc.)	MWh	-	-	-
Consumption of electrical, heat, steam and cooling energy from renewable sources, purchased or acquired	MWh	-	-	-
Consumption of self-generated renewable energy without the use of fuel	MWh	1,311	1,338	1,393
Total energy consumption from renewable sources	MWh	1,311	1,338	1,393
Renewable sources as a proportion of total energy consumption	%	0.2%	0.2%	0.2%

2. The conversion factors published by DEFRA (Department for Environment, Food and Rural Affairs) for the years 2022, 2023 and 2024 were used to convert values from individual units into MWh.

Total energy consumption	MWh	751,486	774,858	807,474
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The Group self-produces a significant share of energy through cogeneration, using two 3.3 MW Rolls Royce cogeneration plants at the Pratovecchio site, where the paper mills with the highest energy consumption are located. In December 2015, two cogeneration plants with 3.2 MW engines were activated at the Tassignano and Ferrania sites. In 2018, a 4.3 MW MWM cogeneration plant dedicated to the PM8 in Tassignano was installed, equipped with systems similar to those already present.

In 2019, a second MWM engine dedicated to the PM4-5 machines was also installed in Tassignano. In January 2021, a MWM engine was activated at the Ferrania site, specifically for the PM10.

Energy data is collected via an **ISO 50001** certified system that continuously acquires information from all of the **meters installed** in the plants. To improve the accuracy and reliability of the system, **periodic controls** are performed using **fiscal meters**, focusing particular attention on the gas entry points of the mills.

Compared to the previous year, there was a **2.5% reduction** in the consumption of electricity acquired from the grid (87,115 MWh,) reflecting the Group's commitment to improving energy efficiency. At the same time, the self-production of electricity, obtained through trigeneration and photovoltaic systems, came to a total volume of 149,582 MWh, covering 33% of the year's total energy demand. Of this self-generated energy, 96% was used for self-consumption, contributing significantly to reducing the dependence on external sources. The remaining 4% was fed into the national grid, a positive contribution also in terms of the sharing of energy from efficient and environmentally-friendly sources.

	Unit of measurement	2022	2023	2024
Self-generated electricity	MWh	115,927	140,174	149,582
of which from non-renewable sources (e.g. Trigeneration)	MWh	114,616	138,836	148,188
of which from renewable sources (e.g. Photovoltaic)	MWh	1,311	1,338	1,393
Electricity self-generated and consumed	MWh	111,544	135,870	144,254
of which from non-renewable sources	MWh	110,234	134,694	143,067
of which from renewable sources	MWh	1,310	1,176	1,187

Cartiere Carrara currently has six trigeneration plants distributed across its production sites, with a total installed capacity of 25,960 MW. These are joined by four photovoltaic systems, also located at different production sites, which contribute a total power of 1146 kW.

Trigeneration Plants			
	Unit of measurement	Power	Active since
Tassignano Cogeneration Plant PM4-5	MW	4.3	2019
Tassignano Cogeneration Plant PM6	MW	3.2	2015
Tassignano Cogeneration Plant PM8	MW	4.3	2018
Ferrania Cogeneration Plant PM7	MW	3.2	2015
Ferrania Cogeneration Plant PM10	MW	4.3	2021
Pratovecchio Cogeneration Plant PM3	MW	6.6	2001

Photovoltaic Systems			
	Unit of measurement	Power	Active since
Tassignano	MW	359.64	2016
Rogio	MW	138.05	2019
Ferrania	MW	450.00	2021
Ferrania	MW	198.00	2023

The Group operates in the "Production **of paper and paper products**" sector, an area classified as being of "high climate impact".

The following table shows **energy intensity** in relation to net revenue³.

	Unit of measurement	2022	2023	2024
Total energy consumption - Sector C17 Production of paper and paper products	MWh	751,488	774,858	807,474
Revenues from sales and services	€ m	461	443	444
Energy intensity	MWh /€ m	1,630	1,749	1,819

3. The net revenue value of Cartiere Carrara S.p.A. was used to calculate the intensities.

EI-6 Gross scopes 1, 2, 3 and total GHG emissions

DR 44 a), b), c), d), DR 48 a), b) DR 49 a), b), DR 51), DR 52 a), b), DR 53), DR 54), DR 55)

Below is a detailed table analysing the GHG (Greenhouse Gas) emissions of the Cartiere Carrara Group.

	2022	2023	2024	%N/ N-1
Gross scope 1 GHG emissions (tCO₂eq)	127,653	142,470	144,233	1%
Percentage of scope 1 GHG emissions covered by regulated emissions trading schemes (%)	99%	99%	99%	0%
Gross location-based scope 2 GHG emissions (tCO₂)	34,970	28,135	27,441	-2.5%
Gross market-based scope 2 GHG emissions (tCO₂)	50,752	44,710	38,435	-14%
Total gross indirect GHG emissions (scope 3) (tCO₂eq)	-	303,435	305,055	1%
1. Purchased goods and services	-	95,856	101,715	6%
Cloud computing and data centre services	-	-	-	-
2. Capital goods	-	5,551	5,061	-9%
3. Fuel and energy-related activities (not included in Scope 1 or 2)	-	11,872	12,471	5%
4. Upstream transport and distribution	-	19,669	14,652	-26%
5. Waste generated during operations	-	187	18	-90%
6. Business trips	-	274	122	-55%
7. Employee commutes	-	-	-	-
8. Leased assets upstream	-	327	427	31%
9. Downstream transport	-	2,988	1,851	-38%
10. Transformation of sold products	-	-	-	-
11. Use of sold products	-	-	-	-
12. End-of-life treatment of sold products	-	142,395	144,937	2%
13. Leased assets downstream	-	-	-	-
14. Franchising	-	-	-	-
15. Investments	-	24,317	23,801	-2%
Total GHG Emissions (Market-Based) tCO₂eq	162,623	476,729	476,729	0.56%
Total GHG Emissions (Location-Based) tCO₂eq	178,404	487,723	487,723	-0.59%

With regard to Scope 1 emissions, i.e. those directly generated by sources owned or under the direct control of the organisation, Cartiere Carrara has adopted the values reported under the ETS (Emission Trading Scheme). The emission factors used come from the table of national standard parameters of the UNFCCC (United Nations Framework Convention on Climate Change) National Inventory, used for the calculation of ETS emissions.

For sites not subject to the ETS, the same emission factors as those included in the scheme were applied in order to ensure methodological consistency. The total value reported includes CO₂ emissions deriving from the use of natural gas, LPG and diesel, as required by the ETS. Added to these are the methane (CH₄) and nitrous oxide (N₂O) components, calculated on the basis of the DEFRA (Department for Environment, Food and Rural Affairs) database for the years 2022, 2023 and 2024. Finally, the CO₂ equivalent associated with the fluorinated gases used in R-410A and R-32 refrigeration systems is also included.

At the same time, for the quantification of indirect Scope 2 emissions resulting from the consumption of purchased electricity, the Company adopted a dual calculation methodology in order to provide a more articulated and complete view of the impact associated with energy procurement. This involved the application of the "location-based" approach, which is based on the average emission intensity of the national electricity grid; in this context, for the mills located in Italy, the data published in the 2019 "Terna - International Comparisons" report was used. With regard to mills operating within the European Union, it also involved the "market-based" approach, which takes account of the specific contractual characteristics of the purchased energy, in particular whether it comes from renewable or non-renewable sources, using to this end the data contained in the document "European Residual Mixes 2024" published by the Association of Issuing Bodies (AIB).

With regard to Scope 3 emissions, the calculation was carried out using only data collected internally, without the use of primary data provided by suppliers or other business partners.

The calculation of Scope 3 emissions was carried out considering the organisational boundaries of Cartiere Carrara S.p.A. only. The following categories were excluded from the scope of analysis:

- Category 7: applicable, but not calculated;
- Category 10: applicable, but not calculated;
- Category 11: deemed not relevant;
- Category 13: not applicable;
- Category 14: not applicable.

The following assumptions were made to calculate Scope 3 emissions:

Category 3.1: For the calculation of emissions related to **Purchased goods and services**, emissions were quantified using a **Spend-based methodology**. A selection of expense items were taken from Cartiere Carrara's 2024 Income Statement and then divided into categories according to type. Each expense item in each category was then converted into emissions in terms of kg of CO₂-eq using the emission factors in the Exiobase v.3.11 database, for which the Italy (IT) *region* was selected.

Category 3.2: For the calculation of emissions related to **Capital goods**, emissions were quantified using a **Spend-based methodology**. The increase in the value of investments compared to 2023 provided by Cartiere Carrara was taken as input data. The data was then assigned to an Exiobase v.3.11 emission factor (*region* Italy IT) according to the type of expense

Category 3.3: For the calculation of **emissions related to fuels and energy activities**, the energy consumption reported in the "Input Cat. 3" sheets was taken and multiplied by the Ecoinvent emission factor (v. 3.11) for electricity and the DEFRA emission factor (2024) for diesel, LPG and natural gas consumption. For category 3, because there was no visibility into the energy mix of the suppliers, a location-based emission factor was considered, using the national energy mix

Category 3.4: For the calculation of emissions related to **Upstream transport and distribution**, emissions were quantified using a **Spend-based methodology**. A selection of expense items were taken from Cartiere Carrara's 2024 Income Statement and then divided into categories according to type. Each expense item in each category was then converted into emissions in terms of kg of CO₂-eq using the emission factors in the Exiobase v.3.11 database, for which the Italy (IT) *region* was selected. The following assumptions were made on this data: for the item *Transport on sales* 33% was associated with transport by ship and 67% by road; for the item *Transport on production materials* 80% was associated with transport by road and 20% by ship; for the item *Transport on purchases* 80% was associated with transport by road and 20% by ship; for other

transport items, 100% of expenses were associated with transport by road

Category 3.5: For the calculation of emissions related to **Waste generated during activities** a **primary data-based methodology** was used. Data on tonnes of waste generated during 2024 was used and converted to emissions using DEFRA emission factors (2024).

Category 3.6: For the calculation of emissions related to **Business trips**, a **Spend-based methodology** was used. Total expenses for business trips includes expenses for travel by train, car and plane, as well as accommodation costs (hotels). The expenses data was then multiplied by the relevant Exiobase v. 3.11 emission factor, for which the Italy (IT) *region* was chosen.

Category 3.8: For the calculation of emissions related to **Upstream leasing activities**, emissions were quantified using a **Spend-based methodology**. A selection of expense items were taken from Cartiere Carrara's 2024 Income Statement and then divided into categories according to type. Each expense category was then converted into emissions in terms of kg of CO₂-eq using the emission factors in the Exiobase v.3.11 database, for which the Italy (IT) *region* was selected.

Category 3.9: For the calculation of emissions related to **downstream transport and distribution**, emissions were quantified using a **Spend-based methodology**. On the basis of the total products sold, the share of goods sold whose transport was paid for by the customer was taken. The costs incurred by Cartiere Carrara for downstream transport were repropotioned on the percentage of goods sold EXW. The emission factors in the Exiobase v.3.11 database were applied to the values obtained, selecting the Italy (IT) *region*. Based on the country of destination, values of 62% for road transport and 38% transport by ship were applied.

Category 3.12: For the calculation of emissions related to **End-of-life treatment of sold products**, emissions were quantified using an **average methodology**. Emissions were in fact calculated from data on tonnes of goods sold. The calculation covered the end-of-life of both finished and semi-finished products (reels). For each tonne of good sold, the emission associated with a specific waste treatment methodology in the country where the good was sold was then calculated. For finished products and reels whose raw material is comparable with the toilet paper family, end-of-life was considered in wastewater. For all other finished products and mother reels, end-of-life was considered as municipal waste. The emission factors applied are the factors available in the Ecoinvent database.

Category 3.15: For the calculation of emissions related to **Investments**, emissions were quantified using a **Spend-based methodology** related to revenues from controlled activities. Knowing the sector of activity and the ATECO code of each subsidiary company, it was possible to convert revenues into emissions in terms of kg of CO₂-eq using the emission factors in the Exiobase v.3.11 database, for which the Italy (IT) *region* was selected.

Cartiere Carrara is subject to the European Union Emissions Trading System (ETS), a market mechanism created in 2005 for the efficient reduction of greenhouse gas emissions. The system sets a cap on emissions, which is reduced over time, and companies receive or buy emission allowances, each one corresponding to 1 tonne of CO₂. Companies can trade allowances, incentivising the reduction of emissions. Emissions are monitored and verified by a third party and reported to the system annually. Cartiere Carrara's participation in the ETS demonstrates its commitment to a sustainable future and the reduction of emissions.

The following table shows the **intensity of GHG emissions** in relation to net revenue.

	Unit of measurement	2023	2024
Total GHG emissions (Location-Based)	Tonnes CO ₂	474,041	476,729
Revenues from sales and services	€ m	443	444
Emission intensity	Tonnes CO ₂ /€ m	1,070	1,074

	Unit of measurement	2023	2024
Total GHG emissions (Market-Based)	Tonnes CO ₂	490,615	487,723
Revenues from sales and services	€	443	444
Emission intensity	Tonnes CO ₂ /€ m	1,107	1,098

EI-7 GHG removals and GHG mitigation projects financed through carbon credits

DR 56 a), b), DR 57 a), b), DR 58 a), b), DR 59 a), b)

As part of its active commitment to environmental sustainability and mitigating the effects of climate change, in 2020 Cartiere Carrara launched a series of forestation and ecological redevelopment initiatives in areas it owns near its production sites in the province of Lucca.

These projects have been developed through *La Badia Società Agricola S.r.l.*, a Group subsidiary not included in the scope of consolidation, and represent a tangible example of Cartiere Carrara's integrated approach to protecting the territory and promoting local natural heritage.

As already mentioned in paragraph E1-3 Actions and resources in relation to climate change policies, these initiatives are carried out in collaboration with Compagnia delle Foreste and aim to increase atmospheric carbon dioxide absorption capacity, improve air quality and strengthen local biodiversity.

Kilometroverde® Lucca - Involves the creation of a 1 km strip of forest along the A11 motorway with the planting of 1000 trees and the restoration of a typical Tuscan wood in place of an existing newly-formed woodland area of limited forest and ecosystem value. The forest acts as both a visual and an acoustic barrier, a natural filter against vehicle pollution, and an ecological link between existing wooded areas. Use of the kilometroverde® mark is granted by Rete Clima and can be understood as an indicator of guaranteed compliance with the forestry requirements of the Forestazione Italiana® protocol. The project will also be certified according to sustainable forest management standards by an accredited certification system.

Multi-Cycle Plantations in Badia Pozzeveri: a project over an area of approximately 220 hectares aimed at creating multifunctional forest plantations that combine sustainable timber production, soil conservation and biodiversity protection. The plantations comprise species with different growth cycles, including native species such as English oak (*quercus robur*) and plants selected for their greater drought resistance and adaptability to climate change such as the cypress (*cupressus sempervirens var. orizzontalis*) and the hackberry (*celtis australis*). The **multi-cycle plantations** are an innovative solution that combines production and environmental goals by taking inspiration from the structure of natural mixed forests. Consisting of tree and shrub species with different growth cycles, these plantations permit continuous and sustainable management processes in which partial uses are followed by new plantings to guarantee the permanence of the plant cover and the natural regeneration of the system. In addition to promoting **diversification** and reducing economic risks, the plantations make it possible to **contain management costs, bring forward economic returns and limit the impact on the landscape** compared to single-cycle plantations. The introduction of nitrogen-fixing species reduces the need for fertilisation, while reduced tillage intensity helps to **reduce CO₂ emissions**. This approach also fosters greater **biodiversity** and the **ecological continuity of habitats**, strengthening the environmental value of managed forest areas.

Between 2020 and 2024, Cartiere Carrara planted a total of **14,185 plants**.

The focus in 2023 was on the maintenance and restoration of the plants that were damaged by the extreme drought of summer 2022 despite the numerous emergency irrigations carried out. This highlighted the importance of designing forest systems that are resilient to climate change. The strategy adopted involves a lower plant density and the introduction of species better suited to the new environmental conditions.

Although the planted trees are still young and have not reached full maturity, it is possible to estimate their future CO₂ uptake potential based on average values provided by the **U.S. Department of Agriculture (USDA)** and the **Arbor Day Foundation**, according to which a mature tree can absorb an average of approx. **22 kg of CO₂ a year**.

Applying this value to the planted trees, it is estimated that the currently growing trees **absorbed approximately 230 tonnes of CO₂ in 2024**, making a significant contribution to climate change mitigation and the strengthening of natural capital.

	2022	2023	2024
Number of trees planted	9,864	9,864 ⁴	10,473
Tonnes of CO ₂ absorbed during the year	217	217	230

Cartiere Carrara did not purchase carbon credits on the voluntary market in 2024.

The following **table summarises** the planting activities carried out by Cartiere Carrara, providing a clear and transparent overview of the Company's commitment to enhancing natural capital and mitigating climate change:

Reforestation project	Unit	2022	2023	2024
Trees planted	no.	7,028	3,712	609
Area of land affected by forestation	ha	14.3	19.49	2.5
Plant density	no./ha	505	197	244

4. In 2023, activities focused on restoring areas where the weakest plants did not withstand the severe drought of summer 2022, despite repeated emergency irrigation. The extreme climatic conditions compromised the survival of a significant part of the vegetation, necessitating a new planting cycle. For the purpose of estimating the annual CO₂ uptake, it was assumed that the number of trees planted in 2023 was equivalent to the number of plants that did not survive in 2022.



AlberItalia ETS Foundation to support the sustainable management of Italian forests

In 2021, Cartiere Carrara took a significant step on its environmental responsibility path by joining both the Steering Committee and the Board of Directors of the **AlberItalia ETS Foundation**. An important milestone that enables the Company to actively contribute to the strategic guidance and development of the Foundation's projects, strengthening its commitment to the sustainable management of natural resources.

This collaboration stems from a shared goal: **to combat climate change, reduce environmental impact and protect biodiversity** through concrete, nature-based solutions. AlberItalia's mission - "planting the right tree in the right place" - reflects a scientific and targeted approach to reforestation that aims to maximise the ecological, social and economic benefits of forest ecosystems.

Founded in 2021, the AlberItalia ETS Foundation works for the common good, pursuing civic, solidarity and socially useful purposes. Its activities are multifaceted:

- **Ecosystem services for communities**, promoting the use of low energy impact materials, such as wood instead of ceramics;
- **Intangible benefits**, including mitigating the climate crisis, creating shaded areas in urban settings and enhancing biodiversity;
- **Sustainable forest management**, in a country like Italy where 37% of the land is covered by forests, with an average annual increase of around 58,000 hectares between 2005 and 2015 (source: INFC 2015).



We are greatly honoured to be given the opportunity to join the Steering Committee of the AlberItalia Foundation. The chance to actively and effectively participate in joint projects, which will see us play a leading role in protecting the environment and biodiversity, is a great opportunity for us and one that sits perfectly with our vision of "Caring for What's Next". We are sowing the seeds for a greener future and are proud to be able to do this alongside an authoritative partner like AlberItalia.

Massimo Carrara



ESRS E2 Pollution

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to pollution

DR 11 a), b),

In line with its commitment to the responsible management of **pollution**, as part of the Double Materiality analysis Cartiere Carrara has performed an assessment of **environmental risks, opportunities and impacts**. In order to identify IROs, elements such as the specific nature of the sector, the geographical location of plants and the characteristics of the business model were considered. The process included the active involvement of senior management through a workshop dedicated to the validation and critical discussion of the results that emerged. During this meeting, input from external stakeholders, gathered during the stakeholder engagement process carried out in 2024, was also considered in relation to materiality for the 2023 budget. The methodological details and main outcomes of this analysis are presented in paragraph IRO-1, in the chapter ESRS 2 General Disclosures.

The table below shows the identified IROs:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Actual Impact (-)	Release of pollutants into the air	The paper industry and its value chain has a significant impact on the environment, mainly due to air pollutant emissions deriving from energy consumption. Paper production requires a lot of energy, often generated from fossil fuels, which contributes to greenhouse gas emissions such as CO ₂ . In addition to CO ₂ , paper mills emit other air pollutants such as nitrogen oxides (NOx) and sulphur oxides (SOx), which decrease air quality and contribute to smog and acid rain.	Short and medium-long term	Direct activities and activities along the value chain (upstream)
Potential Impact (-)	Possible damage to human health or environmental quality due to noise production	Noise impact is a significant aspect to consider in the tissue paper production sector as the production and converting equipment used for the transformation of paper can generate high levels of noise which, if not properly managed, can have negative effects on the environment and people.	Short and medium-long term	Direct activities
Actual Impact (-)	Pollution of surface water	Paper production has a significant impact on groundwater pollution due to the use of chemicals and the disposal of hazardous waste. Paper mills use large quantities of water, which can be contaminated by chemicals such as chlorine, hydrogen peroxide and bleaching agents. If wastewater is not properly treated, it can seep into the soil and reach groundwater, causing pollution and damage to aquatic ecosystems and human health.	Short and medium-long term	Direct activities and activities along the value chain (upstream)
Physical risk	Economic and reputational risk of exceeding legal limits for the release of pollutants into the atmosphere, on land and in groundwater	Because of the intrinsic nature of its business, Cartiere Carrara is subject to stringent environmental regulations, such as Integrated Environmental Authorisation (IEA), and to controls by monitoring authorities, such as ARPAT. These regulations concern not only pollutant emissions, but also water management and noise production. Failure to comply with these regulations could result in significant economic sanctions, with potential financial repercussions. Moreover, exceeding the legal limits could damage the Company's reputation, undermining the trust of consumers and stakeholders.	Short and medium-long term	Direct activities and activities along the value chain (upstream)

E2-1 Policies related to pollution

DR 12), DR 13), DR 14), DR 15 a)

Cartiere Carrara adopts an integrated approach to environmental sustainability, in line with the principles of its **Policy for Quality, Product Safety, the Environment, Energy and Occupational Health and Safety** approved by the Board of Directors. This policy, compliant with the **UNI EN ISO 14001:2015** standard, is the framework by which the organisation manages its activities for the continuous improvement of environmental, energy and safety performances, promoting the prevention of pollution and full compliance with current regulations.

The Group began a major process of updating its integrated policy in 2024 with the aim of further strengthening its management of environmental impacts and consolidating its environmental guidelines. The new document is expected to be approved in 2025 and will mark a significant step towards an increasingly responsible and sustainable management process.

Cartiere Carrara also guarantees the **transparency and accessibility** of its environmental policy, making it available to anyone who requests it and sharing it with its main stakeholders: employees, suppliers, customers and local communities.

The Company recognises the importance of adopting responsible behaviour and concrete measures to contain and reduce the impacts of industrial processes. With this in mind, it is firmly committed to pursuing continuous improvement objectives, paying particular attention to the prevention of pollution and to the systematic monitoring of emissions, discharges and other environmental effects related to its activities, in full compliance with current regulations and industry best practices.

This commitment translates into the **constant control of production process** and a culture of shared environmental responsibility along the entire value chain. Employees, workers and suppliers are actively involved in this process with the aim of fostering a collective improvement in environmental performance and consolidating a sustainability-oriented business model.

The Group's paper mills operate in compliance with the **Integrated Environmental Authorisation (IEA)** measure regulated by Italian Legislative Decree no. 152/2006, which promotes an integrated approach to pollution prevention and reduction, considering air, water and soil emissions jointly and requiring the adoption of **Best Available Techniques (BAT)**. Meanwhile, conversion plants are subject to the **Single Environmental Authorisation (SEA)** measure introduced with Italian Presidential Decree 59/2013, an instrument that simplifies administrative procedures by combining various industrial authorisations while maintaining high standards of control and regulatory compliance.

E2-2 Actions and resources related to pollution

DR 16), DR 17), DR 18), DR 19 a), b)

In line with its commitment to environmental sustainability and in accordance with the principles of ISO 14001, under which the Company is certified, Cartiere Carrara has adopted a systematic approach to pollution management based on the constant monitoring of air, water and soil emissions and the implementation of measures aimed at preventing, reducing and mitigating environmental impacts.

In recent years, significant steps have been taken towards creating **a more sustainable future** through substantial and completely self-financed investments in plant modernisation and the adoption of **more efficient** low environmental impact technologies.

In 2024, the complete replacement of the boilers and the thermal power plant at the Tassignano, Pietrabuona and Pratovecchio sites was completed in response to regional regulations on combustion systems. As well as complying with emission limits, these measures have also made it possible to improve overall energy efficiency, **reducing emissions of CO, NOx and SOx** in line with the best available techniques (BAT).

To tackle **air pollution**, improvements have been made to dust extraction systems with the aim of containing emissions within the production environment. In addition, measures have been taken to reduce **noise pollution** through the installation of sound-absorbing barriers, soundproofing panels and acoustically sealed doors at the Tassignano site. At the Ferrania plant, specific work has been carried out on the cogeneration system and vacuum pumps to reduce external noise.

With regard to water pollution, a continuous improvement process has been launched to reduce the impact of discharges. In 2024 an ozone treatment plant for wastewater was opened at the Pratovecchio site, improving the quality of discharges and reducing the use of chemicals in purification processes. As well as contributing to the prevention of pollution at source, this measure also generates benefits along the entire value chain,

improving the quality of water returned to the environment and positively affecting the ecosystems and communities that depend on these resources.

Finally, a project is being developed to reduce the use of biocides by 50% by 2025, further reiterating the Company's commitment to reducing the environmental impact of its activities.

E2-3 Targets related to pollution

DR 20), DR 21), DR 22); DR 25)

At present, the Company has not defined quantitative targets for the progressive reduction of pollutants. Cartiere Carrara adopts an approach based on strict compliance with regulatory limits on pollutant emissions, constantly monitoring its environmental impacts to ensure compliance with the thresholds set by current legislation. With a view to continuous improvement consistent with the principles expressed in its integrated policy, the **Group reserves the right to assess the possibility of adopting specific emission reduction objectives in the future**, also in relation to the evolution of the regulatory and technological context and stakeholder expectations.

E2-4 Pollution of air, water and soil

DR 26) DR 27), DR 28 a), b); 30 a), b), c)

As owner of mills subject to Integrated Environmental Authorisation (IEA) and Single Environmental Authorisation (SEA), Cartiere Carrara regularly monitors the pollutants it releases into the air, water and soil, the latter particularly in relation to the impacts generated by noise produced by industrial activities.

Environmental control activities are based on direct measurements of atmospheric emissions and the accurate sampling of wastewater, carried out according to methods that comply with the provisions of the environmental authorisations issued for each production site, and in line with the Best Available Techniques (BAT) described in the European BREF documents.

In order to guarantee the reliability and transparency of the data collected, Cartiere Carrara uses accredited external laboratories to carry out environmental analyses in accordance with protocols recognised at regulatory level. Air emission measurements are carried out directly at the plants, while for water a representative sample is taken and then subjected to chemical and physical analysis.

This monitoring system allows the Company to verify its compliance with authorisation limits but also to maintain constant control over its environmental performance, enabling it to pursue its goal of continuous improvement while ensuring complete respect for all current regulations.

On the basis of the measurement and quantification activities carried out in accordance with Regulation (EC) no. 166/2006 (E-PRTR Regulation), it was found that, for all the pollutants listed in Annex II with the exception of nitrogen oxides (NOx) generated during production operations, the values measured at Cartiere Carrara's mills are below the reporting thresholds set out in the regulation.

According to *datapoint* 29 of the ESRS, and in the absence of exceedances of regulatory thresholds, these emissions have not been reported analytically in this document with the exception of those relating to **nitrogen oxides (NOx)**, for which specific details have been provided.

The table below shows the quantities of NOx released into the air in the years 2022-2023-2024.

Pollutant	Unit	2022	Air 2023	2024
Nitrogen Oxide (NOX)	t/y	124.45	125.10	146.47

As part of their compliance with **Integrated Environmental Authorisation (IEA)** or **Single Environmental Authorisation (SEA)** measures, all of Cartiere Carrara's plants are subject to a structured and continuous system of **monitoring and self-inspection** which makes it possible not only to guarantee respect for the authorised emission limits but also to promptly implement corrective measures in the event of deviations. In addition to responding to precise regulatory obligations, this approach reflects the Company's commitment to responsible and transparent environmental management geared to the continuous improvement of its performance.



ESRS E3 Water and marine resources

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to water and marine resources

DR 8 a), b)

Water is an indispensable resource for the paper industry, not only for its technical function within the production cycle but also for its strategic value in terms of environmental sustainability. Historically, paper mills were built near watercourses or in areas with abundant surface water precisely in order to ensure a constant and reliable supply of water.

Aware of the importance of this resource and the potential environmental impacts associated with its use, Cartiere Carrara has conducted an in-depth assessment of the risks, opportunities and impacts associated with water, taking account of the geographical context, the paper industry, and the specific characteristics of its business model. This analysis was developed according to the principle of double materiality and the aggregated results that emerged from this process were shared with senior management during a dedicated workshop aimed at validating and critically discussing the results. The contributions and opinions of external stakeholders were also considered during the meeting in order to ensure the most comprehensive and inclusive overview possible. The analysis, which considers both financial and environmental and social factors, and the results of this process are described in detail in the paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" in chapter "ESRS 2 General Disclosures".

The table below shows the identified IROs:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/ INDIRECT
Actual Impact (-)	Contribution to water depletion	The paper industry has a significant impact on the depletion of water resources due to its high water consumption. The production of paper requires large quantities of water, which is mainly used for the creation of cellulose pulp and the operation of the pulping plants. This high consumption can lead to a reduction in the availability of water resources, especially in areas already subject to water stress.	Medium-long term	Direct activities and activities along the value chain (upstream)
Physical risk	Economic and operational risk related to business interruptions caused by the depletion of water resources	Water scarcity in Italy is a growing problem, aggravated by climate change and inefficient infrastructure. For Cartiere Carrara, water is a fundamental resource for various production processes, including the treatment of fibres, the formation of paper sheets and the washing of machines, and its shortage can quickly halt or slow down production, leading to high operating costs and a decrease in the Company's competitiveness. This risk is amplified by climate change, which causes prolonged droughts, and the ineffective management of water resources. Outdated infrastructure can also aggravate the situation, causing significant water losses.	Medium-long term	Direct activities and activities along the value chain (upstream)

E3-I Policies related to water and marine resources

DR 10), DR 11), DR 12)

“ Water is a precious commodity, the core element of our transformation cycle, which we have always used with the utmost respect and care. We promote the constant improvement of the water footprint of our processes through continuous investment in research and development with the aim of keeping average consumption below 4 cubic metres per tonne of paper produced.

Sustainability Manifesto.

Cartiere Carrara addresses water resource management across the board in its **Policy for Quality, Product Safety, the Environment, Energy and Occupational Health and Safety**, focusing on adopting the best available technologies, compatible with economic sustainability, to protect the environment and reduce the impact of its activities, including water consumption. In 2024, the Group began the significant process of updating its integrated policy, which involves the introduction of corporate guidelines for managing the impacts, risks and opportunities related to water consumption. With approval expected in 2025, this is an important step towards the increasingly responsible and sustainable management of water resources.



Consistent with the principles of its **Code of Ethics**, Cartiere Carrara regards environmental protection as a fundamental part of its identity. The investments it has made to consolidate its leadership in the sector are not only driven by the need to remain competitive, they also aim to reduce the use of primary resources, including water.

Of the Group's production sites, only the **Ferrania** plant is located in an area classified as subject to high water stress; the plant undergoes continuous monitoring, underlining the Group's desire to maintain close levels of attention on a strategic issue for environmental and industrial sustainability.

E3-2 Actions and resources related to water and marine resources

DR 15), DR 16), DR 17), DR 18 a), b), c) d), DR 19).

Cartiere Carrara has always put the reduction of environmental impact at the centre of its business strategy, focusing particular attention on the responsible use of water resources, an essential element in the paper production process

The actions it has undertaken in this area are part of a broader environmental management system certified according to ISO 14001, which guarantees a structured and systematic approach to the continuous improvement of environmental performance. This certification not only attests to its compliance with international environmental requirements, it also provides a framework for identifying, assessing and managing environmental impacts, including those related to water use. In this context, reducing water consumption and optimising water treatment are priority objectives, monitored through key performance indicators (KPIs) such as the **percentage reduction in water use per tonne of paper produced** and the **percentage of water reintroduced into the production cycle**.

Over the years, the Group has implemented advanced technology solutions to progressively reduce its water withdrawal and improve the quality of the water used in its production processes. In particular, a system for the treatment of inbound water withdrawn from the Arno River, based on low environmental impact technologies, was installed at the Pratovecchio production site in 2021. This system consists of three synergic phases: a mechanical phase, a biochemical phase, and finally a UVC light treatment, which completes the purification process by removing organic residue and reducing ozone concentration. This integrated approach makes it possible to obtain microbiologically pure, more efficient and responsive water in the production cycle, contributing to operator safety and environmental protection without generating toxic by-products.

In 2023, the same technology was extended to the treatment of water leaving the paper mill, with the aim of increasing the internal reuse of water resources. Thanks to this measure, it was possible to reintroduce about **10% of the treated water** to the production cycle, significantly reducing the need for new water. The Company has set itself the goal of gradually increasing this percentage through a plan for the continuous improvement of its water footprint.

An extra step was taken at the **Tassignano** plant where a specific project was developed for the treatment of inbound well water. The aim was to prevent the introduction of biologically active material (bacteria, fungi and yeasts) and consequently reduce the amount of biocide in the internal water cycle. The solution adopted involved the installation of UV-C lamps, selected for their inherent antimicrobial properties and zero environmental impact. Field trials confirmed the effectiveness of the technology, leading to a 99.9% reduction in microbiological load and a 5% reduction in biocide use on all paper machines in the plant.

In parallel, at the **Ferrania site** an advanced filtration system was implemented consisting of two cyclonic filters and two mechanical filters with decreasing particle size, capable of reducing suspended solids by 90%. To complete the treatment, a UV-C lamp disinfection system was integrated, which further improved the microbiological quality of inbound water, contributing to the stability of the production process and the reduction of maintenance costs.



Mario Carrara,
vice president & chief growth
officer di Cartiere Carrara

DALL'ACQUA A UN IMPEGNO GLOBALE

Raffaella Quadri

Il mondo della carta investe in tecnologie avanzate per ottimizzare il consumo e il trattamento delle acque, riducendo l'impatto ambientale. Tra le soluzioni adottate si annoverano trattamenti ecosostenibili per l'acqua in ingresso e il recupero di quella reflua, con il ricorso a sistemi che minimizzano gli sprechi e favoriscono il riutilizzo della risorsa idrica. Grazie a queste innovazioni, un'importante cartiera italiana ha ridotto il prelievo idrico del 9% nel 2023 e mira a un uso sempre più efficiente della risorsa idrica, in linea con gli sfidanti obiettivi del Green Deal

I produttori di carta sono da sempre sensibili alla promozione dell'economia circolare e alla tutela dell'ambiente. La carta è di per sé un materiale che si presta alla circolarità, in quanto nasce da materie prime naturali che possono e devono essere recuperate e riciclate. Avere come parte integrante delle proprie politiche aziendali questi principi è però



IN LINEA CON
LE SFIDE DEL
GREEN DEAL
2030, PUNTIAMO
A CONTENERE IL
CONSUMO MEDIO
DI ACQUA A UN
MASSIMO DI 4
METRI CUBI PER
TONNELLATA
DI CARTA
PRODOTTA

un passo ulteriore che richiede impegno e costanza.

Cartiere Carrara www.cartierecarrara.com, tra le principali aziende in Europa nella produzione integrata di carta tissue, presente in 50 Paesi nel mondo e con alle spalle una storia di oltre 150 anni, ha fatto della tutela dell'ambiente e delle sue risorse un baluardo del proprio modo

**CARTIERE
CARRARA
PRODUCE CARTA
DAL 1873**

E3-3 Targets related to water and marine resources

Related actions and resources

DR 20), DR 21), DR 22), DR 23 a) c), DR 24), DR 25)

Given the importance of water resources in its production cycle, and in line with the Sustainability Plan, the Group has set internal targets for mitigating the negative impacts of its water consumption. These targets were set independently by the Group and are not connected with regulatory obligations; moreover, no **ecological thresholds** or entity-specific allocations were taken into account in their definition.

The targets are in line with the management of identified **impacts and risks** and focus particular attention on areas subject to water stress like the Ferrania production site, which is located in an area where there is strong pressure on water resources. In this context, a potential water shortage could lead to the interruption of production activities, with consequent significant economic and operational impacts. Water scarcity, exacerbated by climate change and obsolete infrastructure, represents a real physical risk to the Group's business continuity.

To address these critical issues, Cartiere Carrara has set itself a clear and measurable target: **to contain average water consumption to a maximum of 4 cubic metres per tonne of paper produced**, promoting the increasingly efficient and responsible use of the resource. This commitment translates into constant investment in research and development to continuously improve the water footprint of production processes, including through the adoption of advanced technologies for water treatment and reuse.

The objective of reducing water consumption applies across the board to all of the Group's production sites, with particular focus on those located in water-stressed areas, and represents a concrete response both to the need to mitigate the environmental impact of papermaking and the desire to strengthen the Company's operational resilience in an increasingly unstable climate. The Group monitors its results and progress annually, reporting monitoring metrics in the sustainability report.

Operational targets set out in the sustainability plan:

Operational targets	Activity	Status	SDGs
Improve the management of water resources, keeping average consumption below 4 cubic metres per tonne of paper produced.	Set targets and initiatives to continuously improve the water footprint, optimising water consumption and wastewater management.	Ongoing	

E3-4 Water consumption

DR 26), DR 27), DR 28 a), b), c), e),

Water is an indispensable and multifunctional resource in the paper production process, playing a central role in all stages of processing: from the preparation of cellulosic pulp to the transport of the fibres and through to the formation of the sheet in the continuous machine. During this phase, water is separated from the fibre and to a large extent fed back into the production cycle, as part of a system that prioritises circularity and reuse. However, an unavoidable proportion of water evaporates during the process, making constant replenishment with fresh water necessary to maintain the overall water balance.

The reporting scope includes all of the Group's production sites, for which a daily monitoring system of water withdrawals and discharges, based on a network of analogue and digital meters installed at water inlet and outlet points, is in place. Data is collected daily and acquired via **direct measurements**, ensuring a high level of reliability. The water is taken from wells and **water courses adjacent** to production sites and, once used, is conveyed to **consortium purification plants** which treat it and then reintroduce it to surface water bodies, in compliance with regional environmental regulations. All chemical-physical and microbiological parameters comply with the reference tables established by current legislation, guaranteeing the safety and environmental compatibility of discharges.

Of the Group's production sites, the **Pratovecchio** plant stands out for the exceptional efficiency of its water resource management: here, about **10% of discharged water is treated with advanced ozone technology** and subsequently reintroduced into the initial production cycle, significantly contributing to reducing the need for fresh water.

The following table shows water consumption data for the three-year period 2022-2024, expressed in cubic metres (m³):

Water consumption	Unit of measurement	2022	2023	2024
Total water withdrawal	m ³	1,516,306	1,374,908	1,385,342
Total water consumption	m ³	529,916	547,888	624,834
Total water consumption in water-stressed areas	m ³	110,839	99,300	117,180
Total water discharges	m ³	827,020	986,390	760,508
Total recycled and reused water ¹	m ³	77,081,361	76,768,425	79,640,658
Water withdrawal intensity per tonne of paper produced	m ³ /tonne	6.43	5.86	5.70

1. The volume of recycled water was calculated using the paper mill water recycling measurement method (Assocarta, 2016 - Paper Industry Environmental Report, Aticelca, 2012 - La carta svelata, European Commission, 2015 - Best Available Techniques Reference Document for the Production of Pulp, Paper and Board), and a consistency value of 0.3 was assumed



ESRS E4 Biodiversity and ecosystems

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems

DR 17 a), b), c), d), e)

In 2024 Cartiere Carrara conducted a **Double Materiality** assessment aimed at identifying and assessing impacts, risks and opportunities related to biodiversity and ecosystems, as described in paragraph IRO-1 in chapter ESRS 2 General Disclosures. This process demonstrated that the most significant impacts are mainly upstream in the value chain, particularly in relation to the Group's dependence on natural raw materials.

The table below shows the impacts identified:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/ INDIRECT
Potential Impact (-)	Loss of biodiversity and threats to ecosystems caused by the use of natural resources	The paper industry contributes significantly to biodiversity loss and ecosystem degradation, mainly due to the use of wood for virgin fibre. Deforestation caused by felling trees destroys natural habitats, fragments ecosystems and hinders the survival of species. Furthermore, the use of pesticides and chemicals in plantations can contaminate soil and water, further exacerbating environmental damage.	Medium-long term	Activities along the value chain (upstream)

The assessment highlighted how sourcing practices, especially the purchase of virgin fibre, can generate significant indirect impacts on biodiversity, affecting the status of species, the extent and quality of ecosystems, and the ecosystem services they provide. Although no consultations were conducted with potentially affected communities, the Group recognised the existence of critical dependencies on biodiversity and ecosystems along its upstream value chain.

It is important to emphasise that as part of this assessment, **systemic, physical and transitional risks related to biodiversity loss and ecosystem degradation were not considered**, representing an area of potential development for future resilience and risk management analyses.

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

DR 11), DR 12), DR 13)

While recognising that upstream activities may involve significant environmental risks, Cartiere Carrara has not identified any significant impacts directly attributable to its operations. This being the case, the Group believes that the most effective strategy for mitigating the identified risks and impacts is the active and continuous monitoring of its supply chain with the aim of guaranteeing the responsible and sustainable management of natural resources.

In light of the insignificance of the direct impacts, there was no further investigation of the effects of the Group's activities on biodiversity nor were any specific resilience analyses conducted on this topic.

E4-2 Policies related to biodiversity and ecosystems

DR 20), DR 21), DR 22), 23 a), b), d), DR 24 d), DR 65)

Cartiere Carrara has developed and implemented an environmental policy compliant with the PEFC and FSC® standards which underlines the Company's commitment to the responsible management of natural resources, with a particular focus on protecting biodiversity and ecosystems. This policy, adopted by the Board of Directors, is based on compliance with recognised international standards for the promotion of sustainable forestry practices in environmental, social and economic terms. The Board of Directors, supported by Purchasing, is responsible for the implementation of the policy. The policy is available on Cartiere Carrara's website, where any stakeholder can consult it to learn more about the sustainable practices adopted by the Company.

The adoption of this policy and compliance with international standards facilitate the traceability of raw materials, minimising potential impacts on biodiversity and ecosystems along the upstream value chain.

The Company is committed to ensuring that the wood raw materials it uses come from sustainably managed sources, excluding any direct or indirect involvement in activities such as illegal logging, the destruction of areas of high conservation value, the significant conversion of forests to other land uses, the introduction of genetically modified organisms into forestry operations and the violation of the civil and traditional rights of local communities.

To strengthen transparency and traceability along the supply chain, Cartiere Carrara has adopted procedures to precisely identify the geographical origin of the cellulose and recovered materials used in its products. If it is not possible to guarantee the reliable identification of sources, the Company will replace them with materials of verified origin that comply with the adopted standards.

With the aim of guaranteeing continuous improvement and alignment with European regulatory developments, Cartiere Carrara plans to update this policy in the course of 2025 with a specific focus on compliance with the requirements of the **EUDR Regulation** (EU regulation against deforestation).

E4-3 Actions and resources related to biodiversity and ecosystems

DR 25, DR 26, DR 27, DR 28 a)

Cartiere Carrara confirms its commitment to protecting biodiversity and ecosystems through a series of concrete actions integrated in the Company's processes. Responsible sourcing of raw materials is one of the key pillars of this strategy. The Company only uses cellulose certified according to the international **PEFC** and **FSC®** standards, which guarantee the traceability of the chain of custody and the origin from sustainably managed sources in compliance with the environmental and forestry regulations of the countries of origin.

The cellulose used complies with European regulations and promotes reforestation practices, with particular focus on the planting of native species that contribute to the preservation of local biodiversity. In addition, the adoption of environmental certifications such as **EU Ecolabel**, **Nordic Ecolabelling** and **Blue Angel** ensures compliance with stringent criteria throughout the entire product life cycle, with particular focus on raw materials, biodiversity and the protection of ecosystems.

In 2024, the Company maintained its forestry chain of custody certification for all Group sites.

Looking to the future, the Company plans to implement the **European Deforestation Regulation (EUDR)** by 30 December 2025, further strengthening its system of control and traceability of forest raw materials. To this end, it has developed an advanced due diligence and risk assessment system, in cooperation with suppliers and specialists in the field. The system permits the complete traceability of incoming raw materials, which derive exclusively from verified suppliers, and the generation of due diligence declarations for all finished goods leaving the production sites.

Every product will be associated with a commodity code registered in the EU tracking system, with a reference number and a verification code accessible to customers and business partners. As of June 2025, Cartiere Carrara will implement additional IT solutions to automate processes and facilitate integration with customer systems, ensuring the transparency and accessibility of information.

Our Certification



An EUDR Compliance Officer will be in charge of overseeing the entire process, ensuring alignment with regulatory requirements and the Company's responsible sourcing policy. Cartiere Carrara's commitment to sustainability therefore translates into concrete actions to combat deforestation, protect biodiversity and contribute to the fight against climate change.

In parallel, Cartiere Carrara is working on strengthening its supplier selection and evaluation criteria with the aim of gradually integrating environmental and social indicators in its qualification processes. Currently, strategic suppliers are subjected to **periodic audits** (2-3 times a year) which include **onsite audits** and **interviews** oriented towards compliance with the **SA8000** standard. Although a structured environmental and social evaluation system has not yet been formalised, a model is being developed to award rewarding scores to certified suppliers (e.g. ISO 9001).

In the course of 2025, Cartiere Carrara plans to launch an **environmental and social self-evaluation** programme aimed at its **main suppliers** with the aim of collecting performance indicators, identifying areas for improvement and defining shared action plans.

E4-4 Targets related to biodiversity and ecosystems

DR 29), DR 30), DR 31), DR 32 c), f)

As part of its 2023-2025 Sustainability Plan, Cartiere Carrara has defined a series of strategic objectives aimed at strengthening its contribution to protecting biodiversity and reducing environmental impacts throughout the life cycle of its products.

Among its priority commitments, the Company has successfully completed the **Life Cycle Assessment (LCA)** on marketed products with the aim of assessing and reducing their potential environmental impacts. Another significant milestone was the acquisition of **ISO 14001 certification** at all Group sites, confirming the effectiveness of the environmental management system it has adopted.

Looking to the future, Cartiere Carrara is committed to acquiring **ISO 14067 certification**, which certifies the measurement and management of the carbon footprint of its products. This objective is part of a broader path of environmental responsibility aimed at strengthening transparency and reporting environmental performance.

Another priority commitment is the **integration of ESG criteria** in the supplier qualification and selection process. To this end, the Company intends to draft a **Supplier Code of Conduct** which will define expected principles and standards on sustainability, human rights, environmental protection and transparency. This document will form the basis of a structured evaluation and monitoring system aimed at ensuring that Cartiere Carrara's business partners share its values and objectives.

Operational targets set out in the sustainability plan:

Operational targets	Activity	Status	SDGs
Develop innovative technologies and solutions for the efficient use of the product.	Obtain ISO 14067 certification on the carbon footprint of marketed products.	Ongoing	
Highlight the carbon footprint on product packaging	Carry out LCA activities for marketed products.	Achieved	
Increase the number of sites with a certified environmental management system.	Obtain ISO 14001 certification at all sites.	Achieved	
Integrate ESG criteria in the supplier qualification and selection process	Draw up a supplier code of conduct.	Ongoing	
Sustainable management of the supply chain	Design and implement a supplier qualification process that includes ESG evaluation criteria and monitoring (Conduct policy and dedicated procedure).	Ongoing	

08

ESRS E5 Resource use and circular economy

ESRS E5 Resource use and circular economy

In 2024 the Italian paper industry confirmed its reputation as one of the most advanced sectors in Europe in terms of **circularity**, **the efficient use of resources** and the **use of post-consumer materials**. With annual production stable at around **9 million tonnes of paper**, the industry stands out for its exceptional ability to integrate **renewable raw materials** and **secondary raw materials** in a virtuous production cycle with low environmental impact.

Cartiere Carrara has established itself as a responsible and innovative player in this scenario, actively contributing to the **transition towards a circular economy** through the adoption of sustainable business practices, the optimisation of resource use and the utilisation of by-products. The Company's commitment translates into continuous investments in low-impact technologies, certified environmental management systems and tangible initiatives to reduce waste along the entire value chain.

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities related to the use of resources and the circular economy

DR 11 a), b)

For impacts, risks and opportunities related to resource use and the circular economy, see paragraph IRO-1 in chapter ESRS 2 General Disclosures.

The material impacts, risks, and opportunities related to the circular economy are outlined below:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Actual Impact (-)	Consumption of virgin raw materials	Paper industries purchase virgin raw materials through their procurement functions for process-related purposes, depleting the amount of available raw materials.	Short and medium-long term	Direct activities
Actual Impact (-)	Generation of packaging for disposable products.	The incorrect design and management of products and their packaging can have several negative impacts on the environment. When packaging is not designed to be recycled or disposed of properly, it can end up in municipal solid waste, contributing to soil, water and air pollution. Plastic, in particular, is problematic because it can take hundreds of years to degrade, causing significant damage to marine and terrestrial ecosystems.	Short and medium-long term	Direct activities
Actual Impact (-)	Production of waste	Paper production generates a significant amount of waste, including sewage sludge and waste paper. Sewage sludge often contains heavy metals and persistent organic pollutants, which pose a challenge for safe disposal. Pulped paper waste includes irregular materials such as plastic, wood, metal and inks, which must be managed and disposed of appropriately to minimise environmental impact.	Short and medium-long term	Direct activity
Opportunity	Economic and reputational opportunities from the use of recycled products	Using recycled materials can reduce the costs associated with the purchase of virgin raw materials and, together with the optimisation of recycling processes and the use of production waste, increase production efficiency, improving a company's competitiveness and reducing waste and operating costs. The growing demand for sustainable products opens up new market opportunities, enabling Cartiere Carrara to expand its customer base and increase sales.	Short and medium-long term	Direct activity

E5-1 Policies related to resource use and circular economy

DR 12), DR 13), DR 14), DR 15 a), b)

"We are committed to optimising the use of raw and other materials in our production processes and throughout the value chain, prioritising recycled and responsibly-sourced materials. With the support of our suppliers, we promote the use of secondary raw materials deriving from the reuse of production waste, and we aim to maximise the adoption of recyclable packaging in order to reduce the share of non-recoverable waste to below 35%" - Sustainability Manifesto

In accordance with the values expressed in the **company Code of Ethics**, which promotes respect for the environment, the responsible use of natural resources and the protection of future generations, **Cartiere Carrara** integrates **environmental sustainability** principles in its business model in a systematic and transversal manner. This commitment is translated into a set of **concrete and measurable actions geared to continuous improvement** which cover the entire value chain, from raw material selection to waste management and product design.



The **company management** plays an active role in periodically monitoring and verifying the effectiveness of the environmental policies adopted. With this in mind, the Company has defined an **Integrated Policy for Quality, Environment, Energy, Product Safety and Occupational Health and Safety**¹ which is currently under review and represents the reference framework for all strategic and operational decisions. This approach ensures consistency between environmental objectives and business choices, promoting a corporate culture geared to responsibility and transparency.

In particular, Cartiere Carrara undertakes to:

- **monitor and reduce waste production** through efficient management systems and the recovery of by-products generated in production processes;
- **contain the consumption of natural resources**

In line with the principles of the circular economy, the Company adopts a strict policy of responsibly sourcing raw materials. Preference is given to recovered materials, certified according to the PEFC and FSC international standards, in accordance with the definitions of pre- and post-consumer material in the FSC STD 40-007 standard.

The procurement policy adopted by Cartiere Carrara fully complies with the requirements of the FSC STD 40-003, FSC STD 40-004 and FSC STD 40-007 standards, and promotes the exclusive use of wood raw materials from sources that are sustainably managed from an environmental, social and economic perspective.

The FSC and PEFC responsible sourcing policy can be consulted by anyone that wishes to learn more about the subject directly on the Group website.

¹ The internal policy is accessible upon request by stakeholders.

E5-2 Actions and resources related to resource use and circular economy

DR 17), DR 18), DR 19), 20 a), b), c), e), f)

Cartiere Carrara adopts a structured approach to waste management as per **Environmental Operating Procedure POA 03**, which is shared with all company staff. This procedure guarantees **effective and legally compliant separate waste collection** both at the head office and the various production sites. Waste production is constantly monitored at all sites with careful classification according to the **European Waste Catalogue (EWC)**, which includes the identification and characterisation of hazardous waste.

In line with the principles of the **circular economy**, particular attention is paid to **using the by-products** generated in the production cycle. In particular, **tissue paper trimmings** from the converting plants are pressed, baled and **reused internally** or sold to third party companies, including other Carrara Group paper mills.

In 2023 the Tassignano site began **recovering paper dust** rather than disposing of it, and in 2024 this practice was extended to all Group mills. At the same time, the **waste sorting service was introduced to offices and canteens** of the Carraia, Rogio and Tassignano plants, with subsequent transfer to the municipal collection system. The purchase of dedicated bins for paper and general waste is currently being evaluated, as is the correct positioning of the bins provided by the municipality.

The Company is also working on **improving the quality of mixed packaging** through the more accurate separation of materials and the opening of specific codes such as **silicone-backed paper** and **paper dust** in order to integrate **new CER codes** to increase the **sorting, recovery and use of waste**.

As regards **production sludge**, analyses are carried out **every six months** at the **Ferrania** site to assess whether it can be **recovered** rather than disposed of, highlighting the Company's commitment to **gradually reducing recourse to disposal** in favour of the recovery and reintroduction of materials into the production cycle.

In 2024 the Company launched a major environmental sustainability initiative, introducing a **new Professional line of paper products made exclusively from recycled materials for a foreign customer**. This choice underlines its desire to tangibly respond to the growing demand for environmentally-friendly solutions, actively contributing to reducing environmental impact throughout the entire product life cycle.

The paper used comes from post-consumer kraft cardboard, recovered and diverted from landfill. This process makes it possible to recover materials otherwise destined for disposal, at the same time reducing CO₂ emissions and the consumption of natural resources. Processing takes place without the use of chemical bleaching agents or artificial dyes, ensuring a safer product for people and the environment. The natural colour of the paper, subject to slight variations between batches, highlights the authenticity of the recycled material used.

The packaging also reflects its commitment to sustainability: completely plastic-free, it is fully recyclable and designed to optimise space during transport. This logistical optimisation makes it possible to reduce the number of shipments, which in turn reduces distribution-related emissions. Whenever possible, priority is given to rail or sea transport because of its lower environmental impact than road transport.

Every product has undergone a detailed carbon life cycle analysis, making it possible to measure and transparently communicate its overall environmental impact. The line complies with the highest ethical and environmental standards: it is vegan, free of components of animal origin and safe for food contact, making it suitable for highly sensitive professional contexts such as catering and healthcare.

In addition to this activity, there is also a procedure dedicated to the recycling of steel blades (cut-off discs). Launched in 2023 and currently ongoing, it aims to reduce the environmental impact of metal waste management and promote the reuse of high-value materials.

These initiatives represent a concrete step towards a more circular and responsible production model, in which every phase - from the selection of raw materials to logistics - is guided by the principles of sustainability, innovation and respect for the planet.

The Company is also committed to fulfilling **Chain of Custody** and **FSC®** and **PEFC** certification requirements, ensuring the traceability of raw materials and the correct use of the relative logos on packaging, transport documents and invoices. The **FSC®** system guarantees that materials of forest origin come from responsibly managed sources, while the **PEFC** system certifies that no timber from controversial sources enters the production chain.

In terms of **reducing environmental impact**, significant measures have been taken to contain the use of chemicals in the production process, favouring solutions with reduced impact on the health of operators and the environment. Measures have also been taken with regard to packaging, reducing the thicknesses of primary and secondary plastic films and **optimising the material used** for the packaging of mother reels and columns of finished products.

All these initiatives are part of a broader **environmental sustainability** strategy supported by an **ISO 14001-certified Environmental Management System**. Annual investments are not only aimed at consolidating the Company's market leadership, but also at **optimising the use of primary resources** like water, energy and raw materials with a view to fostering greater efficiency, innovation and responsibility. Thanks to its advanced technology solutions and continuous improvement process, Cartiere Carrara has achieved significant results in terms of **reducing waste** and **optimising the use of materials**, actively contributing to the transition towards a more sustainable business model.

The **internal Research & Development laboratory** plays a strategic role in supporting this process, focusing on two main areas: **technology and quality**. On one hand, the R&D activities aim to improve the intrinsic characteristics of products like strength and absorption through the selection of raw materials and the optimisation of production processes; on the other, they explore new processing technologies that can improve efficiency, **reduce environmental impact** and guarantee ever higher quality standards.

E5-3 Targets related to resource use and circular economy

DR 21), DR 22), DR 23), DR 24 b), c), d), e), DR 25), DR 26), DR 27)

Operational targets	Activity	Status	SDGs
Promote the use of secondary raw materials deriving from the reuse of production waste, and maximise the adoption of recyclable packaging in order to reduce the share of non-recoverable waste to below 35%.	Take actions to recover waste and improve the circularity of used resources, e.g. adopting recyclable packaging solutions.	Ongoing	
	Introduce separate waste collection in all offices and canteens.	Ongoing	 



As part of its **2023-2025 Sustainability Plan**, Cartiere Carrara has defined a series of strategic objectives aimed at strengthening its commitment to a more efficient, circular and responsible production model. These **voluntary** objectives are the result of an in-depth analysis of the internal and external context, which made it possible to assess the organisation's level of maturity with regard to environmental, social and governance sustainability.

The goals take account of the expectations of the stakeholders involved during the materiality analysis carried out for the first Sustainability Report in 2023.

Among its priority objectives, the Company has undertaken to **optimise the use of raw and other materials** throughout the entire value chain, placing particular emphasis on the use of **recycled** and **responsibly-sourced materials**. With this in mind, Cartiere Carrara actively promotes the **use of secondary raw materials** deriving from the **reuse of production waste** and sets itself the ambitious goal of **maximising the adoption of recyclable packaging** in order to **reduce the share of non-recoverable waste to below 35% by 2025**. Reducing the use of primary raw materials not only improves resource efficiency, it also indirectly contributes to the protection of biodiversity by limiting pressure on natural ecosystems and reducing the environmental impact of virgin resource extraction.

In support of these commitments, in 2024 **separate waste collection was also introduced** in non-production environments, such as offices and company canteens, with the aim of extending the culture of sustainability to all levels of the organisation.

To objectively monitor progress it has made towards these goals, the Company has defined a set of **Key Performance Indicators (KPIs)** which include:

- the **percentage of waste destined for recovery**, as an indicator of the effectiveness of post-consumer material recovery strategies;
- the **percentage of waste raw material reused in the production process**, as a measure of internal efficiency and the ability to close production cycles;
- the **percentage of products packaged with sustainable packaging**, demonstrating its commitment to environmentally-friendly solutions.

It should be noted that **no ecological thresholds** or entity-specific allocations were adopted when defining the environmental objectives as the approach adopted was based on continuous improvement criteria and technical and organisational feasibility assessments rather than quantitative environmental limits.

These objectives are a central element of Cartiere Carrara's environmental strategy and are constantly monitored to ensure transparency and continuous improvement.

Further information on the objectives and practices adopted by Cartiere Carrara with regard to sustainable procurement can be found in the chapter dedicated to ESRS E4, in which this topic is explored in relation to the responsible management of natural resources and the protection of biodiversity.

E5-4 Resource inflows

DR 28), DR 29), DR 30), DR 31 a), b), c), DR 32)

In 2024, Cartiere Carrara renewed its commitment to a production model based on the use of **renewable materials**, with a particular focus on **environmental sustainability** and the **responsible management of natural resources**. The **certified cellulose** from forests managed according to the strict **PEFC** and **FSC®** international standards continues to be the main raw material, amounting to a total volume of **258,606 tonnes**.

2024							
	Unit	Biological materials	%	Technical materials	%	Total materials	%
Total materials	Tonnes	309,706	100%	10,072	100%	319,778	100%
of which recycled or reused materials	Tonnes	48,967	16%	199	2%	49,166	15%
of which PEFC or FSC certified materials from sustainable sources	Tonnes	253,265	82%	-	0%	253,265	79%
of which non-recycled or virgin non-recycled materials	Tonnes	7,475	2%	9,873	98%	17,348	5%

2024			
	Unit	Cellulose for paper mills	%
Total materials	Tonnes	258,606	100%
of which recycled or reused materials	Tonnes	4,517	2%
of which PEFC or FSC certified materials from sustainable sources	Tonnes	249,929	97%
of which non-certified materials	Tonnes	4,160	2%

As well as cellulose, the Company used **51,101 tonnes of biological materials** at different production, packaging and logistics stages. These include components such as **boxes, interlayers, trims, wooden pallets, cardboard, labels, reels, placemats, bags and food paper**. These are joined by **marketed semi-finished products** i.e. articles in tissue paper and similar purchased externally and integrated in the Company's product range. Of this total, **44,450 tonnes** come from recycled materials, while **6651 tonnes** are made up of virgin or non-recycled materials.

Alongside fibrous materials, the production activity also involves the use of **technical materials** for guaranteeing the functionality, quality and safety of finished products. These include **plastic polymers** such as **polyethylene** and **polypropylene** and their respective **recycled versions (PE and PPL)**, used mainly for ancillary coatings and components. Also used are **oils and fats, glues, inks** and **specific paper processing chemicals**, as well as functional elements such as **plastic cores** and **dispensers**.

The company approach is also geared towards the responsible selection of these materials, prioritising - where possible - recycled solutions with lower environmental impact, in line with the principles of the circular economy and waste reduction.

The procurement process of the technical materials necessary for the transformation of the semi-finished product into finished product is managed in a structured and automated manner through the **SAP** management system. Purchase orders are issued on the basis of the **MRP (Material Requirements Planning)** process, which enables the efficient planning of production requirements, optimising timeframes, quantities and the availability of resources.

All materials used are **appropriately coded** and tracked in the system, ensuring transparency and control throughout the internal supply chain. The relevant prices are managed through **official price lists integrated in the SAP system**, ensuring consistency and reliability in the economic management of purchases. For some categories, the quantities were estimated using **standardised metrics recognised at European level**, such as average weight per unit.

E5-5 Resource outflows

DR 35), DR 36, DR 37 a), b), bi), bii), biii), c), ci), cii), ciii), d), 38 a), b), 39), 40)

Products

The Cartiere Carrara Group has three main business areas, **Professional, Consumer** and **Mother Reels**, developing solutions that increasingly incorporate the principles of the circular economy, focusing in particular on durability, recyclability, reusability and the optimisation of material use.

Made from both virgin and recycled fibre, the products in the **Professional** area are designed to guarantee highly functional performance and the efficient use of resources also thanks to their integration with smart dispensing systems (such as the **ESSENTIA** and **EVSOLUTION** lines), which reduce consumption per unit of use. Distributed in over 40 countries, the **BulkySoft**, **Carind**, **CC PRO** and **Bliss** brands offer a wide range of articles, including toilet paper, kitchen towels, reels, medical sheets, napkins and tissues, and are designed to meet professional hygiene needs with solutions that minimise waste and promote the recyclability of packaging.

In the **Consumer** segment, both the own brand (Tuscany, BulkySoft, Maxi) and private label products are made exclusively of certified virgin fibre and designed for safe, informed and sustainable home use. The packaging provides detailed information on the origin of the materials, disposal methods and voluntary environmental certifications (FSC®, PEFC, EU Ecolabel, Nordic Ecolabel, Blue Angel, OK-COMPOST), demonstrating the Company's commitment to transparency and environmental responsibility.

Particularly emblematic are the products of the **BulkySoft Comfort** and **Tuscany** lines, concrete expression of Cartiere Carrara's circular approach. The former use recycled fibres from industrial waste (Post Industrial Waste), while the latter stand out for their use of recycled plastic packaging. The **Havana** line is also made entirely from recycled raw material from cardboard waste, bags, packaging and post-consumer packaging, and is **Ecolabel** certified, guarantee of a low environmental impact production cycle.

Finally, Cartiere Carrara also adopts a virtuous approach in the production of **Mother Reels**, systematically reusing internal paper mill and converting waste, and therefore reducing its dependence on virgin raw materials and contributing to closing the materials cycle.

Waste

In 2024 Cartiere Carrara carefully and responsibly managed the waste streams generated by its production activities, in line with the principles of the circular economy and environmental impact reduction. The most relevant waste for the paper industry consists mainly of **surplus paper and cardboard** resulting from the transformation and processing of the raw material.

Other waste materials were also managed, including **plastic**, **metal wires** and **pallets**, which mainly originated from packaging, technical components and logistics activities.

Resource outflows	Unit	2024		
a) Quantity of waste generated	Tonnes	5,910	6,960	5,111
Non-hazardous waste				
b) i- Not directed to disposal due to preparation for reuse	Tonnes	-	-	-
b) ii- Not directed to disposal due to recycling	Tonnes	841	862	793
b) iii- Not directed to disposal due to other recovery operations	Tonnes	2,052	2,507	1,454
b) Non-hazardous waste not directed to disposal	Tonnes	2,893	3,369	2,247
c) i - Directed to disposal via incineration	Tonnes	-	-	-
c) ii - Directed to disposal via landfill	Tonnes	268	281	-
c) iii - Directed to disposal via other disposal operations	Tonnes	2,625	3,172	2,732
c) Non-hazardous waste directed to disposal	Tonnes	2,894	3,452	2,732
Total non-hazardous waste generated	Tonnes	5,787	6,822	4,979
Hazardous waste				
b) i - Not directed to disposal due to preparation for reuse	Tonnes	-	-	-
b) ii - Not directed to disposal due to recycling	Tonnes	8	-	-
b) iii - Not directed to disposal due to other recovery operations	Tonnes	78	75	65
b) Hazardous waste not directed to disposal	Tonnes	86	75	65

c) i - directed to disposal via incineration	Tonnes	-	-	-
c) ii - directed to disposal via landfill	Tonnes	-	-	-
c) iii - directed to disposal via other disposal operations	Tonnes	37	64	67
c) Hazardous waste directed to disposal	Tonnes	37	64	67
Total hazardous waste generated	Tonnes	123	138	132
Total waste not directed to disposal	Tonnes	2,979	3,444	2,312
Total waste directed to disposal	Tonnes	2,931	3,516	2,799
d) i- total non-recycled waste	Tonnes	5,061	6,098	4,916
d) ii - percentage of non-recycled waste	%	86	88	96
Total "radioactive" waste generated	Tonnes	-	-	-

Waste was classified and quantified on the basis of **technical analyses and specialist reports** which made it possible to correctly identify the nature of the materials and their final destination.

Waste management in Cartiere Carrara's mills is carried out according to a structured process that complies with current environmental legislation. Each type of waste is identified and classified according to the European Waste Code (EWC), based on its nature and origin, in order to guarantee its correct treatment and traceability throughout the entire management cycle.

Waste is collected separately at production sites and temporarily stored in authorised areas, in compliance with environmental safety conditions. All loading and unloading operations are recorded in special registers, supported by computerised systems that permit the continuous monitoring of flows. Every delivery is accompanied by identification forms, which document the transfer of the waste to its final destination.

Transport to authorised recovery or disposal plants is carried out by authorised parties recorded on the National Register of Environmental Managers. Where technically and operationally possible, waste is sent for recovery with the aim of returning materials to the production cycle. In the absence of sustainable alternatives, waste is disposed of in landfills or via other methods.

The entire process is geared towards reducing environmental impact, maximising resources and promoting a business model based on the principles of the circular economy.



ESRS S1 Own workforce

SBM-2 Interests and views of stakeholders

DR 12)



For us, creating a sustainable business model first and foremost means generating a positive impact on people and guaranteeing opportunities for growth and wellbeing, starting with the working environment, health and safety, full respect for rights and promoting the uniqueness of individuals and their talents.

Sustainability Manifesto

Cartiere Carrara recognises its **workers** as one of its main **stakeholder** groups and considers their **active involvement** as essential in the evolution of its **business model** and in guiding its **corporate strategy**. This approach is based on a structured system of **dialogue, engagement** and **rights protection**, in line with the principles of the **SA8000:2014** standard, the **company Code of Ethics**, and **international human rights** and **decent work standards**.

The Company promotes a **working environment** based on **respect for individual dignity**, the **enhancement of individual skills**, and **knowledge sharing**. In this context, Cartiere Carrara:

- **Guarantees** full compliance with regulations on the prohibition of **child labour**;
- **Safeguards freedom of association** and the right to **collective bargaining**;
- **Condemns** all forms of **discrimination** and the **violation of human rights**;
- **Promotes integration** and **respect for diversity** as fundamental values.

Worker engagement takes place through a **constant and structured dialogue** which includes regular meetings with the **Social Performance Team (SPT)**, **internal communication** tools, **discussions** and **continuous training** initiatives. These practices make it possible to gather **opinions and suggestions** and to identify the **needs** of workers, which are analysed and integrated into **company decision-making processes**.

Cartiere Carrara **places great value on the professional contribution** of its human resources, considering this a key factor in the Company's sustainable development. The Company promotes the **gradual empowerment** of staff, **teamwork** and **knowledge sharing**, also through the adoption of **innovative tools**.

The social responsibility management system adopted by Cartiere Carrara ensures the **continuous monitoring** of **working conditions, health and safety** and the **absence of discrimination**.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DR 13), DR 14 a), b), c), f), g)

Cartiere Carrara considers **all members of the workforce** that may be influenced by the Company, in line with the principles of the **SA8000:2014** standard and its own **Code of Ethics**.

For impacts, risks and opportunities related to its workforce, see paragraph "IRO-1" in chapter "ESRS 2 - General Disclosures".

The material impacts, risks, and opportunities related to the workforce are outlined below:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Actual Impact (-)	Impact of work-related injuries and occupational diseases on employee health and safety	Large industrial business are required to manage significant health and safety risks relating their employees, including work-related injuries and diseases. Injuries can range from minor accidents to serious events, while occupational diseases are the result of prolonged exposure to specific risks.	Short and medium-long term	Direct activities
Actual Impact (+)	Contribution to the wellbeing of employees	Large industrial organisations, such as Cartiere Carrara, are committed to guaranteeing decent working conditions for their employees through targeted company policies and practices, and Cartiere Carrara, in particular, places great emphasis on enhancing human capital through the implementation of work-life balance policies that include flexible working hours, remote working opportunities and family support programmes. These measures recognise the importance of employee wellbeing and aim to create a working environment that protects their work-life balance	Short and medium-long term	Direct activities
Potential Impact (-)	Failure to respect equal opportunities and gender diversity	A non-inclusive working environment and failure to respect equal opportunities may lead to discrimination on grounds of gender, age, sexual orientation, ethnicity, disability, language, nationality, political opinion or religious belief. These inequalities are reflected in wages, wellbeing and professional development opportunities, undermining the dignity and full development of individual potential.	Short and medium-long term	Direct activity
Potential Impact (+)	Attracting qualified and competent staff	Through its activities and investments, Cartiere Carrara is committed to guaranteeing its workers targeted training courses with the aim of forming a competent and up-to-date workforce. The Company creates a training plan covering several areas, including language, computer and technical training and soft skills development. Access to continuous training programmes enables workers to acquire new skills and improve their professional capabilities, increasing their employability and job satisfaction	Short and medium-long term	Direct activities

The Group's workforce is made up of a variety of professional figures, both employees and non-employees, all of whom are significantly involved in the production and management processes.

Employees represent the main component and perform tasks ranging from the operation of the mills to quality management, from logistics to research and development. Key figures include paper technicians, experts on the production process and paper composition; machine operators, responsible for operating the production lines; and laboratory technicians, who analyse the physical and chemical characteristics of the paper.

In addition to the operating staff directly employed in production and logistics, the Group has a large number of workers employed in administration, management and sales. These professionals work in key areas such as accounting, management control, human resources, purchasing, production planning, integrated logistics, marketing and sales. Their work is essential for ensuring coordination between the different business functions, regulatory compliance, and supplier and customer management, and for supporting strategic decision-making processes.

Many of these employees work at the Group's head office, but a significant part are also distributed across the various production sites, where they perform direct support functions for production and operations management. Their presence helps to maintain a high level of integration between industrial and management activities, fostering a systematic approach geared to continuous improvement.

In addition to direct employees, Cartiere Carrara also collaborates with self-employed workers and staff provided by third-party companies. The former are often specialised professionals, such as consultants, who support the Company in specific projects or activities with high technical content. The latter, like contract workers, work in the logistics, maintenance and production support areas, performing continuous activities in the Group's mills. Although they are not formally employed by Cartiere Carrara, these workers are considered an integral part of the Company's ecosystem and are included in its protection and social responsibility policies.

The **material negative impacts** are widespread and systemic in the contexts in which the Company operates as they can manifest across different sites and departments, significantly affecting staff wellbeing and equality. In particular, the impact on the health and safety of employees, resulting from work-related injuries and diseases, represents a potentially critical issue in an industrial sector such as the paper business where interaction with complex machinery and highly intensive production environments requires the constant monitoring of working conditions. At the same time, the failure to respect equal opportunities and gender diversity can generate organisational and cultural imbalances, hindering the complete fulfilment of talent and the construction of an inclusive environment.

Among the categories most exposed to specific risks are production workers, particularly with regard to activities related to the locomotion and use of machinery. These workers are particularly vulnerable to injuries involving the upper limbs, such as crushing and cuts, and to occupational diseases resulting from the manual handling of loads. The Group operates mainly in Italy, location of its main production sites, within a regulatory and cultural context that is particularly attentive to the protection of human rights and working conditions. By virtue of this regulated environment and the Company's ongoing commitment to ensuring safe, inclusive and respectful working environments, the risk of significant violations of workers' rights occurring within its facilities is low.

Cartiere Carrara **generates** positive impacts on the wellbeing of workers across the Group with policies focused on the individual. It **promotes** the work-life balance with flexible working hours, remote working and family support programmes, creating an inclusive environment that reconciles the professional and personal lives of workers. These initiatives mainly **benefit** administrative staff and also positively influence technical and management staff. Cartiere Carrara invests in training and skills development to build a strong and innovative organisation.

In the course of its analysis activities, the working group also identified a number of impacts, risks and opportunities related to human resources management and occupational safety. These include:

- **Economic, legal and reputational risks** related to potential accidents in the workplace;
- **Reputational and economic risks** related to incidents of discrimination in the workplace;
- **Economic and operational risks** arising from the difficulty of finding qualified local resources;
- **Economic and reputational opportunities** associated with the promotion of a balanced and inclusive working environment.

However, when assessing materiality, these aspects were classified as **not material** for reporting purposes, even if they remain the subject of monitoring and attention by the Company. This choice reflects the prudent and transparent approach adopted by Cartiere Carrara, which nevertheless intends to maintain a high level of vigilance on issues that, while not a priority today, could evolve into significant elements for corporate sustainability in the future.

SI-I Policies related to own workforce

DR 17), DR 18), DR 19), DR 20 a), b), c), DR 21), DR 22), DR 23), DR 24 a), b), c), d)

Cartiere Carrara considers the enhancement and protection of its human resources a strategic pillar of its corporate identity. The commitment to an ethical, safe, inclusive and respectful working environment is reflected in an integrated system of policies and practices that embrace human rights, health and safety, diversity, equality, transparency and social responsibility.

The company **Code of Ethics**, an integral part of employment contracts, defines the fundamental values that guide the actions of all people that working for the company: honesty, justice, legality and care for the individual. In line with the **United Nations Guiding Principles** the **ILO Declaration**, the **OECD Guidelines** and the **Universal Declaration of Human Rights**, Cartiere Carrara guarantees full compliance with labour protection regulations and adopts a policy of **zero tolerance towards child, forced or compulsory labour and human trafficking**, as formalised in the **Modern Slavery Statement**. The scope of the policy is broad and includes all **company activities** the entire **value chain** - both upstream and downstream - and the **geographical areas** in which the Company operates, including the **international markets**. Several groups of **stakeholders** are actively involved, including employees, customers, suppliers, business partners, institutions and local communities.

The **Board of Directors** is responsible for the implementation of the **Code of Ethics** while the **Supervisory Board** has the task of monitoring its effectiveness and promoting its dissemination. The Code refers to third-party standards and initiatives, including the 10 principles of the United Nations **Global Compact**, and is integrated with certified management systems such as **ISO 14001** (environment), **ISO 45001** (health and safety) and **SA8000** (social responsibility).

Cartiere Carrara takes the interests of key stakeholders into account when defining its policy, promoting **transparent dialogue** and requesting ethical behaviour also from third parties. The Code of Ethics is made available to all stakeholders through the company website, contractual documentation and specific communication and training activities, guaranteeing the maximum accessibility and understanding of its content.

Compliance with the **SA8000:2014** standard reinforces Cartiere Carrara's commitment to social responsibility, its dedicated policy promoting respect for human rights, working conditions and health and safety, in full compliance with the requirements of the reference standard. Its objectives include the creation of an **ethical** work environment, the prohibition of **child and forced labour**, guaranteed safety, and the promotion of **non-discrimination** and **trade union freedom**.

The main risks relate to possible human rights violations in the **supply chain** while opportunities focus on **continuous improvement** and the **corporate reputation**. Monitoring is carried out through the SA8000 Management System which performs **internal** and external **audits**, gathers **performance indicators** and periodically verifies the effectiveness of the measures adopted.

The policy applies to all company activities, including the seven **production sites** in Italy, and involves the entire value chain, including suppliers and subcontractors, who are subject to evaluation and audits. The geographical scope includes Italy and over 50 countries. The **stakeholders** involved include employees, customers, suppliers, public institutions and NGOs.

The policy is implemented by **senior management** and the **SA8000 Manager**. This policy is closely integrated with international standards such as **SA8000:2014** and **ISO 45001** and is further strengthened by **participation in the United Nations Global Compact** (2024), which aligns its principles with the **Ten Universal Principles** on human rights, labour, environment and anti-corruption. The definition and updating of the policy included a structured stakeholder engagement process, with a response rate of 86%. Internal and external stakeholders were involved to identify shared priorities and future goals.

The policy is made public through its posting on company notice boards and publication on the website. Stakeholders actively participate in its implementation through the involvement of staff and trade union representatives, collaboration with suppliers via questionnaires and audits, and the support of NGOs and associations.

The promotion of **diversity** and **inclusion** is formalised in the **Diversity Policy & Inclusion** approved by the President of the Cartiere Carrara Group. This strategic document defines **guidelines** for overcoming cultural **stereotypes**, enhancing the **talent** of people with different abilities, incentivising **intergenerational dialogue** and guaranteeing the **gender balance** at all levels of the organisation.

The policy is based on the principles of **comprehension**, **respect** and the celebration of individual **differences**, promoting an **inclusive** and collaborative working environment. In particular, the Group undertakes to prevent all forms of **discrimination** related to personal characteristics such as age, gender, gender identity, sexual orientation, physical and cognitive abilities, geographical origin, ethnicity, nationality, skin colour, religious beliefs, political or trade union opinions, marital status, pregnancy, maternity, paternity, socio-economic status, professional background and type of contract.

The Policy aims to implement a clear and structured approach in terms of **mission**, **strategies** and operational practices with the aim of promoting diversity in all its forms, seizing related opportunities and generating **value** within the organisation, at the same time contributing to the creation of a sustainable **competitive advantage**.

To foster the spread of an inclusive culture, the Company organises **awareness campaigns**, training initiatives and internal **surveys**, which are monitored by the **HR** function. In addition, the Policy is made available to all **stakeholders** through the INAZ portal, ensuring transparency and accessibility. Employees are actively involved through listening and engagement tools, such as surveys, which make it possible to gather useful feedback for guiding future actions.

The Group has structured internal staff management procedures covering placements, training and career advancement opportunities. These procedures are designed to ensure equal opportunities for all workers, promoting a fair, meritocratic and inclusive working environment in which every individual can fully realise his or her potential, regardless of gender, age, background or role.

Cartiere Carrara has adopted an **Integrated Policy for Quality, Product Safety, the Environment, Energy and Occupational Health and Safety**, which represents a pillar of the Company's strategy and reflects the Group's commitment to a model of sustainable and responsible development. With regard to health and safety, the Company's policy is based on compliance with current legislation, risk prevention, the promotion of safe working environments and the active involvement of all actors in the value chain.

Compliant with the **UNI ISO 45001** standard, the policy aims to prevent work-related injuries and occupational diseases through a systematic approach that integrates the **training, awareness-raising, consultation and active participation** of workers and their representatives. Suppliers and customers are also involved in continuous improvement processes, contributing to the spread of a shared safety culture.

The **Board of Directors** is directly responsible for setting annual health and safety targets, which are monitored and reviewed periodically. Performance is communicated in a transparent and systematic manner, promoting operational awareness at all levels of the organisation.

The policy is **disseminated** within the Company and also **available on request** to external parties, demonstrating Cartiere Carrara's commitment to transparency, accountability and active stakeholder participation.

Cartiere Carrara adopts a policy to prevent all forms of **modern slavery** and **human trafficking**, undertaking to ensure that such practices do not occur either within its operations or along the **supply chain**.

The policy applies to operations in Italy and the UK and involves direct suppliers of **cellulose** from North America, South America and Europe, as well as suppliers of software, specialist equipment, energy and transport services. Although Cartiere Carrara does not operate in contexts considered to be high-risk, it carries out a systematic **risk** assessment using the corruption perception index of **Transparency International**.

The Company has implemented a number of tools and procedures to ensure the effectiveness of the policy, including **internal audits** on suppliers, supply chain mapping, regular checks on new business partners and contractual clauses requiring compliance with the Modern Slavery Act. In addition, Cartiere Carrara promotes transparency in the processes of **staff recruitment** and the protection of minors and **whistleblowers**.

Responsibility for policy implementation lies at the highest **executive level**: the document was approved by the President of the Board of Directors, Massimo Carrara, underlining the commitment of the company management.

The policy is publicly accessible on the corporate website, testifying to the Company's desire to operate in a **transparent** and responsible manner. Although no structured stakeholder engagement process was formalised in the definition of the policy, Cartiere Carrara is committed to maintaining an open dialogue with all stakeholders and to promoting a corporate culture based on respect for **human rights**.

Finally, the Company has set up an **internal whistleblowing channel** compliant with Legislative Decree 24/2023, (EU) Regulation 2016/679 (GDPR) and the ANAC guidelines, also accessible online, which allows employees, collaborators and stakeholders to report possible violations in a secure and confidential manner, guaranteeing the protection of both the reporter and personal data.

All company policies cover the entire workforce, including both direct employees and external collaborators and staff supplied by third-party companies. This inclusive approach reflects the Group's commitment to ensuring fair, safe and respectful working conditions for all those who contribute, in various capacities, to the Company's activities.

SI-2 Processes for engaging with own workforce and workers' representatives about impacts

DR 25), DR 26), DR 27 a), b), c), e), 28)

Cartiere Carrara recognises the value of **people** and is committed to ensuring a **safe, inclusive** and **stimulating** working environment through an approach aimed at engaging the workforce. The Company has defined clear processes for dialoguing with workers and their representatives with the aim of identifying, assessing and managing the material, actual and potential impacts that affect them.

These include, in particular, **health** and **safety** in the workplace, **organisational wellbeing**, **equal opportunities** and the **promotion** of **diversity**, as well as the **attraction** and **development** of **qualified** staff.

Underlining its **commitment** to health and safety, Cartiere Carrara has set up a **Social Performance Team (SPT)**, also made up of workers' representatives (**RLSA8000**), with the task of constantly monitoring working conditions and proposing improvements. Engagement takes place through regular meetings, internal audits and training activities. **Operational responsibility** for ensuring that these engagement processes take place and that the results guide the Company's approach lies with the **Human Resources Manager**.

The **wellbeing** of people is a pillar of the corporate strategy. The Company promotes the work-life balance through flexibility policies such as remote working, part-time contracts and parenting support. Structured listening tools, such as exit interviews and internal surveys, as well as an ongoing training plan are also in place. To this end, an **analysis of the organisational climate** was conducted in 2024 with the aim of collecting objective and anonymous data on the internal perception of the working environment. The **participation rate** of 54% made it possible to acquire a representative snapshot of the Company population. Based on the results of the analysis, strengths include the **sense of belonging**, the **quality of relationships** in the teams, and the **positive perception** of the working environment. Meanwhile, **areas for improvement** include **team spirit**, **meritocracy** and the professional development of **manual workers**. The questionnaire was produced in both Italian and English to involve a wider range of employees.

In response, the Company has launched an **improvement plan** consisting of several stages, including data analysis at function level, the sharing of this analysis with teams, the gathering of proposals and the implementation of concrete actions by the end of Q3 2024.

On the inclusion front, Cartiere Carrara has adopted a **Diversity & Inclusion Policy** which promotes equality at all stages of the employment relationship, from recruitment to remuneration, career development to leadership.

Finally, the attraction and development of qualified staff is a key lever for the organisation's competitiveness. Cartiere Carrara invests in **placement schemes** for **recent graduates** with **coaching** and **technical and behavioural training** programmes. Direct involvement in innovation projects, through in-house workshops and research and development activities, also helps to drive **professional growth**. The close focus on the quality of human capital also translates into a strong link with the local area, as evidenced by the recruitment of management figures from the local community.

Through these tools and initiatives, Cartiere Carrara consolidates a human resources management model based on **participation**, individual **growth** and the creation of a working environment capable of generating shared value in the long term.

SI-3 Processes to remediate negative impacts and channels for own workers to raise concerns

DR 30), DR 31), DR 32 a), b), c), d), e), DR 33)

The Cartiere Carrara management system, compliant with the international ISO 45001 standard, is supplemented with the internal "Caring for Safety" project. This programme has involved the installation of physical barriers and the separation of man/machine paths, the digitisation of safety data sheets to make them accessible at all times, and the promotion of a prevention culture through continuous training and systematic accident analysis. The results are tangible: in 2024, the number of injuries fell to 14, compared to 27 in 2022, confirming the effectiveness of the measures taken.

On the equal opportunities front, the Company strengthened its monitoring of recruitment, promotions and remuneration according to gender. Flexibility policies have also been adopted to facilitate the work-life balance, particularly for employees with care responsibilities. The objective for the year was to strengthen new employees' awareness of the principles of SA8000 through training and awareness-raising activities.

To ensure that every worker can freely express his or her concerns, Cartiere Carrara has provided a digital whistleblowing platform, accessible from the company website. The system makes it possible to submit written or oral reports or requests for meetings, also anonymously, thanks to technologies that disguise the user's voice and prevent their IP address from being traced. To support this tool, there are also physical boxes at production sites. The Code of Ethics and SA8000 Report guarantee freedom of expression and protection from all forms of retaliation.

Reports are handled by specially trained staff, with feedback expected within three months. All documentation is retained for a maximum period of five years, in accordance with current legislation

Reporting channels are widely publicised within the Company through noticeboards, internal communications and training sessions. The Code of Ethics is an integral part of employment contracts and the “Whistleblower” procedure is distributed to all staff to ensure maximum transparency and accessibility.

The indicators monitored include the number of injuries per site, union membership, gender pay ratio, turnover rate and the distribution of recruitment by gender. The Company prepares regular reports and proposes corrective actions to continuously improve the organisation's social performance.

Finally, Cartiere Carrara has adopted clear policies to protect those who make reports in good faith from retaliation. Staff are trained on the principles of SA8000 and on how to use whistleblowing channels. The Code of Ethics establishes penalties for those who obstruct or prevent whistleblowing, and internal communications reiterate the Company's commitment to guaranteeing the anonymity and protection of whistleblowers.

SI-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches

DR 35), DR 36 a), b), DR 37), DR 38 a), b), c), d), DR 39), DR 41), DR 43)

In 2024 Cartiere Carrara continued to pursue its commitment to the responsible management of social impacts, with particular reference to its own workforce. The Company identified the protection of worker health and safety, the promotion of psychological and physical wellbeing, respect for equal opportunities and gender diversity, and the ability to attract and retain qualified staff as material issues. These areas have been the subject of targeted actions, integrated in a management system compliant with SA8000:2014 and consistent with the principles of European sustainability standards. The Group assigns the management of material impacts mainly to the **Human Resources** and **Health and Safety** functions, which work in collaboration with the other business areas according to the issue or initiative.

Cartiere Carrara: important awards received at the “Obiettivo Zero” prize ceremony.

Once again this year, Cartiere Carrara was the recipient of several awards as part of “Obiettivo Zero”, the Giuseppe Lazzareschi Foundation initiative dedicated to companies in the paper industry that have stood out for their commitment to preventing work-related injuries.

The award ceremony was held **on Friday 24 May in Porcari (LU) at Palazzo di Vetro**, the headquarters of the Foundation. The prizes were awarded for achievements during **2024**.

These important acknowledgements are recognition of the day-to-day work carried out on a priority issue for the Company: safety.

The awards received:

- **Ferrania:** award for the *biggest reduction in the frequency index*.
- **Pratovecchio:** award for achieving the *Obiettivo Zero* target, i.e. no injuries in the entire year.
- **Carraia (via T. Nuvolari):** double award for the *lowest frequency index* and for the *biggest reduction in the index*.
- **Arpino:** award for the *biggest reduction in the frequency index*.

Health and Safety

The **"Caring for Safety"** project, which has been a key cornerstone of Cartiere Carrara's strategy for strengthening the culture of prevention and safety at work, continued in 2024. The initiative encompassed structural interventions, digital tools and training activities, promoting a participatory and widespread approach to risk management. Through the adoption of a dedicated digital platform, it was possible to promptly report near-misses and unsafe conditions, quickly access safety data sheets and continuously monitor operating conditions, with traceable feedback and immediate corrective actions.

As part of the project, a **multidisciplinary working group** composed of department managers, shift managers and warehouse workers was set up with the task of analysing operational vulnerabilities and proposing concrete solutions. The various measures carried out included the **review of the internal road system**, the **installation of protective barriers and signage**, and the **introduction of traffic lights to manage logistics flows**.

These actions were accompanied by **significant investments in continuous training** and the careful monitoring of working conditions, contributing to a **significant reduction in injuries** compared to previous years. The "Caring for Safety" project therefore confirms its reputation as a virtuous model of prevention, participation and continuous improvement.

Cartiere Carrara also received the special **"Più per Zero"** award for a project dedicated to the management of risk in interactions between pedestrians and trolleys. The initiative involved structural and organisational measures to actively reduce risk situations in the departments.

Caring for Safety

These awards are not goals in themselves but milestones on an ongoing journey. Investing in safety means acting on several levels: training, prevention, improving spaces and listening to the feedback of those who work in the production sites every day.

Reducing injuries is an essential objective that must be pursued together. The awards we have received confirm the effectiveness of our choices but above all remind us of the importance of keeping our attention levels high and adopting a concrete, transparent and unwavering approach.

Wellbeing and Welfare

Employee welfare was promoted through corporate welfare policies, organisational flexibility and support for parents. The welfare portal, which permits the conversion of the performance bonus, remained active, and access to meal vouchers was guaranteed for all employees in all sites.



Equal Opportunities and Inclusion

Cartiere Carrara reiterated its commitment to combating all forms of discrimination, promoting an inclusive working environment that respects diversity. Monitoring tools have been adopted to ensure transparency in staff recruitment, promotion and management processes. Company policies include regulations on diversity & inclusion, *travel policies and car policies, as well as an internal regulation updated in 2023.*

Training and Development

In 2024, the Company strengthened its training activities with Excel and language courses for employees, leadership courses for first-line managers and sessions for shift managers and potential future managers. In addition, a succession plan was launched to enhance internal skills, with a particular focus on the hiring of young graduates. Training also included collaborations with schools and universities, with employees participating as lecturers in technical institutes in the paper industry. An Academy was also launched in cooperation with Adecco for the recruitment and training of new resources at the Ferrania (SV) site, ahead of the opening of a new production line.

Organisational Climate and Performance

A group-wide organisational climate analysis was conducted in 2024 with the results shared with the management and ownership. Focus groups were organised with managers to explore the issues raised and propose actions for improvement, with plans for further implementations in 2025. In parallel, a performance management system is being developed, with start-up planned for 2026. An MBO system was also introduced for direct reports to the CEO and managers.

Digitalisation and HR Management

The Company invested in the digitalisation of HR processes, adopting the ANALITICS system for analysing data on employees, overtime, turnover and disciplinary measures. A switch to the INAZ system for payroll and leave management is planned for 2025, with a mobile app for consulting payslips and sending requests. The obligation to plan at least two consecutive weeks of summer holidays, in the absence of company closures, was introduced.

Industrial Relations and Monitoring

Cartiere Carrara maintains an ongoing dialogue with trade union representatives through monthly meetings on safety and HR issues. The monitoring of the effectiveness of actions is guaranteed by a structured system of indicators, internal audits and the activities of the Social Performance Team, reappointed in 2024 to ensure a balanced representation of management and workers.

Ethics and Compliance

There was no evidence of forced or child labour within the workforce. The Company strengthened its control mechanisms along the supply chain through audits and self-assessment questionnaires, ensuring compliance with the ethical and social requirements of the SA8000 standard.

Through these initiatives, Cartiere Carrara confirms its desire to create a safe, fair and stimulating working environment in line with the principles of the 2030 Agenda and the social sustainability goals defined at European level.

SI-5 Targets related to managing material impacts, advancing positive impacts, as well as to risks and opportunities

DR 44 a), b), DR 45), DR 46), DR 47 a), b), c)

As part of its 2023-2025 Sustainability Plan, Cartiere Carrara has defined a strategic macro-objective aimed at generating a positive impact on people, promoting opportunities for growth and wellbeing, starting with a safe, inclusive working environment that respects individual rights. Consistent with this vision, the Group has identified the protection of worker health and safety, the promotion of psychological and physical wellbeing, respect for equal opportunities and gender diversity, and the ability to attract and retain qualified staff as material issues. These targets take account of the results of the stakeholder engagement process carried out as part of the 2023 materiality analysis, which were confirmed by the climate analysis carried out in 2024.

For each of these areas, measurable and time-bound targets have been set, accompanied by specific performance indicators. These include the number of health and safety awareness initiatives, the number of hours of specialist training provided to bridge technical and managerial gaps, and the number of hours of ESG training, reaffirming the Company's commitment to an increasingly informed and responsible corporate culture. Particular attention was also paid to the implementation of a performance assessment system and the definition of career development plans extended to the entire company population, with the aim of enhancing talent and promoting professional growth.

Cartiere Carrara has further strengthened its commitment to inclusion and equal opportunities, undertaking to formalise a company policy dedicated to acquiring UNI/PdR 125:2022 and ISO 30415:2021 certification. The Group periodically monitors the progress of its targets. Achieving these targets is tangible proof of the Company's commitment to promoting fair, inclusive and merit-based working environments that frame diversity as a lever for growth and innovation.

Operational targets	Activity	Status	SDGs
Maintain a high level of worker health and safety	Continue to promote health and safety awareness initiatives (e.g. "Caring for safety")	Ongoing	
Guarantee staff growth and development	Structure a training plan for employees, providing customised specialist and soft skills training on the basis of the current competences and knowledge gaps/desires for further training of staff.	Ongoing	
	Introduce training hours dedicated to ESG issues.	Ongoing	
	Implement a performance assessment system and career development plans.	Ongoing	
	Include ESG goals in the performance assessment system.	Ongoing	
	Ensure the high level of employee wellbeing and the welfare system by monitoring the level of employee satisfaction (through climate surveys).	Ongoing	
Develop Diversity & Inclusion management	Introduce a corporate management system for Diversity & Inclusion, evaluating the implementation of the UNI/PdR 125:2022 "Guideline on gender equality management systems", ISO 30415:2021 "Human resource management - Diversity and Inclusion"	Ongoing	

The targets of the Sustainability Plan were defined following an in-depth analysis of both the internal and external ESG climate, which made it possible to assess the Company's level of maturity in relation to sustainability. The process included industry benchmarks and the analysis of emerging trends and the regulatory framework. Figures from each of the 15 key corporate functions contributed to defining the targets.

In line with the principles of SA8000, in 2024 the Company pursued specific goals aimed at guaranteeing ethical and responsible working conditions. These include the complete prohibition of child labour, which was accompanied by initiatives to support associations committed to protecting children, such as the "Fiorenzo Fratini Foundation" and the "Un Raggio di Luce ETS" Foundation. In addition, the Company also remained committed to maintaining a working environment that is respectful of human dignity and free of exploitation, unfair pay and unhealthy conditions.

The Company continued to promote freedom of association and the right to collective bargaining, guaranteeing adequate space for union meetings and communication between representatives and workers. In support of this, information on trade union rights was disseminated through company notice boards, helping to strengthen staff awareness and active participation.

Other goals defined and achieved in 2024 included: the systematic control of overtime and holidays through the adoption of an individual database for each employee; the delivery of explanatory documentation on salary slips to all employees; the raising of staff awareness, particularly new hires, on the requirements of the SA8000 standard and the contents of the social responsibility management system.

Finally, the Company maintained its goal of reducing the number of injuries through constant accident analysis, promoting a culture of prevention and continuous improvement. Monitoring of the effectiveness of the actions undertaken was ensured through quantitative and qualitative indicators, with the Personnel Department, the management and workers' representatives actively involved to guarantee transparency, participation and shared responsibility.

SI-6 Characteristics of the undertaking's employees

DR 48), DR 49), DR 50 a), b), c), d), e), f), DR 52 a), b)

In the three-year period 2022-2024, Cartiere Carrara continued to invest in people, recognising them as the beating heart of its business activity. As at 31 December 2024, the workforce totalled **724** units, with an average annual number of 706¹ people, underlining its constant growth compared to previous years (659 in 2022 and 687 in 2023). This increase reflects not only the expansion of the business, but also the Company's desire to strengthen its production structure in a context of technological innovation and organisational transformation.

	Gender	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Employees as at 31.12 ²	Men	Headcount	591	615	645	4%	5%
	Women	Headcount	68	72	79	6%	10%
	Other	Headcount	0	0	0	0%	0%
	Total	Headcount	659	687	724	4%	4%

The gender breakdown shows a male predominance (645 men), consistent with the historically technical nature of the paper industry, but also a gradual increase in the presence of women, from 68 to 79 in three years (+16%). Although there are no employees who identify as a different gender, Cartiere Carrara is committed to ensuring an inclusive working environment that respects all identities.

1. Figure calculated as (number of persons on 01.01.2024 + number of persons on 31.12.2024) / 2'
 2. Data communicated in numbers of people. The size of the workforce was recorded in December of each year, while the information on contract type refers to the period between January and December of the same year.

Employees by type of contract	Gender	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Permanent employees	Men	Headcount	582	609	636	5%	4%
	Women	Headcount	63	70	72	11%	3%
	Other	Headcount	0	0	0	0%	0%
Fixed-term contract workers	Men	Headcount	9	6	9	-33%	50%
	Women	Headcount	5	2	7	-60%	250%
	Other	Headcount	0	0	0	0%	0%
Variable-hour employees	Men	Headcount	0	0	0	0%	0%
	Women	Headcount	0	0	0	0%	0%
	Other	Headcount	0	0	0	0%	0%
Full-time employees	Men	Headcount	590	614	643	4%	5%
	Women	Headcount	65	69	74	6%	7%
	Other	Headcount	0	0	0	0%	0%
Part-time employees	Men	Headcount	1	1	2	0%	100%
	Women	Headcount	3	3	5	0%	67%
	Other	Headcount	0	0	0	0%	0%
Total number of employees			659	687	724	4%	5%

In 2024, staff costs amounted to approximately €43 million, reflecting the Company's ongoing commitment to enhancing human capital. Almost all employees are employed on permanent contracts (708 people), confirming the stability and mutual trust that characterise the employment model. However, the increase in fixed-term contracts (from 8 in 2023 to 16 in 2024) reflects the need for greater flexibility brought about by the introduction of the continuous cycle in several mills, a transformation that has required the temporary strengthening of the workforce. In this context, the introduction of training internships has also played a strategic role, helping to develop young talent and facilitate their future integration.

Another positive sign is the growth in part-time contracts, particularly among women, from 3 to 5 units. This choice reflects the Company's desire to promote work-life balance policies, offering greater flexibility to those who need it without compromising professional growth opportunities.

A flexible working arrangement consisting of up to three days a month of remote work for specific needs, such as maternity leave, was also introduced in 2024.

Employees by contract type	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Total number of employees hired	129	63	73	-51%	16%
Total number of employees that left the Company	44	37	38	-16%	3%
Employee turnover rate	7%	5%	5%	-19%	-3%

The **turnover rate** remained stable at 5% in 2024, in line with the previous year, despite the increase in new

hires (from 63 to 73). This balance between incoming and outgoing staff demonstrates the Company's ability to attract and retain skills, even in a highly evolving environment. The **fluctuations in employment**, which have been growing steadily since 2022, accelerated significantly in the last year, driven by the introduction of new machines and the extension of production cycles to more sites.

The growth at the Carraia, Rogio and Ferrania sites has been particularly notable, the introduction of the continuous cycle increasing productivity and making it possible to respond more flexibly to market demand. In addition, the opening of new sites, such as the one in Pescia, has helped to expand the Company's territorial presence and create new job opportunities. As well as the evolution of organisational models, these developments also reflect the Company's ability to quickly adapt to change and to maintain its sustainable growth.

Cartiere Carrara has begun systematically monitoring the reasons that people leave the Company, determining that most decisions are related to the distance of commutes and the desire for a better work-life balance.

SI-7 Characteristics of non-employee workers in the undertaking's own workforce

DR 52), DR 54), DR 55 a), b), c), DR 56)

During the three-year period 2022-2024, the use of non-employee workers within production operations became increasingly important in supporting continuity and operational efficiency. As at 31 December 2024, the total number of these resources came to 109, an increase of 76% over the previous year and more than double the number in 2022. This trend reflects the evolution of organisational models and the need to respond promptly to production peaks and new operational requirements.

Non-Employees as at 31.12 ³	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Self-employed workers ("Co.Co.Co." contracts)	Headcount	6	7	8	17%	14%
Persons provided by companies that mainly carry out "personnel search, selection and supply activities" (Contract staff)	Headcount	45	55	101	22%	84%
Total non-employees	Headcount	51	62	109	22%	76%

The two main categories of non-employed workers used are:

- **self-employed workers**, such as those on collaboration ("Co.Co.Co.") contracts, which amounted to 8 in 2024, an increase of 14% compared to 2023;
- **contract workers** provided by agencies specialising in the selection and supply of personnel, who represented the most significant component, with **101 units** in 2024 (+84% compared to the previous year).

The use of **contract staff** is a strategic tool for ensuring **flexible and speedy** resource management, especially in contexts characterised by production transformations, such as the introduction of the continuous cycle in several mills. This arrangement permits the rapid integration of operational competencies while maintaining the balance and sustainability of the internal workforce.

The increase in contract workers in 2024 is closely linked to the start-up of the new production line in Ferrania planned for 2025 and to the collaboration project with Adecco aimed at supporting the selection and supply of qualified personnel for the Company's specific needs.

3. Data communicated in numbers of people. The number of non-employees was recorded in December of each year.

SI-8 Collective bargaining coverage and social dialogue

DR 58), DR 59), DR 60 a), b), c), DR 61), DR 62), DR 63 a), b)

Cartiere Carrara recognises the value of social dialogue and collective representation as fundamental elements in building a fair, inclusive and participatory working environment. On 31 December 2024, **100% of Cartiere Carrara S.p.A. employees** operating within the European Economic Area (EEA) were **covered by collective labour contracts** and by **forms of worker representation**, in line with national legislation and best practices in industrial relations.

This contractual coverage guarantees transparent and shared employment conditions for workers, as well as the opportunity to actively participate in decision-making processes concerning working methods, safety, training and workplace welfare. The presence of elected company trade union representatives enables constant and constructive dialogue between the parties, facilitating conflict prevention and the promotion of shared solutions.

In 2024, Cartiere Carrara further strengthened its commitment to social dialogue by organising monthly meetings with trade union representatives, focusing on health, safety and HR management issues. These moments of structured interaction represent a priority channel for sharing information, collecting feedback and defining improvement actions.

Among the main initiatives to emerge from these meetings was the start of negotiations for the recognition of a specific allowance for multitask workers, the aim being to enhance operational flexibility and provide incentives to remain with the Company.

The Human Resources function plays an active and central role in managing labour relations, coordinating discussions, monitoring the effectiveness of agreements and ensuring consistency with the Company's equality, inclusion and sustainability policies.

At the time of writing, **there are no active agreements with employees** for representation by a **European Works Council (EWC)**, a **European Company (SE) Works Council** or a **European Cooperative Society (SCE) Works Council**. However, the Company constantly monitors regulatory and organisational developments, keeping the option of activating these instruments open should the conditions arise.

SI-9 Diversity metrics

DR 64), DR 65), DR 66 a), b)

Cartiere Carrara constantly monitors the composition of its workforce, paying particular attention to gender diversity and intergenerational balance, recognising their strategic value for the organisation's sustainable growth.

	Unit of measurement	Gender	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Management level employees	Headcount	Men	9	14	14	56%	0%
	Headcount	Women	2	3	3	50%	0%
	Headcount	Other	0	0	0	0%	0%
	Headcount	Total	11	17	17	55%	0%
Percentage of management level employees	%	Men	82%	82%	82%	1%	0%
	%	Women	18%	18%	18%	-3%	0%
	%	Other	0%	0%	0%	0%	0%

In the three-year period 2022-2024, the number of employees at management level rose significantly from 11 to 17 (+55% between 2022 and 2023), stabilising in 2024. This increase is attributable to the Company's desire to reinforce its organisational structure through the introduction of new management figures and the strengthening of strategic departments. The gender distribution at management level - 82% men and 18% women - was unchanged from the previous year.

	Unit of measurement	Age	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Staff	Headcount	< 30 years	107	114	105	7%	-8%
	Headcount	30 to 50	371	372	386	0%	4%
	Headcount	> 50 years	181	201	233	11%	16%
Total number of employees	Headcount	Total	659	687	724	4%	5%

With regard to the age distribution of the total workforce, as at 31 December 2024 there is a growth in the over-50s category, which accounts for 32% of the total (233 units), an increase of 16% compared to 2023. The 30 to 50 age group remains the most numerous (386 units), with a 4% increase, while there is a slight decrease (-8%) in the under-30 age group (105 units). These figures point to the gradual ageing of the corporate population, which will be the subject of specific management and skills enhancement actions, also with a view to generational turnover.

The Company is committed to promoting inclusion and equal opportunities policies with the aim of fostering more balanced representation in positions of responsibility and guaranteeing a working environment that is fair and respectful of diversity.

SI-IO Adequate wages

DR 67), DR 68), DR 69), DR 71)

Cartiere Carrara guarantees all of its employees economic conditions that comply with the principles of fairness and decent work, in line with the provisions of national legislation and the relevant collective bargaining agreements. The entire workforce is in fact graded according to the salary levels established by the applicable National Collective Labour Agreement (CCNL) for the category in question, which defines the minimum wages for each professional level.

As at 31 December 2024, 100% of employees receive remuneration equal to or above the adjusted salary benchmarks defined by the CCNL. This condition is regularly monitored through the staff administration management system, which ensures that minimum contractual thresholds are met and updated in the event of renewals or regulatory changes.

In addition, no non-employees (e.g. contract workers, collaborators or self-employed workers) receive remuneration below the adjusted salary benchmark. The Company also adopts consistent criteria in its relations with external parties, promoting fair economic conditions along the entire value chain.

Adequate wages are a central element of Cartiere Carrara's social sustainability strategy, contributing to protecting the economic wellbeing of workers and strengthening an inclusive and responsible working environment.

SI-II Social protection

DR 72), DR 73), DR 74 a), b), c), d), e), DR 76)

Cartiere Carrara ensures that all its employees are covered by appropriate forms of social protection, in accordance with national legislation and applicable collective bargaining agreements. Coverage is ensured through participation in public social security and welfare programmes.

All workers are protected against loss of income resulting from major life events, such as illness, unemployment from the start of the employment relationship, occupational injury and acquired disability, parental leave and retirement. The protections are active from the establishment of the contractual relationship and are managed through institutional channels (INPS, INAIL) and, in some cases, through supplementary company instruments.

In 2023 the Company launched a welfare platform, accessible to all employees (except managers), which allows the performance bonus to be converted into socially beneficial goods and services, contributing to the overall wellbeing of people. This instrument is a tangible opportunity to support the family, educational and health needs of workers.

In addition, Cartiere Carrara guarantees health cover through the Unisalute policy outlined in the national collective agreement, guaranteeing access to medical and specialist services. The Company constantly monitors the emerging needs of its workers with the aim of assessing and possibly introducing additional coverage to that already provided for by the CCNL in the future.

Non-employees, such as contract workers and collaborators, are also covered by forms of social protection according to their respective regulations. The Company is committed to guaranteeing consistent protection along the value chain, contributing to the creation of a safe, fair and sustainable working environment.

Social protection is a fundamental pillar of Cartiere Carrara's social sustainability strategy, supporting the individual wellbeing and economic stability of the people who work for and with the organisation.

SI-I2 Persons with disabilities

DR 77), DR 78), DR 79), DR 80)

Cartiere Carrara promotes an inclusive and accessible working environment, and is committed to ensuring people with disabilities have equal access, long-term employment and professional growth opportunities.

Percentage of employees subject to legal restrictions on data collection that have disabilities	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
	%	4%	4%	4%	0%	12%

As at 31 December 2024, 32 persons with disabilities were employed in the Company, an increase over previous years (26 in 2022 and 27 in 2023) with a 19% growth in the last year. This increase reflects the organisation's constant focus on inclusion and promoting diversity. The number of people with disabilities as a percentage of the total workforce remained stable at 4% over the three-year period as the increase in the absolute number occurred in parallel with the overall growth of the company workforce.

Gender	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Male	92%	96%	94%	8%	15%
Female	8%	4%	7%	-50%	100%
Other	0%	0%	0%	0%	0%

The gender breakdown shows a male predominance (30 in 2024), with a female presence of 2 units.

The Company adopts organisational and structural measures aimed at facilitating the inclusion and integration of people with disabilities, including through the adaptation of workstations, operational flexibility and support from the relevant functions. These measures include the ergonomic adaptation of workstations, the customisation of work tools and the organisation of targeted training courses, in cooperation with the company doctor and the health and safety service.

Staff recruitment and management policies are oriented towards compliance with the principles of non-discrimination and inclusion, in line with the Company's values and social sustainability objectives. All employees, regardless of their status, have access to the same opportunities for development, training and participation in company life.

Cartiere Carrara will continue to monitor the evolution of its workforce, actively promoting access to employment for people with disabilities and contributing to the construction of a fair, welcoming and respectful professional environment.

SI-I3 Training and skills development metrics

DR 81), DR 82), DR 83 a), b), DR 84)

Cartiere Carrara considers the enhancement of people's skills and professional growth a strategic element for the organisation's competitiveness and sustainability.

Employee role		Gender	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Number of employees by role	Executives	Men	Headcount	9	14	14	56%	0%
		Women	Headcount	2	3	3	50%	0%
		Other	Headcount	0	0	0	0%	0%
		Total	Headcount	11	17	17	55%	0%
	Managers	Men	Headcount	21	23	30	10%	30%
		Women	Headcount	7	8	6	14%	-25%
		Other	Headcount	0	0	0	0%	0%
		Total	Headcount	28	31	36	11%	16%
	Office workers	Men	Headcount	60	61	73	2%	20%
		Women	Headcount	59	61	69	3%	13%
		Other	Headcount	0	0	0	0%	0%
		Total	Headcount	119	122	142	3%	16%
	Manual workers	Men	Headcount	501	517	528	3%	2%
		Women	Headcount	0	0	1	0%	100%
		Other	Headcount	0	0	0	0%	0%
		Total	Headcount	501	517	529	3%	2%
	Interns	Men	Headcount	1	1	3	0%	200%
		Women	Headcount	0	3	3	100%	0%
		Other	Headcount				0%	0%
		Total	Headcount	1	4	6	300%	50%

The breakdown of the workforce by role evidences, as at 31 December 2024, a complex and evolving structure: 17 executives, 36 managers, 142 office workers, 529 manual workers and 6 interns. Compared to 2023 there was a significant increase in managers (+16%) and office workers (+16%), confirming the intention of strengthening support functions and intermediate roles. The manual worker component, which accounts for the largest share of the workforce, grew more modestly (+2%), while the female presence among office workers was consolidated and a first female manual worker was hired.

	Gender	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Number of non-employees by gender	Male	Headcount	49	57	103	16%	81%
	Female	Headcount	2	5	6	150%	20%
	Other	Headcount	0	0	0	0%	0%
	Total	Headcount	51	62	109	22%	76%

The number of non-employees also increased from 62 to 109 units (+76%). In addition to the prevalence of male non-employees, there has also been a significant increase in the female component.

Employees who participated in periodic performance and career development reviews									
Employee role	Gender	2022		2023		2024		Δ% (2022/2023)	Δ% (2023/2024)
		Workforce	percentage	Workforce	percentage	Workforce	percentage		
Total employees	Men	53	9%	65	11%	40	6%	23%	-38%
	Women	26	38%	2	3%	27	34%	-92%	1250%
	Other	-	-	-	-	-	-	0%	0%
	Total	79	12%	67	10%	67	9%	-15%	0%
Of which Executives	Men	2	22%	-	0%	1	7%	-100%	100%
	Women	-	-	-	-	-	0%	0%	0%
	Other	-	-	-	-	-	-	0%	0%
	Total	2	18%	-	0%	1	6%	-100%	100%
Of which Managers	Men	4	19%	1	4%	4	13%	-75%	300%
	Women	-	0%	1	13%	1	17%	100%	0%
	Other	-	-	-	-	-	-	0%	0%
	Total	4	14%	2	6%	5	14%	-50%	150%
Of which Office workers	Men	13	22%	3	5%	16	22%	-77%	433%
	Women	26	44%	1	2%	26	38%	-96%	2500%
	Other	-	-	-	-	-	-	0%	0%
	Total	39	33%	4	3%	42	30%	-90%	950%
Of which Manual workers	Men	34	7%	61	12%	19	4%	79%	-69%
	Women	-	-	-	-	-	0%	0%	0%
	Other	-	-	-	-	-	-	0%	0%
	Total	34	7%	61	12%	19	4%	79%	-69%
Of which Interns	Men	-	-	-	-	-	-	0%	0%
	Women	-	-	-	-	-	-	0%	0%
	Other	-	-	-	-	-	-	0%	0%
	Total	-	-	-	-	-	-	0%	0%

In 2024, 9% of employees participated in periodic performance and career development reviews. The figure, slightly down from 2023, reflects an uneven trend among the various roles, with a significant increase among office workers and managers but a decrease among manual workers and executives. The participation rate among office workers in particular rose from 3% to 30%, highlighting the strengthening of assessment and development practices in administrative and technical roles. A performance management system is being developed, with start-up planned for 2026.

Training hours ⁴							
2022		2023		2024		Δ% (2022/2023)	Δ% (2023/2024)
hours	hours/employee	hours	hours/employee	hours	hours/employee		
11,977	18.17	8,831	12.85	14,766	20.40	-26%	67%

On the training front, a total of 14,766 hours were provided in 2024, an average of 20.4 hours per employee, a sharp increase over the previous year (+67%). The increase can be attributed to a more structured training plan with a focus on safety, technical skills and management development.

The main initiatives launched included Excel and foreign language courses, aimed in particular at office staff, which are delivered via a digital platform with the possibility of booking time slots. These courses facilitated flexible access to training, improving digital and language skills in line with operational needs.

Also launched was a training project dedicated to first-line management, with classroom sessions and individual coaching aimed at leadership development and effective team management. This will end in September 2025 with a day of summary and feedback.

In parallel, a development programme for future shift managers and team leaders was put together with the aim of identifying and providing internal training to tomorrow's managers. Launched in several mills, the project includes modules on communication, team management and safety.

For manual workers, training continued to prioritise health and safety, with regular updates and practical activities in the field. Additional transversal courses to strengthen soft skills and relational skills are also being evaluated.

The training project related to the implementation of the new SAP management system also continued in 2024. Extensively involving the administrative and logistics functions, the goal is to guarantee the effective and integrated use of the new platform.

Cartiere Carrara will continue to invest in training and development, promoting a performance culture geared to continuous improvement, the promotion of merit and the professional growth of people in all categories and corporate functions.

SI-I4 Health and safety metrics

DR 86), DR 87), DR 88 a), b), c), d), e), DR 89), DR 90)

Cartiere Carrara guarantees that 100% of its workforce, including non-employees, is covered by a health and safety management system that complies with legal requirements and recognised standards. The Company is certified according to the ISO 45001:2018 standard and takes a systemic approach to prevention, training and the continuous improvement of working conditions, as also confirmed in the SA8000 2024 Report.

4. The average number of hours per employee is equal to the number of training hours divided by the number of employees as at 31.12

	Unit of Measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Number of work-related accidents recorded among own staff and non-employees	number	27	17	14	-37%	-18%
Total hours worked by own staff and non-employees	hours	1,129,754	1,082,220	1,397,824	-4%	29%
Rate of work-related accidents recorded among own staff and non-employees ⁵	Rate	23.90	15.71	10.02	-34%	-36%
Number of cases of occupational diseases recorded among own staff	number	1	1	1	0%	0%
Number of days lost due to work-related injuries, occupational diseases and deaths from occupational diseases among own staff	number	1,429	1,018	863	-29%	-15%

Over the 2022-2024 three-year period, a steady improvement in safety indicators was observed. The number of recordable work-related accidents fell from 27 in 2022 to 14 in 2024, an overall reduction of 48%. The accident rate, calculated according to the total number of hours worked (1,397,824 in 2024), dropped from 23.90 to 10.02, a decrease of 58% in two years. This trend is attributable both to the introduction of technical and organisational measures, such as the installation of protected pedestrian paths and safety barriers, and to the implementation of a more effective injury registration system at the Pescia mill.

The number of days lost due to work-related injuries and occupational diseases decreased from 1429 in 2022 to 863 in 2024 (-40%), confirming the effectiveness of the measures taken. There were no deaths due to injuries or occupational diseases among either employees or non-employees. The number of cases of recordable occupational diseases remained stable at 1 per year.

Training activities, awareness-raising campaigns and the active involvement of workers and supervisors are fundamental tools for the consolidation of a healthy, safe and engaging working environment.

SI-15 Work-life balance metrics

DR 91), DR 92), DR 93 a), b), DR 94)

The Group guarantees all its employees the right to take leave for family reasons, in accordance with national legislation and applicable collective bargaining agreements. Access to such leave is provided on an equal basis, without discrimination on the basis of gender or role, and is one of the tools through which the Company promotes the work-life balance.

Entitled employees who took leave for family reasons by gender								
Gender	2022		2023		2024		Δ% (2022/2023)	Δ% (2023/2024)
	Workforce	percentage	Workforce	percentage	Workforce	percentage		
Men	86	15%	108	18%	106	16%	26%	-2%
Women	16	24%	20	28%	15	19%	25%	-25%
Other	-	-	-	-	-	-	0%	0%
Total	102	15%	128	19%	121	17%	25%	-5%

5. The work-related injury rate was calculated by dividing the number of cases by the total number of hours worked and multiplying the result by 1,000,000.

Over the 2022-2024 three-year period there was a gradual increase in the number of employees taking family leave with a peak in 2023 (128 persons) and a slight decrease in 2024 (121 persons). In percentage terms, the percentage of beneficiaries among the total workforce rose from 15% in 2022 to 19% in 2023, before settling at 17% in 2024. The gender breakdown shows a higher incidence among women, reaching 28% in 2023 compared to 18% for men. There was a decrease in female participation in 2024 (19%), while the male component remained stable (16%), confirming a growing culture of shared parenting and equal use of welfare instruments.

The Company constantly monitors the progress of family leave and actively promotes the awareness of related rights, including through the dissemination of information materials and direct support from the personnel department. The aim is to encourage the conscious and inclusive use of these tools, contributing to people's wellbeing and the construction of a work environment that is attentive to individual and family needs.

SI-I6 Remuneration metrics (pay gap and total remuneration)

DR 95), DR 96), DR 97 a), b), c), DR 98)

Cartiere Carrara carefully monitors pay equity between women and men, adopting a grading system based on the CCNL Industria Cartaria (national collective bargaining agreement for the paper industry), which guarantees equal basic wages for every contractual level.

	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Gender pay gap ⁶	%	-5%	-11%	-5%	109%	-57%

In the 2022-2024 three-year period, the overall gender pay gap remained small, coming to -5% in 2024, an improvement on 2023 (-11%). This deviation is mainly attributable to the composition of the workforce and in particular to the fact that the biggest category within the workforce, manual workers, was exclusively male in 2022 and 2023. Female staff only took on operational roles in 2024, positively contributing to redressing the imbalance.

Gender pay gap by role - Basic salary						
	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Executives	%	1.00	1.00	1.00	0%	0%
Managers	%	1.00	1.00	1.00	0%	0%
Office workers	%	1.00	1.00	1.00	0%	0%
Manual workers	%	1.00	1.00	1.00	0%	0%

The minimum wage for level C3, applied uniformly to all workers regardless of gender, was taken as the average basic salary. The value was calculated by dividing the average minimum basic wage for the women's C3 level by the level set for men.

6. The value was calculated as [(average gross hourly earnings of male employees - average gross hourly earnings of female employees) / average gross hourly earnings of male employees] x100

Gender pay gap by role - Total remuneration ⁷						
	Unit of measurement	2022	2023	2024	Δ% (2022/2023)	Δ% (2023/2024)
Executives	%	1.06	1.11	1.09	5%	-2%
Managers	%	1.00	0.92	0.95	-8%	4%
Office workers	%	0.83	0.85	0.87	2%	2%
Manual workers	%	0.00	0.00	0.80	0%	100%

The analysis reveals slight differences in total remuneration, linked to variable components such as overtime and bonuses. Among executives, the ratio is 1.09, slightly down from 2023 (1.11); among managers, there has been an improvement (from 0.92 to 0.95); among office workers, the value has risen from 0.85 to 0.87. Given that previously there were no women manual workers, for this category the ratio has increased to 0.80, marking a first step towards greater gender inclusion also in production departments.

The ratio of the annual total remuneration of the highest paid person to the median remuneration of employees (excluding the highest value) stands at 4.57 in 2024, slightly up from the previous year (4.43) but in line with the figure for 2022 (4.67). This indicator, monitored annually, makes it possible to assess the internal consistency of remuneration policies and the balance between different income brackets.

The Company will continue to promote fair and transparent remuneration policies, strengthening internal monitoring and taking corrective measures where necessary in accordance with the principles of gender equality and social responsibility.

SI-17 Incidents, complaints and severe human rights impacts

DR 100), DR 101), DR 102), DR 103 a), b), c), d), DR 104 a), b)

In 2024 Cartiere Carrara did not record any incidents of discrimination, harassment or any other form of negative impact on human rights within its workforce. There were no serious incidents of violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

No complaints or reports were received, either through internal complaint channels (physical boxes, SA8000 procedures, workers' representatives) or external contact points, concerning incidents of discrimination on grounds of gender, age, ethnic origin, religion, disability, sexual orientation or other personal status. Similarly, no cases of forced labour, child labour, human trafficking or other serious violations of fundamental rights were recorded.

In the reporting period, no fines, penalties or compensation for damages were imposed in connection with human rights incidents or complaints, and for this reason there are no significant amounts entered in the budget under this heading.

Cartiere Carrara has a structured system for managing reports, accessible to all staff and in line with the requirements of the SA8000 standard, which guarantees the continuous monitoring of respect for human rights and the prompt handling of any incidences of non-compliance. The absence of reported incidents can also be attributed to the effectiveness of the training, awareness-raising and prevention activities carried out in the Company, which promote an inclusive, respectful and safe working environment.

⁷ The value was calculated by dividing the gross pay of women by the gross pay of men.



ESRS S2 Workers in the value chain

SBM-2 Interests and views of stakeholders

DR 9)



We want our partners along the supply chain to embrace and actively contribute to our sustainability goals. To this end, we promote projects in collaboration with suppliers and customers who share our principles and we request that our partners comply with ESG conduct policies

Sustainability Manifesto

Cartiere Carrara recognises that the protection of human rights is a fundamental pillar of its sustainability strategy and that responsibility in this area cannot be limited solely to direct operations. In an increasingly interconnected global context, the Group is aware that the most significant human rights risks often occur along the value chain, particularly in more distant and less controllable segments where working conditions may be more vulnerable to systemic violations.

To proactively address these challenges, Cartiere Carrara has adopted a structured set of prevention and mitigation tools and measures that reflect the Company's commitment to promoting a culture of shared responsibility with all of its stakeholders.

Cartiere Carrara has adopted a series of measures to protect human rights along the entire value chain, which will be discussed in greater detail in the following paragraphs. These include a **Code of Ethics** inspired by the Ten Principles of the UN Global Compact, which sets binding ethical standards for all stakeholders. This is joined by a **statement against modern slavery and human trafficking**, which enshrines the Company's zero tolerance policy regarding such practices and requires its business partners to adhere to the same values. The Sustainability Plan also promotes partnerships with suppliers and customers aligned to ESG principles, while a **whistleblowing channel** ensures that violations can be safely reported, strengthening transparency and corporate responsibility.

The aim is to progressively consolidate a solid, transparent and responsible relationship with partners along the value chain, based on shared principles and geared to the creation of long-term sustainable value.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DR 10 a), b), DR 11 a.i), a.ii), a.iii), a.v), b), c), e); DR 12).

Cartiere Carrara operates in a complex and constantly evolving business context characterised by a global network of **workers, suppliers** and strategic partners. In this scenario, the Group recognises the importance of responsibly managing the **value chain**, focusing particular attention on the material **impacts, risks** and **opportunities** that may emerge in relation to the workers involved, both directly and indirectly. The Company's commitment translates into a desire to ensure that its business and sales **strategy** is consistent with the principles of **sustainability, fairness** and respect for **human rights** right along the **supply** and distribution chain.

In 2024, Cartiere Carrara conducted an in-depth **Double Materiality** assessment to identify the potential impacts and risks associated with workers in the value chain. Among the most significant potential impacts was the failure to respect human rights, particularly in relation to unethical working practices such as **forced labour**, child labour and unsafe working conditions. These critical issues are particularly relevant in contexts characterised by low transparency and limited control along the supply chain, factors that can compromise not only the dignity and safety of the workers involved, but also the reputation of the Company itself.

The operational and reputational risk associated with possible violations of international human rights and health and safety standards by suppliers is an area of constant attention for Cartiere Carrara. Should such violations occur, the Company could be perceived as negligent in the management of its supply chain, with

consequent repercussions in terms of stakeholder trust, loss of competitiveness and operational disruptions. Although this risk has been classified as immaterial for reporting purposes, it continues to be monitored and assessed by the Group.

The reporting scope adopted by Cartiere Carrara includes several categories of workers potentially exposed to negative impacts. These include workers who are present in the Company's facilities but not part of the direct workforce, such as self-employed workers, often highly expert professionals employed on technical projects, and contract staff, active in logistics, maintenance and production support areas. Also considered are the workers employed by suppliers of **cellulose**, a key raw material for the production cycle. This mainly originates from forests in northern Europe and South America where, in the latter region, workers' rights are afforded less protection. In particular, in South America the most vulnerable categories of workers are **migrant workers**, often employed in precarious conditions and with limited access to legal protection; **women**, who may be subject to wage discrimination and a greater risk of harassment in the workplace; and **young people**, frequently involved in child labour or in activities that do not meet international safety and training standards.

Finally, also included are the workers of logistics and distribution providers, who play an essential role in the management of product flows and who, in some contexts, may be exposed to unstable contractual conditions or excessive workloads.

The process of identifying **IROs related to workers in the value chain** is described in detail in the paragraph "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities", in chapter "ESRS 2 General Disclosures". In this process, particular attention was paid to assessing potential human rights impacts, in accordance with **disclosure requirement 45 of ESRS 1**, according to which, in the case of a potential negative impact on human rights, the severity of the impact takes precedence over its likelihood.

The table below shows the relevant IROs identified:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Potential Impact (-)	Failure to respect the human rights of workers along the value chain	The sector in which the Company operates is characterised by a complex network of suppliers and subcontractors, which makes it vulnerable to unethical labour practices such as forced labour, child labour and unsafe working conditions. Lack of transparency and proper controls along the supply chain can lead to serious violations of human rights, undermining the reputation of companies and causing significant harm to the workers involved.	Medium-long term	Activities along the value chain (upstream)

Although no material opportunities have been identified in relation to this category of stakeholders, Cartiere Carrara will continue to monitor the evolution of the regulatory and operational environment with the aim of gradually strengthening its due diligence practices and promoting fair and safe working conditions throughout the value chain.

S2-I Policies related to value chain workers

DR 14), DR 15), DR 16), DR 17 a), c); DR 18); DR 19)

Cartiere Carrara recognises that protecting the **rights** of workers along the entire **value chain** is essential for guaranteeing the **sustainability** and responsibility of its activities. For this reason, the Group has adopted a series of **policies** and procedures aimed at preventing, managing and mitigating the operational and reputational **risks** associated with possible human rights violations by third parties, in particular **suppliers** and business partners.

Company policies focus on the prevention of **forced labour**, child labour and human trafficking, consistent with the **UN** Guiding Principles on Business and Human Rights, the **ILO** Declaration on Fundamental Principles and Rights at Work, and the **OECD** Guidelines for Multinational Enterprises. These references are integrated in the company **Code of Ethics** and the SA8000 Policy, documents made public and accessible to all stakeholders through the corporate website and contractual documentation. Currently, the Group does not have a Code of Ethics dedicated only to suppliers of goods and services.

The scope of the policies covers the entire value chain, with particular focus on suppliers of **pulp** from northern Europe and South America, and also extends downstream, involving customers, stakeholders and distribution partners. Suppliers are selected not only on the basis of economic and technical criteria, but also according to their ability to guarantee **traceability** and compliance with the **FSC®** and **PEFC** standards, which include stringent requirements on workers' rights, safe working conditions, decent wages and the absence of exploitation.

Cartiere Carrara has defined and implemented a procedure to **assess** the ability of suppliers and subcontractors to meet the requirements of the SA8000 standard which involves filling out a self-assessment questionnaire, signing a pledge and, where necessary, carrying out targeted on-site audits. To support these activities, the Company has launched a system of internal **audits** and supply chain mapping, integrating risk indicators such as the **Transparency International Index**. In the event of nonconformities, immediate corrective actions are taken right through to the **termination** of the contractual relationship. Particular attention is paid to the prevention of child labour, for which a specific procedure has been adopted that ensures protection and reintegration into school in cooperation with qualified social bodies.

The Company has maintained an active **whistleblowing** channel compliant with Legislative Decree 24/2023, which is also accessible by external parties and guarantees anonymity and protection from retaliation for those who report violations of fundamental rights. This tool has proved essential in strengthening the culture of **integrity** and legality, contributing to more responsible and inclusive management.

The governance of human rights policies is entrusted to different organisational levels. The **Board of Directors** is responsible for the implementation of the Code of Ethics, while the Supervisory Board has the task of monitoring its effectiveness and promoting its dissemination. The SA8000 Policy is overseen by senior management and the SA8000 Manager, with operational support from the Social Performance Team. The policy against modern slavery was approved by the **President** of the Board of Directors, underlining the commitment of the company management to these issues.

No cases of non-compliance with the main international standards were reported in 2024, nor were there any situations of direct impact on the human rights of workers in the value chain. However, the Company maintains active **remediation** and prevention mechanisms, fully aware that the protection of human rights is not only an ethical and regulatory obligation but a strategic pillar in the construction of a sound, responsible and future-oriented business model.

S2-2 Processes for engaging with value chain workers about impacts

DR 20), DR 21), DR 22 a), c), e)

Cartiere Carrara adopts a structured system of internal and supplier audits to ensure compliance with the requirements of the **SA8000** standard, focusing particular attention on issues such as child labour, forced labour, occupational safety and trade union rights. Suppliers are required to complete self-assessment questionnaires and sign a pledge committing to respecting the principles of the standard.

In the event of episodes of non-compliance, the SA8000 management system intervenes, activating corrective actions and defining improvement plans. The same team prepares periodic reports for the senior management, in which it assesses the effectiveness of the measures taken. Qualified suppliers are continuously and systematically monitored.

Cartiere Carrara formally communicates its social responsibility policy and the requirements of the SA8000 management system to its suppliers. The company **Code of Ethics** is an integral part of contracts and shared with all business partners. In critical situations, such as the identification of child labour, external stakeholders, including NGOs and local institutions, may be involved. Suppliers are also subject to targeted controls and compliance audits.

Auditing and monitoring activities are planned regularly and form an integral part of the SA8000 management system. When opening new sites or starting up new production lines, the Company activates selection and training processes that also involve suppliers.

In adhering to the **Modern Slavery Act 2015**, Cartiere Carrara is required to carry out due diligence and review contracts with suppliers to ensure their compliance with the act.

Operational responsibility for the involvement of workers in the value chain lies with the **SA8000 Manager** and the Social Performance Team to ensure a balance between the parties.

Cartiere Carrara promotes supplier awareness through training and information activities, encouraging ongoing training on the principles of SA8000 also among external partners. Support and awareness-raising actions are performed in the event of nonconformities with the aim of gradually improving working conditions along the entire value chain.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

DR 25), DR 26), DR 27 a), b), d), DR 28).

The **whistleblowing** platform is accessible from the corporate website and offers the possibility of submitting **written and oral** reports or requesting a **direct meeting**. Anonymous reports can be made, with anonymity also guaranteed for voice reports thanks to voice camouflage.

The platform is operated by specially trained and authorised staff, whose names are published in a special area of the platform.

The report management process requires channel managers to assess the validity of the reported facts and, if necessary, request further information from the reporting party via the same platform. Reports are acknowledged within three months of submission via the same platform and retained for a maximum period of five years from the communication of the final outcome.

Cartiere Carrara promotes the visibility and use of the whistleblowing channel, ensuring that workers along the value chain are informed and feel safe using the channels made available. In addition, the Company has taken specific measures to protect whistleblowers from any form of retaliation, ensuring the confidentiality of personal data and the IT security of the system.

S2-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

DR 30), DR 31), DR 33 a), b), DR 35), DR 36), DR 62)

Cartiere Carrara recognises the fundamental importance of respecting human rights and workers' rights along the entire value chain. In line with its ethical values and relevant international standards, the Group is actively committed to preventing, mitigating and managing potential negative impacts on people by promoting fair and safe working conditions.

The adopted approach is integrated and structured, based on a coherent set of policies, tools and operational practices.

Particular attention is paid to the selection of pulp suppliers, who must be certified according to PEFC and FSC® standards. In this context, Cartiere Carrara carefully evaluates respect for human rights, specifically focusing on the categorical rejection of forced and child labour.

As part of its commitment to continuous improvement, in 2024 the Group strengthened its monitoring system with the aim of assessing the effectiveness of the tools adopted and intensifying its controls on suppliers. Efforts were focused on mitigating potential risks and identifying critical issues along the value chain at an early stage.

Based on the available information and thanks to the monitoring tools utilised, no serious human rights violations or incidents were identified during the reporting year.

Cartiere Carrara will continue to invest in strengthening its due diligence practices, promoting a corporate culture based on respect, transparency and social responsibility, with the aim of developing a structured action plan for the medium and long term.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DR 39 a), DR 40), DR 41), DR 42 a), b), c),

As part of its 2023-2025 Sustainability Plan, Cartiere Carrara has defined clear and ambitious objectives to promote the responsible and sustainable management of its value chain, focusing in particular focus on the direct and indirect workforce involved. At the heart of this commitment is the protection of **human rights throughout the supply chain**, recognised as an indispensable for ensuring decent, fair and safe working conditions in compliance with international standards and stakeholder expectations. The primary aim is to **promote projects in collaboration with suppliers and customers** that share the Company's ethical and sustainability principles, thereby strengthening a common social and environmental responsibility culture. With this in mind, Cartiere Carrara is designing and implementing a structured supplier qualification process that includes the integration of **ESG criteria** in evaluation mechanisms and the adoption of a continuous performance monitoring system, supported by a conduct policy and a dedicated operating procedure.

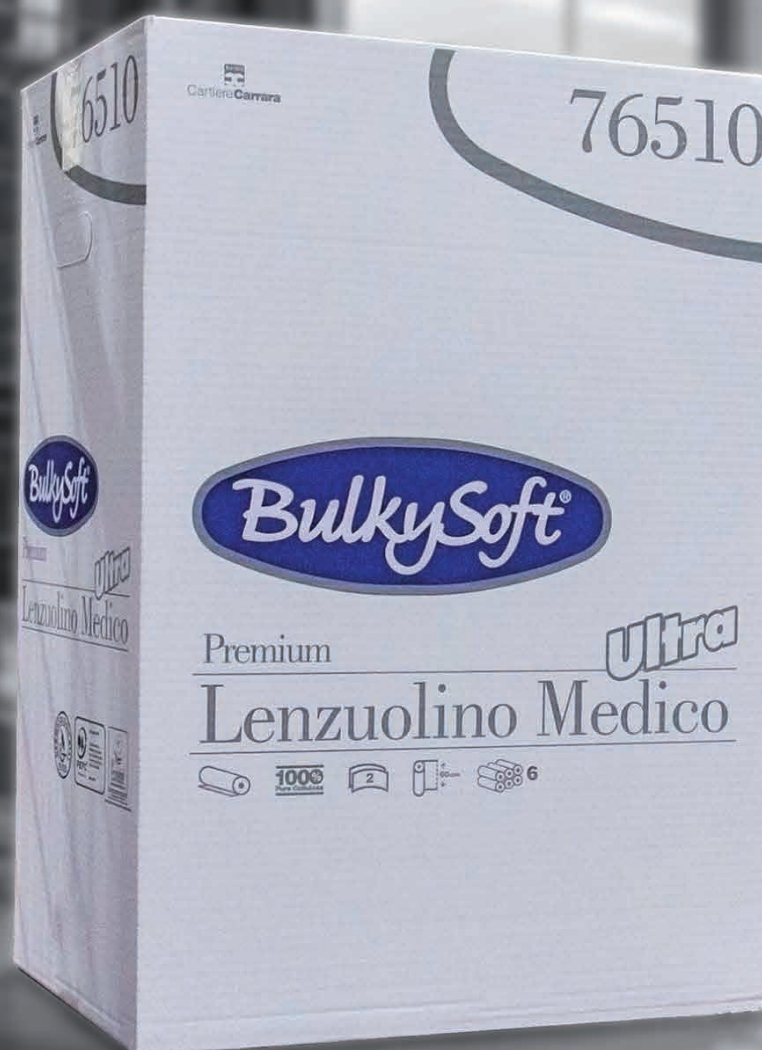
In particular, Cartiere Carrara undertakes to:

- **Integrate ESG criteria into supplier qualification and selection processes** through the drafting and adoption of a **Supplier Code of Conduct** which defines clear standards on human rights, working conditions, environmental protection and business integrity.
- **Manage the supply chain sustainably**, promoting transparency, traceability and continuous improvement throughout the supply chain.

These voluntary objectives were defined following a participatory process involving figures from the 15 key corporate functions and are based on benchmark analyses, the study of industry trends and an assessment of the regulatory environment. They also take account of the expectations that emerged during the materiality analysis conducted for the first Sustainability Report of 2023, strengthening the dialogue with stakeholders and the Company's strategic coherence.

Operational targets set out in the sustainability plan:

Operational targets	Activity	Status	SDGs
Integrate ESG criteria in the supplier qualification and selection process	Draw up a supplier code of conduct	Ongoing	
Sustainable management of the supply chain	Design and implement a supplier qualification process that includes ESG evaluation criteria and monitoring (Conduct policy and dedicated procedure).	Ongoing	



ESRS S3 Affected Communities

SBM-2 Interests and views of stakeholders

DR 7)



We want to strengthen our relationship with local communities through cultural and social initiatives and education projects. To this end, we are committed to delivering a structured programme of initiatives in the various areas in which we operate, measuring their social impact.

Sustainability Manifesto

Cartiere Carrara, which has always been a point of reference for the communities and areas in which it operates, actively integrates the interests, opinions and rights of local communities in its corporate strategy, in line with the principles enshrined in the Code of Ethics. The Company's commitment translates into concrete actions: from the promotion of social and cultural initiatives to the use of local resources through the employment of local staff and sourcing from local suppliers.

The Company promotes projects geared to collective wellbeing, health, integration and sustainable development, actively involving citizens, institutions, companies and associations. Moreover, it requires that its partners share the same ethical and behavioural values, in so doing strengthening a network of responsible and generative relations for the benefit of the community and society.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DR 8 a), DR 9 a), c)

Thanks to its strong presence in Tuscany, over time the Company has formed a deep relationship with the local community, which represents one of its main stakeholders. Its manufacturing activities, concentrated in the vicinity of the mills, generate direct impacts on the communities that live or work in the area. In this context, thanks to initiatives that promote shared growth, collective wellbeing and social inclusion, Cartiere Carrara stands out for its positive contribution to the socioeconomic development of the region. The Company actively collaborates with public and private institutions, associations and citizens, promoting projects focused on health education, prevention and support for local, cultural and human resources.

At the same time, Cartiere Carrara identifies the existence of potential negative sector impacts along its value chain, particularly in relation to failures to respect the rights of indigenous peoples in the territories from which some of its raw materials are sourced. Although these impacts have been assessed as not currently material for the Company, their relevance is constantly monitored. The Company only uses suppliers that meet certified environmental and social standards, and actively promotes respect for the rights of local and indigenous communities, including through dialogue and cooperation with its supply chain partners.

For impacts, risks and opportunities related to its workforce, see paragraph "IRO-1" in chapter "ESRS2 - General Disclosures".

The material impacts, risks, and opportunities related to affected communities are outlined below:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Actual Impact (+)	Contribution to the socio-economic development of the community	Cartiere Carrara stands out as a concrete example of how a company can make a significant contribution to the socio-economic development of the community. Located in Tuscany, the Company has implemented a number of initiatives that generate a direct and positive impact on the local community. Cartiere Carrara actively works with local stakeholders to ensure that the benefits of economic growth are shared equally with the community. Through social responsibility projects and investments in local initiatives, the Company not only supports the regional economy, it also contributes to improving the quality of life of residents, creating a virtuous circle of development and collective wellbeing.	Short and medium-long term	Direct activities

S3-I Policies related to affected communities

DR 12), DR 13), DR 14), DR 16 a), b), DR 17), DR 18)

Cartiere Carrara recognises local communities as one of its key stakeholders. Its bond with the community is not only part of its identity, it is a strategic lever for generating shared and lasting value. As such, the Company is committed to building and maintaining relationships based on respect, transparency and responsibility, promoting a form of sustainable development that takes account of the social, environmental and economic needs of the contexts in which it operates.

Although there is no policy dedicated exclusively to communities, the principles and commitments made in the Company's Code of Ethics reflect its integrated vision of sustainability, which translates into concrete actions to benefit the collective wellbeing. Cartiere Carrara's deep local roots represent one of the pillars of its corporate culture: the Company works closely with local entities, fostering dialogue with citizens, institutions and social actors. Through initiatives geared to inclusion and the promotion of diversity and social cohesion, the Company actively contributes to the growth of the areas in which it is present. Through the Code of Ethics, it is also committed to adopting a Social Responsibility Management System in the communities where it is present, fully respecting regional and national laws, as well as international human rights standards and the SA8000:2008 standard.

The Code of Ethics is inspired by internationally recognised standards, including the **United Nations Guiding Principles** on human and labour rights, the environment and anti-corruption. These references guide the daily choices of the Company and reinforce its commitment to respecting human rights and disseminating an ethical and responsible corporate culture.

Responsibility for defining and implementing the ethics policy lies with the Board of Directors, which also takes care of updating it in coordination with the Supervisory Board, appointed to monitor its actual application.

To ensure maximum transparency and accessibility, the Code of Ethics is made available to all stakeholders through the company website and specific training and communication programmes. This document is a concrete reference point for guiding responsible behaviour and building trusting relationships with communities.

In 2024 there were no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises, either in direct operations or along the value chain, that involved affected communities.

S3-2 Processes for engaging with affected communities about impacts

DR 19), DR 20), DR 21 a), b), c), d)

In 2024, Cartiere Carrara strengthened its commitment to local communities through cultural, social and educational initiatives, recognised as areas of particular relevance to the Group. This commitment translated into concrete actions such as the redevelopment of Teatro Tenda in Florence, now Teatro Cartiere Carrara, which has become an accessible cultural hub also thanks to the availability of free tickets for employees and the use granted to charitable associations. The Company also supported local cultural and social organisations, championing the values of inclusion and solidarity and promoting local heritage.

In the education field, Cartiere Carrara has launched projects with schools and universities like "The Paper that Plants Trees goes to school!", which has involved hundreds of students in environmental and educational activities. It has also collaborated with higher technical institutes, contributing to the training and job placement of young people. The "Kilometroverde" project saw schools and citizens actively participate in the planting of trees and promotion of forestry culture, while the Jean Giono Prize strengthened the dialogue between institutions, businesses and civil society on the value of forests.

To this end, the Company is committed to deepening its dialogue with stakeholders and developing a structured programme of activities in the communities where it operates, with the aim of generating a positive and measurable social impact. Planned actions include the periodic organisation of surveys and individual interviews for the active engagement of stakeholders, the consolidation of collaborations with local research institutes and universities for the joint development of research and innovation projects, and the creation of an organic plan of local initiatives, both ongoing and planned. The effectiveness of this engagement is evaluated through specific indicators, including level of participation, stakeholder satisfaction, formalised agreements and tangible results achieved. These elements are monitored to ensure transparency, consistency and continuous improvement in relations with the community.

Cartiere Carrara carries out its projects thanks to the synergic commitment of the different company functions. In particular, the Public Affairs function plays a strategic role in managing relations with external stakeholders, helping to ensure consistency and transparency and maintain the Company's reputation in institutional and community relations.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

DR 30), DR 31 b); DR 32 c) d).

In 2024 Cartiere Carrara significantly strengthened its commitment to the community, promoting initiatives that integrate culture, education, environmental sustainability and social inclusion. The activities it carried out reflect a corporate vision that goes beyond production, placing the importance of the community and responsibility towards future generations at the centre.

Culture and local identity

One of the most significant cultural projects of 2024 was the transformation of the historic **Teatro Tenda** of Florence into the new **Teatro Cartiere Carrara**. This initiative represented a concrete and symbolic investment on the part of the Company, designed to give back to the city a renovated, multifunctional and accessible space capable of hosting a high-level artistic programme. Throughout the year the theatre hosted a packed and varied season of events, featuring **national and international artists** and ranging from symphony and crossover music to **theatre and musical performances**. There was also plenty of **comedy and prose** as well as events for **families** and **young children**. The theatre also made the most of its external spaces, hosting **outdoor exhibitions, corporate events and cultural activities** that underlined its role as a dynamic and inclusive cultural hub.

The theatre has become a point of reference for the community, also thanks to the availability of free tickets for employees and the free use granted to charities linked to the Meyer Hospital. In addition, a discount system has been launched to make culture accessible to a wider public.

Cartiere Carrara also consolidated its support for cultural and social entities in the area, including the **Museo della Carta**, the **Fratini Foundation** and the **Un Raggio di Luce Foundation**, with which it shares the values of inclusion, solidarity and the promotion of local heritage.

The Company is also a long-standing partner of the **MusArt Festival** and the summer festival "**Ma la Notte Sì!**", contributing to the spread of Tuscan culture and excellence.

In 2024 **Cartiere Carrara** supported the **Dog Lovers' Group of the Spotorno White Cross**, for which some employees of the Ferrania site do voluntary work. The Company's contribution consisted of the donation of 4 palmtops and 2 radio-collars, essential tools for the coordination of search and rescue activities in the area. In the sporting arena, Cartiere Carrara has renewed its partnership with **ACF Fiorentina**.



Education and training: investing in young people

Cartiere Carrara considers education and training as strategic levers for the sustainable development of the community and the construction of a more conscious future. With this in mind, the Company has consolidated numerous collaborations with schools and universities, with the aim of reducing the gap between education and the world of work and promoting a culture of sustainability and innovation.



- The **"Paper that Plants Trees... goes to school!"** project, carried out in collaboration with the **Regional Education Office of Tuscany**, was launched in 2024 and ended in April 2025. The initiative involved **more than 300 students** from primary schools (fourth and fifth grades) and secondary schools in the provinces of **Lucca and Pisa**, offering a multidisciplinary educational path on the topics of **environmental sustainability, circular economy, biodiversity** and the **paper cycle**.



- The initiative proved very popular with students, who were enthusiastic about the hands-on experience and about discovering the environmental and cultural value of Lucca's paper district.
- **Participation in the "Journalists in Class" competition** promoted by *La Nazione* which allowed students to report on Cartiere Carrara's activities through articles published in the newspaper, stimulating their critical thinking and communication skills.
- In the academic field, Cartiere Carrara is partner of the **University of Pisa** on the new Degree in Paper and Cardboard Technology, which received over 1400 applications from international students, confirming the growing interest in the paper sector.
- **Contribution to the GIOTTO - Young Tuscan Talent project** promoted by Federmanager Toscana and ManagerItalia, which saw the Company involved in simulated interviews and company presentations aimed at recent graduates, with the objective of facilitating interaction between young people and companies.

- Cartiere Carrara also participated in **career guidance events** such as *Paper Day* at the University of Pisa, the *Career Summit* of the European School of Economics and the *Tuscan Job Fair*, strengthening its dialogue with the new generations.
- The Group is also an active partner of **higher technical institutes**, including Istituto Benedetti of Porcari and ITS Prime, contributing with lectures, internships and job placement courses with a view to promoting continuous training and skills development.

Sustainability and global commitment

In 2024 Cartiere Carrara took a significant step in its social and environmental responsibility journey by officially joining the **United Nations Global Compact**, the world's largest network dedicated to promoting responsible business. Membership implies alignment with the Ten Universal Principles on human rights, labour, environment and anti-corruption, and reinforces the Company's commitment to the Sustainable Development Goals (SDGs) of the 2030 Agenda. This commitment follows in the footsteps of the **2023 Sustainability Report** and the corporate manifesto "**Caring for what's next**", which guides the Group's strategic choices in line with the European Green Deal.

This integrated approach to sustainability has also been recognised at national level: **Cartiere Carrara was included** in the **TOP 100 ESG Excellence**, **TOP 100 ESG Integrated Finance** and **TOP 75 ESG Performance**



categories for Italy as part of the **Sustainability Award 2024**, a prestigious acknowledgment for Italian companies that stand out for their ability to tackle the challenges of the climate emergency by transforming them into opportunities for innovation and sustainable growth. The **award ceremony of the fourth edition was held on 17 October 2024 at Palazzo Mezzanotte in Milan**, headquarters of Borsa Italiana.

Representing the Company at the ceremony was the **Director of Sustainability**, who emphasised the importance of an integrated vision of sustainability as a strategic lever for competitiveness and the creation of shared value.

Jean Giono Award: in defence of forests

Coinciding with **International Earth Day**, on 22 April 2024 Cartiere Carrara hosted the **5th Jean Giono Award**, promoted by the AlberItalia Foundation, at the auditorium in Capannori. Inspired by the famous story *The Man Who Planted Trees*, this prestigious award is given to figures who have distinguished themselves in the promotion of forestry culture and the creation of areas of woody plants.



The winners fell into four categories: public administrators, agro-forestry technicians, entrepreneurs and volunteers. They also included the young activist **Felix Finkbeiner**, founder of *Plant-for-the-Planet*, and **Mara Stocchi**, an agricultural entrepreneur committed to sustainable reforestation.

The event was an opportunity to reflect on the value of forests, not only from an environmental perspective but also from a productive and social standpoint. Cartiere Carrara intends to strengthen its role in the **sustainable management of Italian forests**, in collaboration with the AlberItalia Foundation, actively contributing to the protection of the country's natural heritage.

Promoting the land and local excellence

Through its **Tuscany** brand, Cartiere Carrara participated in **Lucca Olive Oil You**, a festival dedicated to excellent extra virgin olive oil. The event was an opportunity to promote the link between quality, tradition and the land, in a context that celebrates Italian produce.

In **2024**, **Cartiere Carrara** was a partner in the **seventh edition** of *La Toscana in Bocca - L'Arte di Assaporare* the food and wine event that celebrates the excellence of Tuscan cuisine through tastings, cooking demonstrations and meetings with leading figures in the sector. Organised by **Confcommercio Pistoia and Prato** and the **City of Pistoia Tourist Board**, the event took place on **25-28 April** in the former Breda Cathedral of Pistoia. Protagonists of the partnership were the **Tuscany** and **BulkySoft brand products**, which contributed to an event focused on promoting quality and excellence.

International presence and trade fairs

In 2024, Cartiere Carrara strengthened its international presence by participating in major trade fairs such as **Interclean Amsterdam** (14-17 May), one of Europe's leading events dedicated to the professional cleaning sector. The Company's stand, entitled **"Always Close to You"**, illustrated the Group's growth plan in Europe and its commitment to providing personalised and continuous support to its customers.

The Group's participation in national and international events helps to further consolidate its presence on the market, confirming Cartiere Carrara's role as a reliable, cutting-edge partner in the world of professional cleaning.

Communication and transparency

Cartiere Carrara communicates its activities mainly through **LinkedIn**, its official channel for external communications, and through the internal monthly newsletter **Cartiere Carrara News**.

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DR 39 b), DR 40), DR 41), DR 42 a), b), c), MDR-T 72)

Within the framework of the **2023-2025 Sustainability Plan**, Cartiere Carrara has defined a series of macro-objectives aimed at strengthening its ties with local communities through cultural, social and educational initiatives, recognised as areas of particular relevance for the Group. To this end, the Company is committed to deepening its dialogue with stakeholders and developing a structured programme of activities

Always close to you



Cartiere Carrara S.p.A.



Cartiere Carrara UK



Cartiere Carrara NL



in the communities where it operates, with the aim of generating a positive and measurable social impact.

Planned actions include the **periodic organisation of surveys and individual interviews** for the active engagement of stakeholders, the consolidation of collaborations with local research institutes and universities for the joint development of research and innovation projects, and the creation of an organic plan of local initiatives, both ongoing and planned. In parallel, Cartiere Carrara is designing a system to measure the positive impact generated by its activities on the community, in order to ensure transparency and accountability.

The Company intends to take an active role, inside and outside its organisational boundaries, in the promotion of sustainability, through the dissemination and promotion of initiatives aimed at raising awareness among the actors in the supply chain. In particular, it is working on developing a consistent plan of social and cultural initiatives, in line with the Company's identity values, with the aim of enhancing existing activities and launching new ones. Cartiere Carrara will also participate in information and educational events on sustainability issues with the goal of contributing to the increase of collective awareness and keeping people up to speed on regulatory developments in the sector.

The definition of the objectives of the **2023-2025 Sustainability Plan** was guided by a careful analysis of the corporate context and the external landscape, with the aim of assessing the organisation's degree of maturity in the ESG sphere and identifying the strategic areas on which to focus its efforts.

While the process did not involve the direct involvement of local communities at this stage, it benefited from the active contribution of the main corporate functions, ensuring an integrated approach that adhered to the Company's operational reality. This made it possible to outline concrete objectives, consistent with the priorities that emerged and with Cartiere Carrara's vision.

The Group is committed to examining the possibility of making its identified targets - currently non-quantitative - measurable in the next revisions of the sustainability plan.

Operational targets	Activity	Status	SDGs
Strengthen stakeholder relations	Conduct regular <i>stakeholder engagement</i> surveys and 1-to-1 interviews.	Ongoing	
	Consolidate partnerships with research organisations and universities in the area for the joint development of R&D projects.	Ongoing	
Deliver a structured programme of initiatives in the various areas in which we operate, measuring their social impact	Develop a structured plan of present and planned initiatives in the area.	Ongoing	
	Design a system that quantifies Cartiere Carrara's positive impact on the community.	Ongoing	
Play an active role in promoting sustainability within and outside the boundaries of our organisation	Develop a plan of social and cultural initiatives consistent with Cartiere Carrara's founding values in order to undertake new activities and enhance existing ones	Ongoing	
Plant an additional 150,000 trees and promote further initiatives for the benefit of the community.	Plant 150,000 new trees on designated land owned by Cartiere Carrara.	Ongoing	
	Dedicate a training centre on environmental sustainability issues and the promotion of the forest-paper supply chain to the community.		



ESRS S4 Consumers and end users

SBM-2 – Interests and views of stakeholders

DR 8)

Cartiere Carrara focuses its strategy and business model on the complete satisfaction of consumers and respect for their rights, recognising them as key stakeholders. The Company operates in the market with transparency, fairness and loyalty, offering high quality products and services at competitive prices, in accordance with competition law. One of its most distinctive values is quality, which is guaranteed by a certified management system that ensures consistency and continuous improvement at all stages, from design to delivery.

By providing clear and comprehensive information, Cartiere Carrara enables customers to make informed decisions, gaining their trust and consolidating long-term relationships. The Company's reputation, built on fairness and responsibility, helps to strengthen its bond with end consumers and generate shared value.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

DR 9 a), DR 10 a i), ii), b), DR 11)

Customer satisfaction is a core value for Cartiere Carrara, consistent with the Company's vision and mission. The Group's commitment translates into responsible solutions supported by ethical business policies and constant dialogue with stakeholders.

Cartiere Carrara's customers mainly fall into two macro-categories: the large-scale retail sector and the professional/industrial sector. The former comprise retail businesses that purchase finished tissue products, often under private labels, for everyday consumption. These customers require reliable, customised and ready-to-market solutions. The second group includes operators active in areas such as catering, healthcare, cosmetics and industry, where hygiene, functionality and product resistance are essential requirements. Here too, Cartiere Carrara supplies finished articles, packaged and adapted to the specific requirements of each sector.

In parallel, the Company also serves customers specialised in industrial transformation, who purchase semi-finished tissue paper products for further processing. These companies are active in the manufacture of products like toilet paper, napkins, industrial rolls and disposable products for various markets.

These organisations, often active at European level, require high quality semi-finished products with consistent and reliable technical characteristics. Their partnership with Cartiere Carrara enables them to optimise their production processes, guaranteeing efficiency, continuity and competitiveness.

Cartiere Carrara guarantees certified and controlled quality throughout the entire product life cycle, from the definition of technical requirements to after-sales service. This approach is possible thanks to the presence of dedicated sales divisions (Mother Reels, Consumer and Professional) and a specific Customer Care area, which assists customers in order management, production planning, technical aspects and after-sales support.

Cartiere Carrara includes in its reporting scope all customers and end consumers who may be subject to material impacts deriving from the Group's activities and value chain

Aware of the risks associated with unfair commercial practices and the phenomenon of greenwashing, Cartiere Carrara promotes clear, authentic and responsible communication. All information provided to customers is truthful and representative of the Company's actual practices, helping to reinforce trust and loyalty.

For impacts, risks and opportunities related to consumers and end users, see paragraph "IRO-1" in chapter "ESRS 2 - General Disclosures".

The material impacts, risks, and opportunities are outlined below:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/ INDIRECT
Potential Impact (-)	Impact of product safety on customer and consumer health	In the tissue paper production industry, product quality and safety are crucial for ensuring customer satisfaction and regulatory compliance. Companies must implement rigorous quality control systems to monitor every stage of the production process, from the definition of product requirements to after-sales service. By adopting a quality control system at all stages, from the definition of product requirements to after-sales assistance, Cartiere Carrara contributes to guaranteeing product safety in accordance with the regulations.	Short and medium-long term	Direct activities
Potential Impact (-)	Negative impact of irresponsible business practices on customers and brand loyalty	Lack of clarity regarding marketed products and misleading advertising campaigns can lead to greenwashing situations, creating a significant negative impact for customers. This undermines their ability to make informed purchasing decisions, eroding trust in brands and negatively affecting loyalty. To meet these challenges, Cartiere Carrara is committed to guaranteeing clear and authentic communications, providing detailed information on the environmental and social impact of its products. The Company adopts responsible communication policies, ensuring that all information is truthful and representative of actual business practices. In addition, through brand awareness and reputation surveys, Cartiere Carrara directly involves customers in order to understand their priorities.	Medium-long term	Direct activities

The double materiality analysis revealed two material impacts:

- **Impact on the health of customers and consumers:** product safety is a crucial issue with potential legal and reputational consequences in the event of non-compliance.
- **Negative impact on loyalty:** irresponsible business practices can undermine customer trust and damage the brand.

Although economic and reputational risks related to consumer safety and personal data protection were assessed as **not material**, Cartiere Carrara maintains high standards of IT security and product quality to prevent possible critical issues. The sale of unsafe products could lead to recalls, penalties and reputational damage, with significant impacts on business continuity and market confidence.

S4-I Policies related to consumers and end users

DR 13), DR 14), DR 15)

Cartiere Carrara considers customer satisfaction and loyalty as strategic levers for sustainable growth and the continuous improvement of its performance. The Company constantly monitors the needs and requirements of consumers and end users with the aim of turning them into opportunities for development and innovation.

With this in mind, its commitment to the excellence of the products and services it offers is formalised within the **Integrated Policy for Quality, Product Safety, the Environment, Energy and Occupational Health and Safety**. This policy places compliance with regulatory requirements and consumer expectations at the centre, promoting a quality and responsibility-oriented approach.

Responsibility for the implementation and supervision of this policy lies with the **Board of Directors** which, during periodic reviews, annually identifies measurable objectives to make the corporate strategy concrete and operational. These objectives are systematically monitored and verified to ensure that the expected results are achieved and to promote the continuous improvement of the Company's performance.

As regards customers in the Mother Reels market, Cartiere Carrara also intends to implement a process to align on ESG policies, sharing relevant projects.

In accordance with its **Code of Ethics** and the main international standards, Cartiere Carrara is committed to maintaining fair and transparent relationships with its customers, operating fairly, loyally and in full compliance with competition law. Here too, the Board of Directors ensures the consistent application of the Code of Ethics and promotes its dissemination at all levels of the organisation.

Another salient feature of the Company's policy is its commitment to raising customer awareness of the importance of correct product management, promoting responsible behaviour that contributes to environmental protection. This approach reflects Cartiere Carrara's desire to act as an informed and proactive player when promoting sustainability along the entire value chain.

Finally, the Company actively encourages collaboration with suppliers, businesses and customers in order to create virtuous synergies that guarantee the constant satisfaction of market needs in terms of quality, cost and delivery times. Every business partner is required to share and respect the ethical and regulatory principles that guide the Company's operations, contributing to strengthening a relational ecosystem based on responsibility, integrity and mutual trust.

S4-2 Processes for engaging with consumers and end users about impacts

DR 18), DR 19), DR 20 a), b), d),

Cartiere Carrara launched its first structured stakeholder engagement activity in 2023, involving customers from the Finished Product - Away from Home, Consumer and Mother Reel divisions. This process represented a key opportunity to strengthen its dialogue with stakeholders and gather valuable insights to improve the Company's environmental and social performance.

The active involvement of stakeholders allowed the Company to share its material topics and commitments, but also to understand customers' ESG priorities, stimulating innovation and paving the way for future collaborations on sustainability projects. In parallel, Cartiere Carrara carries out multi-pronged Customer Satisfaction activities to identify priority aspects and areas for improvement. The Company monitors these analyses constantly in order to remedy negative impacts and continuously improve its performance.

In this context, Customer Satisfaction has established itself as an effective tool, with customers stating that they are willing to actively participate in these activities. Brand awareness and reputation surveys were also planned to further strengthen the perception and the values of the brand.

S4-3 Processes to remediate negative impacts and channels for consumers and end users to raise concerns

DR 23), DR 24), DR 25 a), b), d), DR 26)

Cartiere Carrara places great importance on understanding the effects that its products and services can have on end users and consumers. For this reason, the Company carefully analyses the possible risks and benefits associated with the use of its solutions, both by direct customers and end users, focusing in particular on safety and quality.

The Company provides all interested parties, including consumers and end users, with a number of tools they can use to communicate concerns or needs in a secure and accessible manner via online forms or the reference number in the "Contact us" section. In addition to the above channels, Cartiere Carrara also makes the email address info@cartierecarrara.com available to external parties to submit reports or communicate any critical issues.

Through these tools, Cartiere Carrara confirms its intention to operate responsibly and inclusively, offering its stakeholders, both internal and external, effective channels for expressing their concerns and contributing to the continuous improvement of the organisation.

S4-4 Taking action on material impacts on consumers and end users, approaches to managing material risks and opportunities in relation to consumers and end users, and effectiveness of those actions

DR 28), DR 29 a), DR 30), DR 31 a) c), DR 32 a), b), DR 34), DR 35).

Cartiere Carrara develops its products according to concrete principles of safety and sustainability, integrated from the earliest design stages. The Group's excellence is guaranteed by a certified and constantly monitored system, which ensures that the highest standards are met throughout the entire product life cycle, from the definition of technical requirements to after-sales service.

The Company has implemented a quality management system in accordance with the **UNI EN ISO 9001:2015** standard, guaranteeing the efficiency of internal processes and the continuous improvement of customer satisfaction. This quality management system is the international standard of reference for any organisation that aims to increase the effectiveness and efficiency of its internal processes and improve its competitiveness on the market by increasing customer satisfaction and loyalty.

The internal laboratory constantly checks the technical, physical, chemical and microbiological conformity of materials and finished products, ensuring compliance with regulations and safety for the end user.

Cartiere Carrara has acquired and maintains important international certifications attesting to the reliability of its quality and safety standards. These include the CHSA (Cleaning & Hygiene Suppliers Association) certification, which guarantees the correspondence between label claims and actual product content, and the **GMP (Regulation 2023/2006), IFS-HPC and BRC** certifications, which are essential for ensuring the hygiene and product safety of products intended for contact with food and the human body. These certifications are particularly relevant in the production of napkins, kitchen towel rolls, industrial reels, medical sheets, folded towels (C-FOLD, Z-FOLD, V-FOLD), facial tissues, and handkerchiefs.

They are also international recognition of the Group's commitment to ensuring high standards of hygiene, traceability, safety and regulatory compliance throughout the production chain, particularly for products intended for skin contact and domestic use.



IFS-HPC is a standard specifically developed for personal and household care products. It ensures that production processes meet stringent requirements in terms of hygiene, risk management, traceability and safety, with particular attention paid to materials intended for direct skin contact.



BRC Packaging, meanwhile, is a global standard for packaging safety and quality. It applies to all materials designed to come into contact with food and non-food products, ensuring that they are produced in controlled environments that comply with international regulations.

From **September 2025** the production site of **Arpino** will also be included in this guarantee system, therefore completing the extension of certification to all of the Group's strategic sites. This process underlines Cartiere Carrara's commitment to adopting a systematic and integrated approach to quality, in line with the principles of sustainability and continuous improvement.

In addition, **ISEGA** certification, awarded by a leading German body for the safety of food and skin contact materials, confirms that the paper produced by Cartiere Carrara is suitable for such uses thanks to the use of select raw materials and chemical substances that are safe for health and the environment.

Confirming its commitment to the environment, Cartiere Carrara adopts and operates in accordance with important European and international environmental certifications, including:



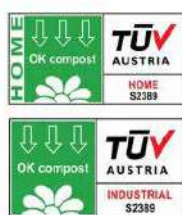
EU Ecolabel, an official EU label that certifies products with reduced environmental impact. It assesses aspects such as emissions, the use of hazardous substances, energy consumption and the responsible management of forest resources through a life cycle analysis (LCA) approach. The acquisition of this label proves that Cartiere Carrara's products comply with strict environmental criteria throughout the production cycle. In addition, it promotes transparency towards consumers and strengthens competitiveness in sustainability-sensitive European markets.



Nordic Ecolabelling, environmental certification for Nordic countries that takes a holistic approach to sustainability. It imposes stringent criteria on raw materials, circular economy, energy efficiency, emission reductions and the responsible use of chemicals. This label is recognised for its strictness and reliability, and guarantees that certified products have a significantly reduced environmental impact.



Blue Angel, a historic German ecolabel that promotes products made from **100% recycled paper** with low energy and water consumption and a minimal content of harmful substances, contributing to the reduction of the overall environmental impact. Blue Angel certification is synonymous with environmental and social excellence, and ensures that products are safe for the environment and consumer health.



OK Compost, issued by TÜV Austria, which certifies the **domestic and industrial compostability** of specific products such as white cellulose napkins (decorated and non-decorated), recycled napkins and mother reels for recycled napkins, according to the **UNI EN 13432** standard. This certification guarantees that products will degrade completely in composting conditions, leaving no harmful residues.

Below is a summary of the certifications acquired by the various production sites:

Converting				
	Carraia	Pescia	Rogio	Arpino
PROCESSES	ISO 9001	✓	✓	✓
	ISO 14001	✓	✓	✓
	ISO 45001	✓	✓	✓
	FSC	✓	✓	✓
	PEFC	✓	✓	✓
	SA 8000	✓	✓	✓
	ISO 50001	✓	✓	✓
	IFS HPC	✓	✓	
	BRC PACKAGING	✓	✓	
PRODUCT	ECOLABEL EU	✓	✓	✓
	BLAUER ENGEL			
	OK COMPOST	✓	✓	✓
	ISEGA			

Paper Mill and Converting					
		Tassignano	Ferrania	Pietrabuona	Pratovecchio
PROCESSES	ISO 9001	✓	✓	✓	✓
	ISO 14001	✓	✓	✓	✓
	ISO 45001	✓	✓	✓	✓
	FSC	✓	✓	✓	✓
	PEFC	✓	✓	✓	✓
	SA 8000	✓	✓	✓	✓
	ISO 50001	✓	✓	✓	✓
	IFS HPC				✓
	BRC PACKAGING		✓		✓
PRODUCT	ECOLABEL EU	✓	✓	✓	✓
	BLAUER ENGEL		✓		
	OK COMPOST				✓
	ISEGA	✓	✓	✓	✓

Another pillar of the Company's approach is its focus on transparency and responsible communication. Cartiere Carrara is committed to providing clear, complete and verifiable information on all its channels, avoiding misleading and greenwashing practices. The quality functions actively collaborate with the marketing and sales functions to ensure that promotional messages accurately reflect the characteristics of the products.

To this end, a specific training programme was launched in 2024 for the Marketing, Sales and Communication teams on the topics of the **Circular Economy**, the **Life Cycle Analysis (LCA)** and **European Directive 2024/825 against greenwashing**. By 2025, the corporate functions are expected to be directly involved in defining the **environmental claims** to be used on packaging, websites and information materials, further strengthening the consistency and reliability of communications.

Finally, it is important to note that during 2024 **there were no reports of serious human rights incidents or issues** connected with consumers or end users, confirming the effectiveness of the Company's policies for the protection and respect of people.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

DR 38 a), DR 39), DR 40), DR 41 a), b).

The objectives of the 2023-2025 Sustainability Plan were defined on the basis of an in-depth analysis of the internal and external context, which included industry benchmarks, the observation of key emerging trends and the evolution of the regulatory framework. This process made it possible to assess the organisation's level of maturity with regard to sustainability and to identify priority action areas. Although the direct involvement of customers and end users was not envisaged at this stage, the contribution of the main corporate functions ensured an integrated and realistic view of the objectives to be pursued in this area.

Among the priorities identified, particular attention was paid to monitoring customer satisfaction, considered a key indicator for continuous improvement and consolidating trust in the brand. The number of customers and consumers involved in customer satisfaction surveys is a significant parameter for assessing the effectiveness of the actions taken and shaping future strategies. Cartiere Carrara intends to develop effective tools and methodologies for collecting meaningful feedback, which can be used to guide strategic choices and improve the overall customer experience.

Operational targets	Activity	Status	SDGs
Monitor the level of customer satisfaction	Design and launch customer satisfaction surveys to help identify areas of improvement and monitor customer satisfaction.	Ongoing	



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Cartiere Carrara

ESRS GI – Business conduct

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

DR 5 a), b)

Cartiere Carrara adopts a governance system based on responsibility, transparency and efficiency with the aim of integrating sustainability in the Group's strategic management. The Board of Directors, made up of six members with different backgrounds and a diversification between external and family members, guides the Company via a system of delegated powers that enables **rapid decision-making** and the supervision of key areas.

Responsibilities are distributed between the **President**, the **Chief Executive Officer**, the **Vice President** and the **Executive Directors**, each of which have specific competences in strategic, organisational, legal and development areas. The **Board of Directors** meets **regularly** to monitor company performance and define priorities, including in the environmental and social fields.

Governance is supported by the **Board of Statutory Auditors**, the **statutory auditors** and the **Supervisory Board**, which ensure compliance with regulations and the transparency of processes. This structure enables the Group to address sustainability impacts, risks and opportunities in an organised way, promoting responsible and lasting growth.

For more information, see section GOV-1 of ESRS 2.



ESRS 2 IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

DR 6)

For impacts, risks and opportunities related to its workforce, see paragraph "IRO-1" in chapter "ESRS 2 - General Disclosures".

The material impacts, risks, and opportunities related to the Group's conduct are outlined below:

IRO	NAME	DESCRIPTION	TIME HORIZON	DIRECT/INDIRECT
Potential Impact (-)	Impact of possible episodes of corruption or non-compliance with laws and regulations on persons or the environment.	Episodes of corruption or non-compliance with laws and regulations can have a negative impact on both persons and the environment. From a social point of view, corruption undermines communities' trust in institutions and companies, creating a climate of mistrust and uncertainty. People may suffer direct consequences, such as loss of job opportunities and unequal access to essential services. Corruption can also fuel unethical labour practices, such as exploitation and discrimination, undermining workers' rights and compromising the wellbeing of communities. As far as the environment is concerned, non-compliance with environmental regulations can lead to irreparable damage. Companies that ignore laws can cause pollution, the degradation of ecosystems and the loss of biodiversity. These effects not only damage the environment, but can also directly affect people's health, exposing them to toxic substances and compromising their quality of life. Cartiere Carrara adopts various methods for managing the negative impact on people and the environment of possible episodes of corruption or non-compliance with laws and regulations. Firstly, the Company promotes a culture of legality, ethics and integrity through the Code of Ethics and the Organisation, Management and Control Model, which establish clear principles for shareholders, directors, employees and partners. These documents ensure the Company's decisions are guided by lawfulness, honesty and fairness in business. Cartiere Carrara has also implemented whistleblowing procedures, guaranteeing a dedicated channel for the submission of reports that ensures the anonymity of the reporter and the collection of relevant documentation. This system makes it possible to monitor and promptly deal with possible offences. The Company also checks contractual agreements with customers and suppliers to identify clauses that are contrary to regulations and promptly reports the need for corrections.	Medium-long term	Direct

In the course of its analysis activities, the working group also identified a number of impacts, risks and opportunities related to human resources management and occupational safety. These include:

- **Economic and non-compliance risk** regarding regulatory changes in sustainability and the circular economy
- **Economic and reputational risk** related to possible episodes of corruption, fraud, money laundering.
- **Economic and reputational opportunity** related to the implementation of a sustainable supply chain and processes.

However, after assessing the materiality of these issues, they were considered irrelevant for reporting purposes, even if we continue to monitor and pay attention to them. This choice reflects the **prudent** and **transparent approach** adopted by Cartiere Carrara, which intends to maintain a high level of vigilance on issues that, while not a priority today, could become significant for corporate sustainability in the future.

GI-I Corporate culture and business conduct policies

DR 7), DR 8), DR 9), DR 10 a), b), c), e), h)

Cartiere Carrara's corporate culture is based on consolidated principles of legality, ethics, integrity and transparency. These values are formalised in the **Code of Ethics**, most recently updated on 26 January 2024, and in the **Organisation, Management and Control Model pursuant to Legislative Decree 231/2001**. Both are of these are fundamental tools for guiding corporate decisions and behaviour towards criteria of **correctness, social responsibility and respect** for people.

The **Code of Ethics** applies to shareholders, directors, employees, partners, suppliers and workers, and incorporates ESG principles as guidelines for business conduct. It is divided into **three sections: the Charter of values and principles, the Charter of commitments to stakeholders and the Code of Conduct**. The contents are inspired by the "10 Principles of the UN Global Compact" on human rights, labour, environment and anti-corruption, integrating them into the organisation's value framework.

The **Charter of values and principles** defines the ethical guidelines that must guide all behaviour, both inside and outside the Company. Core values include integrity, regulatory compliance, the safeguarding of health and safety, non-discrimination, personal growth, transparency, quality, sustainability, innovation and combating all forms of crime. The **Charter of commitments** outlines the ethical and social responsibilities taken towards stakeholders, promoting relationships based on loyalty, honesty and equality, and defining a collaborative approach with customers, suppliers, institutions and local communities. This commitment also extends to the promotion of safe and decent working conditions, the enhancement of human capital and the adoption of certified management systems, including SA8000. The **Code of conduct** sets out the rules of conduct to be observed by all addressees. It regulates relations with customers, suppliers, institutions and communities, promoting fair competition and prohibiting all forms of abuse, conflicts of interest and misconduct. Particular attention is paid to the prevention of offences under Legislative Decree 231/2001, through an internal control system and an organisational model aimed at ensuring regulatory compliance.

In the area of business conduct, in July 2023 Cartiere Carrara implemented **whistleblowing procedures** in accordance with Legislative Decree 24/2023. An **internal channel for reporting unlawful conduct or conduct contrary to the Code of Ethics** was launched and can also be accessed anonymously via an online platform. The channel is managed by qualified and independent staff. Reports may be submitted by employees, workers, suppliers, former employees and applicants. Specific measures are established to protect whistleblowers from any form of retaliation, in line with EU Directive 2019/1937. The procedures are communicated to all staff and available on the company website.

Although an anti-corruption policy formally aligned with the United Nations Convention against Corruption is not currently in place, corruption prevention issues, in addition to the Code of Ethics, are overseen via the 231 Model. The business functions most exposed to risk, such as purchasing, sales, procurement and administration, are subject to reinforced controls. **Prevention measures include internal audits, the segregation of duties and authorisation procedures**. The model also provides mechanisms for promptly, independently and objectively investigating any incidents related to business conduct, including episodes of active and passive corruption.

The Board of Directors and the Chief Executive Officer are responsible for the implementation of the policies on conduct and corporate culture. The Supervisory Board, appointed pursuant to the 231 Model, has the task of monitoring its application.

All adopted policies are made available to stakeholders through the company website, the intranet and contractual documents. Stakeholder expectations, gathered through stakeholder engagement activities, surveys and dedicated meetings, are considered when defining these policies. The effectiveness of the policies is monitored through audits, performance indicators and periodic reviews by senior management.

GI-2 Management of relationships with suppliers

DR 12), DR 13), DR 14), DR 15 a), b), 62)

The Group does not currently have a specific public policy on relations with suppliers aimed at preventing late payment. However, there are internal operating procedures that regulate and standardise payment processes for small and medium-sized enterprises, as well as for larger suppliers.

At present, relations with suppliers are governed by the Group Code of Ethics, but there are plans to develop a specific policy within the next year. As per the Code of Ethics, suppliers are required to act with integrity, transparency, consistency and fairness, maintaining honesty in all business relationships.

The selection of suppliers and the definition of purchasing conditions are based on objective criteria that assess the quality and price of goods or services, as well as reliability in terms of service and the punctuality of deliveries. This approach ensures transparency, fairness and openness to competition. Every supplier who meets the established requirements has an equal opportunity to participate in supply tenders thanks to clear and uniformly applied evaluation criteria.

The Group also promotes **active collaboration with suppliers** to ensure that they can consistently meet the organisation's needs in terms of quality, costs and delivery times. Dialogue with business partners is characterised by honesty, transparency and a spirit of cooperation, in line with industry best practices.

Currently, the Group has no specific **selection criteria in the ESG area** but plans are in place to adopt such criteria in the coming years.

GI-3 Prevention and detection of corruption and bribery

DR 16), DR 17), DR 18 a), b), c) DR 20)

Despite the fact that the Group does not currently have a specific independent anti-corruption policy, organisational tools and controls have been adopted to prevent and combat corrupt behaviour, both active and passive, in line with the principles of legality, transparency and ethical responsibility.

The **Code of Ethics** represents the main frame of reference, prohibiting all forms of corruption and promoting behaviour based on honesty and integrity in relations with public and private parties. The Code is an integral part of employment contracts and is also communicated to suppliers and external collaborators.

The Code of Ethics is supported by an **Organisation, Management and Control Model** pursuant to Legislative Decree 231/2001 which identifies company areas at risk and defines prevention protocols, an internal disciplinary system and a reporting channel.

The effectiveness of the model is overseen by a **Supervisory Board (SB)**, an independent body with autonomous powers of initiative and control, separate from the functions at risk of corruption. The Supervisory Board receives and assesses any reports, initiating investigation activities if necessary. The results of audits are communicated to the corporate governance bodies through periodic reports or extraordinary communications.

The Code of Ethics and the reporting procedures are accessible to all staff and relevant third parties through publication on the company website and direct distribution.

GI-4 Incidents of corruption or bribery

DR 22), DR 23), DR 24 a), b), DR 25 a), b), c), d), DR 26)

During the reporting period, no incidents of active or passive corruption involving Cartiere Carrara S.p.A. were identified, nor were any legal proceedings initiated against the Company or its employees.

There were no convictions or fines imposed for anti-corruption violations, nor were there any disciplinary actions or contract terminations related to corruption incidents. Similarly, there were no violations of internal procedures or the Code of Ethics that required corrective action or sanctions.

The Supervisory Board, appointed to monitor the implementation of the 231 Model and manage reports, did not receive any reports during the period that gave rise to formal investigations or measures relating to corruption.

GI-6 Payment practices

DR 31), DR 32), DR 33 a), b), c), d)

During the reporting period, Cartiere Carrara S.p.A. monitored its **payment practices** towards suppliers with the aim of ensuring fair, transparent and sustainable commercial relations along the value chain.

The average time taken to pay invoices was 124 days. This figure was obtained from the 2024 Budget by calculating Days Payable Outstanding (DPO)¹ and is a useful indicator for assessing the overall management of the purchasing cycle.

In order to further improve the monitoring and tracking of payment times, a technical implementation project in collaboration with supplier Horsa is currently underway to integrate the automatic calculation of the actual DPO in the SAP information system, both on an aggregate level and by individual supplier. This measure will enable the more efficient and transparent management of payment performance in the coming years. For the period June 2024 - June 2025, the total actual DPO is 79 days.

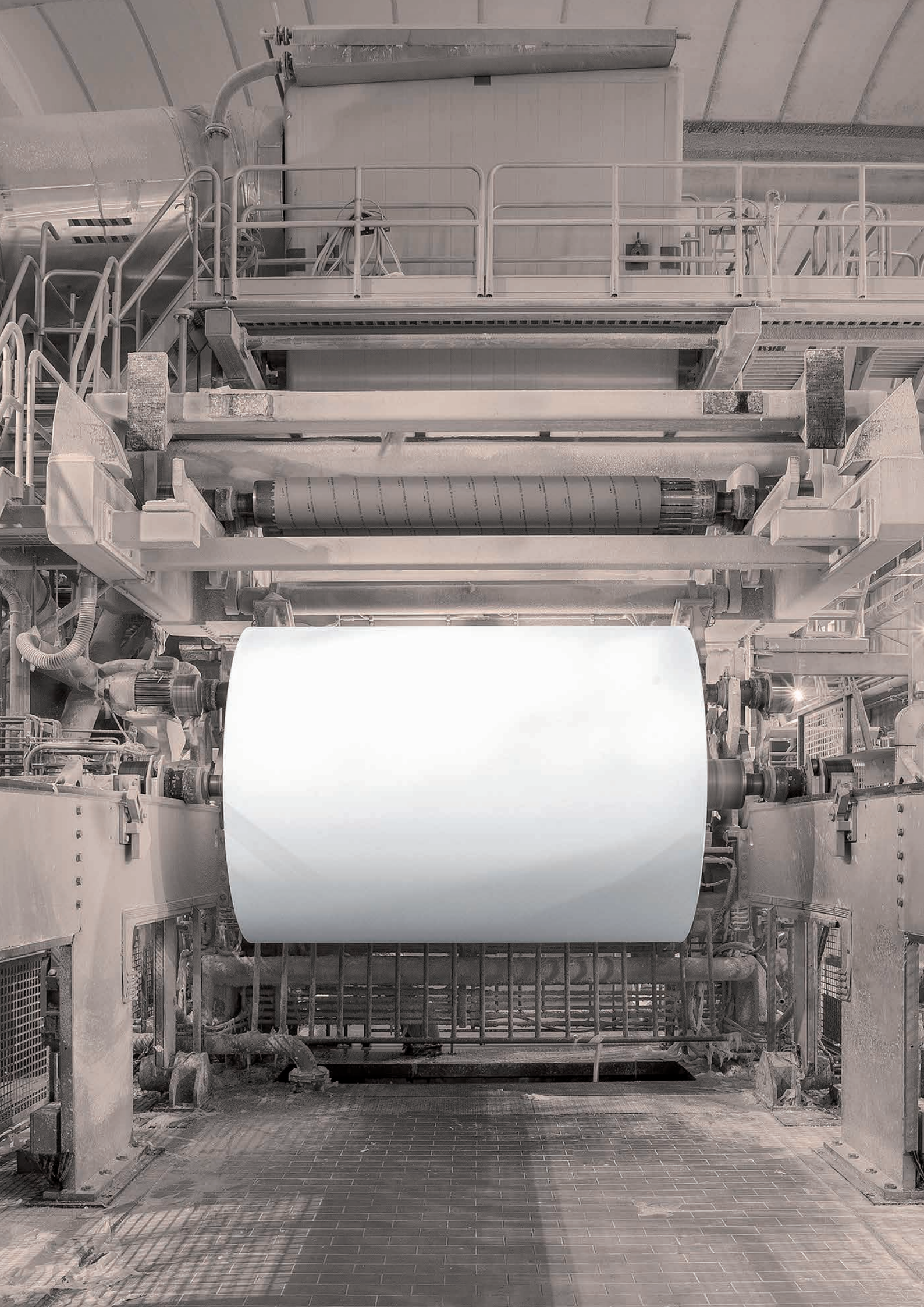
The payment terms applied vary according to the type of supply. In particular, the following conditions are observed for the main product categories:

- Cellulose supplies: 90 days end of month
- Spare parts: on average 60 days end of month or according to agreed payment schedule
- Coloured paper: 60 days end of month
- Cooperatives: 30 days end of month
- Chemicals: between 90 and 120 days end of month
- Packaging: between 90 and 120 days end of month
- Pallets: 90 days end of month

These conditions cover about 65% of the total value of the purchases made during the period.

With regard to any disputes related to late payments, there are no legal proceedings pending against the Company by suppliers.

1. The calculation equals (Trade payables / Cost of sales) x 365



APPENDIX

Material impacts, risks and opportunities and their interaction with strategy and business model

Impact	Description
Contribution to climate change due to the generation of GHG emissions by Direct and Indirect Group Activities	The paper industry has a significant impact on climate change, generating greenhouse gas (GHG) emissions in three main areas. Direct or Scope 1 emissions are caused by the combustion of gases and fuels used in production processes and the Company fleet. Indirect emissions, classified as Scope 2, come from the purchase and consumption of the electricity needed to power machinery and production processes. Finally, emissions along the value chain, referred to as Scope 3, include the procurement of raw materials like cellulose, waste management and employee commutes. These emissions contribute significantly to the overall environmental impact of the industry. Cartiere Carrara has made a firm commitment to reducing its greenhouse gas (GHG) emissions, carefully monitoring its environmental impact and therefore contributing to sustainability and social responsibility towards the planet. The Company has introduced high-efficiency boilers and heat recovery systems, achieving significant reductions in energy consumption and CO₂ emissions.
High energy consumption	The paper industry is known for its high energy consumption. Paper production requires large amounts of thermal and electrical energy, mainly for drying and fibre converting processes. The use of energy from non-renewable sources results in the emission of pollutants and contributes to the depletion of fossil fuels. Cartiere Carrara has adopted several strategies to manage its high energy consumption and reduce the environmental impact of its operations. The Company has deployed high-efficiency cogeneration plants, capable of producing both heat and electricity and therefore improving its overall energy efficiency. It has also adopted the UNI EN ISO 50001 system for energy management, demonstrating a systematic and proactive approach to reducing energy consumption and associated emissions. Cartiere Carrara has integrated the goals of the UN 2030 Agenda and the European Union Green Deal in its sustainability manifesto "Caring for what's next", pledging to reduce emissions and promote the efficient use of resources. The Company is also investing in renewable energy sources, such as natural gas with low CO₂ emissions, to decrease its dependence on fossil fuels and improve its long-term sustainability. This commitment not only contributes to environmental protection, it also positions Cartiere Carrara as an important player in the transition to more sustainable practices in the paper industry.
Release of pollutants into the air	The paper industry and its value chain has a significant impact on the environment, mainly due to air pollutant emissions deriving from energy consumption. Paper production requires a lot of energy, often generated from fossil fuels, which contributes to greenhouse gas emissions such as CO₂. In addition to CO₂, paper mills emit other air pollutants such as nitrogen oxides (NOx) and sulphur oxides (SOx), which decrease air quality and contribute to smog and acid rain. Cartiere Carrara has launched an energy renovation plan to comply with European regulations on polluting emissions, replacing boilers and implementing advanced technologies to reduce NOx emissions.
Pollution of surface water	Paper production has a significant impact on groundwater pollution due to the use of chemicals and the disposal of hazardous waste. Paper mills use large quantities of water, which can be contaminated by chemicals such as chlorine, hydrogen peroxide and bleaching agents. If wastewater is not properly treated, it can seep into the soil and reach groundwater, causing pollution and damage to aquatic ecosystems and human health. Cartiere Carrara has adopted several strategies to mitigate the environmental impact of its operations, particularly with regard to water pollution. The Company has deployed advanced wastewater treatment systems that effectively remove chemicals and contaminants before the water is released into the environment. These systems include filtration, sedimentation and biological treatment processes, which significantly reduce the pollutant load of wastewater.

Contribution to water depletion

The paper industry has a significant impact on the depletion of water resources due to its high water consumption. The production of paper requires large quantities of water, which is mainly used for the creation of cellulose pulp and the operation of the pulping plants. This high consumption can lead to a reduction in the availability of water resources, especially in areas already subject to water stress. Cartiere Carrara has adopted several strategies to mitigate the impact of water consumption and reduce the depletion of water resources. The Company has deployed advanced water recycling systems which allow water to be reused in production processes, reducing the withdrawal of new water resources and minimising the risk of water depletion.

Loss of biodiversity and threats to ecosystems caused by the use of natural resources.

The paper industry has a significant impact on the loss of biodiversity and threats to ecosystems, mainly due to the use of natural raw materials such as wood. The felling of trees to obtain virgin fibre can lead to deforestation, which in turn results in the loss of habitat for many species and a decrease in biodiversity. Deforestation can also alter the balance of ecosystems, negatively affecting local flora and fauna. The extraction of natural raw materials can cause the fragmentation of habitats, making it difficult for species to move around and find the resources they need to survive. This phenomenon can lead to a decrease in populations of vulnerable species and a loss of biodiversity. In addition, the use of pesticides and other chemicals in tree plantations can contaminate the soil and water, further damaging ecosystems. Cartiere Carrara has adopted several strategies to mitigate the environmental impact of its operations and reduce biodiversity loss. The Company is committed to using raw materials from sustainably managed forests, certifying the origin of the wood used in its products. This approach helps to ensure that forests are managed responsibly, preserving natural habitats and promoting biodiversity. In addition, Cartiere Carrara takes prevention and restoration measures to protect the biodiversity of the areas in which the Company operates. These activities include the restoration of natural habitats, the reintroduction of endangered species and the protection of local ecosystems. Cartiere Carrara works with local authorities and environmental organisations to develop and implement conservation projects aimed at preserving biodiversity and restoring damaged ecosystems.

Contribution to the reduction of CO₂ in the atmosphere through multi-cycle plantation activities.

Cartiere Carrara's multi-cycle planting project contributes significantly to the reduction of CO₂ in the atmosphere through forestation and environmental redevelopment initiatives. Launched in 2020, the project includes the creation of diversified woodlands and plantations over an area of approximately 220 hectares in the province of Lucca. These activities not only contribute to biodiversity and the protection of natural habitats, they also promote the sustainable management of forest resources, reducing environmental impact and conserving soil carbon stock. Multi-cycle plantations, characterised by plant species with different growth times, enable the balanced management of the forest, helping to mitigate global warming and support the local economy.

Production of waste

Paper production generates a significant amount of waste, including sewage sludge and waste paper. Sewage sludge often contains heavy metals and persistent organic pollutants, which pose a challenge for safe disposal. Pulped paper waste includes irregular materials such as plastic, wood, metal and inks, which must be managed and disposed of appropriately to minimise environmental impact. Cartiere Carrara has adopted several strategies to manage waste generation and reduce the environmental impact of its operations. The Company has implemented more sustainable waste management practices, such as the treatment and reuse of sewage sludge, and launched circular economy programmes to recover production waste and use recycled products. Thanks to its efficient and careful management of waste, Cartiere Carrara reduces its environmental impact and transport and disposal costs.

Generation of packaging for disposable products

The incorrect design and management of products and their packaging can have several negative impacts on the environment. When packaging is not designed to be recycled or disposed of properly, it can end up in municipal solid waste, contributing to soil, water and air pollution. Plastic, in particular, is problematic because it can take hundreds of years to degrade, causing significant damage to marine and terrestrial ecosystems. Cartiere Carrara avoids the use of disposable plastic materials in its business activities with the goal of eliminating the consumption of plastic and other unsustainable materials and generating environmental benefits. Thanks to R&D on the efficiency and sustainability of its products, the organisation markets goods with lower environmental impact.

Consumption of virgin raw materials	Paper industries purchase virgin raw materials through their procurement functions for process-related purposes, depleting the amount of available raw materials. Cartiere Carrara adopts various strategies to manage its environmental impact related to the consumption of virgin raw materials. The Company is committed to reducing the use of virgin raw materials, promoting the circular economy and the ecological transition. It uses advanced technologies and an effective environmental management system to improve the efficient use of materials and reduce its energy consumption.
Failure to respect the human rights of workers along the value chain	The sector in which the Company operates is characterised by a complex network of suppliers and subcontractors, which makes it vulnerable to unethical labour practices such as forced labour, child labour and unsafe working conditions. Lack of transparency and proper controls along the supply chain can lead to serious violations of human rights, undermining the reputation of companies and causing significant harm to the workers involved. In response to these challenges, Cartiere Carrara has adopted a strict Code of Ethics, with which all of its suppliers are required to comply. This code sets clear standards to ensure decent working conditions and respect for human rights for its employees and all workers along the supply chain. The Group is actively committed to monitoring and verifying compliance with these standards, not only to protect workers' rights but also to help build a more ethical and sustainable industry. Through these initiatives, Cartiere Carrara acts as a model of social responsibility, promoting business practices that protect the dignity and wellbeing of all workers in its production chain.
Impact of work-related injuries and occupational diseases on employee health and safety	Large industrial business are required to manage significant health and safety risks relating their employees, including work-related injuries and diseases. Injuries can range from minor accidents to serious events, while occupational diseases are the result of prolonged exposure to specific risks. Through information, awareness-raising activities and partnerships with specialist companies, the Group helps its workers to safely manage the main health and safety risks to which its employees are exposed. In addition, Cartiere Carrara complies with the ISO 45001:2018 standard on occupational health and safety management systems, which makes it possible to manage worker safety in an organic and systematic way in accordance with the Company's organisational structure.
Failure to respect equal opportunities and gender diversity	In large industrial companies, there could be episodes in which respect for equal opportunities and gender diversity is lacking. A non-inclusive working environment and the failure to respect equal opportunities and diversity, influenced by factors such as gender, age, sexual orientation, race, disability, language, nationality, political opinions and religious beliefs, can lead to discrimination in terms of salary, wellbeing and opportunities for professional growth. Such discrimination has a negative impact on personal and professional development opportunities, undermining the human dignity and potential of every individual. However, Cartiere Carrara is strongly committed to supporting the values of diversity and inclusion, adopting good practices for respecting people's rights and freedoms. The Diversity & Inclusion Policy, based on understanding, respecting and promoting people's diversities, outlines its commitments in this area.
Possible damage to the health of local communities caused by noise production	Noise impact is a significant aspect to consider in the tissue paper production sector as the production and converting equipment used for the transformation of paper can generate high levels of noise which, if not properly managed, can have negative effects on the environment and people. To address this issue, Cartiere Carrara is implementing various noise impact management methods. First of all, the Company is investing in advanced technology and silent equipment designed to minimise noise during the production process. In addition, soundproofing measures have been adopted in the mills, helping to contain the external diffusion of sound. Cartiere Carrara also undertakes to constantly monitor noise levels through detection and assessment systems, ensuring that they always comply with current regulations. The Company also promotes an open dialogue with local communities, listening to their concerns and involving them in initiatives to improve the surrounding environment.

Impact of product safety on customer and consumer health	In the tissue paper production industry, product quality and safety are crucial for ensuring customer satisfaction and regulatory compliance. Companies must implement rigorous quality control systems to monitor every stage of the production process, from the definition of product requirements to after-sales service. By adopting a quality control system at all stages, from the definition of product requirements to after-sales assistance, Cartiere Carrara contributes to guaranteeing product safety in accordance with the regulations. In addition, the Company is certified by the CHSA (Cleaning & Hygiene Suppliers Association), which guarantees high quality standards for soft tissue products so that purchasers of CHSA-certified products can be sure that every product contains exactly what it says on the label.
Negative impact of irresponsible business practices on customers and brand loyalty	Lack of clarity regarding marketed products and misleading advertising campaigns can lead to greenwashing situations, creating a significant negative impact for customers. This undermines their ability to make informed purchasing decisions, eroding trust in brands and negatively affecting loyalty. To meet these challenges, Cartiere Carrara is committed to guaranteeing clear and authentic communications, providing detailed information on the environmental and social impact of its products. The Company adopts responsible communication policies, ensuring that all information is truthful and representative of actual business practices. In addition, through brand awareness and reputation surveys, Cartiere Carrara directly involves customers in order to understand their priorities. This approach not only protects the Company's reputation, it also helps to educate consumers, enabling them to make more informed and sustainable choices, and promoting a more ethical and responsible market.
Contribution to the wellbeing of employees	Large industrial organisations, such as Cartiere Carrara, are committed to guaranteeing decent working conditions for their employees through targeted company policies and practices. Cartiere Carrara, in particular, places great emphasis on enhancing human capital. To ensure a happy medium between the professional and private spheres, Cartiere Carrara adopts work-life balance policies. These policies include flexible working hours, the possibility of remote work and family support programmes. The Company recognises the importance of employee wellbeing and aims to create a working environment that protects their work-life balance. Through these initiatives, Cartiere Carrara aims to improve employee satisfaction and productivity, contributing to their overall wellbeing.
Attracting qualified and competent staff	Through its activities and investments, Cartiere Carrara is committed to guaranteeing its workers targeted training courses with the aim of forming a competent and up-to-date workforce. The Company creates a training plan covering several areas, including language, computer and technical training and soft skills development. This initiative generates a significant positive impact not only on employees, but also on the local community. Access to continuous training programmes enables workers to acquire new skills and improve their professional capabilities, increasing their employability and job satisfaction. Well-trained staff are more motivated and productive, and contribute more to the overall success of the company.
Contribution to the socio-economic development of the community	Firmly established as a producer of high-quality tissue paper, Cartiere Carrara stands out as a concrete example of how a company can make a significant contribution to the socio-economic development of the community. Located in Tuscany, the Company has implemented a number of initiatives that generate a direct and positive impact on the local community. Cartiere Carrara actively works with local stakeholders to promote transparency and innovation, ensuring that the benefits of economic growth are shared equally with the community. Through social responsibility projects and investments in local initiatives, the Company not only supports the regional economy, it also contributes to improving the quality of life of residents, creating a virtuous circle of development and collective wellbeing.

Impact of possible episodes of corruption or non-compliance with laws and regulations on persons or the environment.

Episodes of corruption or non-compliance with laws and regulations can have a negative impact on both persons and the environment.

From a social point of view, corruption undermines communities' trust in institutions and companies, creating a climate of mistrust and uncertainty. People may suffer direct consequences, such as loss of job opportunities and unequal access to essential services. Corruption can also fuel unethical labour practices, such as exploitation and discrimination, undermining workers' rights and compromising the wellbeing of communities.

As far as the environment is concerned, non-compliance with environmental regulations can lead to irreparable damage. Companies that ignore laws can cause pollution, the degradation of ecosystems and the loss of biodiversity. These effects not only damage the environment, but can also directly affect people's health, exposing them to toxic substances and compromising their quality of life. Cartiere Carrara adopts various methods for managing the negative impact on people and the environment of possible episodes of corruption or non-compliance with laws and regulations. Firstly, the Company promotes a culture of legality, ethics and integrity through the Code of Ethics and the Organisation, Management and Control Model, which establish clear principles for shareholders, directors, employees and partners. These documents ensure the Company's decisions are guided by lawfulness, honesty and fairness in business.

Cartiere Carrara has also implemented whistleblowing procedures, guaranteeing a dedicated channel for the submission of reports that ensures the anonymity of the reporter and the collection of relevant documentation. This system makes it possible to monitor and promptly deal with possible offences. The Company also checks contractual agreements with customers and suppliers to identify clauses that are contrary to regulations and promptly reports the need for corrections.

Risks/Opportunities	Description
Economic and operational risk related to extreme weather events caused by climate change	The World Economic Forum's Global Risks Report 2024 underlines that the risk of extreme weather events is the second most serious risk in the short term and the biggest risk in the long term. According to Isprambiente's "Idrogeo" tool, some of Cartiere Carrara's mills are located in areas of high hydrogeological risk. The increase in extreme weather events can damage company structures, disrupting production and logistics activities. This results in high repair costs and an increase in insurance premiums. The increasing frequency of these phenomena over the course of the year, combined with the proximity of operating sites to risk areas, led to such events being considered as Very likely, with the financial magnitude of the risk Great in the short and medium-long term.
Economic risk related to rising energy costs and ETS allowances	In 2024, Confcommercio's Energy Observatory recorded a 51.9% increase in electricity costs compared to 2019, while gas costs rose by 80%. This increase was mainly due to geopolitical tension, rising energy demand and inflation. These factors have led to a significant increase in electricity prices in recent years, putting pressure on households and businesses, which continue to rely heavily on non-renewable energy resources. As well as the increase in energy commodities, the increase in ETS (Emissions Trading System) allowances could also have a significant impact on overall energy costs. Cartiere Carrara is still partly dependent on fossil fuels derived from oil, methane and LPG, and this dependence makes the Company vulnerable to rising energy supply costs. Based on these considerations, the economic risk was classified as moderate in terms of magnitude and very likely in the short term.

Economic and reputational risk of exceeding legal limits for the release of pollutants into the atmosphere, on land and in groundwater

Pollution regulations are becoming increasingly stringent at national, European and international level. In Italy, emissions of pollutants into the atmosphere, soil and groundwater are regulated by the Consolidated Environmental Act, which requires companies to obtain specific authorisations for the release of certain substances and to carry out regular monitoring. Heavy penalties are in place to discourage non-compliant practices.

Because of the intrinsic nature of its business, Cartiere Carrara is subject to stringent environmental regulations, such as Integrated Environmental Authorisation (IEA), and to controls by monitoring authorities, such as ARPAT. These regulations concern not only pollutant emissions, but also water management and noise production. Failure to comply with these regulations could result in significant economic sanctions, with potential financial repercussions.

Moreover, exceeding the legal limits could damage the Company's reputation, undermining the trust of consumers and stakeholders.

Considering the type of pollutants released by Cartiere Carrara into the air, soil and water, the magnitude of the risk was assessed as Great and with possible likelihood of occurrence in the short and medium-long term.

Economic opportunity linked to accessing grants and tax breaks for energy efficiency, renewable energy investments

As well as reducing energy operating costs in the medium to long term, the adoption of photovoltaic, cogeneration and other environmentally-friendly solutions could also stabilise them by decreasing the vulnerability of the Company to variations in the price of conventional energy sources. In addition, by adopting more sustainable practices, Cartiere Carrara could benefit from subsidised financing and state or European contributions aimed at supporting the ecological transition and reducing carbon emissions. Given the concreteness of the subsidised finance schemes aimed at energy savings and the implementation of energy efficiency initiatives, the likelihood of this opportunity was considered very probable and with moderate magnitude due to the potential positive economic effect in the short term.

Economic and reputational opportunities from the use of recycled products

Using recycled materials can reduce the costs associated with the purchase of virgin raw materials and, together with the optimisation of recycling processes and the use of production waste, increase production efficiency, improving a company's competitiveness and reducing waste and operating costs. The growing demand for sustainable products opens up new market opportunities, enabling Cartiere Carrara to expand its customer base and increase sales.

The commitment to sustainability and the use of recycled materials also reinforces Cartiere Carrara's image as a responsible and innovative company, enhancing brand perception among consumers. The magnitude of the financial effect was evaluated as moderate but nevertheless likely to occur.

Reputational and economic opportunity related to the multi-cycle plantation project

Cartiere Carrara launched the Multi-Cycle Plantation Project with the aim of generating a positive environmental and economic impact. The project demonstrates Cartiere Carrara's commitment to protecting the environment, contributing to reforestation and preserving biodiversity, and raises awareness among the local community of the importance of sustainability and the responsible management of natural resources. Collaborations with organisations such as Rete Clima and Compagnia delle Foreste strengthen the Company's reputation as a sustainability leader and enable it to receive significant funding to support forestation expenses and promote sustainable practices. Based on these considerations, the opportunity was classified as having a Great magnitude and very likely to occur.

Economic and operational risk related to business interruptions caused by the depletion of water resources

Water scarcity in Italy is a growing problem, aggravated by climate change and inefficient infrastructure. The 2023 ISPRA report showed a worrying reduction in water availability throughout the country, with an estimated 18.4% decrease compared to previous years. For Cartiere Carrara, water is a fundamental resource for various production processes, including the treatment of fibres, the formation of paper sheets and the washing of machines, and its shortage can quickly halt or slow down production, leading to high operating costs and a decrease in the Company's competitiveness.

This risk is amplified by climate change, which causes prolonged droughts, and the ineffective management of water resources. Outdated infrastructure can also aggravate the situation, causing significant water losses.

In light of these considerations, the magnitude of the financial effect was assessed to be great and likely in the medium to long term.

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