AQUAFIL

Sustainability Statement

2024

Consolidated Statement 2024 pursuant to Legislative Decree No. 2024/125.

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Executive summary

This sustainability report provides a **comprehensive overview** of the company's commitment to long-term value creation by integrating sustainability principles into daily operations, decision-making processes and business strategies.

AQUAFIL GROUP
2024 IN NUMBERS

GENERAL DISCLOSURES

€542 million **turnover**

13 **Countries worldwide**

2,390 **employees**

SILVER | Top 15%
ecovadis
Sustainability Rating
JUL 2024

Rated
MORNINGSTAR | SUSTAINALYTICS

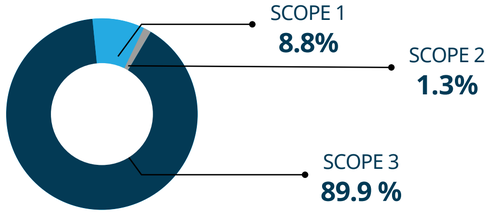
ENVIRONMENTAL INFORMATION

92.3% of **electricity** purchased from **renewable sources**

19,000t **post-consumer waste collected**

54.8% of fibre sales from **ECONYL®**

Emissions breakdown



SOCIAL INFORMATION

93.5% **Permanent contracts**

100% Italy plants covered by the **UNI / PdR 125 Certification** for gender equality

33,000 **training hours**

c. 600 **hours** of **corporate volunteering** in Italy

BUSINESS CONDUCT

44% **female Directors on the Board of Directors**

0 **fines, penalties** or **legal action** for **corruption** or **violation** of the **Code of Conduct**

670 **hours of training** in **business conduct**

GENERAL DISCLOSURES

METHODOLOGICAL NOTE

The report fulfils the requirements of the European Directive 2022/2464 on the Sustainability Statement (**Corporate Sustainability Reporting Directive - CSRD**), implemented in Italy by Legislative Decree No. 2024/125, and has been prepared according to the European Sustainability Reporting Standards (ESRS). There is a change in scope from the previous year, which was extended to align with the consolidated financial statements. Due to this change, comparative data for previous years are not available.

THE AQUAFIL GROUP

Aquafil is a global Group, present in **13 countrie**s around the world, and a leading manufacturer of synthetic fibres and polymers. We are recognised for our **commitment to the circula**r **economy** through the development of the **ECONYL® Regeneration System**, launched in 2011. This innovative process enables waste such as old carpets, textile scraps and fishing nets to be transformed into reclaimed nylon, which is used by more than **1,900 brands** worldwide to create new products.

OUR ESG STRATEGY

Since 2008, we have formalised our ESG strategy in "**The ECO PLEDGE®**", a set of five principles that inspire all Group activities:

- Rethinking products from a circular perspective;
- Protecting the environment;
- Sharing responsibilities along the supply chain;
- Protecting the well-being of individuals;
- Supporting local communities.

For each pillar, the company has set future-oriented **targets** and concrete actions to achieve them.

MATERIALITY ANALYSIS

In line with the requirements of ESRS, a **double materiality** analysis was conducted for the first time, leading the Group to assess:

- **Impact materiality:** the consequences - actual or potential - of the company's activities on people and the planet.
- **Financial materiality:** the risks and opportunities in ESG that can affect financial and economic performance.

All topics identified by the ESRS, and **31 subtopic** were considered to be material, which were then reported on and analysed in chapters 2, 3 and 4.

Sustainability Governance

Sustainability is prioritized at every level of Aquafil's governance, from top to bottom. The Board oversees the sustainability strategy through the **Control, Risks and Sustainability Committee** (internal Board committee) and the **ESG Committee** (managerial), which in turn is supported by an **ESG Director**, and several **ESG Representatives**. The Group ESG Policy define roles and responsibilities in managing impacts, risks and opportunities.

ENVIRONMENTAL INFORMATION

CLIMATE CHANGE

Aquafil recognises the urgency of a transition to a **low-emission economy**. Over the past year we have implemented **energy efficiency measures** at our main production plant; developed an **Inventory Management Plan**, which provides uniform calculation of emissions under the **GHG Protocol** across the Group; and assessed the resilience of our business model to **climate change risks** through a **Climate Risk and Vulnerability Assessment** on our European and North American plant. We continue to work to purchase a high percentage of **electricity from renewable sources** and to certify all production plant to **ISO 14001**.

POLLUTION

Each plant monitors its pollutant emissions and **compliance with legal limits**, which vary according to applicable local regulations and the specific activities performed. For **air and ground emissions**, no values were found above the E-PRTR threshold established for reporting. Instead, emissions to water are reported for facilities that exceed the E-PRTR threshold.

WATER RESOURCES

In 2024, the Group introduced for the first time a **Water Policy** that defines a set of concrete actions to optimise water resource management. These include the creation of the **Aquafil Global Water Team** (A.G.W.T.), charged with analysing, developing and planning initiatives to reduce consumption. To date, our water withdrawals and discharges occur mainly in areas of medium to low risk of water stress.

BIODIVERSITY

The Group has completed a **Biodiversity Impact and Risk Assessment** on its European and North American plants, which involves a **two-pronged assessment**: analysis of the impacts of Aquafil's activities on biodiversity; and analysis of the risks posed by ecosystem degradation to business operations, their resilience, business continuity and long-term financial stability. The assessment has already identified some **mitigation actions**.

CIRCULAR ECONOMY

For more than 20 years, the Group has been on a deep **transformation journey** to align its strategy and business model with the principles of the **circular economy. ECONYL® nylon** is the cornerstone of this evolution: it enables us to reduce our negative impacts on the environment, mitigate the risks posed by the industry's **dependence on fossil-based raw materials**, and seize **new market opportunities**. Our commitment to "closing the loop" is also reflected in our **investment in research and development**, with projects aimed at reducing waste, improving the recyclability of multi-material garments and mats, and creating new circular supply chains. **Collaboration** with the **value chain** remains central to **eco-design** product design.

SOCIAL INFORMATION

THE PEOPLE OF AQUAFIL

At the end of 2024, the Group had **2,390 employees**, with 90% of the workforce in four countries: Italy, Slovenia, the USA and China. Again this year our efforts focused on three areas: building an equitable and inclusive environment, promoting safety and well-being and fostering personal and professional growth. Among the highlights of 2024, we conducted a **Corporate Survey** in the plants in Slovenia and Croatia, with positive and encouraging results; advanced the **Talent project** for talent development; trained **300 people** on issues related to **DE&I**; obtained **UNI/PdR 125** gender equality certification in the Italian plant; and defined a succession plan for the Group's key figures.

WORKERS IN THE VALUE CHAIN

Aquafil's value chain consists of more than **4,500 suppliers and customer partners** from nearly 200 different industries. In 2024, we launched a new project in collaboration with **EcoVadis** to strengthen monitoring and map ESG risks in the value chain. Based on the results of this preliminary risk mapping, we have planned for 2025 further investigation of the 55 partners deemed **most critical**.

CONSUMERS AND END-USERS

Aquafil's customer base is an **industrial** base: we maintain **B2B business relationships** with companies that use our nylon thread or compound to **make intermediate or final products** in the textile flooring, apparel or design industries. In 2024, we continued to pursue the **Born Regenerated to be Regenerable (R2R)** programme, which involves our customers in co-designing carpets with an eco-design perspective. We have also reached an important milestone in the aquaculture sector by making the **first fully circular fishing net from ECONYL®**.

LOCAL COMMUNITIES

The materiality analysis found no **negative impacts** from Aquafil or significant risks to the company in relation to local communities, instead highlighting only **positive impacts and opportunities**. For the second year in a row, we made about **600** working **hours** available for our employees in Italy to volunteer. We also continued to support programmes and non-profits that focus on helping the most vulnerable, investing in future generations and protecting the environment. Partnerships with **Healthy Seas** and **Alba Chiara** remain central, with a number of new initiatives carried out together throughout the year.

BUSINESS CONDUCT

In 2024, **no Group companies** were fined or otherwise sanctioned for violations related to the Code of Conduct, corruption or related regulations. The **whistleblowing** system for reporting violations remains available to all stakeholders in the Group's main languages. More than **670 hours of training** were undertaken as part of the conduct of business.

1 GENERAL DISCLOSURES

1 GENERAL DISCLOSURES

KEY FACTS AND STATISTICS – 2024

€542 Million **turnover**

2,390 **Employees**

13 **Countries worldwide**

1.5% Of revenue **invested in R&D**

SILVER | Top 15% ecovadis Sustainability Rating JUL 2024

Rated MORNINGSTAR | SUSTAINALYTICS

1.1

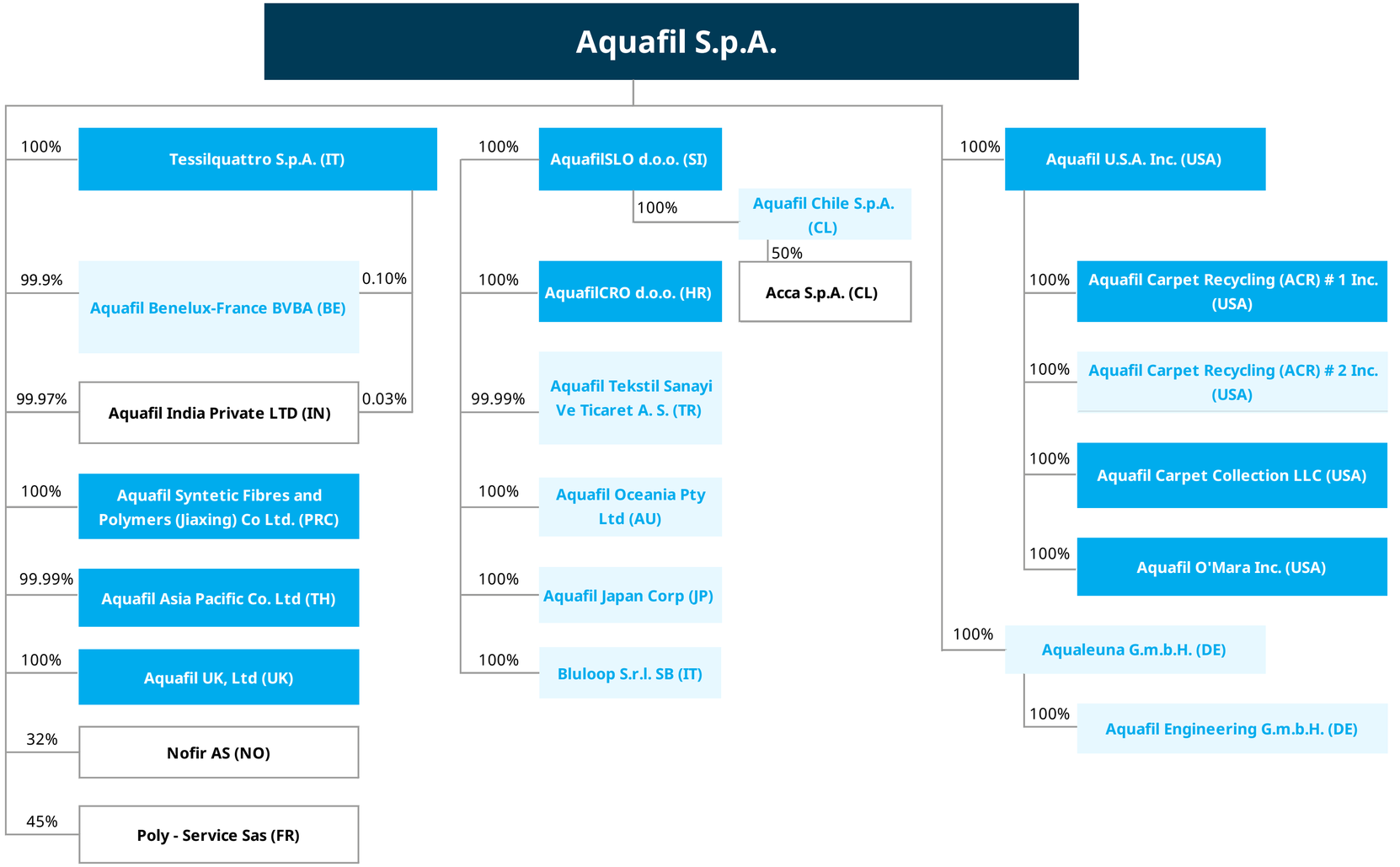
METHODOLOGICAL NOTE

This document contains the "**Consolidated Sustainability Statement**" (hereinafter also referred to as the "Statement"), which fulfils the obligations under the European Directive 2022/2464 on the Sustainability Statement (**Corporate Sustainability Reporting Directive - CSRD**), implemented in Italy by Legislative Decree No. 2024/125.

The Statement was prepared in accordance with the **European Sustainability Reporting Standards (ESRS)**, adopted by the European Commission through Delegated Regulation (EU) 2023/2772. 2024 Represents the first year in which the Group has used these standards for sustainability reporting. Until last year, reporting was undertaken in accordance with the **Global Reporting Initiative (GRI) Standards**.

The Sustainability Statement has been prepared on a **consolidated basis**, adopting the **same scope as the consolidated financial statements**. Compared to the previous year, this resulted in a change in the scope, with the inclusion of subsidiaries that had not previously been considered (see Figure 1.1). It should be noted that Aquafil S.p.A. and AquafilSLO, although subject to individual sustainability reporting, are exempt from presenting a separate sustainability statement, as their impacts are already included in the Group's consolidated financial statements - pursuant to Article 19-bis, paragraph 9 or Article 29-bis, paragraph 8 of Directive 2013/34/EU.

FIGURE 1.1 – **GROUP CORPORATE ORGANIZATION AND SCOPE OF THE SUSTAINABILITY STATEMENT**



Company already included in the scope in 2023 | Company included for the first time in 2024 | "Equity investment" excluded from the scope of consolidation

In line with the requirements of ESRS, a **double materiality** analysis was carried out for the first time. The methodology adopted and the results obtained are described in section 1.4. The assessment of material impacts, risks and opportunities, as well as the reporting on these aspects, also included Aquafil's **value chain** described in section 1.2.4, although the company does not yet have accurate metrics and data on it. In the analysis, the company considers short-, medium- and long-term **time horizons**, applying the definition in ESRS 1, section 6.4.

The information and data in this document refer to **the year 2024**. **Comparative data** for previous years are not provided, as they are not available due to the aforementioned change in the reporting scope from the previous year dictated by different regulations in force.

The Group's data come from the **Sustainability Web Tool**, a customised software platform that provides uniform data collection among all production plant, facilitating the analysis and reporting of results (for more details on the collection methodology, see section 1.5.3 "Internal Control over Sustainability Reporting"). The tool is accessible to most production plant, excluding commercial companies in the scope (Aquafil Benelux, Aquafil Oceansa, Aquafil Turkey, Aqualeuna, ACR2, Bluloop) and production companies that were not in the 2023 reporting scope (Aquafil Japan, Aquafil Chile, Aquafil Engineering).

The "Sustainability Web Tool" is the main source for all data included in this document, tracking both **social indicators** (HR, occupational safety, etc.) and environmental (energy and water consumption, CO_2 emissions, waste, etc.). Each facility collects and enters information into the system on a **monthly or semi-annual basis**, depending on the type of information-for example, each plant inputs data on its consumption of raw materials, energy, and water, etc., into the system once a month, while data on waste generated, emissions and social topics are inputted twice a year.

The report, in specific sections, includes a detailed description of the **calculation methodology** used for all environmental data, ensuring transparency in criteria and parameters. It is also specified whether, and under what circumstances, **estimates were adopted**, with a clear indication of the degree of reliability of the assessments and the sources used. No **monetary amounts** presented in the report are subject to uncertainty, as all data derives directly from the company's consolidated financial statements.

In accordance with the ESRS, forward-looking information reporting requires Directors to generate such data based on assumptions, outlined in sustainability reporting, regarding future events and potential actions the Company might take. Given the inherent uncertainty associated with the occurrence of future events, both with respect to their actual occurrence and with respect to their scale and timing, it is possible that there may be significant discrepancies between the forward-looking information and the actual data.

Also included this year is a section on the **European Taxonomy**, in accordance with Regulation (EU) 2020/852.

The Sustainability Statement is reviewed internally by the **Board of Statutory Auditors** and Executive Officer for Financial Reporting and is approved by the **Board of Directors** of the Group. It is also subject to limited audit by the independent third party **PricewaterhouseCoopers S.p.A.**, according to the principles and indications of the "International Auditing and Assurance Standard Board (IAASB)".

For additional information on the contents of this report, please contact Aquafil by sending an e-mail to:

info@aquafil.com

1.2

THE AQUAFIL GROUP

Letter from the CEO

*The year just ended has seen our **recovery** and **change** continue, enabling us to **look to the future** with renewed enthusiasm.*

*Our ambitious **vision** of generating a **positive impact** on people and the planet has been realised through the numerous initiatives implemented by our employees and partners. We have reiterated many times that only full and direct **involvement** of the entire **value chain** can bring about the circular revolution in the textile/clothing industry. In 2024, we generated approximately 55% of fibre sales from the sale of ECONYL® products, bringing us closer to our **2025 target** of 60%.*

*Every goal we achieve has a soul: that of our people, who with ingenuity and passion make our **vision a reality**. At Aquafil, we consider **diversity** to be our greatest strength, and we are working to create an **increasingly inclusive** environment where every individual's unique skills and experiences are valued and appreciated.*

*In 2024 alone, we **trained around 300 people** on DE&I issues and achieved an important result: **UNI/PdR 125 certification for gender equality** at our Italian plants.*

*But our commitment extends **beyond the boundaries of the company**. Through collaboration with suppliers, customers and universities, we have realised **innovative projects** that open new horizons (and markets) for our circular solutions. Of these, I would like to mention the creation of the **first fully circular fishing net** made of ECONYL® regenerated nylon, in **partnership** with **Diopas**, a manufacturer specialising in nets made of recycled materials, and **Philosofish**, a leading Greek aquaculture company.*

*Mission, people and partnerships are our roots, the **foundations of our past** that nurture and shape our **future**. Let's build it, together.*

1.2.1

Who we are

Aquafil is a leading circular economy company, first in the world for carpet yarn production, and among the leading suppliers of yarn, synthetic fibres and polymers to the fashion and design industry in Europe.

Our history

Aquafil S.p.A. was founded in **1965**, when the Bonazzi family built its first nylon yarn plant in **Arco**, Trentino-Alto Adige.

Beginning in the 1990s, a path began of **research and development** in the **circular economy**, leading to the creation of the **ECONYL® Regeneration System** in 2011, an innovative technology for the production of **regenerated nylon** derived entirely from waste.

In just over 50 years, Aquafil has grown from a family business into an **international Group** pioneering the circular economy, boasting 2,390 employees and sales of Euro **542 million**.

Our shares are currently listed on the **Euronext STAR Milan** segment of the **Italian Stock Exchange**, and on the **US OTCQX® Best Market** in the United States.

Our values

At Aquafil, **sustainability and circularity** are not mere slogans. They are the core of our values and the driving force behind our growth.

We believe in the power of **conscious innovation**, and have been **pioneering solutions** for years to deliver products and services with greater performance and less impact on our planet. We want to **close the circle** and **build a sustainable tomorrow** one product at a time, day by day.

Our activities

TEXTILE FLOORING YARN
(BCF – Bulk Continuous Filament)

Our core business is the production and sale of nylon carpet yarn for various industries, including automotive, residential and contract (airports, offices, etc.).

CLOTHING YARN
(NTF – Nylon Textile Filament)

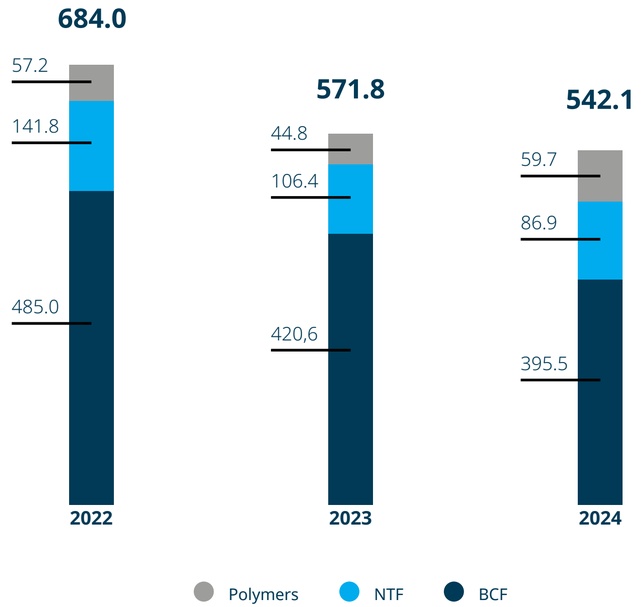
We are among the leading suppliers of yarns and synthetic fibres for the best Italian and European brands producing garments, swimwear and sportswear.

NYLON POLYMERS
(EP – Engineering Plastics)

We produce polymers and compounds intended for moulding by fashion and design companies for the production of accessories (e.g. eyeglass frames) or furniture items (e.g. chairs, tables).

Aquafil's numbers

FIGURE 1.2 – **TOTAL REVENUES BY PRODUCT AREA, IN EURO MILLIONS (2022-2024)**



1.2.2

Aquafil in the world

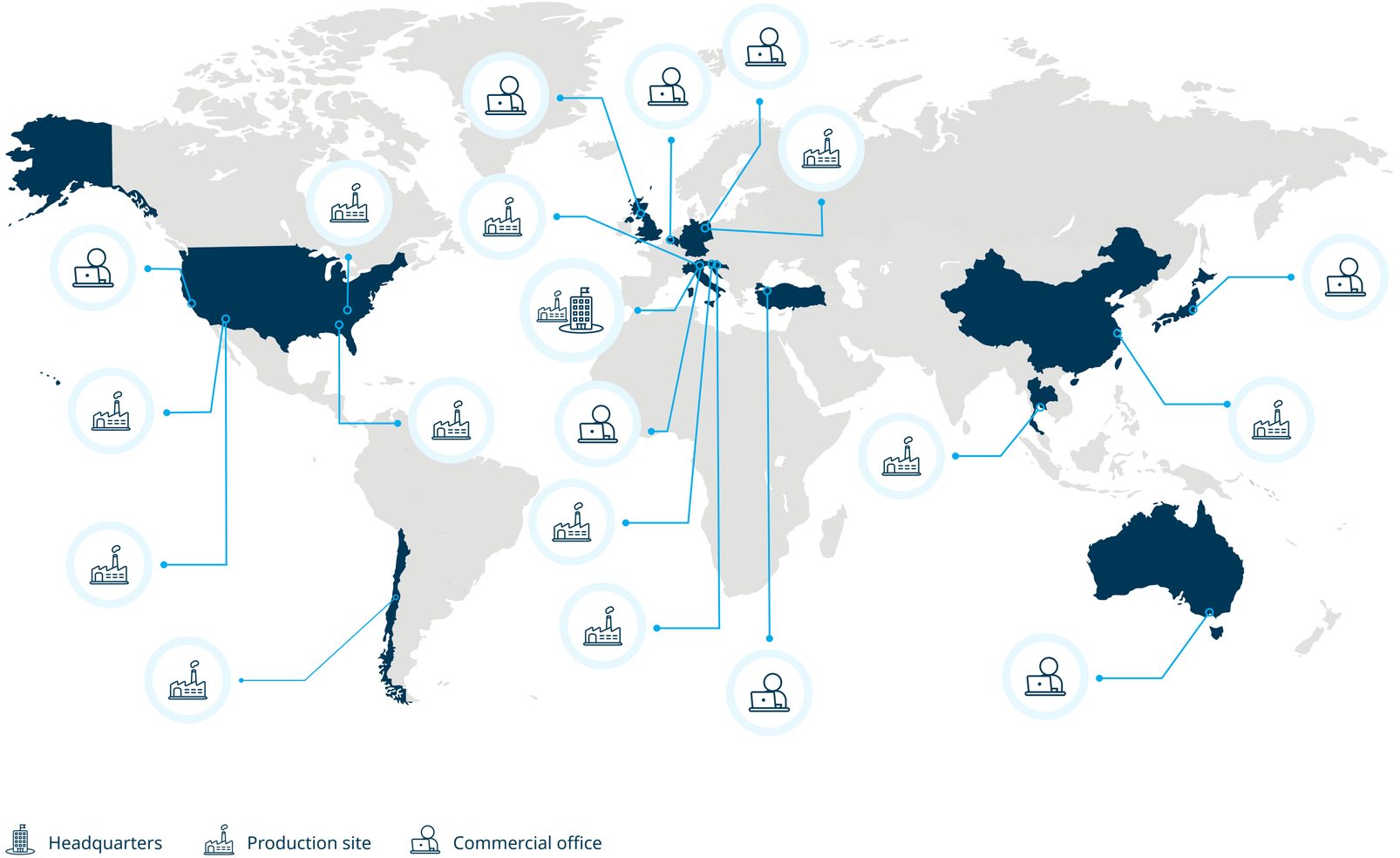
We are an international Group operating in 4 continents and 13 countries around the world.

The Group consists of **20 companies** controlled (directly or indirectly) by the parent company, Aquafil S.p.A., with a presence spanning 4 continents and 13 countries (Italy, Slovenia, UK, Germany, Croatia, USA, China, Thailand, Japan, Chile, Turkey, Belgium, Australia).

Its **headquarters** are located in **Arco**, **Trentino-Alto Adige**.

See Appendix 5.1 for details of the different plants and subsidiaries of the Aquafil Group.

FIGURE 1.3 – **GEOGRAPHIC PRESENCE OF THE AQUAFIL GROUP**



1.2.3

ECONYL®: leading the circular revolution

We believe in a different way of doing business, where profit meets purpose, and we develop products that change the world.

In the beginning, we were like everyone else. We produced nylon from petroleum-based raw materials, and sold our thread to the fashion and carpet industry. In the early 1990s, something changed. Guided by the deep conviction that the only way forward is to **build a sustainable tomorrow**, we have embarked on a path to overcome the traditional model of "**production - consumption - waste**" and explore new circular business models based on "**recycling - regeneration - redesign**".

The first step was to embrace the "**Life Cycle Thinking**" approach, which led us to assess the environmental impact of our products throughout the life cycle. We have found that weighing most heavily on our planet is the phase of extracting and processing raw materials from fossil sources. Since then, we have invested time and resources to create a **more sustainable alternative** for the entire industry through the power of **conscious innovation**.

In 2011, after years of research and development, we reached the most important **milestone** in our company's history: the birth of the **ECONYL® Regeneration System**. This is a **cutting-edge technology** that enables us to produce a **special nylon** derived entirely **from waste**.

This innovative product marked a **turning point** for the sustainability of the entire textile industry, enabling it to reduce dependence on fossil fuels, minimise waste and evolve toward fully **circular production models**. In 2024, Aquafil helped approximately 1,900 brands to create **products designed to be recycled** and reduce their environmental impact, including Stone Island, Asahi Kasei, Radici, and pba.

ECONYL® nylon is not only our greatest success but also our source of **competitive advantage**. Due to its **unique characteristics**, which differentiate it from other ingredients in the market, it is driving the Group's **revenue growth** (see section 1.3).

And it doesn't end there. Looking ahead, we will continue to work toward **full circularity in our business model**, generating value for people, communities and the entire planet - not just our shareholders. We want to lead the **circular revolution** in textiles, and **change the world** one product at a time, day by day.

Characteristics of ECONYL® nylon

IT IS **PRODUCED FROM 100% WASTE**

RETAINS **THE SAME QUALITY** AS TRADITIONAL NYLON

CAN BE RECYCLED AN **INFINITE** NUMBER OF **TIMES**

1.2.4

Our value chains

The Group's core business is the production, reprocessing and sale of nylon, partly from fossil source and partly from the ECONYL® regenerated source.

In 2024, in line with the requirements of the European CSRD regulation, we carried out a mapping process of our main value chains.

Traditional nylon

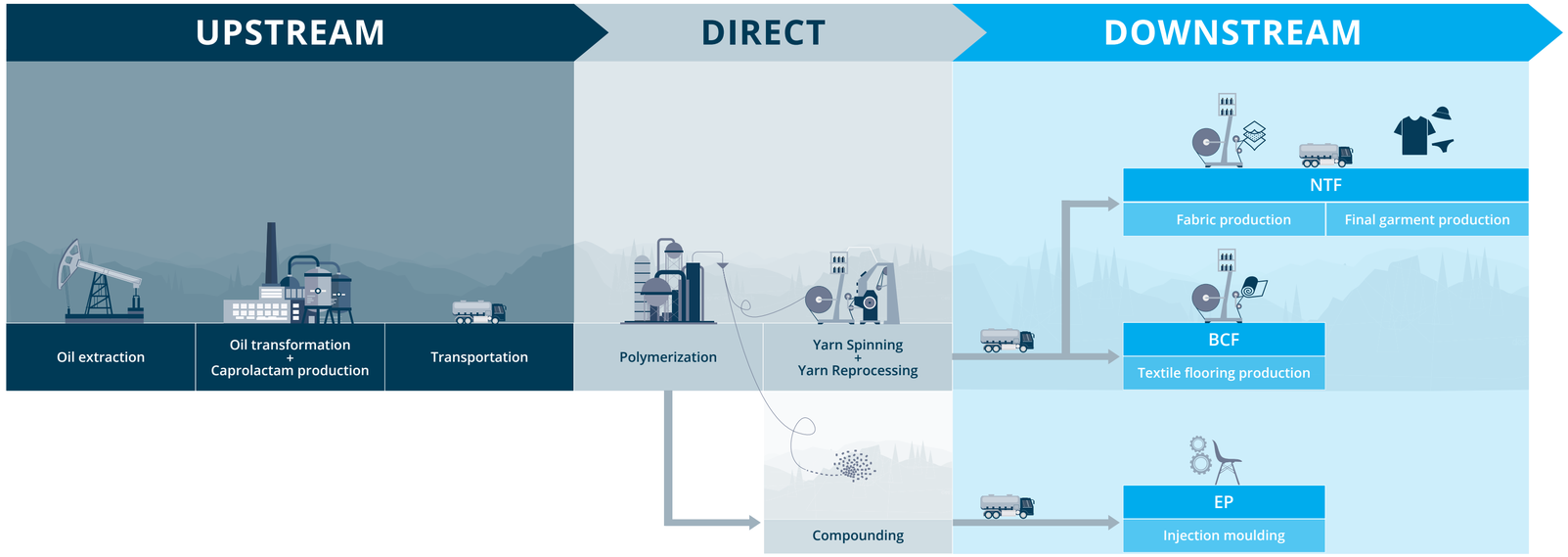
Although Aquafil is working to **reduce** its contribution, **nylon production from fossil sources** is still a part of the Group's core business to date.

The traditional nylon supply chain starts with oil extraction, from which caprolactam, the precursor raw material for nylon, is produced. Aquafil purchases caprolactam from direct suppliers and converts it into nylon through a chemical process called "polymerisation." Nylon is produced in two different forms, wires and compounds, and is sold to an **industrial customer base**, which in turn produces for intermediate markets or end-users:

- **Bobbin-wound yarns** > manufacturers of textile flooring (BCF and automotive segment) and textiles for the garment industry (NTF segment).
- **Compound (or granules)** > injection moulding companies for the production of fashion and design accessories (EP segment)

One Group company, Aquafil O'Mara, produces polyester thread instead of nylon. In this particular case, the chemical polymerisation process does not take place within the company's scope, but is outsourced to a supplier upstream in the supply chain. Aquafil O'Mara handles the spinning stage, and sells the yarn to industrial customers in the textile sector (NTF segment).

TRADITIONAL NYLON



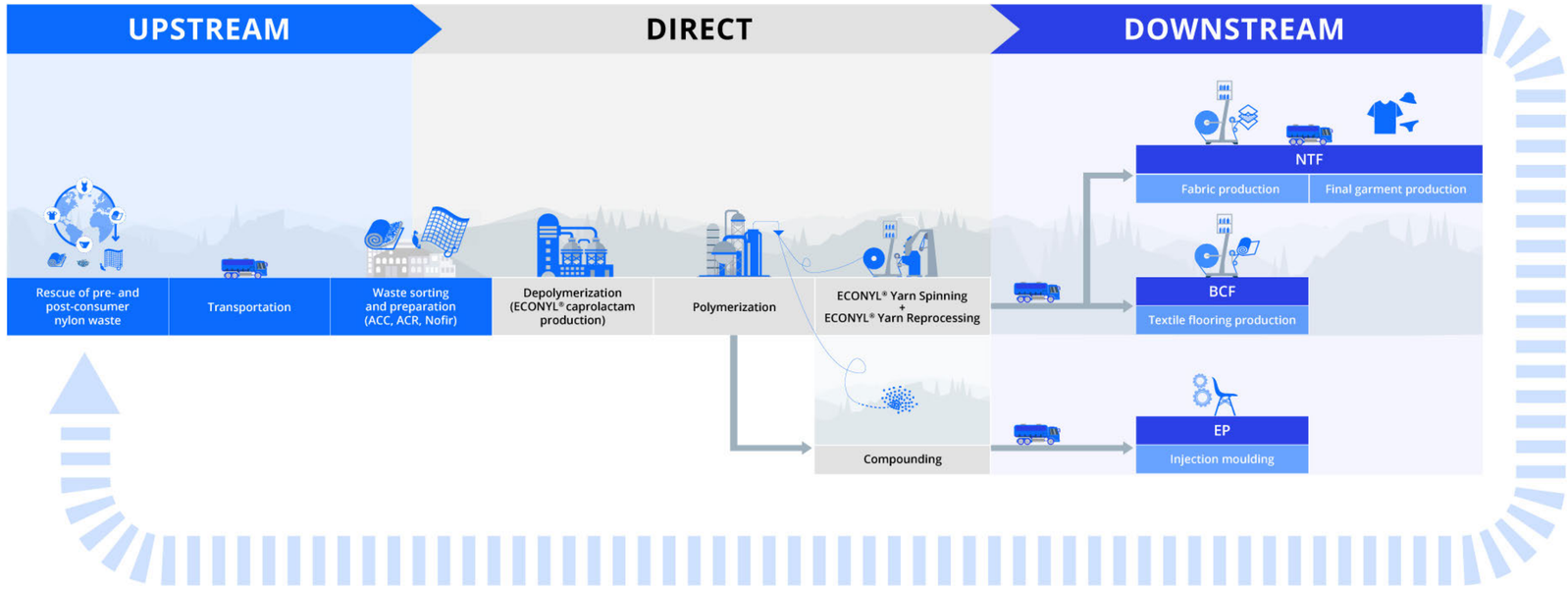
ECONYL® nylon

The ECONYL® nylon supply chain differs from that of conventional nylon in the upstream section. The raw material is no longer oil, but **pre- and post-consumer nylon** waste, which is recovered thanks to an **international network** of institutions, companies, NGOs and consortia, which guarantee us a stable and sustainable supply. Collection of **pre-consumer** waste - especially industrial waste - is also done through partnerships with **our customers**.

To systematise the collection of **post-consumer** waste - old carpets, rugs, and fishing nets - we have undertaken **vertical integration** operations upstream in the supply chain in recent years. We have opened **Aquafil Carpet Collection** in the U.S., which recovers end-of-life carpets and rugs; invested in **Nofir**, a Norwegian leader in fishing net recovery; and founded **Aquafil Cile**, which specialises in the collection and pretreatment of aquaculture nets.

All nylon waste is prepared and sent to our **Ljubljana plant**, where it is processed into **ECONYL® caprolactam** through a process called “depolymerisation”. The new raw material thus obtained is then used to produce **ECONYL® regenerated nylon** in wire and compound form. The downstream part of the supply chain remains the same as for traditional nylon, with sales to **industrial customers** in the three segments BCF, NTF and EP.

ECONYL® NYLON



1.2.5

The power of conscious innovation

For years, our R&D department has been developing pioneering solutions to close the loop, and reduce the environmental impact of our products.

Research and development are strategic activities for the Aquafil Group: they strengthen our competitive advantage by helping us to differentiate ourselves in the market, but they are also key to **driving change** and building a lasting and responsible growth model.

In 2024, we invested **Euro 8.2 million** in creating **cutting-edge technologies**, better performing products and **sustainable solutions**. This figure corresponds to 1.5% of sales. Aquafil's R&D activity is not limited to the ECONYL® Regeneration System. Over the years, we have undertaken **numerous projects**, both independently and in collaboration with international partners, which are already beginning to show **concrete results**. The most important of these are summarised in this section.

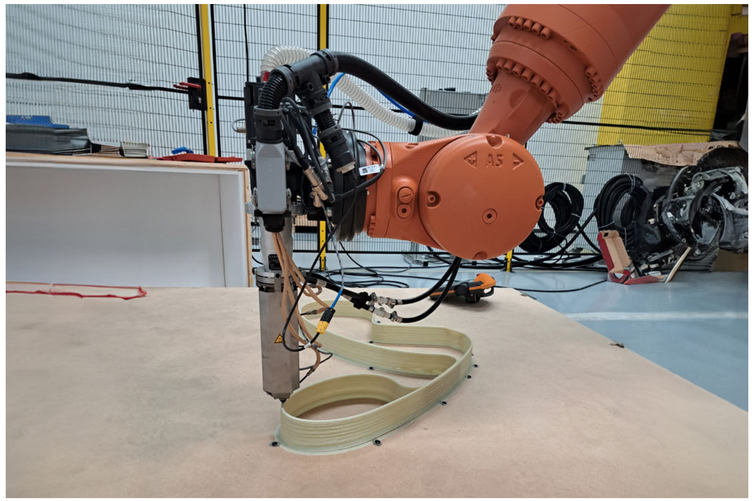
We also collaborate with many of our customers on various eco-design projects, which are discussed in section 3.3.3.

MAGRITTE: circular additive manufacturing

MAGRITTE is a project that aims to redefine **the future of additive manufacturing** by reducing the impact of **fast-furniture** on the environment. This is a research and development initiative involving prestigious partners including **Aquafil**, **ProM Facility of Trentino Sviluppo S.p.A.**, **Caracol AM**, **the University of Trento** and **Indiveni.re**.

At the heart of the project is the development of an **innovative, ECONYL®-based material** for **large-scale 3D printing** that can be fully **regenerated** and reintegrated into the production cycle. This compound aims to replace fiberglass, which is traditionally used in this area and is not recyclable.

With this new solution, it will be possible to **print furniture** without the need for mass production. Each part can be produced on demand, allowing **waste to be reduced** and eliminating the need to maintain **unused stock**.



The MAGRITTE project marks a pivotal step for our company, paving the way toward innovative and responsible markets.

By developing a circular material for large-scale 3D printing, we're not only reducing environmental impact—we're also unlocking new opportunities in the manufacturing sector.

Our collaboration with local businesses, universities, and research centers adds even greater strength to this initiative, fostering an ecosystem of innovation and expertise. This project is a clear reflection of our commitment to a future where sustainability and innovation go hand in hand, creating value both for the company and the wider community.

Nicole Soligo, EP Product Manager ECONYL®
Mauro Buccella, Group - Head of R&D BCF Yarn Performances and Colors

Plastic chemical recycling

Plastic pollution has become one of the major environmental challenges of our time. In 2024, 220 million tonnes of plastic waste was generated globally, averaging 28 kilograms per person. One third of this plastic is not disposed of properly, and ends up being **dispersed into the natural environment**, taking up to a thousand years to decompose.*

Aquafil is working on a new process to **recycle PET plastic**, commonly found in bottles, carpets, textiles and packaging, to give it a second life. Thanks to our consolidated experience in chemical regeneration processes, we have already begun the construction of a **pilot plant** in Arco.

* Fonte **Safe**.

Circularity machine: separation of multilayer carpets and circularity of individual components

Recycling of multilayer tiles and rubber mats is currently very complex due to the presence of a **high component of this material**: in fact, in many mats, rubber accounts for about 80% of the artifact. The main problem is that the rubber recycling technologies available to date do not produce **sufficient quality** so that the material can be reinserted into new carpet products.

Despite the fact that the percentage of eventually recoverable and regenerable nylon is low (less than 20%), Aquafil, with know-how in physical recovery of nylon waste, decided to invest in research and development to understand how to **separate rubber and nylon**, and regenerate both components. In January 2024, we started a **pilot plant in Rovereto**, which is already producing outstanding results.

The ultimate goal is to create and commercialise a **smart**, small, and transportable **technology** that our customers can use on their own, then return the recovered nylon to us. Indeed, it is important to minimise the transportation of carpets as waste, due to the bureaucratic complexities and the economic and environmental impact this entails.

Cast nylon

By using a different type of polymerisation than the most widely used, a type of nylon can be produced that is **tougher** and has a higher **mechanical strength** than traditional nylon - these characteristics make it perfect for making **components for home appliances and vehicles**. This nylon is called "**cast**" as it is produced by pouring molten raw material into a mould, where it then cures and solidifies into blocks.

Aquafil is studying the use of regenerated caprolactam in this process, with the idea of using it for design objects as well: here, in fact, the lower lifecycle impact compared to traditional nylon may be an added value, mainly due to lower water and energy consumption.

In addition, all waste is reusable for the **production of ECONYL® nylon**, ensuring the circularity of the process.

Digitalisation

We invest in the development of **digital solutions** to optimise production processes and improve people's experience in the company.

Our "**Community of Practice**" on digitalisation (see section 3.1.3) works to bring innovation on three fronts:

Data collection

Processing and troubleshooting

Data visualisation

Over the past year, we have adopted a **common applications platform**, a system within which employees can build their own computer applications; we have laid the foundation for creating technologies based on **computer vision** and **predictive modelling** to predict, detect and solve internal problems on the production line and optimise the process, while also speeding up quality control; a project has been launched to develop a tool, based on **artificial intelligence**, to speed up the sampling process.

Writing and revising European and international standards

Our Group actively participates in the definition of standards in the textile sector, **contributing to the development of regulations** both in Italy (UNI), at the European level (CEN), and internationally (ISO). In practice, we leverage our experience in circular economy and textiles to create **shared standards** that improve the industry.

From 2019 to 2024, Aquafil has financially supported and actively collaborated, also at the scientific level, in the creation of the **ISO 4484-2:2023** standard, which establishes a uniform method for **identifying and measuring microplastics** released by the textile sector. Additionally, we have participated in the development of three other standards within the same series, all related to this topic.

In the past two years, we have contributed to the drafting and publication of the **EN 17988:2024** series, consisting of six standards and a technical document dedicated to the standardization of **circular fishing nets**, specifically commissioned and funded by the EU and CEN (European Committee for Standardization).

Beyond this, we are involved in several working groups specialized in the circularity of the textile sector, including **CEN TC248 WG39 and ISO TC038 WG35**. In collaboration with the latter, in 2023, we made a significant contribution to the drafting of the ISO 5157:2023 standard, which defines key terms related to **sustainability and the circular economy in the textile sector**.

1.3

OUR ESG STRATEGY

For Aquafil, attention to ESG issues is not relegated to Corporate Social Responsibility programmes, but is inherent and integrated into the business model.

Sustainability principles inform our **business plan** and **annual budget** set by the Board of Directors. Our **strategic decisions**, including the **allocation of resources** and **investments**, take into account the interests of all stakeholders - not just shareholders - engaged by the Group (see section 4.8), and consider key environmental, social and governance impacts, risks and opportunities that are material.

Our commitment to building a **circular economy**, **reducing waste**, and **mitigating climate change** is reflected in one of Aquafil's most important **strategic targets**: the proportion of sales of **ECONYL® branded products** on total **fibre sales**. Since the creation of the ECONYL® Regeneration System, we have strategically chosen to invest in this product, which is becoming increasingly important in the total value generated due to its unique characteristics. Today it accounts for 55% **of our fibre sales** (see Figure 1.4). The target for 2025 is to reach **60%**. This target also affects the **variable remuneration** portion of Aquafil's Directors and Executives, reflecting its strategic importance to the Group.

To further integrate ESG principles into corporate strategy, we have also adopted a sustainability plan, the core pillars of which have inspired our actions since 2008. For each topic, the ESG Committee sets ambitious and concrete goals, which are then approved by the Board as part of the ESG report. We delve deeper into our plan and targets for the coming years in the next sections.

FIGURE 1.4 – **CONTRIBUTION OF ECONYL® PRODUCT SALES ON TOTAL FIBRE SALES**

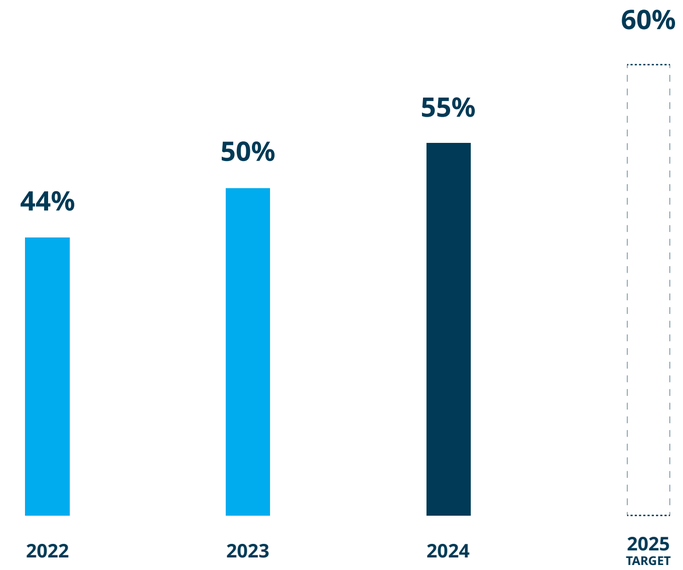
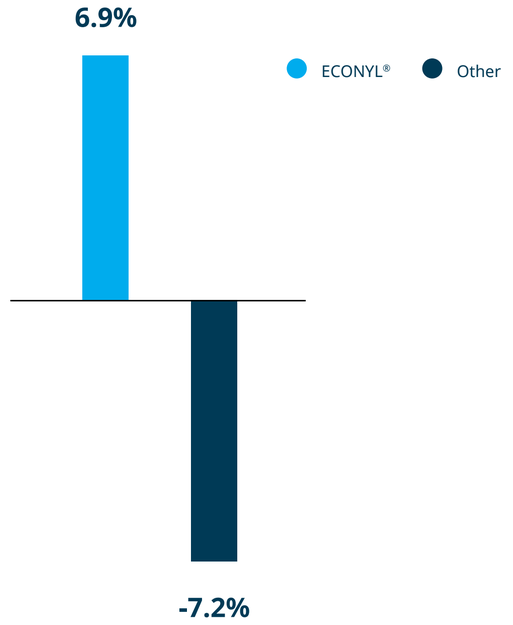


FIGURE 1.5 – **REVENUE GROWTH OF ECONYL® VS OTHER FIBRES (CAGR 2019-2024)**



1.3.1

Aquafil's sustainability plan

The five pillars of our "The ECO PLEDGE®" have guided and inspired the Group's activities since 2008.

Aquafil is dedicated to sustainability **across the board**, considering not only **environmental** impact, but also **social** and **governance** impact.

Since 2008, we have formalised this commitment in our ESG plan, "**The ECO PLEDGE®**", consisting of **five pillars** that guide our work, like a beacon in the night. For each, we set **forward-looking** targets and launched a series of projects to achieve them.

In pursuit of long-term sustainability goals, we use double materiality analysis to continuously monitor impacts, risks and opportunities related to sustainability matters. This approach allows us to strengthen the resilience of our strategy, keeping it flexible and ready to adapt to changing conditions and the expectations of our stakeholders. In 2023, we also introduced an **ESG Policy**, which defines Aquafil's sustainability principles and outlines their integration into our business model to ensure long-term sustainable growth.

During the year, the company allocated significant financial resources to the sustainability plan. Specifically, in 2024, we allocated a total of Euro 15.9 million in CapEx expenditures aligned with ESG issues relevant to Aquafil, which corresponds to 47% of total CapEx investments. In addition, we allocated Euro 15.2 million to OpEx expenses, which accounted for about 3% of sales. Looking ahead, we also plan to maintain a continued commitment to sustainability matters in the coming years, with OpEx expenditure amounting to about 3% of sales and CapEx investments covering about 50% of total annual CapEx investments.

The ECO PLEDGE®

RETHINKING PRODUCTS FROM A CIRCULAR PERSPECTIVE

We are at the forefront of **conscious innovation**. We invest significant resources in **research and development** to close the loop in the textile industry. Our main achievement was the creation of the **ECONYL® Regeneration System**, which enables us to produce nylon from waste. We also work with our customers on product redesign from an **eco-design** perspective.

PROTECTING THE ENVIRONMENT

We work assiduously on **reducing the environmental impact** of our production processes. The fate of our planet depends on our ability to cut **greenhouse gas emissions**, limit **waste** pollution, harness the potential of **renewable energy** and conserve **depletable resources**.

SHARING RESPONSIBILITIES ALONG THE SUPPLY CHAIN

We engage suppliers who share our mission, with the intention of building a **resilient**, more **sustainable** and **ethical supply chain** where respect for **human rights** is always guaranteed.

PROTECTING THE WELL-BEING OF INDIVIDUALS

We support the **well-being**, **growth** and **success of our people** by creating the optimal conditions for their development. We work every day to build a **fair and inclusive work environment**, promote safety and foster personal and professional training for our employees.

SUPPORTING LOCAL COMMUNITIES

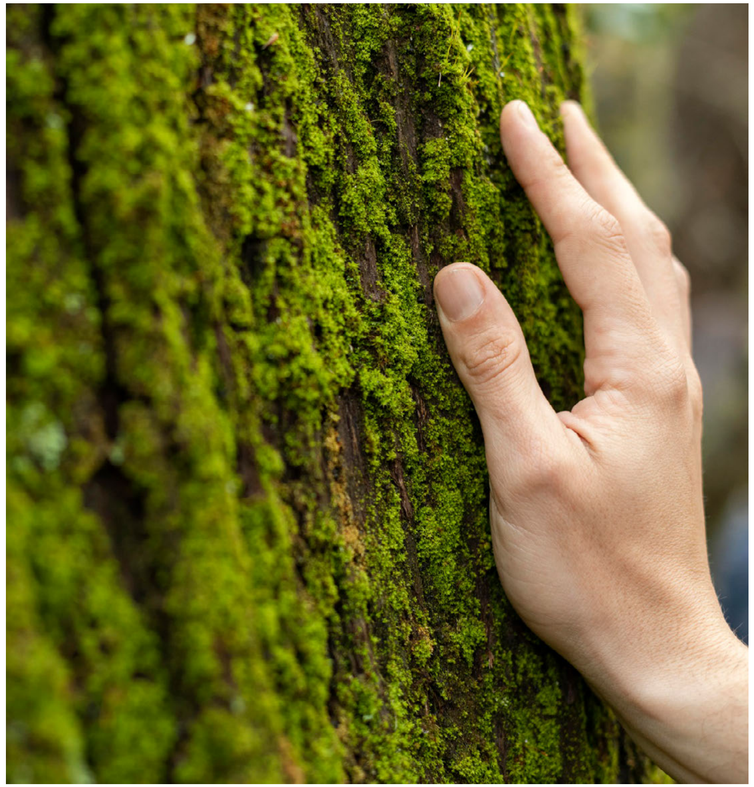
We are committed to cultivating **lasting relationships** with local communities through support for **charitable initiatives**, **volunteering**, support for vulnerable groups, **educational activities**, and sponsorship to local sports, cultural and charitable associations.

1.3.2

Main results and ESG ratings

MORNINGSTAR SUSTAINALYTICS ESG RISK RATING

For the second year in a row, we achieved a **Sustainalytics** rating which ranks Aquafil, on a scale of 1 (lowest risk) to 100 (highest risk), with the **ESG score of 11.3**, corresponding to a "low" risk.



NEW ECOVADIS RATING: GROUP GETS SILVER MEDAL

Aquafil was awarded a **silver medal** by EcoVadis, a leader in corporate sustainability assessment, ranking **among the top 15%** of companies evaluated globally.

EcoVadis looked in detail at **four** key **areas**: **environment**, **ethics**, **workers' rights and sustainable purchasing**.

AQUAFIL AMONG ITALY'S MOST CLIMATE-CONSCIOUS COMPANIES ACCORDING TO CORRIERE DELLA SERA, PLANET 2030 AND STATISTA

For the third year in a row, Aquafil has been included by **Corriere della Sera**, **Pianeta 2030** and **Statista** in the list of "**Most Climate-Conscious Companies**," which recognises the Italian companies that have achieved the best results in reducing the ratio of CO_2 emissions to turnover.

This recognition underscores our ongoing commitment to minimising the environmental impact of our activities and promoting more sustainable production models.


CORRIERE DELLA SERA

PIANETA 2030

FESTIVAL 2024 VIDEO

IL RANKING

La classifica 2024 delle "Aziende più attente al clima" di Pianeta 2030 e Statista

di Giorgia Bollati | 25 gennaio 2024

Per il terzo anno consecutivo, *Corriere della Sera*, *Pianeta 2030* e Statista – azienda specializzata in ricerche di mercato ranking e analisi di dati aziendali – hanno realizzato la lista delle "Aziende più attente al clima", l'elenco delle imprese italiane che hanno ridotto maggiormente il rapporto tra le loro emissioni di CO_2 e fatturato.

AZIENDA	REGIONE	SETTORE	CAGR	EMISSIONI TOTALI 2022 TON CO2	INTENSITÀ EMISSIONI 2022 TON CO2/MIL EURO	CALCOLO EMISSIONI EUROMARKET	VINCITORI EDIZIONE 2023
Aquafil	Trentino-Alto Adige	Prodotti e Componenti industriali	28,462%	55.012,00	80,418		SI

ETICANEWS REWARDS AQUAFIL WITH CONSCIOUS ESG IDENTITY

EticaNews, the leading newspaper dedicated to ESG issues for business and finance, awarded Aquafil with the **Conscious ESG Identity**, and included our Group in the **ESG Identity Corporate Index 2024**, a ranking dedicated to the most virtuous companies in the field of sustainability. This is not just a stamp of achievement, but an indicator of consistency, commitment and vision, providing a starting point for continuous improvement.

SMAU INNOVATION AWARD FOR THE INNOVATIVE CONTRIBUTION OF ECONYL® IN THE TEXTILE INDUSTRY

Our ECONYL® brand was awarded the **SMAU Innovation Award** at **Italy's leading trade fair** dedicated to **new technologies** for business.

This recognition confirms our **pioneering role in sustainable innovation**, setting new standards for the circular economy in the textile industry.

AQUAFIL CEO AMONG ITALY'S 20 MOST INFLUENTIAL INNOVATORS

Giulio Bonazzi, CEO of Aquafil, was listed among **Italy's 20 most influential innovators** within the "**Panorama Italy**" art project. On the occasion of the 2024 Paris Olympics, CONI commissioned a 30 m^2 tapestry for Casa Italy, the residence that hosted the Azzurri athletes. Made by the master weavers of Giovanni Bonotto's Fabbrica Lenta, the work is a celebration of **Italian excellence**: for each region, some of the illustrious personalities, a typical culinary dish, symbolic architecture, and a successful entrepreneurial innovation are depicted. Among the names of the **20** most **influential Italian innovators** and visionaries was embroidered that of our CEO, Giulio Bonazzi.

GEORGIA GOVERNOR VISITS THE AQUAFIL GROUP

In July 2024, we had the honour of **welcoming Georgia Governor** Brian P. Kemp, accompanied by a **high-level delegation**, including Commissioner Pat Wilson and representatives from the **Georgia Department of Economic Development**.

The meeting was a crucial time to **discuss the future** of our U.S. business, which began in 1999 with the opening of the Cartersville plant. Today, this plant is not just a centre for carpet fibre production, but an example of innovation that is transforming a traditionally high environment impact industry.

ARTVERONA AND THE "RED CARPET" AS AN EXAMPLE OF REGENERATED CREATIVITY

Since 2022, Aquafil has collaborated with **ArtVerona** as part of the "**Red Carpet**" initiative, which invites internationally renowned artists to create a carpet produced with **ECONYL®** regenerated yarn, transforming it into an immersive artistic experience. After **Stefano Arienti** and **Peter Halley**, in 2024, it was **Ugo Rondinone** who created a unique visual and conceptual journey with "**The Rainbow Brick Road**".

"THE ARTISAN SEA": ECONYL® BETWEEN ART AND SUSTAINABILITY

Aquafil took the lead in the project "The Artisan Sea", which combined **art, craftsmanship and environmental protection**. The initiative transformed discarded fishing nets and other marine waste into an art installation made from ECONYL® regenerated nylon.
The project, in collaboration with Healthy Seas, aimed to raise awareness of the problem of **marine pollution** and show how **innovation** can breathe new life into waste materials, creating economic and cultural value.

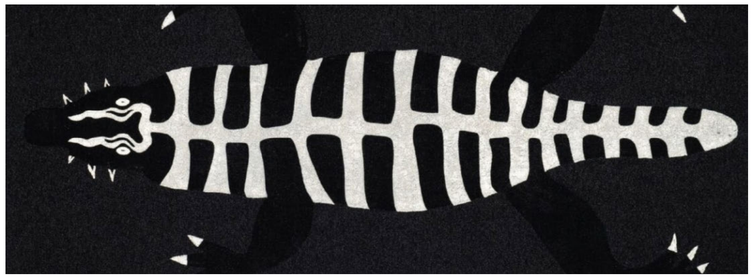
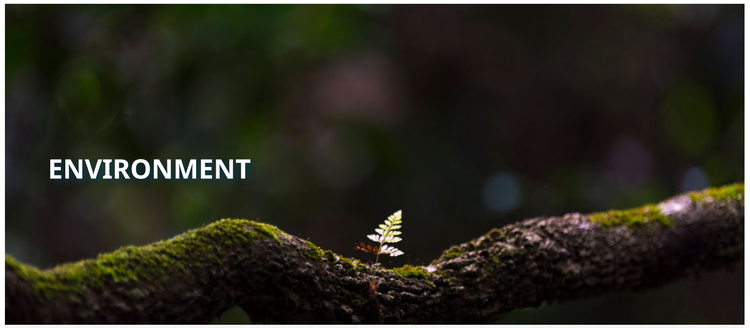


TABLE 1.1 – **SUMMARY OF THE GROUP'S MAIN ESG ACHIEVEMENTS, 2024**



- Definition of a **Water Policy**
- **Energy efficiency** measures
- Undertake **Biodiversity and Climate Risk Assessment**
- New partnerships with customers on **eco-design**, including the development of the **first circular fishing net**, in partnership with Diopas

- **300 employees trained** on **DE&I issues**
- **Certification for gender equality** (UNI / PdR 125) in the three Italian plants
- Business **climate analysis** in **Slovenia** and **Croatia**

- Obtained **silver medal in the EcoVadis rating**
- **Mapping ESG risk** on the value chain through Ecovadis platform
- Definition of a **succession plan for top management**

1.3.3

Goals and progress against targets

We set ambitious and measurable ESG goals, which guide our strategy and actions.

Our sustainability strategy is future-oriented. This section outlines the goals we have set, the progress we have made, and the areas in which we will continue to invest to create a positive and lasting impact. Our targets - qualitative and quantitative - are defined by the ESG Committee, which takes into consideration the Group's main impacts, risks and opportunities, and the instances gathered from all stakeholders (see section 4.8 for engagement methods). They are then approved by the BoD. All targets are, where possible, based on scientific evidence. They are determined voluntarily and do not comply with regulatory requirements. Except where specified in individual target descriptions, targets refer to the Group's entire scope.

TABLE 1.2 – **GOALS AND TARGETS OF AQUAFIL'S ESG STRATEGY, 2024**

Key: **STATUS** Objective achieved | Project in progress | New Target **SCOPE** (E) Environmental | (S) Social | (G) Governance

SUSTAINABILITY PILLARS	OBJECTIVE	TARGET	BASELINE	Deadline	STATUS	PROGRESS AT DECEMBER 31, 2024	CSRD* SUBTOPIC	POLICY (SEE SECTION 1.3.5)
Rethinking products from a circular perspective	Consolidate existing supply chains (E)	Generate 60% of total turnover from fibres containing ECONYL® brand products (on a like-for-like basis). (Waste hierarchy: c. recycling)	37% (2021)	2025		54.8%	E5 Waste E5 Resource outflows related to products and services	ESG Policy Environmental policy
		Involve 60% of EMEA BCF customers (nylon 6 for carpets) in the post-industrial Take-Back scheme. (Waste hierarchy: a. prevention; c. recycling)	n/a (2021)	2025		48.5%	E5 Waste E5 Resource outflows related to products and services S4 Social inclusion of consumers and/or end-users	ESG Policy Environmental policy
	Create new sustainable circular supply chains (E)	Collect 35,000 tonnes of post-consumer waste to create new recycled materials. (Waste hierarchy: a. prevention; c. recycling)	n/a (2021)	2025		19,002t	E5 Waste E5 Resource outflows related to products and services S4 Social inclusion of consumers and/or end-users	ESG Policy Environmental policy
	Introduce an eco-design approach (E)	Start 13 projects involving final brands in the eco-design and recycling of end-of-life garments. (Waste hierarchy: a. prevention)	n/a (2021)	2025		9 projects initiated - see section 3.3.3	E5 Waste E5 Resource outflows related to products and services S4 Social inclusion of c consumers and/or end-users	ESG Policy Environmental policy
		The first step of the Born R2R scheme (Born Regenerated to be Regenerable by Aquafil): sign a MoU (Memorandum of Understanding) with 50% of selected carpet and rug manufacturers to design products that are recyclable at end-of-life and made from recycled materials (ECONYL® nylon). (Waste hierarchy: a. prevention)	0% (2022)	2025		47%	E5 Waste E5 Resource outflows related to products and services S4 Social inclusion of consumers and/or end-users	ESG Policy Environmental policy

* Aquafil's sustainability plan includes targets for all material subtopics (see section 1.4) listed in this table. If a subtopic is not mentioned in this table, it means that there is no target related to it. The absence of targets for some subtopics derives from the fact that the Group has always defined its targets based on the strategic priorities resulting from the "The ECO PLEDGE®".

SUSTAINABILITY PILLARS	OBJECTIVE	TARGET	BASELINE	Deadline	STATUS	PROGRESS AT DECEMBER 31, 2024	CSRD* SUBTOPIC	POLICY (SEE SECTION 1.3.5)
Protecting the environment	Use energy from renewable sources (E)	Procure 100% electricity from renewable sources for the entire Aquafil group.	100% (2022)	Annual		92.3%	E1 Energy E1 Climate change mitigation E2 Air pollution	Code of Conduct ESG Policy Environmental policy
	Mitigate the impact of production processes (E)	Ensure all Group plants are ISO 14001 certified (environmental management	9 (2021)	2025		11 of 13 plants certified	E1 Energy E1 Climate change adaptation E1 Climate change mitigation E2 Air pollution E2 Water pollution E2 Soil pollution E5 Resource outflows related to products and services E5 Waste	Code of Conduct Environmental policy Integrated Management System
		Ensure all Group plants are ISO 50001 certified (energy management).	5 (2021)	2028		8 out of 13 plants certified	E1 Energy E1 Climate change mitigation E2 Air pollution	Environmental policy Integrated Management System
		Commit to the Science Based Targets (SBTs) initiative and adhere to GHG reduction targets.	ND (2021)	2025		Ongoing: preparation of the **Inventory Management Plan** based on GHGs Protocol, a document that formalises the methodology for calculating	E1 Energy E1 Climate change mitigation E2 Air pollution	ESG Policy Environmental policy
	Reduce waste by reusing packaging (E)	Recover the pallets used to transport products, and achieve 50% pallet reuse for EMEA BCF business. (Waste hierarchy: a. recycling)	0% (2021)	2025		44%	E5 Resource outflows related to products and services E5 Waste S4 Product management	Green procurement policy

SUSTAINABILITY PILLARS	OBJECTIVE	TARGET	BASELINE	Deadline	STATUS	PROGRESS AT DECEMBER 31, 2024	CSRD* SUBTOPIC	POLICY (SEE SECTION 1.3.5)
Protecting the well-being of individuals	Reduce injuries (S)	Ensure all Group plants are ISO 45001 certified Group emissions	6 (2021)	2025		8 out of 13 plants certified. Aquafil USA expects to have to postpone to Q1 2026	S1 Working conditions S2 Working conditions	Code of Conduct Human Rights Policy Integrated Management System
	Support professional development (S)	Create professional development pathways for talented Group employees.	ND (2022)	2025		Ongoing: the evaluation and calibration phase of local talent has been successfully completed The next steps involve validating the list of global talent and drawing up an action plan for development and growth	S1 Equal treatment and opportunities for all	Code of Conduct Human Rights Policy DE&I Policy
	Achieve equal gender representation at all company levels (S)	Train at least 50% of employees on diversity issues.	0% (2023)	2025		12.6%	S1 Equal treatment and opportunities for all	ESG Policy Code of Conduct Human Rights Policy DE&I Policy
		Have at least 20% female figures in top and senior management*.	0% (2023)	2026		0%	S1 Equal treatment and opportunities for all	Code of Conduct Human Rights Policy DE&I Policy
	Guarantee respect for basic Human Rights in the workplace (S)	Certify SA 8000 (social responsibility) the following Group companies: Aquafil Asia Pacific, Aquafil China.	0 (2023)	2028		In progress: 0 out of 2 plants certified	S1 Equal treatment and opportunities for all S1 Other work-related rights S2 Equal treatment and opportunities for all S2 Other work-related rights G1 Business conduct G1 Protection of whistleblowers	Code of Conduct Human Rights Policy DE&I Policy Integrated Management System

* The top and senior management scope includes: the CEO (and Senior Executive Directors, if any), other Executive Directors and Senior Executives, as well as other figures of a strategic nature for the Group

SUSTAINABILITY PILLARS	OBJECTIVE	TARGET	BASELINE	Deadline	STATUS	PROGRESS AT DECEMBER 31, 2024	CSRD* SUBTOPIC	POLICY (SEE SECTION 1.3.5)
Sharing responsibilities along the supply chain	Monitor supplier ethics (E, S)	Monitor key suppliers along the supply chain through audits and/or due diligence, in line with the European Supply Chain Act (Corporate Sustainability Due Diligence Directive).	ND (2022)	2026		In progress: Aquafil has begun a project with EcoVadis to map ESG risk in its supply chain (see Section 1.5.3)	E1 Climate change mitigation S2 Working conditions G1 Business conduct G1 Management of relationships with suppliers, including payment practices	ESG Policy Code of Conduct Human Rights Policy Green Procurement Policy
Cross-cutting objectives	Migliorare la Corporate Governance (S, G)	Develop a succession plan for management.	ND (2022)	2025		Complete	S1 Equal treatment and opportunities for all G1 Corruption and bribery G1 Business conduct G1 Management of relation-ships with suppliers, inclu-ding payment practices	Policy for succession planning for key figures

1.3.4

Aquafil and the SDGs

The **Sustainable Development Goals** (SDGs) are 17 goals set by the United Nations, which aim to solve major global challenges such as **poverty**, **inequality**, **climate change**, **biodiversity loss** and the promotion of **peace** and **justice**. Aquafil **contributes to 11 SDGs**, including 7 directly related to the company's core business and 4 related to contextual initiatives and projects.

TABLE 1.3 – **SDG: DIRECT IMPACT THROUGH AQUAFIL'S CORE BUSINESS**

SDG	TARGETS	OUR CONTRIBUTION
	Ensure availability and sustainable management of water and sanitation for all.	We monitor **water stress levels** in the areas where we operate, locating withdrawals and discharges in areas of medium to low water stress. We continue our efforts to **reduce consumption** in production processes, and to keep **wastewater quality** under control. In 2024, we adopted a Water Policy to enhance and systematise our efforts.
	Ensure access to affordable, reliable, sustainable and modern energy for all.	We purchase electricity from **certified renewable sources** and invest in **self-generation** power **systems**. We reduce energy consumption through **production process efficiency**.
	Promote sustained, inclusive and sustainable economic growth. Full and productive employment and decent work for all.	We promote inclusive and sustainable economic growth through the **creation of value**, and the **fair remuneration** of all those who helped generate it. We continue to strengthen human rights safeguards throughout the supply chain to ensure **decent working conditions**.
	Build resilient infrastructure. Promote inclusive and sustainable industrialisation and Foster innovation.	We invest in **research and development** in order to innovate consciously, focusing on new technologies for the production of nylon from waste, plant-derived raw materials and product design from an eco-design perspective.
	Promote the circular economy by ensuring sustainable consumption and production patterns.	The analysis of the **environmental impact** of our products throughout the life cycle, and substantial **investments in R&D** led us to the development of the **ECONYL® Regeneration System**, which enables a circular business model. We work assiduously with suppliers and customers to close the loop in textile industry supply chains.
	Take urgent action to combat climate change and its impacts.	We continue our efforts to **reduce emissions** from our production activities. Since 2023, we have also started to calculate and report Scope 3 emissions. We consider and mitigate the adverse effects of climate change by assessing our exposure to risks from global warming (section 3.2).
	Conserve and sustainably use the oceans, seas and marine resources for sustainable development.	We **regenerate fishing nets** and other nylon waste that would otherwise end up scattered at sea or in landfills. We have conducted upstream supply chain integration operations to strengthen fishing net supply lines and co-founded Healthy Seas, a foundation that spreads awareness about preventing contamination of marine habitats and organises seabed cleanups with volunteer divers. We developed the first international standard (ISO) for measuring microplastics released by the textile industry, which are a major cause of marine pollution.

TABLE 1.4 – **SDG: IMPACT THROUGH CONTEXTUAL INITIATIVES**

SDG	TARGETS	OUR CONTRIBUTION
	Ensure inclusive and equitable access to education and promote “lifelong learning” opportunities for all.	We promote equal opportunity in education in the communities in which we operate through scholarships and donations to schools, as in the case of the Cartersville High School in Cartersville, USA. We support the training and education of the younger generation on the topic of sustainability with lectures, workshops, events, educational projects and visits to schools.
	Promote gender equality, ensuring equal opportunities regardless of gender.	We invest in creating a **fair and inclusive** work environment by reducing the gender gap. In 2023, we introduced a new **D&I Policy**, and in 2024 we **trained** about 300 people on diversity and inclusion. The plants of Aquafil S.p.A., Tessilquattro Cares and Tessilquattro Rovereto have also obtained UNI/PdR 125 certification for gender equality. We also fight gender-based violence in local communities by supporting the APS “Alba Chiara” Association.
	Reduce social and economic inequality within and among countries.	We are committed to the continuous improvement of our **remuneration and incentive** system to make it as fair as possible. We promote **paid volunteer** activities for employees to benefit local communities and the non-profit sector. Through various partnerships, we provide **employment opportunities for inmates** and people recovering from substance and/or alcohol abuse, facilitating their reintegration into society.
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	We have also extended the process of **assessing the impacts of our production processes on biodiversity** to our U.S. plants. The results lay the foundation for mitigation measures and projects in protected areas adjacent to our plants.

1.3.5

Aquafil's policies

We are constantly updating our policies to ensure ethical, fair and sustainable business management.

Our policies are a key tool for preventing, mitigating and correcting negative **impacts**, addressing **risks**, and pursuing **opportunities** that lie ahead.

When developing policies, those responsible for drafting them take into account the **concerns of all stakeholders** observed and gathered during day-to-day activities involving them. We publish all major policies on our **website** to ensure maximum **dissemination among** stakeholders inside and outside the company.

In 2024, we introduced a new policy, the **Water Policy**, for better management of water resources. The company also has a number of **internal procedures** that support the implementation of the principles and activities expressed in the policies, including the **Health and Safety Procedure**, the **reputational audit** of customers and suppliers, the protocol for calculating and **measuring greenhouse gas emissions**, the procedure for **verifying pending charges** for executives, and the **Cyber Security** procedure.

ESG Policy
Defines Aquafil's sustainability principles and explains how they are integrated into its **business model**. LINK

Code of Conduct
Aquafil's **moral compass**. It establishes **standards of conduct** to be followed by all stakeholders to ensure **integrity**, **transparency** and **compliance** in all Group activities. LINK

Human Rights Policy
Identifies the core **human rights principles** the company stands for, and defines processes to prevent and **mitigate risks of violation**. LINK

Environmental Policy
Outlines Aquafil's specific commitments and initiatives regarding environmental issues and combating climate change, including physical and transitional hazards.. LINK

Green Procurement Policy
Formalises policies for **supplier qualification** and **selection**, ensuring a responsible purchasing process for products, materials and services, with the aim of protecting the environment and safeguarding health. LINK

Water Policy
Establishes Group **targets, commitments and actions** for **careful management of water resources**, aimed at reducing consumption and pollutants in discharges. LINK

Anti-Corruption Policy
Provides a **framework** for **preventing corruption** by defining rules of conduct to ensure **compliance with Anti-Corruption Laws**. LINK

DE&I Policy
Promotes **inclusion**, **respect** for **diversity** and **pay equity** in the work environment and in personnel selection and training processes. LINK

Whistleblowing procedure
Defines processes and tools for **reporting** of violations of laws, regulations, rules and company procedures, ensuring **anonymity**. LINK

Parental Leave Policy
Sets rules for **minimum paid parental leave** for the Group as a whole, providing a standard even for workers in those countries where it is not required by law. LINK

Integrated Management System
Introduces an **integrated management system** to ensure quality, environmental protection, energy efficiency, health and safety, social responsibility and gender equality in all Group companies. LINK

Remuneration Policy
Establishes the r**emuneration policy** for the Group's key figures (Directors and top managers), and short- and long-term **incentive systems**. Introduces **ESG parameters** in the calculation of variable remuneration. LINK

1.4

MATERIALITY ANALYSIS

The purpose of the materiality analysis is to identify the main positive and negative, actual and potential **impacts, risks and opportunities** generated or suffered by the Group **directly** (through its operations) or **indirectly** (through its value chain).

In 2024, Aquafil revised and updated the analysis methodology, bringing it into line with the requirements of the new **European CSRD directive** and **EFRAG** guidelines.

The main development since 2023 has been the introduction of the "double materiality" principle, which has led the Group to assess:

- **Impact materiality**: the consequences - actual or potential - of the company's activities on people and the planet.
- **Financial materiality**: the risks and opportunities in the ESG arena that may affect Aquafil's financial performance, cash flow, and access to credit, and in terms of reputation, market positioning, and competitive advantage.

The materiality analysis is updated every two years, or following significant changes inside or outside the company.

Methodology

There are five stages in Aquafil's new materiality analysis methodology.

1) CONTEXT ANALYSIS

The aim of the first phase was to develop a **general overview** of the company's activities, the supply chains in which it operates, its business relationships, the stakeholders with whom it deals, and the relevant regulatory and legislative environment. This context analysis was preparatory to the identification of **impacts related to** Aquafil's **business model** and the strategy deployed (see section 1.3).

We also analysed our main dependencies, identifying two in particular: the raw materials we use and our employees, who provide us with highly qualified time and expertise. These assessments were key to identifying key ESG risks and opportunities for the company, and links with our impacts.

2) IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES (IRO)

In this second phase, Aquafil drew up a **list of environmental, social and governance aspects**, using them as references:

- Sustainability matters identified by **ESRS standards**;
- **Internal analyses**, including the 2023 Enterprise Risk Assessment and Materiality Analysis;
- **External sources**, including analysis from international bodies, industry studies, GRI standards, CDP ratings and Sustainalytics.

We then classified each aspect as impact, risk, and/or opportunity (IRO), indicating whether it was **negative** or **positive**, **actual** or **potential**, **direct** or **indirect**, and specifying **the time horizon** in which it is expected to manifest its effects.

3) IRO MATERIALITY ANALYSIS

For each aspect classified as impact (I), we conducted an assessment of **impact materiality** by scoring from 1 to 5 on four metrics: scale, scope, likelihood, and irremediable character (the latter only in the case of negative impacts).

For each aspect classified as risk (R) or opportunity (O), we performed a **financial materiality** analysis by assigning a score from 1 to 5 to two metrics: the scale of possible financial effects and the likelihood of their occurrence.

The analysis of each IRO was assigned to **key figures** with in-depth knowledge of the topic, both internal and external to the company, to whom we provided shared and standardised rating scales.

The **materiality threshold** was established using a risk-based approach, explored in detail in Appendix 5.2, and considering all IROs that scored **medium-high** or **high** as material. The final result were reviewed and validated by the **ESG Committee** (see Section 1.5.1).

Given the lack of comprehensive data, the analysis of **value chain** IROs followed a slightly different methodology. The most difficult metric to estimate was the likelihood of occurrence. To estimate the latter, we therefore decided to rely on **EcoVadis IQ+**, a tool provided by one of the leading international ESG rating platforms, with which Aquafil had already conducted sustainability risk mapping in its value chain (see section 1.5.3). This tool allowed us to estimate the likelihood of occurrence of each IRO from the **risk scores of our** upstream and downstream **business partners**, weighted on the basis of business volume.

4) IDENTIFICATION OF THE TOPICS TO BE REPORTED

To identify the **topics to be reported** on in this sustainability report, we aggregated and traced each IRO to the **topic**, **sub-topic**, and **sub-sub-topic** identified in the **ESRS standards**.* A topic is material when even one IRO that can be traced back to it is material.

5) STAKEHOLDER ENGAGEMENT

We involved stakeholders of various kinds to **verify and confirm the results** of the analysis, and in general consider viewpoints from outside the company.

Specifically, we conducted fifteen **interviews** with individuals from six categories: suppliers, customers, financial community and investors, organisations and institutions, schools and new generations, NGOs and local communities. Participants were selected based on three **criteria**:

- Importance and criticality of the entity;
- Longevity and stability of the relationship;
- Need to cover Aquafil's activities and geographic areas as well as possible.

*ESRS 1 AR 16

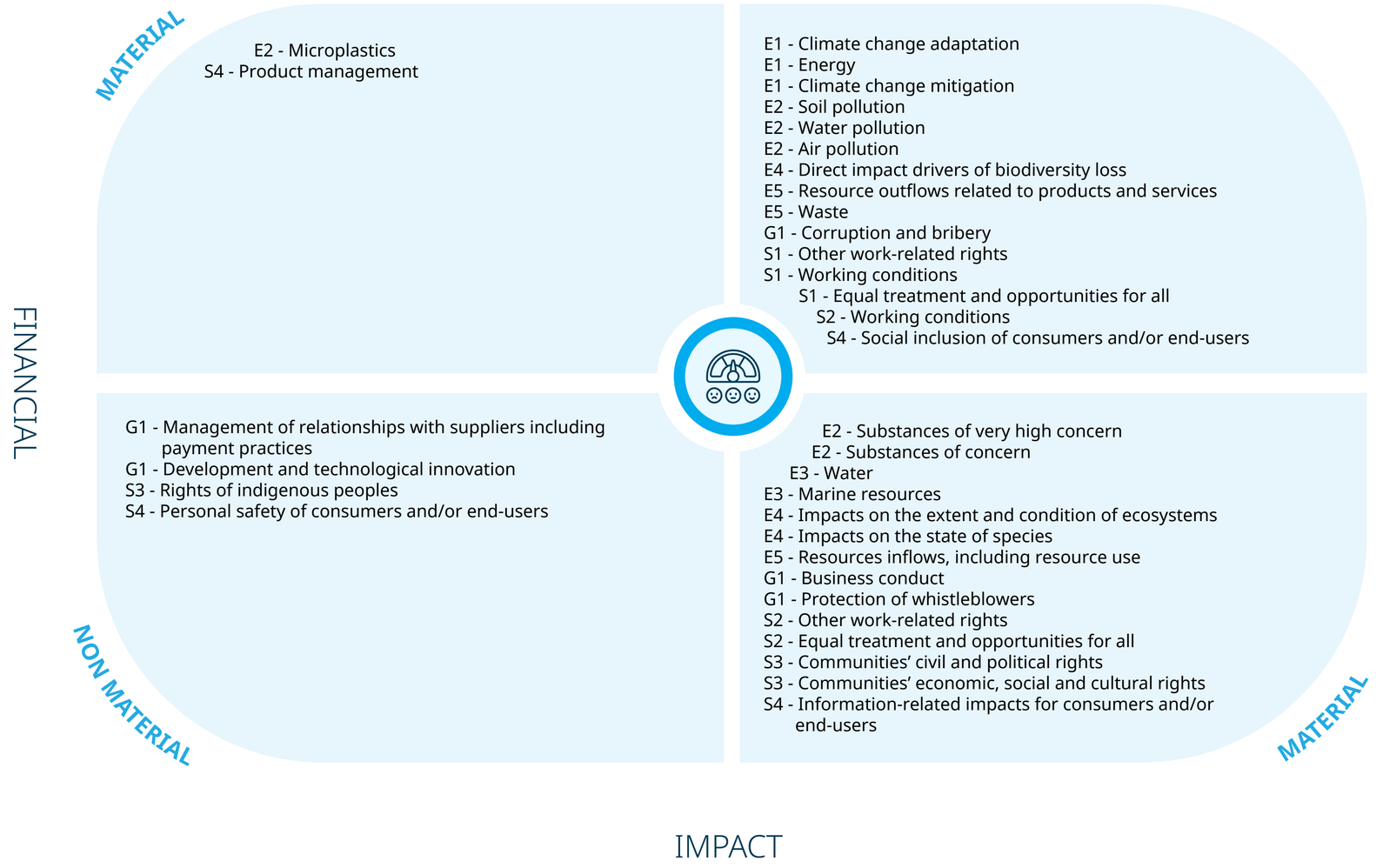
Results

Figure 1.6 shows the list of **sub-topics that were found to be material**, and will therefore be reported herein.

The **list of material impacts**, **risks** and **opportunities** for each topic is given at the beginning of the sections in which the topic is reported.

In Appendix 5.2, we have provided a full list of material topics, sub-topics, and sub-sub-topics for the two types of materiality (financial and impact), specifying whether the IROs refer to the standard nylon or ECONYL® nylon value chain.

FIGURE 1.6 – **AQUAFIL MATERIAL SUB-TOPICS, BY TYPE OF MATERIALITY (FINANCIAL OR IMPACT)**



1.5

SUSTAINABILITY GOVERNANCE

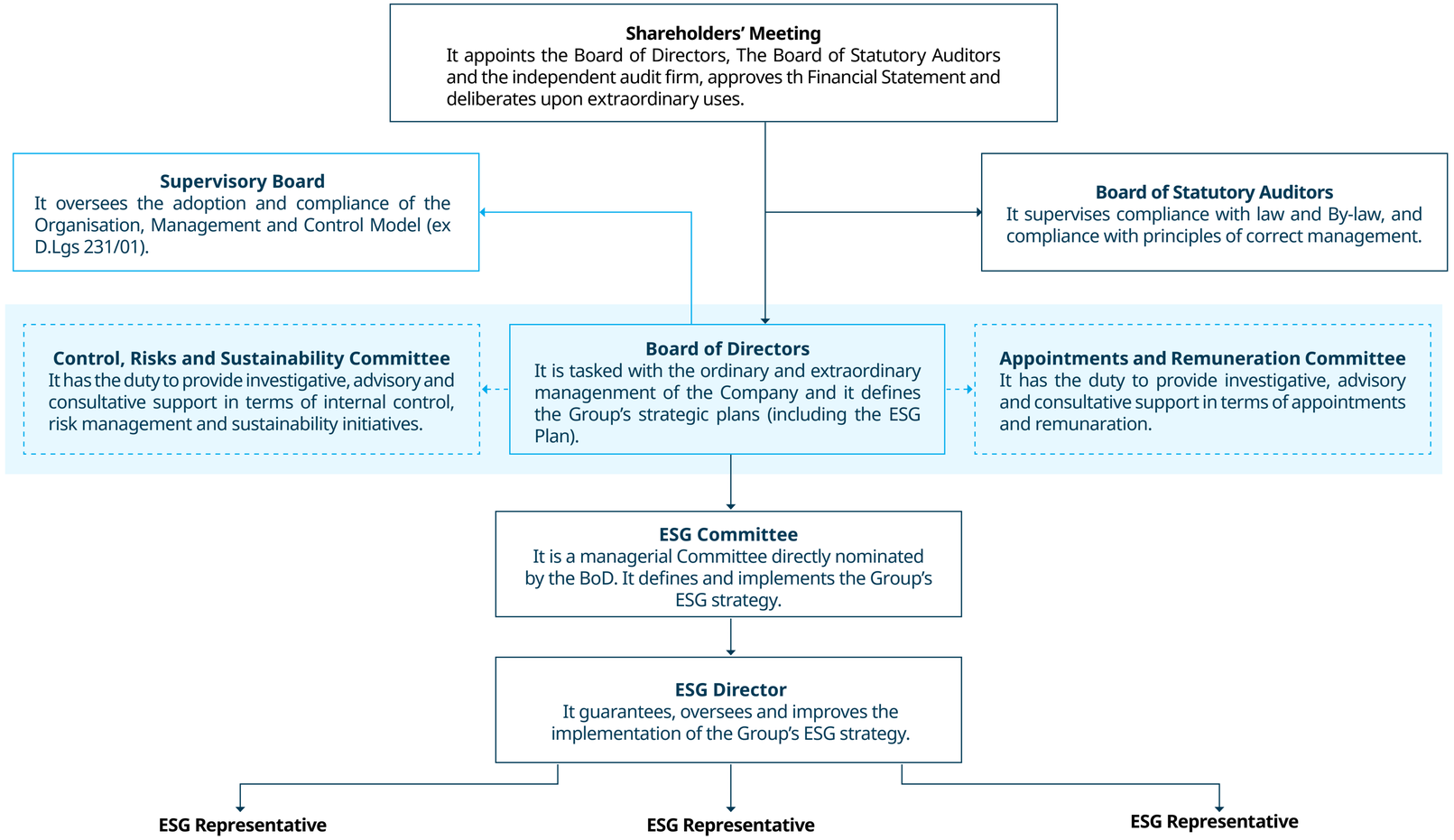
Our commitment to sustainability is perfectly codified in Group governance.

Aquafil adopts the "traditional system" of administration and control. The **Shareholders ' Meeting** elects the **Board of Directors** (BoD), which steers corporate management, and the **Board of Statutory Auditors**, which performs the control functions. The Board in turn appoints the Group **CEO**, a position currently held by **Giulio Bonazzi**. Details of Aquafil's main sustainability **governing bodies** are provided in Figure 1.7.

The Board oversees the sustainability strategy through the **Control, Risks and Sustainability Committee** (internal Board committee) and the **ESG Committee** (managerial), which in turn is supported by an **ESG Director**, and several **ESG Representatives**.

The regulations of the key governing bodies and the Group's ESG Policy (see Figure 6 - ESG Policy) define **roles and responsibilities** in the **management of impacts**, **risks and opportunities** in terms of **sustainability** at each level of governance.

FIGURE 1.7 – **AQUAFIL'S MAIN GOVERNING BODIES**



ESG POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Defines Aquafil's sustainability principles and explains how they are integrated into its **business model**.

- Defines Aquafil's **sustainability principles**
- Prescribes internal **actions and commitments** to achieve goals
- Assigns roles and responsibilities in **ESG governance**

E: climate change, pollution, water and marine resources, biodiversity and ecosystems, circular economy
S: own workforce, workers in the value chain, affected communities, consumers and end-users
G: business conduct

Employees, contractors, suppliers, customers, and all stakeholders who have a relationship with the Group.

The policy was approved by the **Board of Directors**. The **ESG Committee**, including through the **ESG Director**, is responsible for its implementation.

2030 Agenda, UN Global Compact, Universal Declaration of Human Rights, Paris Agreement on Climate Change, International Labour Organization Declaration on Fundamental Principles and Rights at Work, Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

1.5.1

Main governing bodies

Shareholders' Meeting

The Shareholders' Meeting is the collegial body that expresses **shareholders' wishes**. Passes resolutions - at ordinary and extraordinary sessions - on matters specified by the Law and in the By-Laws, including **approval of the annual financial statements**, and the **appointment of the Board of Directors**, Board of Statutory Auditors, and independent audit firm. The Shareholders' Meeting also determines the **pay** of Directors and Statutory Auditors.

→ See Shareholders' Meeting regulation

Board of Directors

Exercises direction, coordination, monitoring and verification activities at a **managerial level** in relation to the strategy and governance of the Group. In line with the Italian Stock Exchange's "**Corporate Governance Code**," the overall objective of the Board of Directors is "**sustainable success**", that is, the **creation of value in the long term** for the benefit of the company's shareholders and all of its stakeholders.

The Board oversees the **Group's ESG targets** and **sustainability strategy** through the **Control, Risks and Sustainability Committee** (internal board committee). It is also supported by the **ESG Committee** (management) in **assessing** and **managing sustainability impacts, risks, and opportunities** (IROs), as stipulated in the ESG Policy. The ESG Committee also informs the Board of the Group's main achievements in this area, and the opinions and interests of stakeholders gathered in daily interaction, on a periodic basis.

Finally, through the **Appointments and Remuneration Committee** (internal board committee), the BoD oversees the company's appointment criteria and remuneration policies. The BoD can appoint one or more Appointments and Remuneration Committee

TABLE 1.5– **COMPOSITION OF THE BOARD**

The table shows the office, age group, and ESG skills acquired in the performance of their corporate responsibilities.

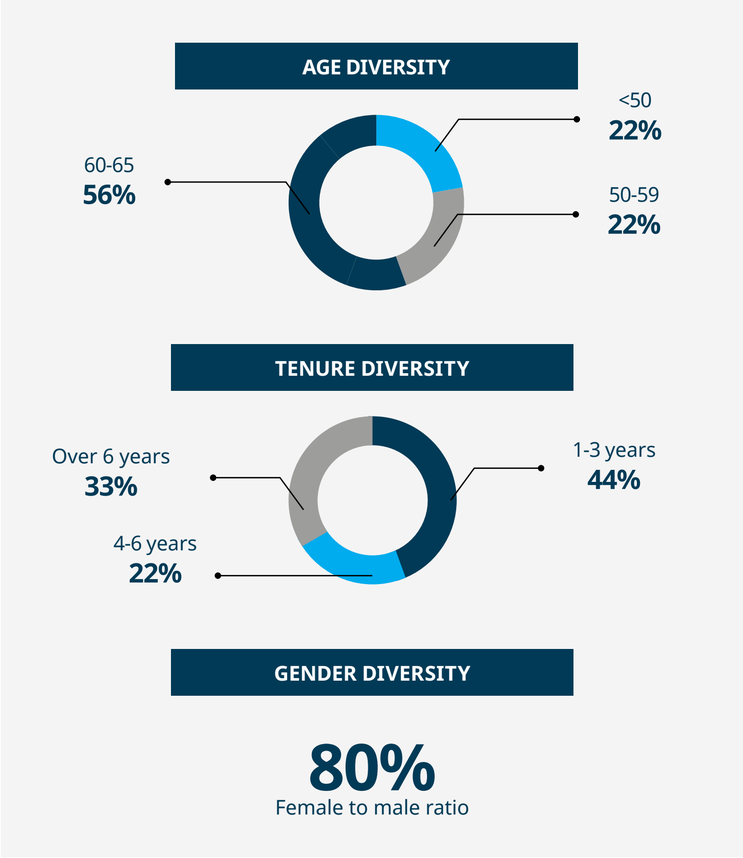
Name	Office	Role	Age		ESG experience and skills
Chiara Mio	Chairperson	Independent, non-executive	>50	**E, S, G**	Member of the **EFRAG Sustainability Reporting TEG**. / **Professor** at the Department of Management at **Ca' Foscari University of Venice**. / **Director at listed companies** including Banco BPM and OVS. / Former Chairperson of the **ESG Reporting Task Force**, Accountancy Europe, Brussels. / Former Chairperson of **Crédit Agricole FriulAdria** (Crédit Agricole Banking Group Italy), first woman in Italy to serve as bank chairperson.
Giulio Bonazzi	CEO	Executive	>50	**E, S, G**	**CEO of Aquafil** since 2001 and **Chairperson** of the Board of Directors from 2008 to 2022, he has led the company towards circularity, through the creation of the **ECONYL® Regeneration System**. / **Awarded the Order of Merit of Labour (Cavaliere del Lavoro)** and a speaker at international events on sustainability and innovation. / WCD's 2023 V**isionary Award for ESG Leadership** (2023) / **100 Meaningful Business Leader** (2022) / **Fortune Change the World List** (2019).
Stefano Giovanni Loro	Director	Executive	>50	**E, G**	**President BCF EMEA of Aquafil** since 2017, and President BCF APAC since 2021. Circular economy expert / Former General Manager of several business units at **Radici Group**.
Franco Rossi	Director	Executive	>50	**E, G**	**Chairperson Aquafil USA** since 2006 (which he founded in 1999) and circular economy expert. / He previously held management positions in the chemical-textile industry and the **Electrolux Group**.
Silvana Bonazzi	Director	Non-executive	30-50	**G**	**Lawyer** specialising in Corporate, M&A and corporate restructuring. / Former **Linklaters and Freshfields Bruckhaus Deringer**.
Francesco Bonazzi	Director	Non-executive	30-50	**G**	**Attorney** and **Director** at **Aquafil Holding**. / Formerly **KPMG Audit**.
Roberto Siagri*	Director, Chairperson of the Appointments and Remuneration Committee	Independent, non-executive	>50	**G**	Expert in **internationalisation** and **corporate governance**. / **Founder and CEO** of **Rotonium Srl** (2022-present), a startup in the field of quantum computers. / Former CEO of **Eurotech**, which he led from startup to listed company, and Chairperson of the **Tolmezzo Local Economic Development Consortium** since 2020.
Patrizia Riva	Director, Chairperson of the Control, Risks and Sustainability Committee	Independent, non-executive	>50	**G**	**Expert in corporate crisis and recovery** with a strong **background in corporate management** and **control**. / **Chairperson of the Board of Statutory Auditors of Piquadro S.p.A.** and **Statutory Auditor** in ATAC S.p.A., Mediobanca SGR, Agilepower S.r.l. and Agile Lab S.r.l., with experience in listed and investee companies.
Ilaria Maria Dalla Riva	Director	Independent, non-executive	>50	**S**	Expert in **human resource management and corporate culture**, with specific focus on **diversity** and **human capital development**. / Executive at **UniCredit Italy** - Head of People & Culture (2021-2022) and Chief Administrative Officer (2022-present). / Former HR VP at **Sky Italy**, Chief Human Capital Officer of **Montepaschi Group**, HR director of Vodafone. / Former Director on the Boards of various companies, including some subsidiaries of the **Montepaschi Group**.

The current BoD will remain in office until the approval of the financial statements at December 31, 2025.

→ See Directors' bios

* On October 10, 2024, the Shareholders' Meeting appointed Roberto Siagri, previously co-opted on May 31, 2024, to replace outgoing Director Francesco Profumo.

members by giving one of them the title of Senior Executive Director or Chief Executive Officer (CEO).



Currently, the Board of Directors is composed of **9 members**, including **3 executive** and **6 non-executive** members*. **44%** of the members are also **independent** pursuant to Article 147-ter, paragraph 4 of the CFA and Article 3 of the Self-Governance Code.

* The three Executive Directors are also Group employees.

Due in part to the diversity in **terms of gender diversity** - **44% of its members are women** -, **age**, **experience**, and **skills** of its members, the Board is highly qualified to carry out its mandate, to lead the Group in the sectors and **geographic regions** in which it operates, and to manage ESG issues. For example, the chair is **Chiara Mio**, who is known internationally for her expertise on sustainability matters and corporate social responsibility. The composition and responsibilities of the BoD are detailed in Table 1.5.

In addition, the Board adopts **procedures** to check the **effectiveness of its operations** and the **qualification of its members**, assessing whether they already possess the **necessary skills** or whether they need to be developed through **training courses**. Through the **evaluation** procedure, the Board periodically assesses its size, composition and how it actually functions. In the Corporate Governance Report, it provides information on the **qualification**, role on the Board, and key **professional characteristics** of each member.

Immediately after appointment (and also during the term of office), the Chairperson can organise what is known as a "**board induction**", or a training event to provide members with **adequate knowledge** the industry, business dynamics, principles of proper **risk management**, and the relevant regulatory framework. Some of the training provided focuses on **sustainability matters**.

→ See Board regulation

BoD Committees

CONTROL, RISKS AND SUSTAINABILITY COMMITTEE

This **internal Board committee** comprises three **Independent Directors** (see Appendix 5.3), at least one of whom has expertise in accounting and finance or risk management. The Committee has the task of assisting the Board with **periodic financial and non-financial report approvals**, **risk management**, **Internal Control System** supervision, findings assessments and related Board decisions in this area. Specifically, the Committee helps the Board define **internal control guidelines**, verifying their adequacy and effectiveness, in line with the Company's strategies and the risk profile assumed, including through the appointment of an Internal Audit Manager.

In the ESG field, it is involved in:

- reviewing the company's sustainability **policies**, **goals and processes**
- assessing the adequacy of non-financial information required by **European Directive 2014/95/EU** and **Delegated Regulation (EU) 2023/2772**
- coordinating all corporate bodies involved in ESG activities

Finally, the Committee is also entrusted with the functions of the **Related Party** Transactions Committee, which provides the Board of Directors with informed opinions on transactions involving the transfer of resources, services, or obligations with related parties. The objective is to prevent, regulate, and mitigate potential emerging conflicts of interest.

→ See CR&S Committee regulation

APPOINTMENTS AND REMUNERATION COMMITTEE

The internal Board committee, made up of **three Independent Directors** (see Appendix 5.3), at least one of whom has adequate experience in financial and remuneration policy matters. The committee is responsible for assisting the Board of Directors with investigative functions regarding the proposal of roles, positions and related remuneration. The Committee submits proposals to set performance targets related to variable pay and subsequently verifies their achievement. The Chairperson of the Committee reports periodically to the Board of Directors on its activities.

→ See A&R Committee regulation

Board of Statutory Auditors

The Board of Statutory Auditors reports to the Shareholders' Meeting, providing an account of its activities in an annual report. It consists of 3 full members and 2 alternate members (see Appendix 5.3), all of whom are independent.

The Board of Statutory Auditors supervises compliance **with the law and the By-Laws** and has:

- **management control** functions, having to verify compliance with the principles of good administration, the adequacy of the company's organisational structure, the way in which the Code is effectively implemented, and the adequacy of the instructions given to subsidiaries in relation to their obligations to disclose inside information to the market.
- functions required of the **audit** committee, having to supervise the financial disclosure process, the internal control, internal audit, and risk management systems, legally-required audit, and the independence of the independent audit firm, inform the administrative body of the outcome of the legally-required audit, and be responsible for the procedure for selecting the independent audit firm.

In line with the new Code of Conduct for the Board of Statutory Auditors of Listed Companies, the Board of Statutory Auditors also supervises the Sustainability Statement, checking that it is prepared in accordance with regulatory requirements and verifying the adequacy of the organisational, administrative and reporting and control system adopted.

Supervisory Board

The SB has the duty to monitor the compliance and updating of the **Organisation, Management and Control Model** pursuant to **Legislative Decree No. 231/01**. It has full and unrestricted access to company records, and can draw on the support of all company departments or outside consultants.

It is also responsible for the protection of human rights in all Group operations. It reports to the BoD, which is informed of its activities through a semi-annual report. It consists of three members, two of whom are external and independent (66%) - see Appendix 5.3.

→ See the 231 Model

ESG Committee

The ESG Committee is **appointed by the CEO and/or Board of Directors**, to whom it reports periodically. As defined by the **ESG Policy**, the ESG Committee establishes and implements the **Group's sustainability strategy**. Specifically:

- supports the Board in **assessing** and **managing all environmental**, **economic**, and **social impacts** and the opportunities and risks associated with them;
- sets an **ESG guideline**, defining timelines and priorities, in order to incorporate sustainability into all business processes
- monitors the **achievement of ESG targets** approved by the BoD and proposes corrective actions in the event of deviation
- monitors **ESG-related regulatory** developments and deliberates on the implementation of Group rules and regulations

Consists of **11 permanent members** with environmental, social, and governance expertise, including the **CEO**, two **executive directors** and the **first line of management**.

- **CEO;**
- **Director & BCF President world;**
- **Director & BCF President USA;**
- **NTF President;**
- **Chief Technical Officer ECONYL®;**
- **Chief Financial Officer;**
- **Chief Communication Officer;**
- **ESG Director;**
- **Head of Circular Economy & Sustainability;**
- **Group HR manager;**
- **Legal Counsel.**

ESG Director

Reports to the ESG Committee and is responsible for ensuring, supervising and improving the **implementation of the ESG policy** within the organisation, collecting reports and information provided by the ESG Representative S/he also provides information to the Board of Directors, Control, Risks and Sustainability Committee, Board of Statutory Auditors, Supervisory Board, and ESG Committee at least once a year on the following topics: the Group's main sustainability performance; management of material impacts, risks, and opportunities; the effectiveness of adopted policies, actions, metrics, and targets; and the due diligence process.

ESG Representative

As part of its day-to-day operations, each Group company works to achieve the sustainability targets set by the Group. They are assisted by ESG Representatives (one for E, one for S, and one for G), who report functionally to the ESG Director and the ESG Committee and are responsible for assessing and **monitoring impacts, risks, and opportunities** within their (functional and geographic) area of responsibility.

This is done by monitoring the quantitative data and qualitative information that ESG Representatives have access to while working in their area of expertise on a daily basis (see section 1.5.3 Internal Control over Sustainability Reporting), through their involvement in materiality analysis.

1.5.2

Our remuneration policy

The Group's remuneration system is aligned with market best practices and includes ESG metrics in short- and long-term incentives.

Our Remuneration Policy is a key tool for building a future based on sustainability and shared growth. It enables us to **attract and retain talent** and to **incorporate ESG factors** into **corporate strategy**, translating them into concrete actions. The result is a strong alignment between the goals of our people, the goals of the company, and the protection of the planet.

Since 2023, the system has provided for three elements of remuneration for top management: **fixed remuneration**, a **short-term variable renumeration**, and a **long-term variable remuneration** - in line with market best practices (see Table 1.6). Part of the variable component is also linked to the achievement of **sustainability targets** in order to incentivise behaviour and decisions that seek to create value for all stakeholders in the long run.

The remuneration and incentive policy is drafted and approved by the **Appointments and Remuneration Committee**, the **Board of Directors**, and the **Shareholders' Meeting**.

TABLE 1.6 – **AQUAFIL'S REMUNERATION AND INCENTIVE SCHEME**

Remuneration Component	Award conditions	Values	ESG Parameters
FIXED REMUNERATION	Salary level based on positioning in relation to market benchmark analysis	The fixed remuneration of the Chief Executive Officer (CEO) is Euro 1,250,000	NA
SHORT-TERM VARIABLE COMPENSATION (STI)	**KPI**: • EBITDA (weighting 55%) • NFP/EBITDA (weighting ing 20%) • **ESG (weighting 25%)** **Cap**: there is a cap on the payout equal to 125% of the target incentive **Clawback clause**	**CEO**: • Target: 22% of Fixed Remuneration **Executive Directors:** • Target: 50% of Fixed Remuneration **SEs:** • Target: ranging between 40% and 50% of Fixed Remuneration	**Two sustainability objectives (in line with the Sustainability Plan)** (weighting 12.5% each) **KPI:** • proportion of **revenues** from **ECONYL®** **branded** product **revenues** to fibre revenues • **collection of** post-consumer **waste** to create new recycled materials
LONG-TERM VARIABLE COMPENSATION (LTI)	**Instrument:** monetary **Allocation frequency:** annual **Performance period:** three years **KPIs**: • TSR (weighting 30%) • **ESG (weighting 25%)** • EBITDA (weighting 25%) • NFP/EBITDA (weighting ing 20%) **Deferment:** 50% of the bonus for 1 year **Cap on issuable pay-out:** 125% of the incentive at target **Clawback clause**	**CEO**: • Target: 22% of Fixed Remuneration **Executive Directors:** • Target: 50% of Fixed Remuneration **DRS**: • If participating in the plan, target: 50% of Fixed Remuneration	Aquafil's ranking on the **ESG risk rating** provided by EcoVadis The target considers the degree of improvement achieved in the rating

1.5.3

Risk management system

We leave nothing to chance. We monitor and mitigate major risks that threaten our business and value chain, making us stronger and more resilient.

Our Internal Control and Risk Management System is the key to sound, fair and consistent business conduct. It is made up of **three levels** - see Figure 1.8.

FIGURE 1.8 – **OUR INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM**

The **Board of Directors** sets the guidelines and assesses the adequacy of the system, supported by the **Control, Risks and Sustainability Committee**. The **Board of Statutory Auditors** has an independent supervisory function, and ensures that the Internal Control and Risk Management System is effective and compliant with regulations. The **Internal Audit** function carries out both risk management activities (Enterprise Risk Assessment every two years) and internal audits and reviews. The **ESG Committee** performs an oversight function related to ESG risks, impacts and opportunities, and approves the materiality analysis. The **Legal** function oversees and manages legal and non-compliance risk. The first level of control is in the hands of management or specific risk owners.

Enterprise Risk Assessment

Our **Enterprise Risk Assessment** process maps and assesses key risks related to the **external environment**, **business processes**, and **climate change**, analysing the magnitude of potential impacts, their likelihood, and related safeguards. Sustainability-related risks and other types of business risks are mapped and prioritised using risk-based logic. As a result, decisions are made following careful assessment of trade-offs between the economic-financial sphere and the environmental and social spheres. This allows us to take timely action on critical issues that have emerged, through risk **mitigation plans** and by establishing **new safeguards**.

The Enterprise Risk Assessment is conducted **every three years** by the **Internal Audit** function, which reports directly to the **Board of Directors**. The next assessment is scheduled **for 2026**.

The results are also a key input for **the identification of material impacts**, **risks and opportunities** in the context of **double materiality analysis**.

In addition to being an essential element in defining corporate strategy, IROs are considered by regulators to monitor and ensure the effectiveness of corporate strategy, the soundness of decisions on important operations, and the adequacy of the risk management process.

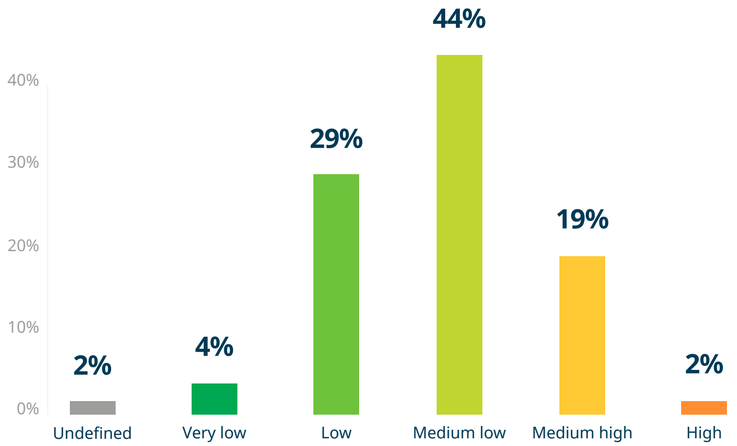
EcoVadis Risk Mapping

Until 2024, internal control activities were mainly focused on risks generated and suffered by Aquafil. In the past year, we have introduced **an important innovation**, which is the first key step in managing **ESG risks on the value chain**. This is a project carried out with the support of **EcoVadis**, a leading company in sustainability ratings. **EcoVadis** provides a tool, "IQ+," that returns a mapping of ESG risks present in its supply chain.

The assessment takes into account the risk associated with the **country of origin** and **sector** of each supplier and customer, as well as **procurement risk**, which depends on the level of spending and how strategic each counterparty is.

100% of Aquafil's partners have undergone this **initial screening**. None were found to be at "very high" risk. More than 70% of them were found to be at "low" or "medium-low" risk - see Figure 1.9.

FIGURE 1.9 – **RISK DISTRIBUTION AMONG AQUAFIL PARTNERS**



However, the results of the assessment have allowed us to plan for further in-depth analysis: the 55 suppliers deemed **most critical** will be subject to genuine ESG risk ratings. All other suppliers will be asked to complete the Vitals questionnaire to verify compliance with sustainability standards and certifications.

24 Aquafil employees from the ESG, Communications and Purchasing teams were involved in the project, 16 of whom received specific **training** on the programme and the topic of sustainable procurement*.

This initiative is critical given the entry into force of the Corporate Sustainability Due Diligence Directive. Approved by the EU Parliament in 2023 on the proposal of the European Commission, the new legislation requires companies to conduct careful environmental and human rights due diligence throughout the supply chain.

The initiative also brings us one step closer to achieving the value chain-related target in our ESG strategy for 2026: "Monitor, through audits and/or due diligence, key suppliers along the supply chain, ensuring it is also in line with the European Supply Chain Act."

* 100% of the global Purchasing areas were involved in the project and training.

Internal control over sustainability reporting

The Group adopts a set of procedures to ensure the **reliability and trustworthiness** of reported ESG data. As described in Section 1.1, we use a customised software platform, our "**Sustainability Web Tool**," to collect both environmental and social data.

Three internal control levels ensure the quality of information - see Table 1.7 - in addition to the approval of the Board of Directors, the supervision of the Board of Statutory Auditors (see Section 1.5.1), and the **external audit by the independent audit firm**.

TABLE 1.7 – **THREE CONTROL LEVELS FOR SOCIAL AND ENVIRONMENTAL DATA**

Internal control levels	Responsible	Assets
1 - Collection	Officer responsible for the individual plant	Platform data input
2 - Validation	Plant manager	Verification and validation of data entered
3 - Consolidation	ESG representative	Second assessment and data consolidation

This year, for the first time, we also conducted an audit to verify some energy data on the US. This process laid the foundation for a verification system that we plan to apply starting in 2025 to other indicators.

Due diligence process

Due diligence is the process by which a company identifies, prevents, mitigates, and accounts for how it addresses negative impacts on the environment and people related to its business and value chain.

Table 1.8 describes how and where the application of the main steps in the due diligence process are addressed in the Sustainability Statement, in order to provide an outline of the company's actual practices in this area.

TABLE 1.8 – **FUNDAMENTAL ELEMENTS OF DUE DILIGENCE AND RELATED PARAGRAPHS OF THE SUSTAINABILITY STATEMENT**

Core components of due diligence	Paragraphs in the Sustainability Statements
a) Integrating due diligence into the governance, strategy and business model	1.3 Our ESG strategy 1.5 Sustainability Governance 4. Business conduct
b) Engaging stakeholders in all key phases of due diligence	1.4 Materiality analysis 4.8 Dialogue with stakeholders
c) Identifying and assessing actual and potential negative impacts	1.4 Materiality analysis 1.5.3 Risk management system (Enterprise Risk Assessment e EcoVadis Risk Mapping) 5.4 Impacts, risks and opportunities
d) Taking action to address negative impacts	1.3 Our ESG strategy 2.1 Climate change 2.2 Water resources 2.3 Pollution 2.4 Biodiversity 2.5 Circular economy 3.1 The people of Aquafil 3.2 Workers in the value chain 3.3 Customers and end-users 3.4 Local community support 4.7 Certifications
e) Tracking the effectiveness of actions and reporting	

2 ENVIRONMENTAL INFORMATION

2 ENVIRONMENTAL INFORMATION

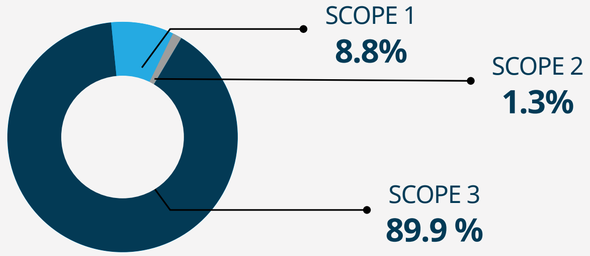
KEY FACTS AND STATISTICS – 2024

92.3% of **electricity** purchased from **renewable sources**

19,000 tons of **post-consumer waste** collected

54.8% **of** fibres **sales** from **ECONYL®**

Emissions breakdown



Climate Risk and Vulnerability Assessment

Biodiversity Impact and Risk Assessment

Brand new Water Policy

2.1

CLIMATE CHANGE

We are resolutely committed to reducing the environmental impact of our activities and strengthening our resilience in the face of global warming risks.

Climate change, fuelled mainly by **greenhouse gas emissions**, is profoundly transforming the Earth's ecosystems, with obvious effects.such as droughts, melting glaciers, rising sea levels and an increase in extreme weather events.

At Aquafil, we recognise the urgency of a **transition to a low-emissions economy** and, in line with our **Environmental Policy**, work to **mitigate our impacts on the planet** and protect our operations from **climate risks**. Taking the **opportunities** offered by the **circular economy**, we also work to develop **new value chains** with reduced carbon footprints in an industry as heavily dependent on oil as the chemical-textile sector.

Table 5.6 in the Appendix summarises the main **IROs** identified through the materiality analysis (see section 1.4), and the **actions taken** to manage them, discussed further below and in the following sections. In 2024, the company allocated more than Euro 9.7 million in CapEx to climate change mitigation.

Sustainability is an integral part of our operational management. Most of our production plants have an **ISO 14001**-certified **Environmental Management System** (see Section 4.7), which enables us to identify, control and **mitigate the negative environmental impacts** of our business **activities**, **optimising resource** use and minimising the generation of waste.

Over the past year, we have implemented **energy efficiency measures** in our main production plants in Italy and Slovenia, and we continue to purchase a high percentage of **electricity from renewable sources**, in line with our goals.

To ensure an accurate measurement of our carbon footprint, we developed an **Inventory Management Plan** in 2024, bringing our calculation of emissions into line with the **GHG Protocol**, harmonising conversion methods and data sharing among our plants.

Since 2023, we have been monitoring **Scope 3 emissions**, a key step in reducing impact along the entire **value chain**. In addition, our **ECONYL®** remanufacturing process, together with the **eco-design** and **take-back** projects developed with customers, helps to reduce upstream and downstream impacts of the nylon supply chain, limiting dependence on fossil resources and avoiding emissions from mining on the one hand, and decreasing emissions associated with the processing of Aquafil's polymers and yarns into final products on the other.

Through our **Climate Risk and Vulnerability Assessment** (CRVA), we identify the most significant **physical risks** to our operations and assess the **resilience of our strategy** and business model. This analysis, complementary to the materiality analysis, provides a more detailed picture of climate threats, enabling us to **develop mitigation and adaptation strategies** to protect our operations and value chain. The CRVA is a key first building block of the Group's resilience analysis, which will be integrated in the coming years.

We are, in fact, developing a **climate transition plan**, in line with the **Paris Agreement**, with the goal of limiting global warming to **1.5°C** within this century.

The plan, to be **published in 2027** (with **2026** as the base year), will include emission **reduction targets** and concrete actions to achieve them, and will be fully integrated with the Group's business strategy and financial planning. The plan will also identify and take into account major **transition risks**. Taking into consideration the current and prospective exposure to climate risks related to CRVA, the climate transition plan being prepared and the resulting costs and investments to be incurred in the coming years, no significant impacts have been identified that have resulted in potential impairment of assets or the need for the recognition of specific provisions for risks and charges in the financial statements.

ENVIRONMENTAL POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Establishes Aquafil's goals on major environmental and climate change issues, including **physical** and **transition risks**.

- Lists the Group's commitments to the environment;
- Define concrete actions to be implemented to protect the planet and natural resources.

E1 Climate change, E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, E5 Circular economy.

Employees, suppliers and business partners.

The **ESG Committee** approved the policy, and is responsible for its implementation itself and through the ESG Director.

Agenda 2030, UN Global Compact, Universal Declaration of Human Rights, Paris Agreement on Climate Change, European Taxonomy, CSDDD, CSRD, Framework Law on the Environment (L. 349/1986), Legislative Decree No. 152/2006.

2.1.1

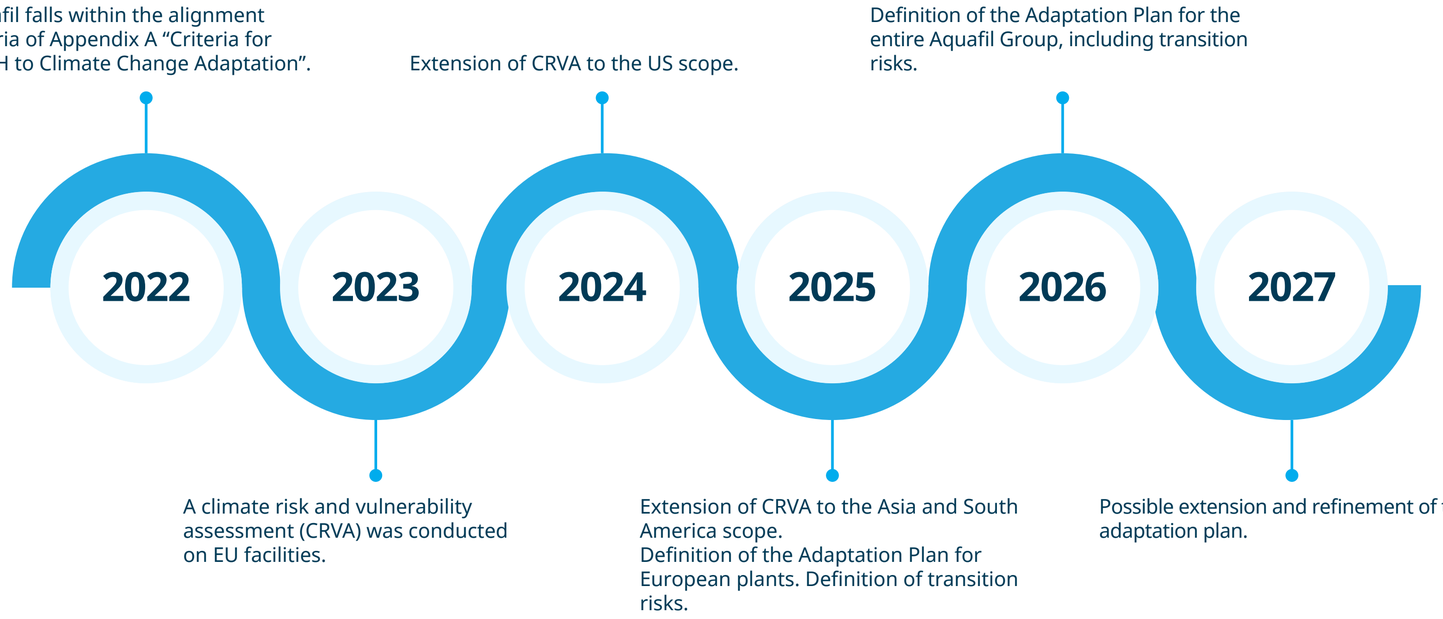
The risks of global warming

In 2023, Aquafil conducted a **Climate Risk and Vulnerability Assessment** (CRVA) to assess its exposure and vulnerbility to (physical) climate risks in its **European plants** (Italy, Slovenia and Croatia) - as required by Taxonomy Regulation (EU) 2020/852. Over the past year, the company has **extended the scope of the analysis** to its **U.S.** plants (Georgia, Arizona, North Carolina and California).

Currently, the analysis covers 83% of the Group's production plants, and the idea is to reach full coverage in 2025*. Based on this year's results, our timeline (see Figure 2.1) calls for the development of an **adaptation plan** for European plants by next year, which will also take into account key **transition risks**.

The methodology adopted in the CRVA is that of scenario analysis. The risk is then assessed on two possible scenarios of differing se-verity, identified by the Intergovernmental Panel on Climate Change (IPCC): the first medium-emission scenario foresees an increase in global average temperature from 2.1 °C to 3.5 °C; the second high-emission scenario foresees an increase from 3.3 °C to 5.7 °C - both over a medium- to long-term time horizon (40 to 80 years)**.

FIGURE 2.1 – **ACTION PLAN AND ACTIVITIES RELATED TO CLIMATE RISK AND VULNERABILITY ASSESSMENT**



* The scope of the analysis does not include the value chain.
** The scenarios used are derived from the IPCC, as are the main assumptions, constraints and inputs. The scenarios are regional coverage for plants in Europe, and national coverage for those in the US. Where the IPCC scenarios had gaps, we supplemented the information using external sources: for Europe, EEA reports and regional reports specific to the area in which the plants are located (e.g., report from the Trentino Alto Adige Region); for the U.S., reports from EPA 3 from the Environmental Protection Agencies of individual states.

The first step was to compile a list of major **climate phenomena** - “Climate Impact Drivers” or “CIDs”* - dividing them into two categories:

- **Acute**: extreme and sudden events such as hurricanes, floods, forest fires, and heatwaves);
- **Chronic**: factors that develop gradually, such as rising temperatures, rising sea levels, and water stress.

Through data provided by the IPPC and regional climate reports, we analysed the **evolution** of each climate phenomenon over time for each geographical area of the Group, with the aim of understanding **future developments** under the two scenarios used.

The **risk assessment** of each climatic phenomenon was conduced for each plant, analysing **three** key **dimensions**: **hazard** of the phenomenon, or the probability of aggravation over time; **exposure** of the plants, analysing factors such as location, infrastructure and number of workers; and **vulnerability**, determined by sensitivity to climatic events and adaptive capacity.**

Tables 5.16 and 5.17 in Appendix 5.5.1 summarise the **results by geographic area** according to the two different scenarios.* In the first scenario, characterised by a more moderate increase in temperatures in the medium term, the risk for Aquafil remains pre-dominantly **medium to low**, with a few exceptions involving mainly Slovenian plants, partly owing to the mitigation and adaptation measures already implemented. In the **second scenario**, where global warming is more pronounced, the level of risk increases for all the phenomena analysed.

One of the most urgent risks to be managed is from **rising temperatures and heatwaves**, as the machinery used for production contributes to significant temperature increases in the production departments. The sites located in California and Slovenia, where summers are becoming increasingly hot, are also particularly exposed to this risk in the first scenario, while in the second scenario the risk is across all Group geographic areas.

Drought, aridity and decreasing annual precipitation are further factors that should not be underestimated in Europe, as Aquafil’s plants **draw water** from wells for industrial purposes, the availability of which could be reduced due to these phenomena.

We also continue to monitor the risk from **floods and heavy rainfall** because of the increasing level of hazard of these phenomena especially in the Trentino region and Slovenia.

The occurrence of **violent windstorms**, on the other hand, could generate a risk for European plants in the scenario of more pronounced global warming.

* The list of climate phenomena or CIDs was identified by taking as a reference the classification proposed by the Taxonomy Regulation in Appendix A, which are in turn taken from the IPCC.
** Thus, the formula for calculating the climate risk of each CID is: Risk = H (Hazard) x V (Vulnerability) x E (Exposure). The quantitative score is then placed within 5 ranges: “Very high,” “High,” “Medium-high,” “Medium-low,” and “Low.”
*** To provide an overview of risk by geographic area, we aggregated the results obtained for each plant, choosing the maximum risk value recorded in that region. For example, in the two Arizona plants, Aquafil Carpet Recycling #1 and Aquafil Carpet Collection, if the risk from average rainfall was “High” and “Medium-High,” respectively, in the second scenario, the risk score for this CID associated with Arizona would be “High.”

2.1.2

Energy consumption

Reducing energy **consumption** and **increasing the efficiency** of our production facilities are key goals in our environmental strategy, in line with the transition to a low-carbon economy. Therefore, we are committed to constantly monitoring our **energy needs**, implementing **efficiency measures** in our plants, and increasing the share of energy from **renewable sources**.

In 2024, the Group consumed a total of **682,803 MWh** of energy, **68% of which came from fossil sources** and **32% from certified renewable sources**, including hydroelectric, wind and photovoltaic. Table 2.1 presents a detailed breakdown of energy consumption in line with ESRS, showing the **percentage contribution** of each source to the total. In contrast, Table 2.2 shows **energy intensity**, given by the ratio of total energy consumption to Group revenues. Methodology and scope of calculation are discussed further in Appendix 5.5.2.

Almost two-thirds of the energy consumed is self-generated by the Group (see Table 2.3). In particular, Aquafil has two **co-generation plants**, in Italy and Slovenia, which produce thermal energy and electricity from fossil fuels. The company also maintains its **own photovoltaic systems** for self-generation of electricity in its U.S., Italian, Slovenian, Chinese and Croatian plants.

TABLE 2.1 – **GROUP ENERGY CONSUMPTION AND MIX (2024)**

	MWh	% sul totale
TOTAL ENERGY CONSUMPTION	**682,803**	
Fuel consumption from coal and coal products	-	0.0%
Fuel consumption from crude oil and petroleum products	12,797	1.9%
Fuel consumption from natural gas	429,087	62.8%
Fuel consumption from other non-renewable sources	-	0.0%
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	22,453	3.3%
of which from nuclear sources	*0*	*0%*
Total energy consumption from fossil sources	**464,336**	**68%**
Fuel consumption for renewable sources, including biomass*	1	0%
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	213,422	31%
Consumption of self-generated non-fuel renewable energy	5,043	1%
Total renewable energy consumption	**218,466**	**32%**

TABLE 2.2 – **GROUP ENERGY INTENSITY (2024)**

	Unit	Value
Total energy consumption	**MWh**	**682,803**
Revenues**	Euro	542,134,871
Energy intensity	**MWh/Euro**	**0.0013**

TABLE 2.3 – **SELF-GENERATED ENERGY, BREAKDOWN BY FOSSIL OR RENEWABLE SOURCE (2024)**

	MWh
Energy self-generated	**446,928**
of which from fossil sources***	441,884
of which from renewable sources ****	5,045

* Also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.

** The value of revenues used to calculate energy intensity corresponds to the item “Revenues” in the “Consolidated Income Statement” (see section GROUP FINANCIAL HIGHLIGHTS). See Appendix 5.5.2 for the list of high climate impact activities considered - according to Delegated Regulation (EU) 2022/1288.

*** Fossil self-generated energy was understood to mean all primary energy that was used in a form other than input energy such as energy from natural gas combustion that is obtained as chemical energy (in the bonds of the methane molecule) but consumed as thermal energy after transformation by boilers or cogeneration. Car and lorry fuel consumption also falls into this category.

**** Self-generated energy from renewable sources means self-generation from photovoltaic, solar thermal, wind, hydroelectric or geothermal owned/under the control of the Aquafil Group. Renewable fuels also fall into this category.

Again this year, a high percentage (**92.3%**) of the purchased electricity came from renewable sources. This figure is close to the annual target of 100%, which, however, has not been fully achieved.

The non-achievement was due to the extension of the target scope to the whole Group and trade-off assessments that showed that it was not cost-effective to purchase **Guarantees of Origin** and Renewable Energy Certificates for a specific Group plant.

To **improve the energy performance** of our production sites, we invest significant resources in **efficiency solutions**. In the last few years alone, we have funded several improvements, which are already producing significant savings.

At our **Arco plant**, we installed a new direct-fired boiler that decreases energy consumption by **400 MWh per year**; replaced the extrusion pump motors with some more efficient ones, with a **25% energy saving** compared to what was consumed with the previous technology; and renovated two centrifugal compressors, reducing electricity costs by about Euro **150,000 per year**.

Also at the **Tessilquattro** plant in **Cares**, we installed a new boiler and rationalised the compressors. We also carried out construction work to minimise heat loss, such as replacing part of the windows in the warehouse and packaging department.

At **Tessilquattro**'s production site **in Rovereto** we installed a LED system that should **reduce electricity consumption for lighting by 30%**.

Similar improvements have also been made at our facilities in **Slovenia**. Replacement of an old compressor at the Ljubljana plant has resulted in substantial annual energy savings.

In addition, since January 2022, we having been heating the production rooms of the neighbouring **HELLA Saturnus** with the excess thermal energy generated during the production of ECONYL® nylon. This collaboration brings economic and environmental benefits, reducing energy waste by about 4,000 MWh per year.

2.1.3

GHG emissions

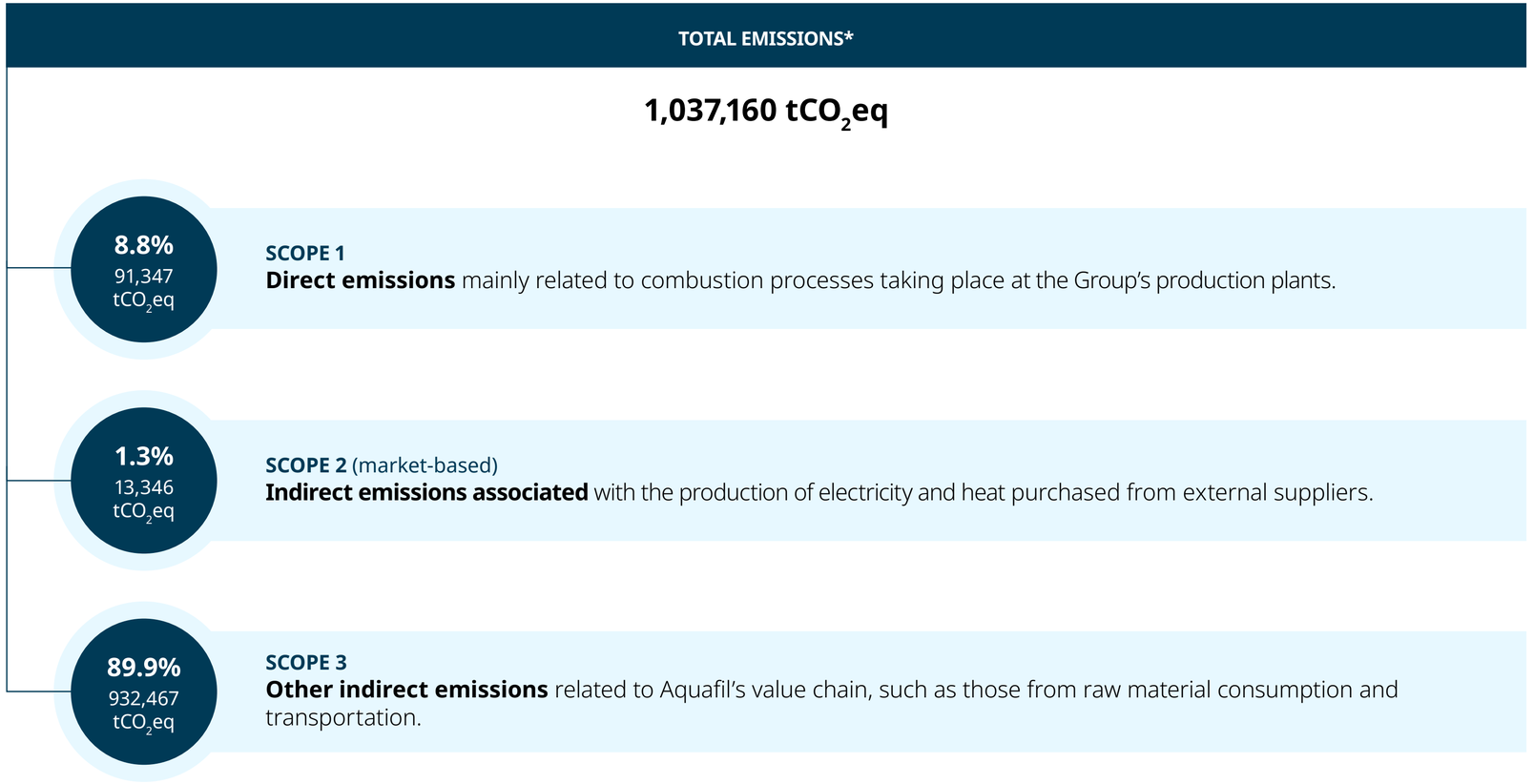
We are aware of our industry's impact on the environment, and are committed to monitoring and reducing our greenhouse gas emissions throughout the entire value chain. Emissions are calculated monthly by converting the amounts of energy consumed into carbon dioxide equivalent (CO_2eq). For their measurement, we refer to the **GHG Protocol** classification system, which divides emissions into **Scope 1, Scope 2 and Scope 3**.

Figure 2.2 gives an **overview of the Group's emissions**, further details of which are then given in Table 2.4. Table 2.5, on the other hand, shows total emissions by revenue. Methodology, calculation scope, and assumptions are discussed further in Appendix 5.5.3. Currently, our emission **reduction targets**, in line with the **Science-Based Targets** initiative, are still being set. They will be an integral part of our **climate transition plan**, aligned with the goals of the Paris Agreement, due to be published in **2027**.

The following tables provide further details of the Group's emissions. Table 2.6 shows the **share of contractual instruments** on total purchased energy and their types. Table 2.7 reports the biogenic **CO_2 emissions** from biomass combustion or biodegradation: for Scope, 1 the biogenic emissions are 0, while for Scope 2 and Scope 3 the figure is not available because specific emission factors cannot be found for all GHG Protocol categories and subcategories. Therefore, to avoid giving a partial number, this reporting has been omitted.

Information on Scope 3 emissions is inherently more limited than Scope 1 and 2 emissions information. This is due to the limited availability and relative accuracy of the data used to determine the emissions themselves, both quantitatively and qualitatively, along the entire value chain.

FIGURE 2.2 – **AQUAFIL GROUP EMISSIONS OVERVIEW (2024)**



* Scope 3 emissions metrics were used to assess the actual materiality of upstream and downstream emissions (see related IROs), Scope 1 emissions metrics were used to assess the actual materiality of the direct IRO on emissions, Scope 2 emissions metrics were used to assess the actual materiality of the Risk related to ETS/GO allowance price increase.

TABLE 2.4 – **AQUAFIL GROUP EMISSIONS: SCOPE 1, 2 AND 3 (2024)**

GHG emissions – Scope 1	**Unit**	**2024**
Gross GHG Emissions – Scope 1	tCO_2eq	91,347
Percentage of Scope 1 GHG emissions from regulated emission trading schemes*	%	88
GHG emissions – Scope 2		
Gross GHG Emissions – Scope 2 (location-based)	tCO_2eq	82,579
Gross GHG Emissions – Scope 2 (market-based)	tCO_2eq	13,346
GHG emissions – Scope 3		
Gross GHG Emissions – Scope 3	tCO_2eq	932,467
1 Purchased goods and services	tCO_2eq	699,551
2 Capital goods	tCO_2eq	12,894
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2eq	30,142
4 Upstream transportation and distribution	tCO_2eq	41,330
5 Waste generated in operations	tCO_2eq	3,163
6 Business travelling	tCO_2eq	1,740
7 Employee commuting	tCO_2eq	4,461
8 Upstream leased assets	tCO_2eq	N/A
9 Downstream transportation	tCO_2eq	25,958
10 Processing of sold products	tCO_2eq	not significant
11 Use of sold products	tCO_2eq	N/A
12 End-of-life treatment of sold products	tCO_2eq	111,721
13 Downstream leased assets	tCO_2eq	609
14 Franchising	tCO_2eq	N/A
15 Investments**	tCO_2eq	899
TOTAL GHG EMISSIONS		
Total GHG emissions (location-based)	tCO_2eq	1,106,394
Total GHG emissions (market-based)	tCO_2eq	1,037,160

TABLE 2.5 – **TOTAL GHG EMISSIONS BASED ON TURNOVER (2024)**

	Unit	**2024**
Total GHG emissions (location-based)	tCO_2eq	1,106,394
Total GHG emissions (market-based)	tCO_2eq	1,037,160
Revenues (*)	**Euro**	**542,134,871**
GHG emissions intensity (location-based)	tCO_2eq/ Euro	0.0020
GHG emissions intensity (market-based)	tCO_2eq/ Euro	0.0019

TABLE 2.6 – **SHARE OF CONTRACTUAL INSTRUMENTS ON TOTAL ENERGY PURCHASED AND TYPE (2024)**

Percentage of total purchased electricity	**92.3%**
Unbundled	64.6%
Bundled	35.4%
Power Purchase Agreement	0.0%

TABLE 2.7 – **BIOGENIC CO_2 EMISSIONS FROM BIOMASS COMBUSTION OR BIODEGRADATION (2024)**

Biogenic Emissions - Scope 1	0
Biogenic Emissions - Scope 2	N/A
Biogenic Emissions - Scope 3	N/A

* The value of revenues used to calculate energy intensity corresponds to the item "Revenues" in the "Consolidated Income Statement" (see section GROUP FINANCIAL HIGHLIGHTS).

* The ETS emissions figure includes the Ljubljana and Arco plants and is calculated on tCO2e. The ETS figure was therefore supplemented with the portion of GHG gases not covered by ETS. ETS emissions were calculated using national references in both PCI and emission factor terms.
** This value represents the emissions of companies in scope consolidated at equity: Poly, Aquafil India, Acca and Nofir. These companies are considered as "equity" since Aquafil does not exercise operational control over them. See Appendix 5.5.3.

2.2

POLLUTION

We monitor the release of pollutants into the air, water and soil, strictly complying with the environmental regulations in force in the countries where we operate.

Monitoring industrial pollutants from production processes is essential for the protection of the earth's ecosystems. The Group has identified its **material pollution-related impacts**, **risks**, and **opportunities** through materiality analysis (see Section 1.4), which considers all of the Group's geographical areas and business activities, and the entire value chain. In 2024, the company allocated more than Euro 900,000 in CapEx and Euro 20,000 in OpEx spending to the pollution issue.

Table 5.7 in Appendix 5.4 summarises the main material IROs related to the topic. Importantly, no actual direct **negative impacts** were identified, only indirect ones due to value chain activities, on which we are beginning to strengthen controls through the **EcoVadis** project, described in Section 1.5.3 "EcoVadis Risk Mapping". For this reason, we have not implemented or planned corrective actions related to pollution.

In line with our **Environmental Policy** (described in section 2.1), each plant monitors its pollutant emissions and compliance with legal limits, which vary depending on the applicable local regulations and the specific activities performed.

The calculation methodology involves two steps: **third-party and independent companies** perform their periodic analyses to **measure concentrations**; the plants then calculate the final value by multiplying the concentrations by the flow rate and hours of operation.*

In line with CSRD requirements, Table 2.8 reports water emissions of pollutants, limited to establishments that exceed the limit values set by the **Integrated Pollutant Release and Transfer Register** (**E-PRTR**: European Pollutant Release and Transfer Register). In addition, the company also voluntarily reports the same values for the United States, even though it is not subject to EU regulations.

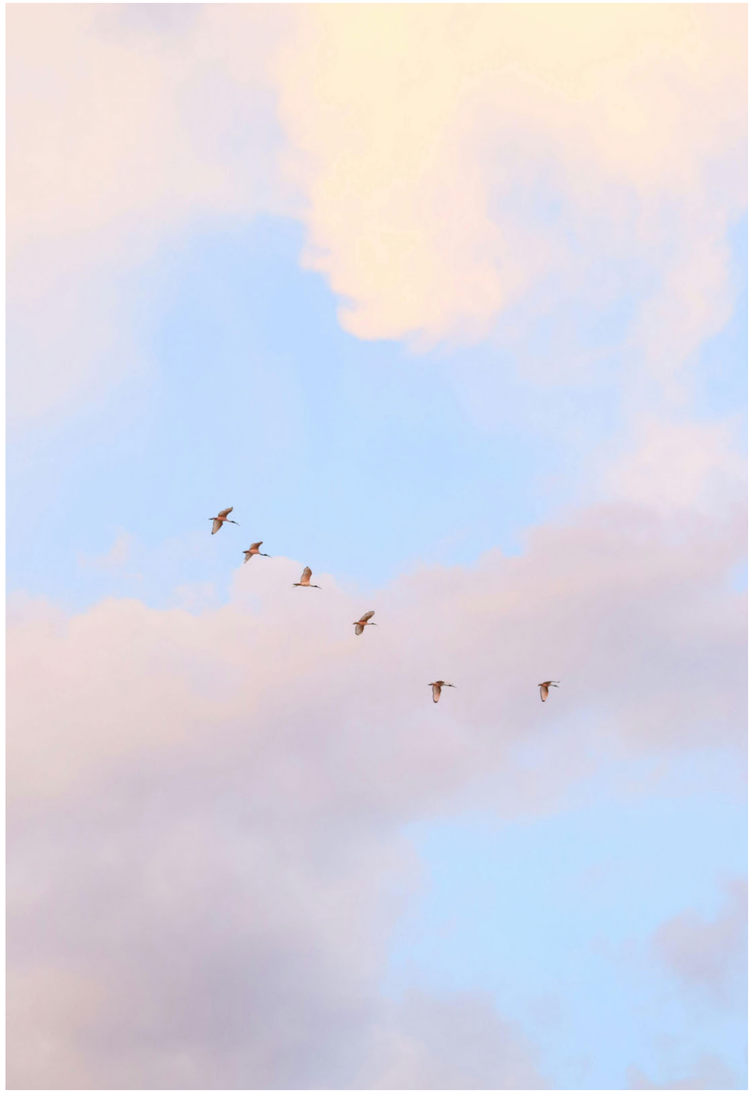
TABLE 2.8 – **EMISSION OF POLLUTANTS TO WATER BY PLANTS THAT EXCEED THE E-PRTR REPORTING THRESHOLDS (2024)**

			Plants exceeding E-PRTR reporting thresholds
Nickel and compounds (Ni)	kg/year	22.9	AquafilUSA
Phenols (C)	kg/year	188.1	AquafilSLO - Ljubljana*
Total Organic Carbon TOC (C or COD/3)	kg/year	312,906.7	AquafilSLO - Ljubljana

* The data for AquafilSLO are for 2023, as figures for 2024 are not available at the date of publication.

In Section 2.3.2, the Group also voluntarily reports the **Chemical Oxygen Demand (COD)** values of its water discharges.

Regarding **air and ground emissions**, no values above the established threshold for reporting were found during monitoring.



* We did not use lower estimates/other methodologies. Regarding concentrations and flow rates, where possible, in order to have more representative data, an average of the measured data available to date is used instead of individual data (single annual flow/concentration measurement).

2.2.1

Microplastics

Microplastic pollution has become a global problem. These tiny plastic **fragments** (less than 5 millimetres in size) have been **found everywhere**: from the human body to the seabed, from the tops of glaciers to the most remote environments.

The **textile industry**, in particular, is one of the largest contributors to the release of microplastics, which occurs at all stages of a garment's life cycle: from its production, during use and maintenance (especially during washing), to final disposal.

To solve a problem, it is first essential to be able to **quantify** it. Thanks to our research and development work, in association with CNR Biella STIIMA and the UNI CT 46 textile technical committee, it is now possible to use a **standardised method** to **measure the dispersion** of microplastics in the environment accurately. In 2023, we developed a **new international standard - ISO 4484-2** - to uniquely measure microplastics released from the textile sector.

The next step will be to reduce the release of microplastics through the **selection of more sustainable materials** and the adoption of eco-design practices for garment creation.

2.3

WATER RESOURCES

We take a responsible approach to water resource management, reducing consumption and ensuring wastewater treatment and reuse.

Water is an essential resource: for the planet and for our business activities. In a global context marked by global warming and **increasing water stress**, we constantly monitor our water consumption and discharges, aiming to **minimise waste** and contribute to the preservation of the natural ecosystems in which we operate. In 2024, the company earmarked nearly Euro 40,000 of CapEx for improving water resource management.

Table 5.8 in Appendix 5.4 summarises the main material **impacts, risks, and opportunities** related to water, as identified through the materiality analysis (see Section 1.4). To mitigate the only direct and actual negative impact - high water withdrawal for production activities - the Group first introduced a **Water Policy** in 2024.

The new policy defines a set of **concrete actions** to optimise water resource management. These include the creation of the **Aquafil Global Water Team** (A.G.W.T.), a working group tasked with analysing, developing and planning initiatives for improvement, reducing consumption and production efficiency.

In addition, a **dedicated withdrawals monitor** has been designated at each plant to collect relevant data and report any anomalies resulting from unplanned variations. Additional mitigation actions are described in the sub-sections on water consumption and discharges.

WATER POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Establishes Group goals for careful, appropriate and sustainable management of **water withdrawals** and **discharges** in its operations.

- Lists Aquafil's commitments to **efficient and responsible water use**
- Outlines concrete actions taken by the Group to s**afeguard water resources**, and sustainably manage **water discharge** activities, limiting pollution

E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems.

Employees, suppliers and business partners.

It provides for regular communications to its **stakeholders**, **regular updates** to the **ESG Committee** by the **ESG Director**, and **periodic reviews** to ensure its **effectiveness** and **adequacy**.

Agenda 2030, United Nations Global Compact (UN GC), European Taxonomy, CSRD (Corporate Sustainability Reporting Directive), Water Directive (2000/60/EC), Groundwater Directive (2006/118/EC).

2.3.1

Water consumption

90% of the Group's **consumption** of water resources is due to the **disposal of the heat** generated by the processing of raw materials and semi-finished products, both in wire and polymer production processes.

In 2024, the Group withdrew and consumed nearly **1,900,000 m³ of water resources** (see Table 2.9), of which 83% came from ground water (wells), 16.5% from third-party water resources (aqueducts), and only 0.4% from surface water (rivers) - see Figure 2.3.

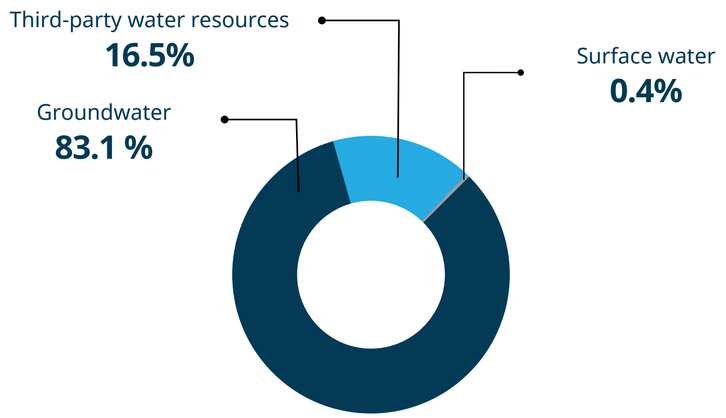
The **methodology for calculating** consumption involves consulting meters or bills on a monthly basis.*

TABLE 2.9 – **GROUP WATER WITHDRAWALS AND CONSUMPTION, BROKEN DOWN BY SOURCE OF SUPPLY; WATER INTENSITY (2024)**

	Unit	2024
Surface water	m³	8.342
Ground water	m³	1.558.769
Third-party water resources	m³	309.737
Total withdrawals	**m³**	**1.876.848**
Water intensity*	m³/ millions of Euro	3.462

* The value of revenues used to calculate water intensity corresponds to the item "Revenues" in the "Consolidated Income Statement" (see section GROUP FINANCIAL HIGHLIGHTS).

FIGURE 2.3 – **WATER WITHDRAWALS AND CONSUMPTION BY SOURCE, PERCENTAGE OF TOTAL (2024)**



* Estimates were made only for the ACC Chula Vista plant and plants that fell within the reporting scope in 2024. The percentage of estimated consumption data is 0.05% of the total.

We continue to monitor **water stress levels** in the areas where we operate, using the "Basin Physical Risk" indicator provided by the **WWF's Water Risk Filte**r. To date, our withdrawals and discharges occur mainly in medium-to-low-risk areas, as shown in Table 2.10. Most plants operating in high water stress areas use no water in the production process - such as the Aquafil Carpet Collections in Phoenix, Anaheim, Miramar, and Chula Vista - or use it in minimal amounts - as AT Aquafil Carpet Recycling #1. The exception is our Chinese production site.

To reduce Group-wide consumption and mitigate its impact on ecosystems, the company has committed to implementing a number of actions, including:

- Replacement of freshwater withdrawals with **water from secondary sources** (meteoric, reclaimed groundwater, treated wastewater, or desalinated water)
- Provision of systems for **rainwater recovery**;
- Modification, adaptation and/or renovation of production facilities to apply **closed-loop** systems that allow **water and vapor recovery**;
- Analysis and **monitoring of the water cycle** using the "**water map**", which provides information on the water volumes used by each production site, comparing them to check for anomalies and verify the effectiveness of savings measures.

The company does not report information on the volumes of water stored, recycled and reused as to date there are no systems and processes in place to make such an estimate.

OVERALL WATER RISK

- Low (0-1)
- Low-Medium (1-2)
- Medium-High (2-3)
- High (3-4)
- Extremely High (4-5)

TABLE 2.10 – **WATER WITHDRAWAL VOLUMES BY WATER STRESS AREAS, IN M³ (2024)**

Source	Plant	Stress	Total
Surface water	Tessilquattro	1-2	8,342
Ground water	AquafilSLO - Ljubljana AquafilSLO - Celje AquafilSLO - Ajdovscina	0-1	580,102
	Aquafil Tessilquattro - Rovereto	1-2	978,667
Third-party water resources (aqueduct)	AquafilSLO - Ljubljana AquafilSLO - Celje AquafilSLO - Senozece	0-1	13,118
	Aquafil AquafilCRO Tessilquattro Aquafil USA Tessilquattro - Rovereto O'Mara	1-2	227,813
	Asia Pacific	2-3	1,008
	Aquafil China Aquafil Carpet Recycling #1 Phoenix Anaheim	3-4	66,090
	Miramar Chula Vista	4-5	1,429

2.3.2

Water discharge

We closely monitor the **quality** of our wastewater through regular **laboratory analysis**, and we are committed to **reducing the volume of discharges** to protect the environment and the communities in which we operate.

The most significant parameter we evaluate is the **Chemical Oxygen Demand** (COD), which indicates the presence of organic substances in the water. To reduce the input of organic pollutants into wastewater, we have implemented **reverse osmosis systems**. This is a purification technology that enables us to achieve COD values consistently below the limits set by law.

Table 2.11 shows the total water discharge by destination and its quality in terms of COD. In 2024, 58% of wastewater was discharged to surface water, with an average COD value of **22 mg of O_2 per litre** - well below the maximum threshold of **160 mg/l** set by Italian national regulations and the more restrictive limit **100 mg/l** set by the Autonomous Province of Trento.

The remaining 42% is sent to third parties for **purification** before being returned to the environment. We also conducted a qualitative assessment on water stress for the drainage areas, the results of which are shown in Appendix 5.6.

TABLE 2.11 – **WATER DISCHARGES: VOLUMES AND WATER QUALITY (2024)**

	Unit	2024
Discharge to consortium facilities	m_3	567,744
Surface water discharges	m^3	780,154
Total	**m^3**	**1,347,898**
Quality of water discharged to consortium facilities (COD)	mg of O_2/l	1,207
Quality of water discharged to surface water (COD)	mg of O_2/l	22

2.4

BIODIVERSITY

We are committed to preserving and restoring natural habitats in the areas where we operate by adopting strategies to mitigate impacts on terrestrial ecosystems.

Biodiversity is the foundation of a **resilient ecosystem** and a key element in **industrial development**: it ensures the regulation of water resources, soil fertility and climate stability, on which companies depend throughout their value chain. Through its **Environmental Policy** (see section 2.1), the Aquafil Group is committed to protecting the environment in the different countries where it operates. In 2024, the company allocated nearly Euro 70,000 of OpEx expenditures to biodiversity.

Biodiversity loss is a **systemic risk** to the global economy, ranked by the World Economic Forum as a major long-term threat as of 2016. Ecosystem degradation can cause **disruptions in production chains**, increase operational costs, and generate **regulatory and reputational risks** for companies.

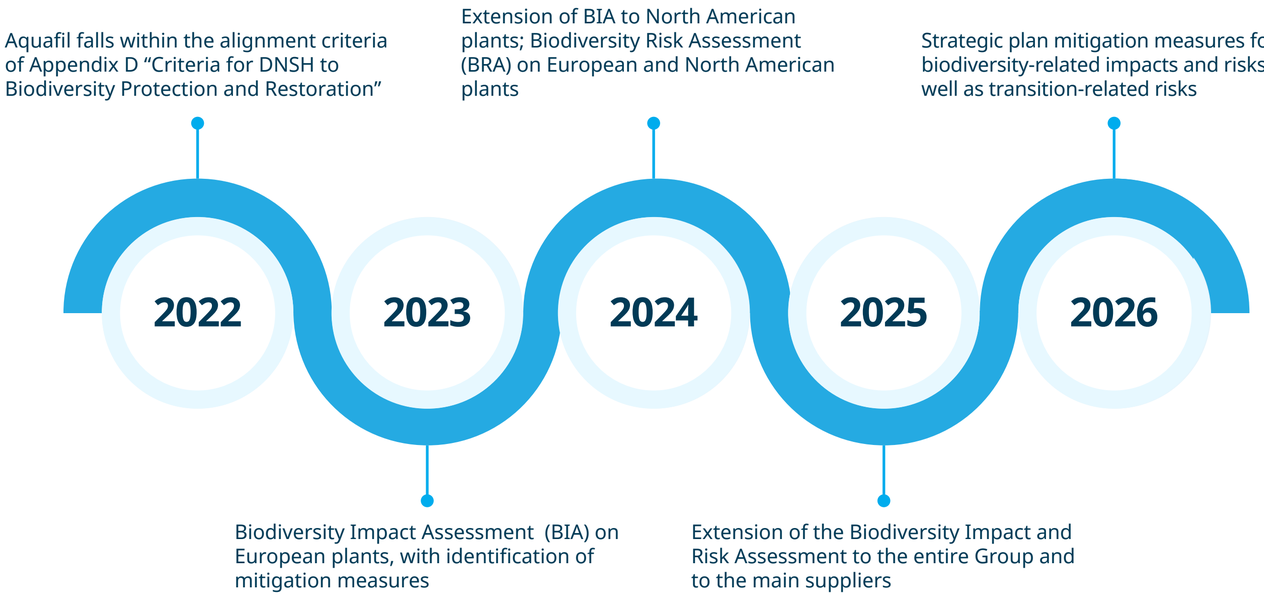
At the same time, industrial activity contributes to negative impacts on biodiversity, fuelling the problem. This interdependence makes a double evaluation necessary:

- ***Analysis of risks*** arising from ecosystem degradation to business operations, their resilience, business continuity and long-term financial stability.
- ***Analysis of the impacts*** of Aquafil's activities on biodiversity, in all the geographical areas in which it operates

The Group completed this assessment through a **Biodiversity Impact and Risk Assessment**, carried out on **European and North American plants** between 2023 and 2024, achieving 83% coverage of production plants. Through this assessment, biodiversity-related impacts, risks and dependencies were identified.*

Our timeline (see Figure 2.4) also calls for extending the scope of analysis **to the rest of the Group's plants** and major suppliers by the end of 2025. On the other hand, in 2026, a **strategic plan** for reducing biodiversity impacts and mitigating transition risks will be prepared, which will also include **future-oriented targets**, concrete actions to achieve them and KPIs to **monitor progress**. Where necessary, an **ad-hoc** policy for biodiversity protection will also be possible. To date, the company does not use biodiversity offsets. This dual assessment provides an even greater level of depth than **the materiality analysis** (see section 1.4), by which the **main material impacts**, **risks and opportunities** had already been identified. During the materiality analysis, however, all geographic areas in which the Group operates, the various business activities and the entire value chain were taken into account. The **main IROs** identified are summarised in Table 5.9 in Appendix 5.4.

FIGURE 2.4– **ACTION PLAN AND ACTIVITIES RELATED TO BIODIVERSITY IMPACT AND RISK ASSESSMENT**



* The scope of analysis does not include the value chain

2.4.1

Biodiversity Impact Assessment

In 2023, the Group conducted an **assessment of the impacts** of its operations on local flora and fauna through a **Biodiversity Impact Assessment** (BIA) involving **European plants**.

In 2024, we included **North America** in the scope and updated the methodology. This section summarises the **process** of the analysis, the **results** and the mitigation measures identified.

The methodology adopted by the BIA consists of two steps. The first involves **an analysis of the environmental certifications** held by the Group's production plants, which provide information on the impact of production activities on local biodiversity, including Environmental Impact Assessments (EIAs) or screening according to Directive 2011/92/EU.

The second phase applies only to facilities that do not hold such certifications and are located **near protected natural areas**, in line with the requirements of the "Do No Significant Harm" principle of the Taxonomy Regulations.* These areas, also called "sensitive" areas, are identified through the **Natura 2000** network for Europe or through the classification of the **International Union for Conservation of Nature** for the United States. The **complete list of sensitive areas** near Group plants can be found in Appendix 5.7.

In the second stage, **both direct and indirect impacts** on biodiversity are **assessed**. The impact is considered **direct** when the construction of the plant contributes to the **fragmentation or reduction of a natural area**, or **degradation of land**.

* The Taxonomy DNSH criterion for Biodiversity calls for assessment for facilities "close" to areas of high biodiversity content. Aquafil decided to consider areas within 10 km of its plants as "close", a precautionary choice as usually a shorter distance (5 km) is selected for certifications such as EIA.

Indirect impact, on the other hand, is estimated based on several factors:

- the **number of sensitive areas** present within a radius of 10 km and their distance from the plant;
- **artificial lighting**, which can alter the balance of local flora and fauna, disorientating animals and affecting plant photosynthesis;
- the **presence of glass surfaces**, a potential threat to birds in flight;
- **acoustic emissions**, which can interfere with birds' sound communication, essential for reproduction and defence against predators;
- other **attractive elements**, such as the creation of artificial ponds for aesthetic purposes.

Table 2.12 shows Aquafil's production sites **within 10 km** of sensitive areas, and gives an indication of their direct impact in terms of **habitat fragmentation** and **soil sealing** (through cementing). Although almost all of the plants are found to be near areas of high biodiversity content (the two plants in Arizona are exceptions), only one - Tessilquattro Cares - is responsible for fragmentation of natural habitat.

The analysis of indirect impacts, on the other hand, varies from plant to plant. We report some mitigation actions we have identified that can be applied across the board:

- **Artificial lighting**: outdoors, use lamps with green or blue colours and beams of light directed downward at night. Illuminated signs or other non-security-related lights should be turned off after 11 p.m.
- **Glazed surfaces**: to prevent bird collisions with clear glass, apply bird silhouette stickers at a density of 1 per m^2.
- **Noise emissions**: all plants in the European scope meet the limits imposed by law. However, considering the continuity of sound emissions (almost all facilities produce sound 24/7), it is advisable to create sound-absorbing devices and sound barriers.
- **Other attractive factors**: as no relevant factors have arisen, no mitigation measures are necessary.

TABLE 2.12 – **AQUAFIL PRODUCTION SITES LESS THAN 10 KM FROM SENSITIVE AREAS, WITH RELATED SOIL IMPERMEABILISATION AND HABITAT FRAMMENTION, IN ACRES (HA)**

Plant	Country	Soil sealing (ha)*	Habitat fragmentation (ha)**
Aquafil S.p.A.	Italy	3.6	No
Aquafil CRO - Oroslavje	Croatia	4	No
Aquafil SLO - Ajdovscina	Slovenia	4.6	No
Aquafil SLO - Celje	Slovenia	2.11	No
Aquafil SLO - Ljubljana	Slovenia	6.3	No
Aquafil SLO - Senozece	Slovenia	1.1	No
Tessilquattro Cares	Italy	3.45	3.45
Tessilquattro Rovereto	Italy	3.8	No
Anaheim	California	0.42	No
Aquafil USA	Georgia	3.1	No
Chula Vista	California	0.55	No
Miramar	California	0.15	No
O'Mara	North Carolina	3.61	No
Total	**USA and Europe**	**36.79**	**3.45**

* The area of soil sealed off due to cementification coincides with the area occupied by each production plant in hectares.
** Habitat fragmentation occurs only where the plant is located in a natural area (or was in the past). Again, the impact is assessed by measuring the size of the plant in hectares.

2.4.2

Biodiversity Risk Assessment

In contrast to the BIA, the **Biodiversity Risk Analysis** - or **Bio diversity Risk Assessment** (BRA) - was first carried out in 2024.

The assessment made use of the **WWF Biodiversity Risk Filter**, an ESRS-aligned tool that integrates global environmental data with sector-specific risk factors, thus providing a local-level risk assessment. In addition, the WWF Water Risk Filter was also used, as one of the main biodiversity risks for Aquafil concerns water availability.

The BRA has identified biodiversity-related risks material to the Group's operations divided into **two** main **categories**: **physical risks**, which arise from Aquafil's dependence on or impact on natural ecosystems, and **reputational risks**, which reflect the effects of the company's activities on the perception of the public and local communities*.

For each Group plant in Europe and the US, exposure to **33 risks** was assessed by the WWF Biodiversity Risk Filter.

Figure 2.5 summarises the main **physical hazards** identified, among which **pollution** and availability of **water resources** stand out.

The first stems from the fact that many of the production sites are already located in areas exposed to high levels of environmental degradation, and the textile industry is associated with high levels of pollution. The second is exacerbated by the sector's heavy **reliance** on water resources. In both cases, these are systemic risks, reflecting the broader **context** in which Aquafil operates, rather than the direct impacts of its operations.

FIGURE 2.5 – **MAIN BIODIVERSITY-RELATED PHYSICAL RISKS, WITH RELATED RISK SCORE**

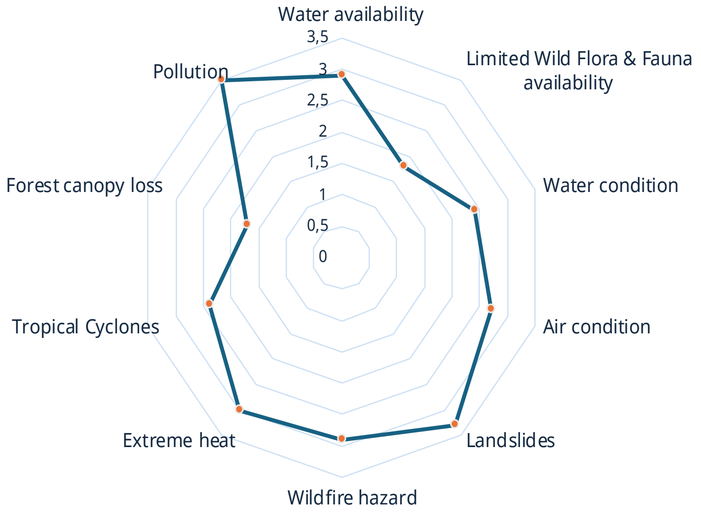
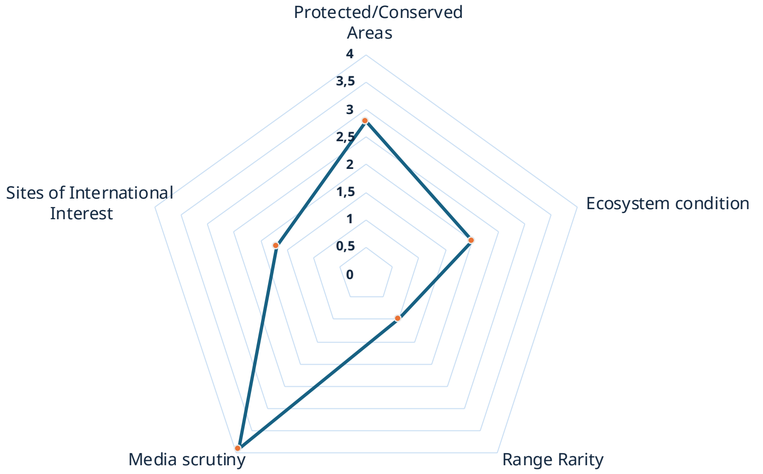


Figure 2.6. summarises the main **reputational risks** identified. Even if they are not directly under our control, proactive engagement, transparent communication and sound environmental management can help mitigate their impact.

The two most relevant factors for Aquafil are **media attention** and the proximity of its facilities to **protected areas**. On the one hand, we have experienced high media coverage of environmental issues in the industry and in the areas where we operate, which translates into **public opinion that is highly sensitive** to sustainability matters. On the other hand, proximity to legally designated conservation areas implies **stricter regulatory standards** for the Group and **higher social expectations**.

FIGURE 2.6 – **MAIN REPUTATIONAL RISKS RELATED TO BIODIVERSITY, WITH RELATED RISK SCORE**



* The analysis did not include direct stakeholder involvement.

2.5

CIRCULAR ECONOMY

We want to be pioneers in an industry that transcends the traditional linear model, and embraces the principles of the circular economy.

For more than 20 years, the Group has been on a deep **transformation journey** to align its **strategy** and **business mode** with the principles of the **circular economy**. This implies going beyond simply using raw materials responsibly or reducing waste - it means **devising products that can be recycled and remanufactured**, completely reconsidering their life cycle. In 2024, the company allocated more than Euro 5 million in CapEx investment and Euro 13 million in OpEx spending to the circular economy.

Table 5.10 in Appendix 5.4 summarises the **main** material **impacts, risks and opportunities** identified through the **materiality analysis** (see section 1.4) within the circular economy, as well as the main actions put in place to mitigate negative impacts and pursue opportunities. Sections 2.5.1 and 2.5.2 below provide details of the quantitative impacts related to raw materials and waste.

Given the pivotal role of our ESG strategy, the company has also **set several targets**, which can be consulted in Table 1.2 in section 1.3.3. The related targets are **voluntary**, i.e. not imposed by regulatory requirements, and relate to various aspects: increasing circular product design, increasing the rate of circular material use, minimising the use of virgin raw materials, sourcing renewable resources and more efficient waste management.

ECONYL® nylon represents the foundation of our circular transformation: by 2025 it will account for more than 60% of our fibre sales. Its value proposition, based on **durability, reuse and regeneration**, contrasts with the rapid consumption logic so much in vogue in the industry today.

For us, it is not only a matter of reducing our negative impacts on the environment and mitigating the risks posed by the industry's **dependence on fossil-based raw materials**; but of seizing **new market opportunities** and differentiating ourselves in an industry still strongly characterised by inefficient resource use. The ECONYL® Regeneration System and the actions implemented by the brand are further discussed in section 2.5.3.

Our commitment to "closing the loop" is also reflected in our **investment in research and development** (see section 1.2.5), with projects aimed at reducing waste, improving the recyclability of multi-material garments and mats and creating new circular supply chains. **Collaboration** with the **value chain** remains central to achieving shared industry-wide goals. At Aquafil, we support our customers in designing products from an **eco-design** perspective so that they can be fully remanufactured when they reach the end of their life instead of being disposed of in landfills (see Section 3.3.3).

2.5.1

Resource inflows and outflows

Aquafil's **Green Procurement Policy** (see section 3.2) prescribes **the purchase of recycled and/or recyclable products**, **materials and services** that positively impact GHG emissions and the environment, both directly and indirectly.

In 2024, approximately **227.5 million kg** of raw materials were used, 4.7% of which came from **biological materials** (see Table 2.13).* The raw materials managed by the Group are divided into **three categories**: basic raw materials, consisting of virgin raw materials (e.g. caprolactam, polymers), second-hand raw materials derived from processing waste (pre-consumer) and end-of-life products (e.g. carpet fluff or post-consumer fishing nets); packaging materials; and auxiliary materials, i.e. additives and other substances used in the production process. The methodology for calculating volumes is discussed in more detail in Appendix 5.8.1.

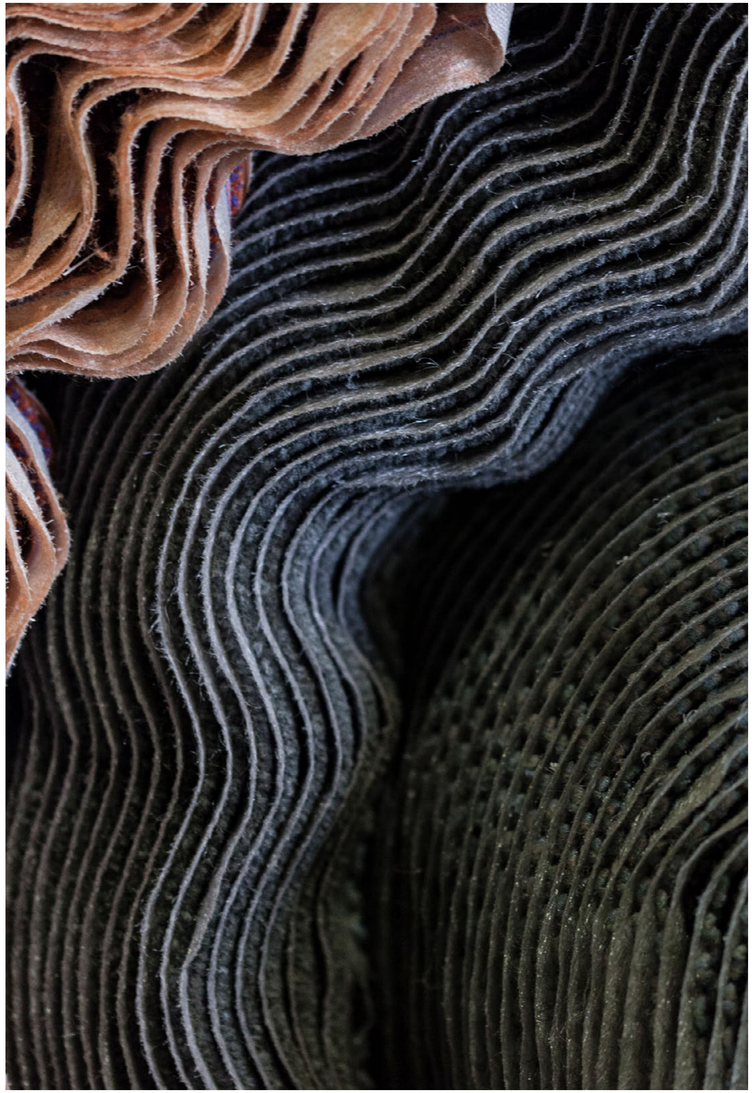
In terms of resource outflows, it is significant to note that the **output products** - mostly nylon yarns and polymers - are composed of **99.7% recyclable material**.

* Resource inflows were mapped only for Aquafil's own operations, not including the upstream or downstream value chain.

TABLE 2.13 – **INFLOWS AND OUTFLOWS OF RESOURCES***

	Unit	2024
Resource inflows		
Total weight of products and technical and biological materials	kg	227,472,781
Total weight of biological materials **	kg	10,756,474
Percentage of biological materials in total %	%	4.7%
Resource outflows		
Rate of recyclable content in products	%	99.7%
Rate of recyclable content in packaging %	%	NA***

* The company does not disclose the following data, as it is considered sensitive information under paragraph 7.7. of ESRS 1: the weight, in absolute value and percentage, of reused or recycled secondary components and secondary intermediate products and materials used by the company for its products and services (including packaging).
** From certified supply chain with sustainability characteristics.
*** Figure not available.



2.5.2

Waste

In line with the requirements of its **Environmental Policy**, Aquafil has over the years created an environment that is mindful of **reducing waste**, and where **waste** is managed transparently and in compliance with the **current regulations** of the countries in which we operate. Table 2.14 provides a breakdown of the waste generated by the Group, divided by category. Several initiatives have been launched to reduce it. These include a global commitment to printing optimisation to reduce the amount of paper used (see in-depth box "Every Sheet Counts").

End-of-life management is entrusted to **third parties**, whose actions are governed by **specific contracts** in line with current legislative obligations. Compliance with these contracts is monitored by the Group's internal bodies responsible for ensuring both contractual and regulatory compliance.

Table 2.15 shows the **breakdown of waste** generated by **end-of-life destination**. While the volume of waste generated is an actual and verified figure, the breakdown by end-of-life was **estimated to be 58% of the volume** - see Appendix 5.8.2 for further details.

TABLE 2.14 – **WASTE GENERATED BY THE GROUP BY COMPOSITION, IN KG (2024)**

Waste composition	2024
Electrical devices	30,035
Oils	15,149
Lead batteries	4,221
Slurry	46,962
Waste chemicals	165,119
Used filters	14,669
Waste lubricating oils	50,692
Miscellaneous hazardous waste	27,680
Aqueous liquid waste	220,353
Glass	2,240
Inert material from civil works	17,343
Metals	374,070
Paper	2,728,337
Plastic	2,910,529
Wood	842,307
Other waste	6,055,604
Chemical process waste	2,328,540
Municipal waste	904,496
Sludge from wastewater treatment	9,855
Total	**16,748,201**

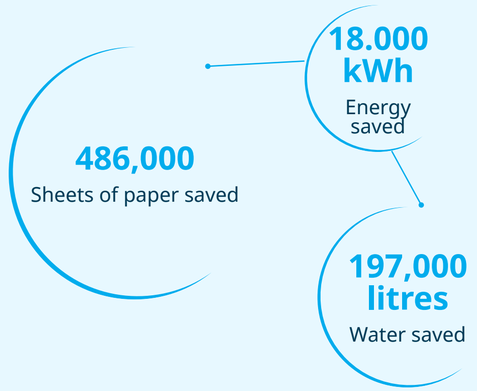
TABLE 2.15 – **WASTE BY END-OF-LIFE DESTINATION, IN KG (2024)**

	Hazardous	Non-hazardous	Total
Diverted from disposal	**1,016,213**	**9,862,665**	**10,878,878**
Recycling	56,474	9,771,026	9,827,501
Preparation for reuse	-	60,766	60,766
Other recovery operations	959,739	30,873	990,612
Directed to disposal	**612,344**	**5,256,978**	**5,869,322**
Landfill	13,728	4,044,882	4,058,610
Incineration with energy recovery	10,607	1,210,106	1,220,713
Incineration without energy recovery	425,778	1,990	427,769
Other disposal operations	162,231	-	162,231
Radioactive waste			**80**
Total waste	**1,628,557**	**15,119,644**	**16,748,281**
% non-recycled waste			35%

EVERY SHEET COUNTS: A GLOBAL PAPER-SAVING INITIATIVE

In 2024, the adoption of initiatives aimed at optimising print management resulted in significant environmental savings.

- **Paper saved**: 486,000 sheets, equivalent to approximately **58 trees** saved
- **Energy saved**: 18,000 kWh, which is equivalent to the annual energy consumption of about **5 households**
- **Water saved**: 197,000 litres, enough to fill **3 swimming pools**

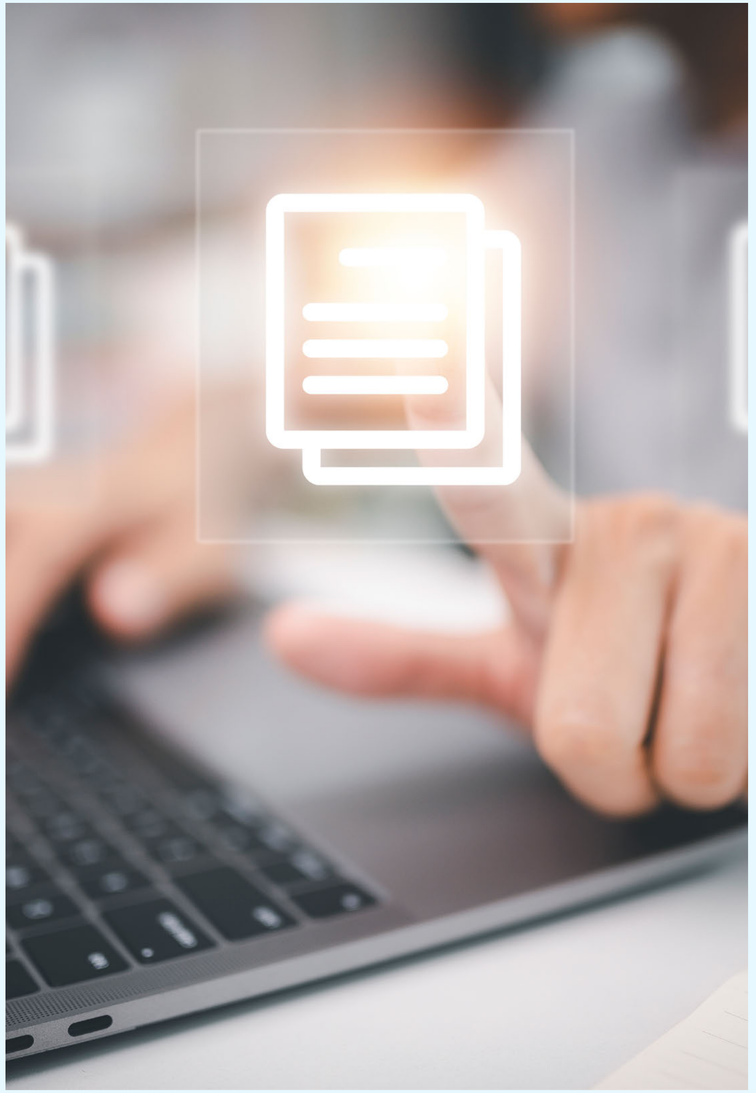


The results achieved are the result of three main strategies implemented during the year. Replacing printers with **more efficient devices** has optimised energy consumption and improved environmental performance.

At the same time, the automatic choice of **duplex** and black and white mode contributed to the reduction of paper use. An additional determinant has been the incentive for **digitisation** and the replacement of photocopies with electronic scans.

To build upon the results, new initiatives are being developed. These include the course ***Aquapedia*** on "**FollowMe**" prints, still in draft, which will provide training on advanced features for more efficient and sustainable management, further reducing environmental impact.

The path embarked upon testifies to an ongoing commitment to a management model increasingly focused on **optimising resources**, **adopting innovative technologies** and **promoting an environmentally conscious corporate culture**.



2.5.3

ECONYL®: the infinite thread, like imagination

Our ECONYL® nylon is created from fishing nets, fabric scraps, used carpeting and industrial plastics and can be regenerated indefinitely.

ECONYL® nylon is our flagship product, a **regenerated** ingredient created by giving new life to the things people no longer use: fishing nets scattered at sea, old carpets, industrial waste. It has **unique characteristics** that no other product on the market can match: while having the same quality as traditional nylon, it generates **less environmental impact**, and can be recycled an **infinite number of times**.

For us, ECONYL® is not just a regenerated nylon, but a manifesto for a new production model, where **technological innovation, circular economy and human creativity** come together to generate value and positive impact on the environment.

With ECONYL®, new high-quality products can be created **without using new resources**.

ECONYL® Regeneration System

The **innovative ECONYL® Regeneration System** represents the culmination of intensive research and development. With this cutting-edge technology, we are able to produce new nylon without using caprolactam, a petroleum-derived raw material, but by regenerating pre- and post-consumer nylon waste. The system is based on a process called **depolymerisation**, a sophisticated chemical recycling that breaks down waste and regenerates it into new raw material. This process can be repeated **countless times** without loss of quality.

The ECONYL® System has brought about a **paradigm shift** in textile production, with profound implications for the entire industry. On the one hand, it greatly reduces **dependence on fossil fuels**; on the other hand, it opens up **new circular** and sustainable **supply chains**.

FIGURE 2.7 – **ECONYL® REGENERATION SYSTEM**

From waste to resources

Where others see discarded carpets, abandoned fishing nets and industrial waste, we see the raw material of the future. Through **upstream vertical integration operations and targeted partnerships** with institutions, companies, NGOs and consortia, we have built a strong **supply chain** of nylon waste to which we give a new life. Following the opening of Aquafil Carpet Collection in the U.S., the investment in Nofir, and the founding of Aquafil Chile, in 2024 the Group launched ACCA - a joint venture with Atando Cabos to collect and sort fishing nets in Chile.

We also continue to work on enhancing our Take Back programmes, in collaboration with our customers, to increase the inducement of pre-consumer waste (mainly industrial waste). Today, we are able to collect more than 19,000 tonnes of post-consumer waste. By 2025 we aim to collect more than 35,000.

Where our ECONYL® nylon comes from

OLD CARPETS

We process tonnes of carpets and rugs per year, thanks mainly to our two recycling plants in the United States.

FISH NETS

We collaborate with the aquaculture industry, fish farms, and the Healthy Seas foundation to recover end-of-life nets.

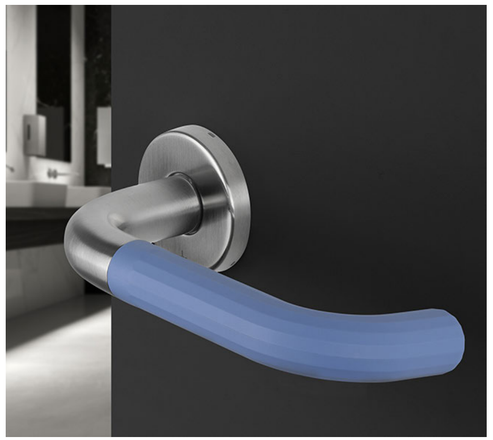
INDUSTRIAL WASTE

We collect different types of pre-consumer waste including fabric scraps and plastic components.

Our customers, our partners

AQUAFIL AND ASAHI KASEI REVOLUTIONISE 3D PRINTING

We have entered into a new partnership with Asahi Kasei that aims to develop innovative and circular solutions for the **3D printing** industry. With Aquafil's support, the Japanese company has created a **groundbreaking new material** that opens up new opportunities for automotive and aerospace manufacturers, offering a unique combination of quality and sustainability.



TOCCO COLLECTION WINS PRESTIGIOUS NEOCON AWARD

In 2023, Aquafil collaborated with pba to create a capsule collection of **sustainable handles made of ECONYL® nylon**, developed with neuro-inclusiveness in mind. A year later, the collection was presented at one of the world's most important **interior design fairs**, NeoCon, and won a major recognition: the "**Best of NeoCon Gold**" award in two categories, "Architectural Products" and "Innovation."

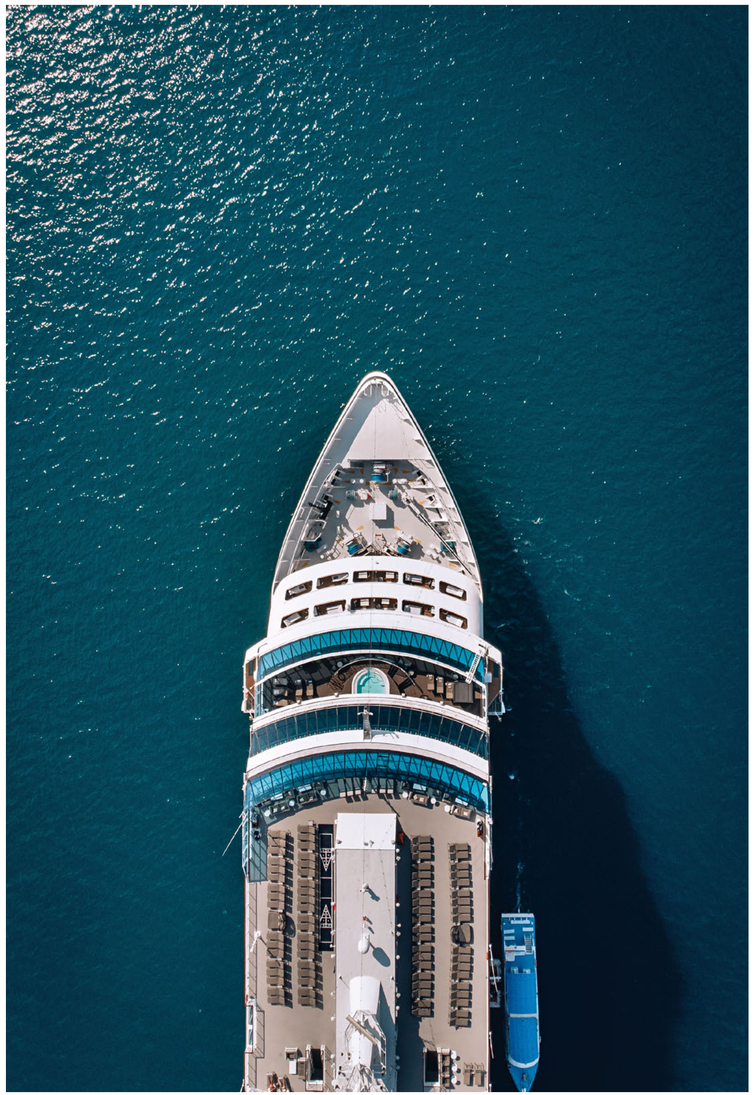
STONE ISLAND, CURRY BRAND AND ECONYL® DRESS STEPH CURRY AND NEW BASKETBALL HOPEFULS

Curry Brand - the brand of legendary basketball player Stephen Curry - and Stone Island, our longtime partner, have created an exclusive custom suit dedicated to the Curry Camp Class of 2024, featuring a Nylon Metal Watro-TC jacket made of ECONYL® reclaimed nylon.

Wardell Stephen Curry II, known as Steph, is one of the greatest shooters in the history of basketball. He has won an Olympic gold medal and two World Championships with the U.S. national team, and has captured four NBA titles with the Golden State Warriors.

For the past eight years, Steph has also been making his mark off the field with Curry Camp, a programme dedicated to mentoring young talent and helping them turn their dreams into reality. Upon arrival in San Francisco, the Class of 2024 athletes were greeted with a custom Stone Island suit, made of ECONYL® regenerated yarn and designed to withstand wind and water.

Worn by Steph himself, Stone Island's Nylon Metal Watro-TC jacket combines innovation, performance and conscious design.



RADICI: ECONYL® NYLON ENTERS THE MARINE INDUSTRY

Aquafil and Radici have been working together for more than a **decade** - a strong partnership founded on innovation and a shared commitment to sustainability. Starting in 2024, Italy's leading carpet tile manufacturer has decided to expand its sustainable article offering in the **marine sector**, offering **R2R products** (see section 3.3.3) in **ECONYL® nylon**. Through this collaboration, we will bring circular solutions to an industry that is increasingly concerned about its environmental impact.

Radici believes in an increasingly sustainable future in the carpet industry and recognises Aquafil, a leading manufacturer of circular yarns, as an ideal partner to support this vision.

We believe that the ECONYL® brand and the R2R model enable the circularity of the product to be tangible and easily verifiable, providing greater transparency in our communication.

Andrea Ceruti
Radici Sales Director

Information and training

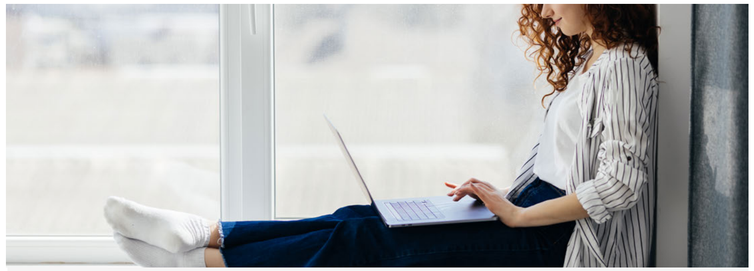
For several years now, the ECONYL® brand has been pursuing a **mission** with perseverance and dedication: to spread awareness about sustainability matters and encourage consumers to make **more responsible choices** in their daily lives. We do this through structured training and information activities that come to life in both the **real** and **digital** worlds.

Once again this year, we opened the doors of **our plants** to curious young minds: students and teachers were able to experience the magic of ECONYL® regeneration first hand. When they are not coming to us, we are bringing our **vision of sustainable futures** directly to the classroom, **school or university**.

We also continue to invest in our **digital ecosystem** to reach people all over the world.

ECONYL® ACADEMY
has established itself as a knowledge hub through high-level educational content that explores global megatrends in the areas of sustainability and digital innovation.

THE FUTURE IS CIRCULAR
our podcast launched last year, has been reconfirmed for a second season due to its great success.



ECONYL® BLOG
has become a leading voice in the public debate on the circular economy.

ECONYL® E-SHOP
continues to offer a digital showcase to discover the endless possibilities and applications of our special nylon.

ECONYL® ON AIR
continues to offer an immersive and interactive digital experience to help all stakeholders understand how our Regeneration System works.

2.6

ALIGNMENT WITH THE EUROPEAN TAXONOMY

The European Taxonomy (EU Regulation 2020/85) is a **classification system** established by the European Union that determines which economic activities can be considered sustainable and the criteria they must meet. To be defined as aligned with the Taxonomy, an activity must contribute substantially to at least one of the six environmental objectives identified in the Regulations, avoid significant harm to others, and meet minimum safeguards (see figure 2.8).

FIGURE 2.8 – **THE THREE REQUIREMENTS FOR TAXONOMY ALIGNMENT**

SUBSTANTIAL CONTRIBUTION
Contribute positively to at least one of the six environmental objectives:

- climate change adaptation
- climate change mitigation
- sustainable use and protection of water and marine resources
- pollution prevention and control
- protecting Biodiversity
- transition to a circular economy

DO NO SIGNIFICANT HARM (DNSH)
Produce no negative impacts on any other of the six objectives

MINIMUM SAFEGUARDS
Meet minimum social and governance standards, including:

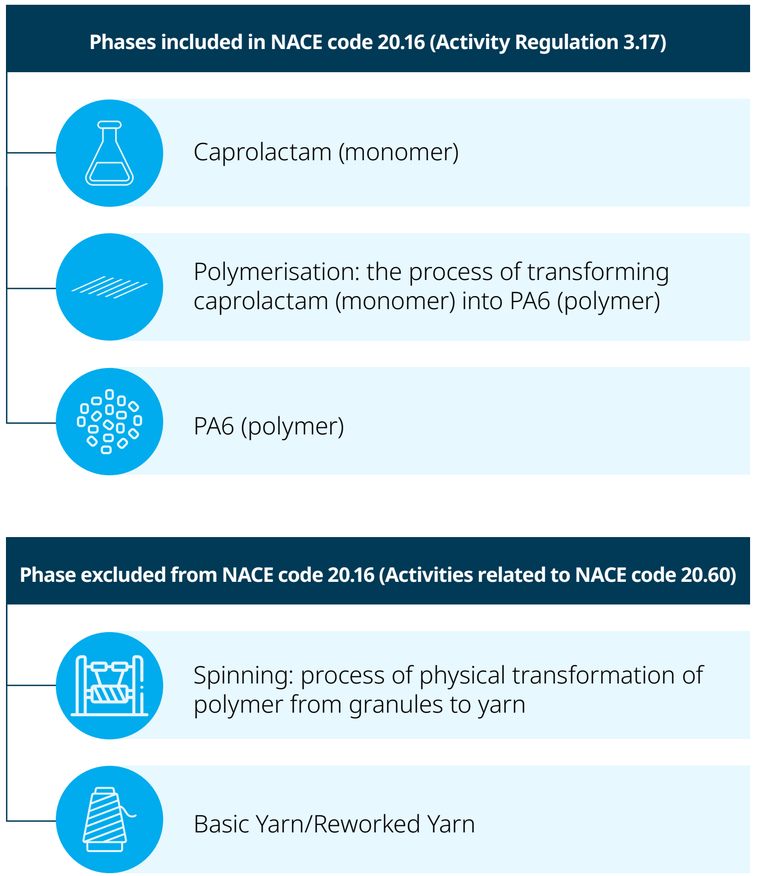
- workers' human rights
- taxation criteria
- anti-corruption
- fair competition

It is important to emphasise that the Taxonomy approach is not to assess the sustainability of organisations in their entirety, but for each i**ndividual economic activity** that generates a revenue stream to third parties or investments associated with activities recognised as environmentally sustainable. The economic activity can also be identified by any NACE code assigned. Specifically, for each environmental goal, the legislation provides within the published Delegated Regulations a list of economic activities that can potentially contribute to the achievement of each objective. These activities are defined as **eligible** and are activities for which **technical screening** criteria are available in order to verify their possible alignment with the specific environmental objective and consequently with the requirements of the Regulations. The fact that an activity is eligible is therefore a necessary condition for assessing its alignment. Therefore, the alignment indicates how much the potentially sustainable activity actually contributes to the achievement of the goal, and is expressed through specific financial indicators such as Turnover, CapEx and OpEx.

Aquafil's general approach

To date, the main economic activity, reported in the delegated regulations and attributable to our business is the activity of "**Manufacture of plastics in primary form**", associated with NACE code 20.16. **In contrast, the activity that generates most of the revenue for the Group**, **namely** "**Manufacture of artificial and synthetic fibres**", which corresponds to NACE code 20.60, **is not included in the regulations**. Therefore, compared to the current provisions of the legislation, in which there is no complete mapping of economic activities, the Regulation considers as eligible only the activity of producing polyamide 6 polymers in granular form. They mostly serve as inputs for the production of nylon yarn and therefore often do not generate revenue to third parties. Polymer production is, in fact, the step immediately preceding yarn production. As a result, the yarn manufacturing activity (NACE 20.60) is not considered eligible. For more details see figure 2.9 and section 1.2.4.

FIGURE 2.9 – **NYLON PRODUCTION PROCESS (AQUAFIL PROCESS)**



In light of the above, Aquafil believes that the exclusion from the list of eligible activities of yarn production (main source of revenue at Group level) does not allow for a true representation of the Group's potential contribution to the environmental goals included in the Regulation. In fact, Aquafil believes that **all activities related to the ECONYL® Regeneration System** participate in **achieving the objectives** of "climate change mitigation" and "transition to a circular economy."

This is due to the uniqueness of the above-mentioned process, which enables the generation of significantly lower emissions than the traditional production process and is widely recognised as an example of a circular system. Nevertheless, based on the literal interpretation of the description of economic activities reported to date in the delegated regulations of the Taxonomy, the entirety of the activities related to ECONYL® yarn appears to be excluded.

For these reasons, in continuity with previous years, the Company has decided to provide a **double view** in the disclosure: the first, following the literal interpretation of the regulation, which considers as eligible the activity of production and sale of polyamide 6 polymer in granular form; the second, provided on a voluntary basis, which looks at the entire activity of production and sale, thus including yarn-related activities. For both scenarios (summarised in TABLES 2.16 and 2.17), the relevant figures on **Turnover**, **CapEx** and **OpEx** according to the characteristics given in the Regulations are published in Appendix 5.9.

In addition, in line with the regulations, activities were also identified in both views as potentially sustainable economic activities: 2.3 Collection and transport of non-hazardous and hazardous waste, 2.7 Sorting and material recovery of non-hazardous waste, 4.1 Electricity generation using solar photovoltaic technology, 4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels.

TABLE 2.16 – **AQUAFIL ALIGNMENT APPROACH WITH DOUBLE VIEW: LITERAL INTERPRETATION**

View	Eligibility	Alignment	Target
Literal interpretation	3.17 Production and sale of polyamide 6 polymer (PA6) in granular form	ECONYL® Regeneration System (production and sale of ECONYL® only in granular form) and sale of other plastics in primary form produced from secondary raw material	Climate change mitigation
	2.3 Collection and transport of non-hazardous and hazardous waste carpets	Sales to third parties of end-of-life by Aquafil Carpet Collection	Transition to a circular economy
	2.7 Sorting and material recovery of non-hazardous waste	/	Transition to a circular economy
	4.1 Electricity generation using solar photovoltaic technology;	Sales raevenue from third parties from the sale of energy produced by the photovoltaic system of the Aquafil CRO plant	Climate change mitigation
	4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels	/	Climate change mitigation

TABLE 2.17 – **AQUAFIL ALIGNMENT APPROACH WITH DOUBLE VIEW: VOLUNTARY INTERPRETATION**

View	Eligibility	Alignment	Target
Voluntary interpretation	3.17 Total production and sales activities of Aquafil (i.e. yarn)	ECONYL® Regeneration System (production and sale of ECONYL® in granular and spun form) and sale of other plastics in primary form produced from secondary raw material	Climate change mitigation
	2.3 Collection and transport of non-hazardous and hazardous life carpets	Sales to third parties of end-waste of-Aquafil Carpet Collection	Transition to a circular economy
	2.7 Sorting and material recovery of non-hazardous waste	/	Transition to a circular economy
	4.1 Electricity generation using solar photovoltaic technology	Sales revenue from third parties from the sale of energy produced by the photovoltaic system of the Aquafil CRO plant	Climate change mitigation
	4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels	/	Climate change mitigation

Eligibility and alignment with the objective of "climate change mitigation"

ACTIVITY 3.17: MANUFACTURE OF PLASTICS IN PRIMARY FORM

Alignment with respect to voluntary disclosure, i.e. with respect to the "totality of yarn production", as described above, takes into account the peculiarities of the ECONYL® Regeneration System process. In fact, Aquafil believes that this makes a contribution to achieving the objective of "climate change mitigation" through the process of chemical recycling, known as depolymerisation. Through this process, we are able to regenerate nylon waste to produce a nylon of comparable quality to that obtained from fossil raw materials, but with a significantly lower environmental impact in terms of emissions, as demonstrated by our **Life Cycle Assessment**. The alignment under the more restrictive interpretation of the regulation, on the other hand, considers only ECONYL® polymer sales, thus excluding yarn.

Finally, turnover, CapEx and OpEx related to the sale of other plastics in primary forms produced through mechanical recycling processes are considered aligned in both views.

ACTIVITY 4.1: ELECTRICITY GENERATION USING SOLAR PHOTOVOLTAIC TECHNOLOGY

Beginning in 2024, Aquafil has identified its occasional activity of selling electricity generated by means of its photovoltaic systems as an eligible activity in relation to the **climate change mitigation** objective. In addition, in both views, sales revenues from **electricity generation using solar photovoltaic technology** by the Croatian plant in Oroslavje were recognised as aligned with this objective. In relation to this activity, no OpEx and CapEx were found in 2024.

ACTIVITY 4.30: HIGH-EFFICIENCY COGENERATION OF HEAT/COOL AND ELECTRICITY FROM GASEOUS FOSSIL FUELS

In accordance with Article 8 of Delegated Regulation 2021/2178, non-financial companies are required to declare the presence of activities related to the use of energy from nuclear or fossil gas sources within their scope of operations. This obligation is part of the provisions of the Taxonomy Regulations and is intended to ensure maximum transparency regarding these activities.

Following a thorough analysis, the Group has ruled out activities associated with nuclear energy. However, the presence of fossil gas-related activities has been detected, specifically in relation to heating/cooling and electricity provided through co-generation. These activities are detailed in Table 2.18, which provides a clear and transparent representation of the contribution of these activities within the Group's operating scope. Specifically, this activity concerns the sale to a neighbouring company of part of the heat generated by the Arco cogeneration plant. Revenues from this activity were eligible but not aligned in both views.

TABLE 2.18 – **ACTIVITY RELATED TO NUCLEAR ENERGY AND FOSSIL SOURCES**

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No

Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	Yes
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels	No

Eligibility and alignment with the goal of "transition to a circular economy"

ACTIVITIES 2.3 AND 2.7:

In 2023, with the publication of the Environmental Delegated Act (EU Delegated Regulation 2023/2486), technical screening criteria for alignment with the "transition to a circular economy" objective were made available. With respect to this goal, the Delegated Regulation identifies two specific activities attributable to Aquafil's business: "**2.3 Collection and transport of non-hazardous and hazardous waste**" and "**2.7 Sorting and material recovery of non-hazardous waste**". In particular, these two activities are linked respectively to the production processes of our Aquafil Carpet Collection (2.3) and Aquafil Carpet Recycling (2.7) plants, all located in the United States. As for Aquafil Carpet Collection, the activity consists mainly of collecting and sorting post-consumer waste (mainly carpets). Aquafil Carpet Recycling, on the other hand, deals with the recovery of post-consumer waste and, through a mechanical recycling process, the subsequent transformation of this waste into pellets of various kinds.* In 2023, the eligibility of the two activities was verified. In 2024, the alignment of activity 2.3 taking place at Aquafil Carpet Collection was also verified. This alignment is presented in both views. Activity 2.7, on the other hand, whose value is also negligible, remains eligible in both views.

In addition, the Delegated Regulations above make no mention of chemical recycling, the process behind the ECONYL® Regeneration System", which allows nylon to be regenerated an infinite number of times and contributes to the circular economy. In fact, the legislation currently only provides for "**mechanical recycling**". It follows that, in the absence of any development in the legislation to this effect, the ECONYL® Regeneration System process remains excluded from alignment with the 2024 goal.

TABLE 2.19 – **ELIGIBILITY AND ALIGNMENT ACCORDING TO THE LITERAL INTERPRETATION OF THE REGULATION**

KPI	2024 Eligibility for Taxonomy (%)	2024 Alignment with Taxonomy (%)
Turnover	11.5%	2.3%
CapEx	25.0%	17.7%
OpEx	21.6%	13.6%

TABLE 2.20 – **ELIGIBILITY AND ALIGNMENT ACCORDING TO THE VOLUNARY INTERPRETATION OF THE REGULATION**

KPI	2024 Eligibilità alla Tassonomia (%)	2024 Allineamento alla Tassonomia (%)
Turnover	99.9%	50.6%
CapEx	99.8%	60.5%
OpEx	99.5%	55.9%

See Appendix 5.9 for more detailed information on alignment.

Alignment with the literal reading of the Regulations, i.e. the activity "Production and sale of polyamide 6 polymer (PA6) in granular form" is shown in Appendix 5.9.2.

* Almost all of Aquafil Carpet Recycling's production activity can be attributed to the activity "3.17 Manufacture of plastics in primary forms" and only a negligible (non-material) part to the activity "2.7 Sorting and material recovery of non-hazardous waste".

Insight: criteria for alignment with activity 3.17

Compliance with the criteria in the regulations in relation to the “climate change mitigation” objective is reported below:

SUBSTANTIAL CONTRIBUTION

Nylon produced through the ECONYL® Regeneration System is a viable alternative to that derived from fossil sources, contributing significantly to the objective of **“climate change mitigation”**. Its production at Aquafil comes from a **chemical recycling** process known as depolymerisation, which takes nylon waste as an input, and outputs caprolactam of comparable quality to that obtained from fossil raw materials but with a lower environmental impact. Our Life Cycle Assessments have demonstrated greenhouse gas emission benefits over traditional technologies, enabling Aquafil to publish regular environmental product declarations.

DO NO SIGNIFICANT HARM (DNSH)

Aquafil’s activity does not cause significant harm to the other five objectives.

- **Climate change adaptation**. In 2023, Aquafil initiated a Climate Risk & Vulnerability Assessment with the aim of identifying and mitigating risks related to climate change - see section 2.1.1. Aquafil has begun an initial process of identifying possible solutions to adapt to the main risks identified, the most important of which include ECONYL® implementing building interventions and establishing employee awareness programs.
- **Sustainable use and protection of marine and water resources**. In the past year we have implemented two new environmental policies - the Environmental Policy and the ESG Policy - which codify, among other environmental goals, a commitment to reduce water consumption and pollution. Many of our production sites have an ISO 14001 certified Environmental Management System.
- **Pollution prevention and control**. With the new Environmental Policy, we are committed to pollution prevention and control through actions such as the adoption of Environmental Management System (EMS) throughout the Group by 2025. We have also equipped some plants with Integrated Environmental Authorization and Single Territorial Authorization, establishing specific emission limits.
- **Protecting Biodiversity**. In 2024, Aquafil extended the Biodiversity Impact Assessment, resulting in coverage of all the Group’s European and American facilities. The purpose of the analysis was to certify the absence of significant impacts on the biodiversity of surrounding protected areas and to identify possible mitigation measures (see section 2.4). Aquafil has implemented a set of mitigation solutions with a focus on those of an acoustic nature.
- **Transition to a circular economy**. Although the principle of DNSH does not apply in activities related to NACE code 20.16, Aquafil has been engaged over the years in developing an approach aimed at creating systems and new circular supply chains (see section 2.5).

MINIMUM SAFEGUARDS

Human rights
- Code of Conduct; (see section 4.1)
- Human Rights Policy; (see section 3.1.1)
- Diversity and Inclusion Policy (see section 3.11)
- Whistleblowing procedure; (see section 4.4)
- Green Procurement Policy; (see section 3.2)
- Supply Chain Due Diligence (EcoVadis Project) (see section 1.5.3)

Corruption
- Code of Conduct;
- Anti-Corruption Policy; (see section 4.3)
- Whistleblowing procedure;
- 231 Model; (see section 4.2)
- Green Procurement Policy;
- Supply Chain Due Diligence (EcoVadis Project)

Taxation
- Anti-Corruption Policy;
- 231 Model
- Transfer Price Policy

Fair competition
- Anti-Corruption Policy;
- 231 Model

As a result of this commitment, the Aquafil Group has not received any convictions for violations of **tax laws**, **unfair competition**, **corruption or fraud, or violation of workers’ rights and human rights**.

In addition, consistent with the requirements of the Sustainable Finance Disclosure Regulation (SFDR), Aquafil is committed to monitoring two indicators in particular: the unadjusted gender pay gap (see section 3.1.1) and gender diversity on the Board of Directors (see section 1.5.1).

3 SOCIAL INFORMATION

3 SOCIAL INFORMATION

KEY FACTS AND STATISTICS – 2024

93.5% **Permanent contracts**

100% Italian plants covered by the **UNI / PdR 125 Certification** for gender equality

33,000 **Training hours**

47% of selected **customers** have **joined** the **R2R project**

c. 600 **Hours** of **corporate volunteering** in Italy

EcoVadis Risk Mapping on the value chain

3.1

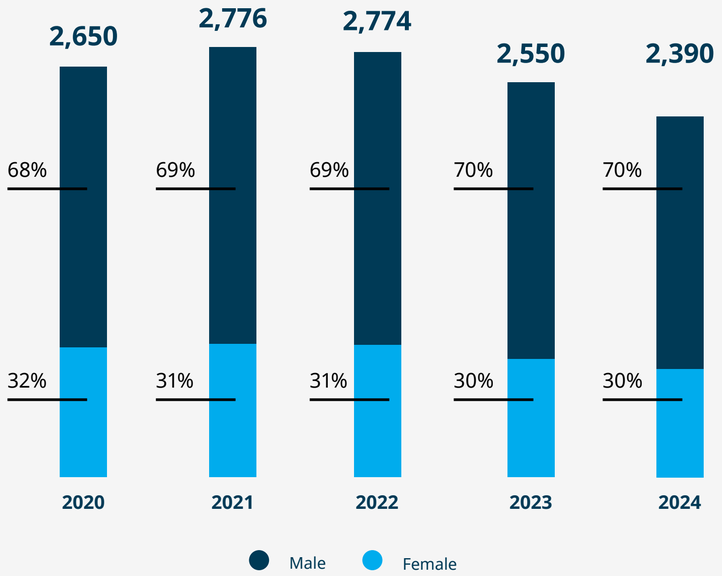
THE PEOPLE OF AQUAFIL

Investment in our people is the key to our long-term success.

People are a fundamental pillar of Aquafil's strategy: the success of all the activities we carry out depends on their dedication, passion and expertise. Therefore, protecting their **well-being and growth** is one of the main goals of our "The ECO PLEDGE®"(see section 1.3.1), which we strive to achieve day by day through the **concrete initiatives and actions** described in this section. In 2024, the company allocated more than Euro 65,000 in CapEx investment and Euro 1.2 million in OpEx spending to its own workforce.

At the end of 2024, the Group had **2,390 employees** (see Figure 3.1), with 90% of the workforce in four countries: Italy, Slovenia, the US and China - see Figure 3.2. Compared with the previous year, the workforce decreased by 6.3%, as the 385 new additions did not offset the 566 departures.

FIGURE 3.1 – **NUMBER OF EMPLOYEES, BY GENDER - HEADCOUNT**



2,390
Employees

FIGURE 3.2 – **GEOGRAPHIC BREAKDOWN OF THE WORKFORCE BY GENDER - HEADCOUNT (2024)**

EUROPE							
ITALY		SLOVENIA		CROATIA		UK	
683		719		144		1	
172	511	145	574	118	26	0	1

EUROPE						AMERICA	
GERMANY		BELGIUM		TURKEY		USA	
14		4		4		505	
4	10	2	2	1	3	116	389

ASIA				AUSTRALIA	
CHINA		THAILAND		AUSTRALIA	
297		17		2	
154	143	12	5	0	2

The **corporate restructuring** that began in 2023 continued to affect negative turnover. During the year, the rationalisation process was mainly concentrated in Slovenia (see Table 3.1) and was implemented primarily through the non-replacement of departing employees. High staff turnover in the **United States** is mainly driven by **structural features of the U.S. labour market**, which is characterised by greater fluidity and flexibility than the European labour market.

Negative turnover related to **voluntary resignations** stands at 9%, confirming a downward trend from previous years (12.9% in 2022, and 11% in 2023). This is a particularly significant figure, testifying to the effectiveness of Aquafil's **retention policies**.

In assessing our impacts, risks and opportunities related to the workforce, we considered not only employees, but also the **138 external collaborators** who work with us including mainly consultants and technical specialists who support our activities.

Table 5.11 in Appendix 5.4 summarises the **main IROs identified** by the materiality analysis, as well as the policies and actions that enable us to best manage them. It is noted that no current material adverse impacts were found within this topic.

TABLE 3.1 – **OVERALL TURNOVER RATE AND BY GEOGRAPHIC AREA (2024)**

	POSITIVE TURNOVER	NEGATIVE TURNOVER	NEGATIVE TURNOVER DUE TO VOLUNTARY RESIGNATION
Italy	6.4%	9.1%	2.7%
Slovenia	4.0%	17.1%	10.3%
USA	52.7%	56.4%	24.4%
China	5.4%	4.7%	2.7%
Croatia	7.4%	25.6%	0.0%
Thailand	0.0%	15.0%	10.0%
Germany	0.0%	0.0%	0.0%
Turkey	0.0%	0.0%	0.0%
Australia	0.0%	0.0%	0.0%
Belgium	0.0%	0.0%	0.0%
United Kingdom	0.0%	0.0%	0.0%
Group	**14%**	**20%**	**9%**

All initiatives and targets put in place take into account the **needs, perspectives and aspirations** of our people, which we gather through an **open and constant dialogue**, thanks to an HR structure that operates with an integrated Group-wide approach and with the support of the HR managers of each plant. In addition to daily confrontation in the workplace, we have established several **formal listening mechanisms** including **periodic** meetings with **union representatives**, the **business climate analysis** (see section 3.1.1) and the ***Do Ut Des*** (see section 3.1.3). These tools also allow us to measure the **effectiveness of our engagement process** and to monitor any groups of "at-risk" workers that have not been identified so far.

Again this year, we invested a significant portion of **our budget** in initiatives aimed at the well-being, development and success of our employees, continuing our commitment to three areas:

- Building an equitable and inclusive environment;
- Promoting safety and well-being;
- Fostering personal and professional growth.

In the following sections we elaborate on the policies adopted, initiatives implemented, and goals defined.

CLICK TO FIND OUT MORE ABOUT OUR INITIATIVES TO PROMOTE EMPLOYEE INCLUSION, WELLBEING AND GROWTH

3.1.1

Building an equitable and inclusive environment

Creating a fair and inclusive work environment means **valuing each person**, ensuring **equal opportunity**, **respect and well-being** for all. Our commitment is embodied in **policies and initiatives** that promote **diversity**, **equity** and **inclusion**, helping to develop a corporate culture in which everyone can feel recognised and an active part of change. In this section, we recount the actions taken and progress made to build an increasingly **open** and **welcoming** workplace.

Respecting human rights

Respect for the **personal dignity** of every individual is a fundamental principle for the Group and is protected by the Code of Conduct, which strongly condemns any offense, harassment or discrimination on the grounds of race, sex, age, culture, religion, political belief or sexual orientation (see section 4.1). Since 2023, we have adopted a **Human Rights Policy**, which is inspired by the principles of **social responsibility** enshrined in the **UN Universal Declaration of Human Rights**, the **Fundamental Conventions of the ILO** (international body responsible for the adoption and implementation of international labour standards) and the **OECD Guidelines**. This policy identifies 10 inalienable and indispensable principles to which the company adheres and establishes procedures for preventing and mitigating the risk of violation.

All Aquafil employees have access to a **whistleblowing system** to report any suspected wrongdoing with guaranteed **anonymity** and **protection against any form of retaliation** or discrimination, as described in section 4.4. All new hires are provided with information on how to use this tool right from the onboarding stage.

Thanks to the safeguards in place, no plant or geographical area of the Group's direct operations is considered at risk for **forced or child labour**. In 2024, there were no incidents of discrimination or violation of human rights, nor were sanctions received regarding violations of laws, principles or regulations on the subject.

FOUNDATIONAL PRINCIPLES

01. **The freedom of association and protection of the right to organise**
02. **Equal pay**
03. **Elimination of discrimination in employment and occupation**
04. **Abolition of child labour**
05. **Improving occupational health and safety**
06. **Abolition of forced labour and all forms of corporal punishment or disciplinary practices**
07. **Commitment against harassment and bullying in the workplace**
08. **Local community rights**
09. **Anti-corruption policy**
10. **Privacy protection**

HUMAN RIGHTS POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Identifies the core human rights principles the company stands for, and defines processes to prevent and **mitigate risks of violation.**

- Lists thte basic human rights principles
- Identifies procedures for breach risk mitigation
- Outlines a training course aimed at promoting a continuous system of **training** and **information**

S1 Own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users.

Board of Directors, Board of Statutory Auditors, management and employees of Aquafil; External collaborators; registered suppliers; customers with an active contract.

The policy was approved by the **Board of Directors**. The **ESG Committee**, including through the ESG Director, is responsible for its implementation.

United Nations International Bill of Human Rights, ILO Core Conventions and others (see policy).

Social feedback and dialogue

At Aquafil, **every voice counts**.

Being inclusive also means ensuring that everyone has the space to **express ideas** and opinions, actively contributing to our corporate culture and building a shared future. Therefore, we have developed a set of **listening tools** that enable us to gather **valuable feedback** on our employees' well-being, engagement and satisfaction.

The first tool is the **Corporate Survey**, a **climate analysis** that we conduct every year in different geographical areas. In 2024, the focus was on plants in **Slovenia** and **Croatia**, with positive and encouraging results.

The second tool is constant dialogue with **union representatives** through periodic meetings. In the past year, each plant in Italy alone averaged more than one meeting every two months for a total of 21 meetings. At Group level, about **77% of employees** are covered by union representation (see Table 3.2).

TABLE 3.2 – **EMPLOYEES COVERED BY UNION REPRESENTATIVES - PERCENTAGE (2024)**

	COVERED BY UNION REPRESENTATION
ITALY	100%
SLOVENIA	100%
CROATIA	100%
USA	0%
CHINA	100%
THAILAND	0%
GERMANY	0%
TURKEY	0%
AUSTRALIA	0%
BELGIUM	0%
UNITED KINGDOM	100%
TOTAL	**77%**

Diversity and inclusion

Diversity and inclusion policies have been the focus of our social initiatives over the past year. In 2023, we published a **DE&I Policy**, which sets out a structured approach to promote a more equitable and inclusive work environment through a fair and transparent selection process, equal access to training and growth, merit-based compensation policies and communication that promotes diversity.

In 2024, however, we set out on a concrete path to reach an **ambitious goal**: to train at least **50% of employees on diversity issues** by 2025. This year we have already organised a series of in-person **training days**, involving 300 people in Italy. We are also developing a **video course** that will allow us to extend the training to the rest of the team next year.

DE&I POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Aimed at ensuring **fairness and equal treatment** for all with the goal of building an inclusive environment that follows the principles outlined in the Code of Conduct.

- Outlines the core principles on **Equality, Diversity & Inclusion**
- Identifies the implementation of **actions** to promote a plural, **equitable and inclusive work environment**
- Lists strategies put in place for reporting and mitigating the violation of Human Rights

S: S1 own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users
G: G1 Business conduct

Board of Directors: guided by the principles of this document when setting business objectives;
Members of the Control and Supervisory Boards: ensure that the contents of the Policy are respected and complied with in the performance of their duties;
Company executives: give concrete form to the values and principles contained in the Policy, assuming responsibility; both internally and externally;
Employees: adapt their actions and conduct to the principles, objectives and commitments set out in the Policy.

Approved by the BoD. This Policy will be **periodically reviewed** to assess its **adequacy and the effectiveness** of its implementation.

United Nations (UN) International Charter of Human Rights, International Labour Organization (ILO) Core Conventions, Declaration on Fundamental Principles and Rights at Work (1998), European Parliament Resolution of March 10, 2021, making recommendations to the Commission concerning due diligence and corporate responsibility.

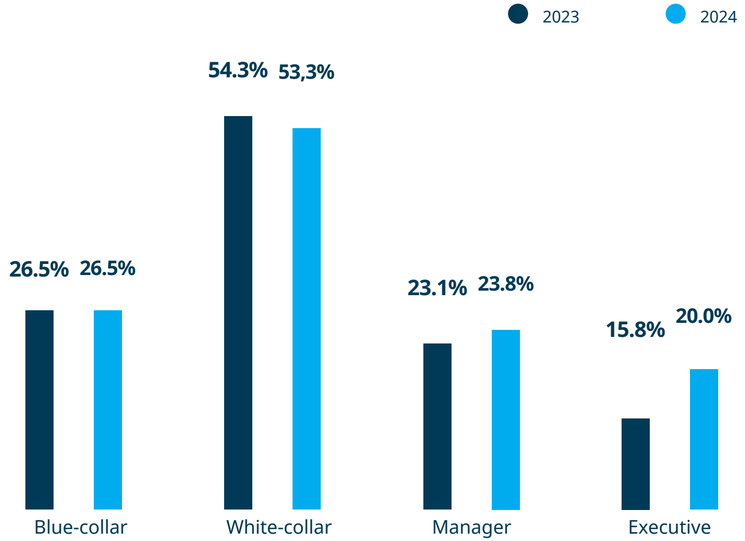
Gender equality

In our sustainability vision, building a work environment that values talent **without discrimination is an essential goal**, creating **opportunities for all**, regardless of gender. Overcoming stereotypes and promoting the **presence of women in key roles** not only promotes social well-being, but also proves crucial to economic growth and company competitiveness.

Among employees, the **ratio of men to women** has remained largely unchanged since 2024 at around **30%**, with greater imbalances in the blue-collar and executive categories (see Figure 3.3). Over the years we have implemented several **initiatives to close the gender gap**, including more inclusive hiring and promotion policies and mentorship programmes to support women's professional growth and their access to leadership roles. A particularly positive sign comes from the **UNI/PdR 125** gender equality certification **obtained in 2024** by the plants of Aquafil S.p.A., Tessilquattro Cares and Tessilquattro Rovereto, and the increase in the number of f**emale executives**.

We also continue to work toward another key target we have set for ourselves: by 2024, we aim to have at least **20% women** in senior management.* To date, the percentage is still zero, but our efforts to close this gap remain a priority.

FIGURE 3.3 – **PERCENTAGE OF WOMEN OUT OF TOTAL EMPLOYEES, BY ROLE**



As Director of the Human Resources Department and, starting this year, Delegate for Gender Equality at Confindustria Trento, I see this certification as both a responsibility and a renewed source of motivation to inspire and support other organizations in our region in pursuing similar goals.

The path toward true equity requires shared commitment and a genuine desire to make a difference within our company and beyond.

A heartfelt thank you to everyone who made this important achievement possible.

Sara Campedelli
HR Director

* Senior management consists of those who receive short-term variable remuneration (STI) and long-term variable remuneration and (LTI). The scope includes: the CEO (and Senior Executive Directors, if any), other Executive Directors and Senior Executives, as well as other figures of a strategic nature for the Group.

Equal pay

Pay equity is a key pillar in ensuring that every **individual** receives **fair remuneration commensurate** with the value of his or her contribution, regardless of gender. The Group's remuneration policy is constantly updated with the aim of ensuring fair remuneration, and incentivising the achievement of corporate goals.

All our employees receive an **adequate salary**. In **Europe**, most workers are covered by **collective bargaining** (see Table 3.3), while in the United States **and China**, wages are set through company pay policies and individual bargaining, remaining **competitive** with the **market average**. In addition, the adequacy of wage levels is verified through independent assessments in Group companies that have obtained **SA 8000** social responsibility certification (see section 4.7).

In 2024, the **ratio of the gross pay of the CEO** - the highest remunerated individual - to the **median** of Group employees is **40**; the **gender pay gap**, defined as the percentage difference between the average pay levels paid to male and female employees is **26%**.*

However, this index is impacted by the geographical distribution of the female workforce within the Group. 65% of female employees work in countries where the average base salary is lower than the Group's overall average. This aspect significantly affects the percentage difference in average wage levels between men and women, as the concentration of women in lower average wage settings contributes to an apparent wage gap rather than reflecting an actual wage gap for equivalent roles.

For these reasons, the Group also monitors wage indexes referring to different categories of workers in different geographical areas. Table 3.4 shows the **gender pay gap** for each establishment and each role: the salary considered is the annual gross monetary salary, within which variable and benefit components are excluded (see Appendix 5.10 for details of the gender pay gap including variable and benefit components). It is important to point out that the observed pay gap is mainly due to the low representation of women in key roles, rather than a pay disparity between positions of equal level and responsibility.

Achieving the target mentioned in the "Gender Equality" paragraph (20% female figures in senior management by 2026), will be a significant step in **reducing the gender pay gap** and strengthening a corporate culture based on equity and inclusion.

TABLE 3.3 – **EMPLOYEES COVERED BY COLLECTIVE BARGANINING AGREEMENTS - PERCENTAGE (2024)**

	COVERED BY COLLECTIVE BARGAINING AGREEMENTS
ITALY	100%
SLOVENIA	100%
CROATIA	100%
USA	0%
CHINA	0%
THAILAND	0%
GERMANY	0%
TURKEY	0%
AUSTRALIA	0%
BELGIUM	0%
UNITED KINGDOM	100%
TOTAL	**65%**

* The gender pay gap is calculated using the following formula, in line with the methodology specified in the ESRS standards: (male pay level - female pay level) / male pay level. Until 2023, the gender pay gap was expressed as the ratio of average female wages compared to average male wages (equal to 100%).

TABLE 3.4 – **GENDER PAY GAP BY COMPANY AND PROFESSIONAL ROLE - EXCLUDING VARIABLE COMPONENTS AND BENEFITS (2024)**

The gender pay gap is calculated using the following formula: (male pay level - female pay level) / male pay level. If the ratio is positive, the average male wage level is higher than the average female wage level; if the ratio is negative, the average female wage level is higher than the average male wage level.

	Senior Management	Executives	Managers	White-collar	Blue-collar
Jiaxing - Aquafil China		N/A Male only	4.9%	-7.5%	15.0%
Oroslavje - AquafilCRO			36.5%	-11.7%	4.8%
Cares - Tessilquattro			-14.9%	19.2%	1.0%
Rovereto - Tessilquattro			N/A Male only	23.8%	10.1%
Cartersville (Georgia) - 1 Aquafil Drive USA 1	N/A Male only	N/A Male only	23.6%	23.7%	13.7%
Cartersville (Georgia) - 101 Fiber Drive USA 2			N/A Male only	N/A Women only	1.9%
Phoenix - Aquafil Carpet Recycling #1			N/A Male only	26.0%	25.2%
Ajdovscina - AquafilSLO			N/A Male only		N/A Male only
Celje - AquafilSLO		N/A Male only	N/A Male only	N/A Women only	6.4%
Ljubljana - AquafilSLO	N/A Male only	29.8%	2.5%	-1.4%	3.7%

	Senior Management	Executives	Managers	White-collar	Blue-collar
Senozece - AquafilSLO			N/A Male only		-0.9%
Aquafil Carpet Collection LLC		N/A Male only	12.3%	N/A Women only	N/A Male only
Rutherford College - Aquafil O'Mara		N/A Male only	-12.9%	-12.7%	4.4%
Arco - Aquafil	N/A Male only	17.9%	19.3%	8.1%	0.6%
Kilbirnie - AquafilUK		N/A Male only			
Rayong - Asia Pacific			N/A Male only	-68.4%	-14.8%
Istanbul - Aquafil Textil Sanayi			N/A Male only	N/A Women only	N/A Male only
Harelbeke - Aquafil Benelux France B.V.B.A.		N/A Women only	N/A Male only	30.8%	
Melbourne - Aquafil Oceansa Pty Ltd		N/A Male only		N/A Male only	
Berlin - Aquafil Engineering Gmbh		N/A Male only		17.5%	

3.1.2

Promoting safety and well-being

We are committed to creating working conditions that promote **physical and mental health** by providing adequate resources and support mechanisms to meet daily challenges. In addition to implementing **prevention and safety policies**, we invest in initiatives that foster a healthy **work-life balance**, stimulating a climate of trust and mutual support. In this chapter, we delve into the concrete actions taken to ensure that every member of our team can work in a **safe, healthy and sustainable environment**.

Stable employment relationships

A **stable and secure job** that can provide a regular income is essential to provide **peace of mind and well-being** while contributing to each individual's job satisfaction. At Aquafil, we give priority to establishing long-term working relationships, fostering employment stability. **93.5%** of our employment contracts are **permanent** and **97.4%** are **full-time** (see Table 3.5) - both figures are up from the previous year (in 2023 the percentages were 91% and 96.8%, respectively).

This approach not only protects employees but also benefits the company by enabling it to ensure **business continuity**, **foster long-term strategic and operational planning**, and reduce the risks associated with the **loss of key talent and high turnover**, with a positive impact on retention. The use of fixed-term contracts remains limited and is only used to handle temporary and unpredictable production peaks. In 2024, there were no **strikes**, proof of the effectiveness of our policies.

TABLE 3.5 – **TYPE OF CONTRACT BY GENDER - HEADCOUNT (2024)**

	Male	Female	Total	%
Permanent	1,581	654	2,235	93.5%
Fixed-term	85	70	155	6.5%
Full-time	1,645	683	2,328	97.4%
Part-time	21	41	62	2.6%

With regard to workers who are not employees, there were **138 external workers** employed in 2024, most of whom perform work through **agency contracts**, mainly in the field of production. This category was excluded from the employed labour force metrics. There were no **non-guaranteed hours** workers among Group employees.

Welfare plans and work-life balance

In 2024, the corporate **welfare scheme** adopted the previous year was reconfirmed while keeping the dedicated **budget** unchanged. This **benefits system** is designed to attract, motivate and retain employees, ensuring their physical and psychological well-being.

The program is divided into **two main categories**: on the one hand, **fixed benefits**, such as **pension**, **insurance** and **health plans** offering employees and their families a range of customisable non-monetary services; and on the other hand, **variable benefits**, linked to a **collective incentive system** that rewards the achievement of annual company goals. Employees can choose whether to allocate the incentive, if accrued, to welfare plans or receive it as part of their salary.

Since 2023, the Group has introduced the **Global Parental Policy**, which ensures paid parental leave for all employees, even in countries without specific regulations such as the United States. In addition, employees in Italy, Slovenia and Croatia, continue to benefit from the **agreement on agile working**, fostering a better work-life balance.

Again this year, numerous **social and sharing activities**, such as company picnics and buffets, were organised, creating moments of meeting and getting to know each other outside the work environment, and thus strengthening corporate identity and the spirit of **belonging**. Among these team-building activities, participation in the Trentino Business Run, a non-competitive run for companies in Trentino, organised by Group Cassa Centrale e Garda Dolomiti Azienda per il Turismo S.p.A. in the beautiful setting of Garda Trentino, was particularly appreciated. Our team, full of energy and determination, took part in the event along with more than 1,200 members from 56 companies.

Health and Safety

We are committed to ensuring health and safety through policies, initiatives and investments aimed at **preventing and reducing** workplace risks, accidents and injuries.

Within the Aquafil Group, **99%** of employees are **covered by the health and safety management system**, described in detail in this section.* Most plants are also certified according to ISO 45001 (see section 4.7).

Thanks to our efforts, **no workplace deaths occurred** in 2024. One serious injury was reported (see table 3.6).

TABLE 3.6 – **INJURIES, WORK-RELATED ILL HEALTH AND WORKING DAYS LOST WITH RELATED INDICES OF FREQUENCY, SEVERITY AND RISK (2024)**

	2024
Hours worked	4,584,610
Incidents of work-related ill health	1
Accidents > 3 days	41
of which serious injuries	*1*
Working days lost	1,381
Frequency index **	8.94
Serious injuries frequency rate	*0.22*
Severity index ***	0.30
Risk index ****	2.69

THE 5 PILLARS OF OUR HEALTH AND SAFETY MANAGEMENT SYSTEM

1. Careful **risk analysis** to prevent accidents and ensure employees have access to appropriate personal **protective equipment**.

2. A **Health and Safety Committee** present at each Group company, responsible for monitoring incidents, periodically assessing the effectiveness of preventive measures and promoting the **sharing of best practices** among plants.

3. Continuing education programmes to spread a culture of safety and reduce human-related accidents, the leading cause of injuries at our production sites. In 2024, nearly **12 thousand hours** of s**afety training were** provided (see section 3.1.3).

4. A structured **corporate procedure** for **reporting injuries**, supported by a digital platform.

5. The presence of **a company doctor** and a **health surveillance system** to protect workers' health.

* The 1% of workers not covered concerns employees of small trading or service companies
** The frequency rate correlates the number of occupational accidents to the extent of exposure to risk (it is calculated by dividing the number of accidents resulting in over-3-days absence from work multiplied by 1,000,000 compared to the number of hours worked).
*** The severity index correlates the severity of the accident to the extent of exposure to risk (it is calculated by dividing the number of days lost over 3 days multiplied by 1,000, compared to the number of hours worked)
**** The risk index correlates the frequency rate and severity index.

3.1.3

Fostering personal and professional growth

We believe in the value of **continuing education** as a tool to support our employees, in reaching their potential. With an approach that fosters **curiosity**, **innovation** and **competence**, we accompany them on their journey of personal and professional growth within our organisation.

In 2024, we delivered more than **33 thousand hours of training** (see Table 3.7) divided into six subject areas: technical, human rights, health and safety, languages, environment and business conduct. Courses involved all company levels, averaging **14 hours of training per employee** (see Table 3.8), equally distributed between men and women.

33 thousand
Hours of training in 2024

Training takes place both in-person and online via a digital platform that provides access to a wide range of training resources and content. "***Aquapedia***" represents our knowledge centre by offering a comprehensive catalogue of technical courses, interactive programmes on soft skills, articles and videos, accessible to all employees.

Over the past year, we have continued to work to develop **projects aimed at growing** talent and strengthening skills, including the Do Ut Des and Talent Management programs, the onboarding process, and Communities of Practice. The main change in 2024 was the creation and approval of a policy for **succession planning**, a strategic step to ensure continuity. All our initiatives are detailed below.

TABLE 3.7 – **HOURS OF TRAINING BY AREA (2024)**

	Total hours
Technical	14,593
Human rights	1,571
Safety	11,682
Languages	3,022
Environment	1,822
Business conduct	673
Total	**33,362**

TABLE 3.8 – **HOURS OF TRAINING BY GENDER - TOTAL AND AVERAGE VALUE (2024)**

	♂	♀	Total
Total hours	23,208	10,155	33,362
Per employee	13.9	14	14

A well-structured onboarding program is essential for welcoming new team members to Aquafil. Our training journey goes beyond practical information—such as how our services work, how to access documents and procedures, and understanding employee rights and responsibilities.

The core goal is to convey the true spirit of the Aquafil Group: a company deeply committed to environmental and social responsibility, where values are turned into concrete actions for people, the planet, and local communities.

We want every new colleague to feel fully part of this vision and to understand how their contribution supports not only our economic goals but also our broader mission of positive impact and long-term responsibility.

Teresa Cadura
Training and Development Specialist

Search for new talent

Attracting and retaining young talent is a growing challenge, not only for our company, but for many European enterprises, due to the progressive (and systematic) ageing of the population.

Currently, those **under 30** make up **12% of our workforce** (see Figure 3.4 and Table 3.9), a percentage that is slightly down from the previous year (15%). However, we firmly believe in the value and potential of the younger generation and are intensifying our efforts to **attract and retain talent**.

To encourage the entry of new resources, we actively **co-operate with local universities and colleges**, holding numerous meetings with students each year. These initiatives include visits to our plants and speaking at local schools and universities. We also participate in **networking** events and **career days**, such as the **Industrial Engineering Day** of the Department of Industrial Engineering at the University of Trento, which is a strategic opportunity to connect with young professionals interested in learning about us.

Our commitment also extends to the world of research by partnering with universities and **funding doctoral scholarships**. In the past year, we continued to sponsor two PhD courses in collaboration with the University of Trento and the University of Salerno, thus consolidating our contribution to advanced education and innovation.

FIGURE 3.4 – **BREAKDOWN OF STAFF BY AGE - HEADCOUNT (2024)**

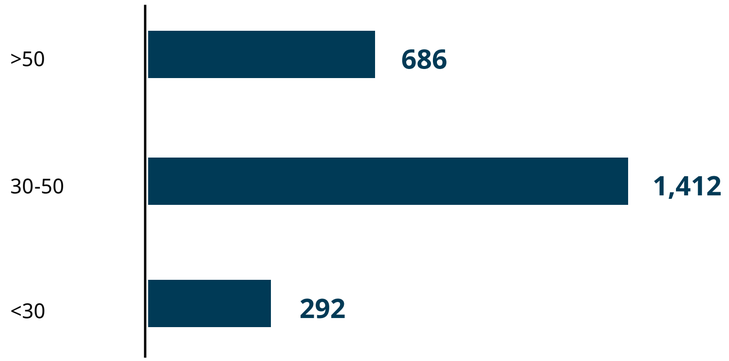


TABLE 3.9 – **BREAKDOWN OF STAFF BY AGE, ROLE AND GENDER - HEADCOUNT (2024)**

	<30		30-50		>50	
	♀	♂	♀	♂	♀	♂
Executive	0	0	3	6	5	26
Managers	0	8	28	58	12	62
White-collar	18	17	126	103	52	52
Blue-collar	37	212	295	793	148	329

Onboarding e mentoring

We improved the **onboarding** procedure by structuring it into three stages: "**pre-recruitment**", "**first day**" and "**next days**." The new employee is welcomed by the HR team and their supervisor, supported by a **mentor**, to facilitate integration and understanding of the company culture and provide a point of reference for any needs. Subsequently, through a structured course, **dedicated material** and the Aquapedia e-learning platform, s/he is able to enhance their skills and processes independently and gradually.

Skill assessment

The "Do ut Des" project to promote a **feedback culture** and structure a performance **evaluation process** between manager and employee continued in 2024. This system helps **map soft skills** and identify **areas for development** and define targeted training paths for each business role.

Enhancing talent

In 2023, we launched the “Talent Management” project with three stages: defining, evaluating and enhancing talent within the Group. The first has been completed, the second is in progress, and the third will start in 2025.

TALENT MANAGEMENT PROJECT WITH THREE STAGES

1. **WHAT IS TALENT?**
   We **profiled talent**, identifying qualities, attitudes and skills that characterise them locally and globally.

2. **HOW TO RECOGNISE IT?**
   We have initiated a process of **assessing the potential** of Aquafil employees, using a uniform approach throughout the Group. Over the past year we have identified the profile of talent at **local level** while the assessment on a global scale is still in progress.

3. **HOW TO ENHANCE IT?**
   In 2025, we will launch different types of initiatives to nurture and retain local talent, including **training courses**, **coaching**, **networking events**, **career plan** setting, role rotations and revised compensation packages.

Communities of Practice

Our **communities** established to foster **cross-collaboration** among employees of different Group companies around specific topics continue to grow. The goal of Communities of Practice is to give people the opportunity to engage with colleagues from other plants to **share information** and best practices in order to expand their knowledge and achieve business goals more quickly.

Succession planning for key figures

Managing the succession of key figures is a key element in ensuring the long-term stability and growth of the company. To meet this challenge, the Group has introduced a **new succession planning policy**, based on five essential principles: business continuity, preparedness, meritocracy, transparency and harnessing internal talent.

The process involves an annual analysis to **identify strategic roles**, followed by the **establishment of selection criteria** for **potential successors**. Then, **internal and external candidates** suitable for these positions are evaluated and, where necessary, targeted **training** is initiated to fill any skills gaps and ensure a successful transition.

Through this procedure, potential successors in key roles have already been identified.

The knowledge sharing in the Digitalization Community of Practice is a truly outstanding initiative.

The program will be transformative in our manufacturing efficiency, employee training, automation, and product quality in the coming years. The team will be setting new standards for the Aquafil Group.

Robert Rebello
Executive Vice President of Operations - Aquafil USA

3.2

WORKERS IN THE VALUE CHAIN

Aquafil's value chain consists of more than **4,500 suppliers and customer partners** from nearly 200 different industries. In assessing our material impacts, risks and opportunities, we considered **three categories of workers** belonging to our supply chain: workers who serve at our suppliers (upstream), those who work at our customers (downstream) and those who work at Group sites but are not part of our workforce (mainly extraordinary maintenance workers and employees of cleaning companies). The type of activities carried out by upstream and downstream workers in the supply chain are outlined in section 1.2.4.

The **main** material **IROs** related to value chain workers are summarised in Table 5.12 in the Appendix. The identified actual or potential negative impacts do not result directly from Aquafil's strategy and business model, but are generated by players in the supply chain. On the other hand, the main positive impact identified derive from the Group's ESG strategy One of the pillars of our "The ECO PLEDGE®" is "sharing responsibility along the supply chain", and to achieve this we foster the principles of our Code of Conduct and Human Rights Policy among our partners. In relation to risks and opportunities, Aquafil has not identified dependencies in relation to workers in the value chain.

Supervision of the **value chain** is assigned to the Presidents responsible for the three **product areas**. In 2024, the company allocated Euro 72,000 of OpEx expenses to the value chain topic. In recent years, we have implemented a set of policies and procedures to **mitigate risks and negative impacts**, improve **monitoring of our partners**, and promote **ethical supply chains**. The main ones are listed below and elaborated on in the paragraphs to follow.

- **Signing of the Aquafil Code of Conduct**
- **SA 8000 Social Accountability Certifications**
- **Human Rights Policy**
- **Whistleblowing system**
- **Supplier engagement procedure**
- **Reputational analysis of customers**

These policies and procedures are complemented by an additional initiative launched in **2024** with the support of **EcoVadis**, a leading sustainability ratings company. This is a new project to strengthen the monitoring and mapping of ESG risks in the value chain (for more details, see section 1.5.3).

Using **IQ+**, a tool provided by EcoVadis, we were able to identify partners operating in **sectors** and **geographic areas** at high risk of **human rights violations** and **modern slavery**. The sectors most at risk are the **manufacture of textile products**, and their spinning, weaving and finishing - activities downstream in Aquafil's value chain. Geographically, the main countries where our business partners belonging to the aforementioned sector are concentrated are the **United States**, **Italy** and **China**.

Based on the results of this preliminary risk mapping, we have scheduled for 2025 further insights into the 55 partners deemed **most critical**, which will be subjected to fully-fledged **ESG risk ratings**.

From the resulting outcomes, the Group may, if necessary, **set targets**, require **corrective action** or the implementation of **additional safeguards** to mitigate negative impacts, and introduce **mechanisms for involving workers** in the value chain - not present at the moment.

Signing of the Aquafil Code of Conduct

First, all of our partners are required to take note of Aquafil's **Code of Conduct**, which repudiates any kind of behaviour involving forms of **slavery**, **forced labour**, **child labour**, **corruption**, **discrimination** or **violation of workers' human rights** (all principles and contents of the code are summarised in section 4.1).

Although the Group has not prepared an ad-hoc code of conduct for suppliers, they are required to sign a **declaration of acceptance** of the Code of Conduct, and any violation of the moral principles described therein could result in **termination of the contract**.

SA 8000 Social Accountability Certifications

A large number of Aquafil Group companies have also obtained **SA 8000 Social Accountability certification** (see section 4.7), which is a third-party assurance of our compliance with eight social responsibility criteria: child labour, forced labour, health and safety, freedom of association and the right to collective bargaining, discrimination, disciplinary procedures, maximum working hours and minimum wage.

This certification extends its r**equirements** to the entire **chain of suppliers** and subcontractors, requiring that they too meet the same standards. In Group companies, **compliance** is **verified** through the **supplier engagement procedure**, described in this chapter.

Human Rights Policy

As of 2023, Aquafil has published a Human Rights Policy (see section 3.1.1) to raise awareness of human rights protection among **employees**, **customers**, **suppliers** and **investors** and establish a system of **continuous monitoring** in all business activities and processes. The policy is inspired by the fundamental principles contained in the **United Nations Universal Declaration of Human Rights**, the Fundamental Conventions of the ILO (International Labour Organization) and the **OECD Guidelines**, reaffirming our commitment to responsible and sustainable management.

Whistleblowing system

All actors in the value chain, including workers or their representatives, have a **whistleblowing tool** available to **report possible violations** of human rights or social responsibility principles. Details of the system are provided in section 4.4. Anonymity and non- retaliation are always guaranteed.

In 2024, no Group company received any sanctions regarding violations of laws and/or principles and regulations pertaining to human rights.

Supplier engagement procedure

The Group has a **Green Procurement Policy**, which codifies the **procedure for qualifying a new supplier**. This involves three steps:

- We require suppliers to complete a **self-assessment questionnaire to analyse their performance** in five key areas: **quality management**, **health and safety**, **energy performance**, **environmental performance** and **social responsibility**. The data collected is used to **assign a score**; providers who do not meet the minimum threshold set by Aquafil are excluded from engagement.
- We prepare **internal reporting** to ensure transparency and constantly monitor suppliers, which indicates both the number of certifications held by each supplier and the score obtained in the self-evaluation questionnaire.
- We conduct **periodic Internal Audits** to assess the effectiveness of our procurement procedures and identify opportunities for improvement.

Reputational analysis of customers

To ensure that activities with customers are conducted in accordance with the principles of **integrity, transparency, professionalism** and **clarity**, we adopt an internal procedure for the **reputational assessment** of customers. The analysis is carried out on the basis of **reputational surveys** conducted by specialised companies or by relying on the opinion of the Insurance Companies that grant any insurance credit lines.

GREEN PROCUREMENT POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Formalises policies for supplier qualification, and responsible procurement of products, materials and services, to ensure environmental protection and health protection.

- List the Group's commitments to building a resilient, sustainable and ethical supply chain
- Codifies the procedure for qualifying a new supplier, and the controls put in place.

E1 Climate change, E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, E5 Circular economy, S2 Workers in the value chain, G1 Business conduct.

Employees, customers, suppliers, other stakeholders.

The policy was approved by the Board of Directors. The ESG Committee, including through the ESG Director, is responsible for its implementation.

CSDDD (Corporate Sustainability Due Diligence Directive).

3.3

CUSTOMERS AND END-USERS

Aquafil's customer base is an **industrial** base: we maintain **B2B business relationships** with **companies** that use our nylon thread or compound to **make intermediate or final products** in the textile flooring, apparel or design industries.

Our customers' **requests and perspectives** are collected daily by the **sales force**. This **process of constant dialogue** helps us better understand and meet emerging needs, mitigate risks and negative impacts, and pursue opportunities. The company also maintains customer relationships through industry events and trade shows, including **Techtextil** and **Quattroruote Next** in Italy, **Fakuma** in Germany and **India Carpet Expo**. The **Presidents** of Aquafil's **main business lines** - BCF, NTF and Polymers - have a responsibility that this continuous exchange takes place and is taken into account when setting Aquafil's policies and actions. In 2024, the company allocated over Euro 330,000 of OpEx expenses to the theme of customer relationship and collaboration.

The main **impacts, risks and opportunities** generated on customers are summarised in Table 5.14 in Appendix 5.4. In assessing materiality, the Group considered both **direct impacts** on its customers and **indirect impacts** on **end-users**, who purchase products made from our nylon. Positive impacts and opportunities arise from the Group's strategy and business model of investing in R&D to offer better and better products, and involving customers in eco-design or circular economy projects.

The identified negative impacts and risks, all potential, are related to Aquafil's operations. Mitigation measures have already been put in place for these, which are discussed in more detail in this section.

In general, to best manage the identified IROs, we have put in place a series of **policies, actions and initiatives**, divided into four categories:

- Product management, health and safety
- Inclusive and transparent communication, against greenwashing
- Collaboration for eco-design and the creation of circular supply chains

The **effectiveness** of the customer engagement process is assessed through s**uccessful completion of projects** and **broad participation** in Group initiatives involving B2B customers. These aspects are discussed in more detail in the following sub-sections.

CLICK TO FIND OUT MORE

3.3.1

Product management, health and safety

Aquafil offers its customers a **wide portfolio** of quality products, which is constantly being updated thanks to the **research and development activities** carried out within the Group, aiming at the constant improvement of the offering and the introduction of **new circular products** to the market (see section 1.2.5). The company also offers its customers the opportunity to request **custom prototypes or samples**, and to make **returns and complaints** through a structured system.

Our products are in line with the highest **safety standards** in handling **hazardous chemicals**.

All of these aspects help the company **retain customers** - who generally engage in established medium- or long-term business relationships - and to remain competitive.

We protect human health and the environment in three ways:

A **clear policy establishes** guidelines for a strict control system for the management of hazardous chemicals.

Third-party certifications ensure the safety of our products: all Aquafil companies in Europe are certified to comply with the European Union Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). We also hold other certifications, listed in section 4.7.1.

A **Sustainability Compliance Team** supports all Group plants on REACH regulatory issues.

3.3.2

Inclusive and transparent communication, against greenwashing

Aquafil takes the utmost care in **communicating** about its products - both in relations with its B2B customers and B2C users - to ward off any **risk of greenwashing**. We ensure the **highest accuracy and transparency** of information in several ways.

First, we acquire and periodically renew a number of **product certifications**, which attest to the **presence of recycled material** in our ECONYL® nylon or assess its environmental footprint throughout its life cycle (see section 4.7.1). These certifications clearly communicate to customers the composition and impact of products on our planet, increasing transparency and thus mutual trust.

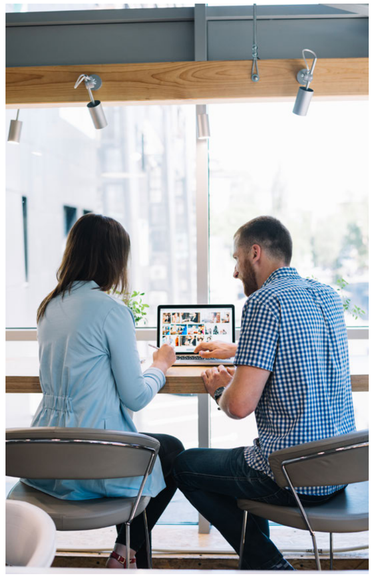
Second, Aquafil is committed to **supporting its customers** to ensure **responsible marketing** regarding **ECONYL®** nylon products, preventing ambiguous or incorrect information from reaching end-users. The company does this by **establishing guidelines** that customers must adhere to and, as of 2018, through an internal ad-hoc team that works directly with customers to prevent greenwashing.

The team also regularly monitors **digital platforms**, including **websites**, social media and news channels, with the goal of detecting and correcting any **brand-related** inaccuracies.

Finally, through the ECONYL® brand, the Group carries out **positive, educational and inclusive communication** activities towards customers and end-users, with the aim of **spreading** awareness of sustainability and circularity issues, and raising awareness towards more **responsible purchasing choices**.

The main **training and information activities** fielded are detailed in section 2.5.3, and include both **physical** (plant visits) and **digital** (blog articles, webinars, podcasts, newsletters, and social media) initiatives.

The effectiveness of online initiatives is assessed by monitoring key KPIs tracked on sites with Google Analytics, and through quarterly reports on the performance of social profiles.



3.3.3

Collaboration for eco-design and the creation of circular supply chains

We are looking for customers who share our **dedication to sustainability** and are ready to actively contribute to our circular supply chain.

Our customers are first and foremost **partners** with whom we share a vision of a **sustainable future**. Together we develop partnerships ranging from **recovering waste materials** into nylon to **co-designing innovative**, **circular products**.

Among the various initiatives developed over the years, a notable example are the **Take Back** programmes, which involve our customers in the apparel and carpet industries in the recovery of both pre- and post-consumer **nylon waste**.

The collected waste is then returned to the production cycle through the **ECONYL® Regeneration System**. In particular, we set **ambitious targets** for carpet and rug manufacturers. By 2025, we aim to engage more than 60% of customers (based on purchase volumes) in the EMEA region in Take Back programmes. There is not far to go: in 2024, 48.5% joined such programmes.

Another noteworthy initiative is the partnership with our customers in the **eco-design** of future products. Creating a product according to eco-design principles means designing it with end of life in mind from the beginning - for example, making sure it is fully **recyclable or regenerable**.

In this regard, in 2024, we continued to pursue the **Born Regenerated to be Regenerable (R2R)** programme, which involves our customers in co-designing carpets with an eco-design perspective, making great gains. We have also reached an important milestone in the aquaculture sector by making the first **fully circular fishing net from ECONYL®**.

Born R2R: eco-design of the carpets of the future

Aquafil **works with its customers** to design **carpets** and **rugs** that can be fully disassembled and regenerated at the end of their lives, made from **ECONYL® nylon**. Products created under the **Born R2R** programme are identifiable by a distinctive logo, which facilitates their recognition throughout the supply chain and helps consumers make **responsible purchasing** choices.

For this initiative, we set ourselves an **ambitious target**: we selected **30 potential producers** that we felt might show interest, strategic affinity, production capacity, adequate infrastructure and a willingness to collaborate on the project. Our target was to get at least 50% of these producers to join by the end of 2025, formalised through the signing of a Memorandum of Understanding (MoU). To date, **47% of the selected producers** have **already joined**. But there's more: the R2R project has exceeded initial expectations, involving far more than the 30 manufacturers identified. We presented the project to a total of 55 companies, collecting 17 signed MoUs.

In 2024, an R2R carpet debuted at the Berlinale: "**DUO**", made in partnership with **Object Carpet**. What makes this product special is that the coating process **generates no harmful emissions**, **saves 95% energy**, and uses no water in production.

WHAT'S NEW IN 2024: ECO-DESIGN IN THE SHIPBUILDING INDUSTRY

We see the marine industry as a great opportunity to make a difference because of the large **amount** of carpet used on board vessels. Due to wear and tear, aesthetic choices, or technical requirements, these carpets must be **replaced with some frequency**, which varies according to cruise line decisions, location of installation and degree of deterioration.

Major refurbishments usually occur **every 5-7 years**. In the meantime, minor refurbishments are being carried out, covering more superficial areas of the ship.

To support an industry that is already the focus of attention for its **environmental impacts**, we have initiated a series of partnerships with **architects specialising** in naval design, **cruise lines**, **shipyards** and other players in the supply chain involved in the design and installation of interiors and carpet tiles.

Having overcome the complex initial technical challenges, we have already achieved tangible results with the first **R2R carpet installations**.

Circularity is not just a matter of legislation, materials, processes, and technologies. Its true strength lies in people and their choices.

Some actions have a greater impact than others, but each one – big or small – helps make a difference, both for the direction it sets and the energy it generates.

Just like in an orchestra, where harmony comes to life when every instrument plays in sync with the others, individual choices set the tempo, rhythm, and substance of this circular balance. And it is when many actions come togethr in unison that change takes shape – not imposed, but composed. Together.

Cristina Stefani
Group - BCF Marketing of Circularity Projects

The first entirely circular fishing net

In 2023, we launched a pilot project in cooperation with our customer **Diopas**, a leading European fishing net manufacturer, and **Philosofish**, a leading Greek aquaculture company. This cooperation led to the creation in 2024 of the first **100% circular fishing net** made of **ECONYL® nylon**.

The results were very positive: the performance of the new net was identical to that of standard nylon nets, but with the advantage of being fully **recyclable** and made of **ECONYL® nylon**. To achieve this goal, Aquafil has invested in the development of an **ECONYL®** thread that is **stronger and more durable** than that used for garments and carpets.

We presented this innovative project at the **Seafood Expo in Barcelona**, one of the most important seafood fairs, at the **G7 on Fisheries and Agriculture in Syracuse**, and at the **International Conference of the Fishing Communities** in Jeju, **Korea**.

Marking a significant step toward the adoption of sustainable practices in aquaculture, this project demonstrates how ECONYL® can be successfully used in sectors other than traditional sectors, helping to reduce environmental impact and promoting an increasingly **circular supply chain**.

CISUFLO: CIrcular SUstainable FLOor coverings

Approximately **3 billion m²** of carpet tiles are produced each year in Europe, often made of multi-material composites, which are difficult to separate and recyclable at the end of their life.

The **CISUFLO** project, funded by the **European Union** through the **Horizon 2020 programme**, aims to respond to the sustainability challenges of the sector with a **systems approach**, involving more than 30 partners including research institutes, companies and associations.

The ambition is to enrich the current European supply of sustainable carpets and rugs while maintaining **high standards** of quality and performance. In addition to creating new circular products, the initiative also aims to optimize the management of **waste streams** generated by existing products in the years to come.

With its leadership in the industry and the circular economy, **Aquafil** is one of the key partners in the project. Our role is to **test** the **recyclability** of nylon carpet tiles developed with **eco-design** parameters on a pre-industrial scale.

Together with manufacturing partners - including **Edel** of the **Condor Group** - we have developed a new concept of a single-material carpet made of ECONYL® that can be easily recycled at the end of its life directly into the ECONYL® regenerative process.

In addition, with external partner **Belysse**, the new **Aquafil Carpet Separation** (ACR) technology capable of **separating multilayer carpets** was tested (see section 1.2.5 “Circularity Machine”). In this case, Belysse developed a tile concept based on the use of a polyolefin polymer (Thermo Plastic Olefin - TPO) highly filled with $CaCO_3$ instead of traditional bitumen. This design greatly facilitates its separation into ACS for circular use. That material was then sent back to Belysse and circular recycling tests are now underway.

Aquafil and Voith Paper, for a more responsible paper industry

Voith Paper is a division of the Voith Group that supplies to the paper industry. Thanks to Aquafil’s support, it was able to intensify the **reuse and recycling** of one of its products, **pressed felts**. These components, which are essential in the papermaking process, are generally made of synthetic fibres, and have a significant **environmental impact**.

In a pilot phase, Voith **collected used pressed felts from its customers** at the end of their life cycle, and sent them to Aquafil to be recycled through the ECONYL® Regeneration System. The company then began purchasing new **ECONYL® regenerated raw material** to produce new felts, **reducing the carbon footprint** of this product by **80%**.

3.4

SUPPORT FOR LOCAL COMMUNITIES

Connecting with local communities is at the core of our commitment to sustainable growth.

We believe that a company's value is also measured by its ability to **generate shared well-being**. Therefore, we continue to strengthen our **dialogue with the communities** in which we operate, promoting initiatives ranging from **training to social inclusion** and **environmental protection** projects. Through **partnerships with local authorities** and **non-profit organizations**, we work to create a positive and lasting impact, contributing to the economic, social and environmental development of the regions **where the Group is present** - whether with offices, production plants or operating sites.

The materiality analysis, outlined in section 1.4, found no **negative impacts** from Aquafil or significant risks to the company in relation to local communities, instead highlighting only **positive impacts** and **opportunities** - see table 5.13 in Appendix 5.4. For this reason, the Group has not adopted specific policies or corrective actions on this issue, but only initiatives whose main purpose is to benefit the communities themselves. Positive impacts and opportunities arise from the Group's ESG strategy: indeed, one of the pillars of our "The ECO PLEDGE®" is "supporting local communities". Setting annual targets - see table 3.10 - allows us to plan activities strategically and allocate the resources necessary for their implementation. The Group has not identified any dependencies in relation to local communities.

This year we focused on **three main fronts**: investing in future generations, helping the most vulnerable and taking action to defend the environment, allocating more than Euro 184,000 of OpEx expenditure to the topic of affected communities.

Through **direct and ongoing dialogue** with **representatives of our communities** - cultural associations, non-profits, schools and universities - we are able to undertake targeted initiatives that actively respond to the challenges and needs of different regional areas. Every year, the **stakeholders** we work with ask the company to **repeat the experience**, evidence of the great added value it brings.

Aquafil's Chief Communication Officer oversees the Group's local community engagement strategy, but each **production plant** is **independent and autonomous** in choosing which social and environmental initiatives to develop and in setting the budget. The company actively encourages its employees to propose activities and collaborations with NGOs, supporting the causes closest to them.

This approach ensures that we create a **bond of proximity**, allowing us to interact with local community stakeholders without filtering and to gather their perspectives.

All activities for the benefit of local communities implemented by the Group are guided by and inspired by the principles and values expressed in our **Code of Conduct** (see section 4.1) and **Human Rights Policy** (see section 3.2), including equality, solidarity, environmental protection, **protection of civil and political rights**, and **social, economic and cultural rights**. Our **whistleblowing system** is also available to this category of stakeholders, accessible through our website. If there is a suspected violation of these principles, anyone can submit an anonymous report in line with the procedure described in section 4.4.

TABLE 3.10 – **ANNUAL TARGETS RELATED TO LOCAL COMMUNITY IMPACT INITIATIVES**

Educate individuals on environmental protection by supporting local cultural and sports clubs and helping to educate younger generations	School trips to Group plants and/or school educational activities (a minimum of 25)	24
	Sponsorship of local sports and cultural events/ associations (a minimum of 30)	31
Help vulnerable groups	Support a minimum of six organisations	13

Helping the most vulnerable

We want to contribute to a more **equitable** and inclusive society that leaves no one behind. We do this in a variety of ways, including **corporate volunteering**. For the second year in a row, we made about **600 working hours** available for our employees in Italy to volunteer to support the third sector (100 more than in 2023). Initially for Arco employees only, this year the project was also extended to the Tessilquattro Cares and Rovereto plants.

600
Working hours available to volonteer

In 2024, membership more than **doubled**, bringing the number of participants from **16 to 34**. The company has set up **memoranda of understanding** with two organizations in the area - Casa Mia in Riva del Garda, a social-educational centre for children, and Fondazione Comunità di Arco, a healthcare centre for the elderly - that organise the manner and timing of activities. In May 2024, Maria Giovanni Sandrini, Aquafil's Chief Communication Officer, spoke at the **Spring Volunteering Congress 2024** of the **European Volunteer Centre**, illustrating our initiative as the first of its kind in the Trentino region. Her testimony demonstrated that corporate volunteering is a viable activity, with the goal of inspiring other organizations to follow suit.

The commitment to the **social inclusion** of young and old also continues in other regions where the Group operates. In **Slovenia**, we continue to support the multigenerational centre of the humanitarian association "**FYLMP**" (Friends of Youth Ljubljana Moste Polje), which offers programmes, tutoring, and workshops for children, adolescents and the elderly to combat poverty and social exclusion.

In **China**, we have started a new partnership with the **Qin Qin Older Nursing Centre**. The human resources department and nine volunteers devoted time and energy to improving the well-being of elderly residents through **social activities**, **practical support and listening**.

Finally, our commitment against **violence against women** continues, thanks to our collaboration with the Alba Chiara Association (see p. 107), and the **breast cancer awareness** activities carried out by AquafilCRO through "**Pink Week**". This is a week dedicated to prevention in the company, which is accompanied by a donation to the Europa Donna Krapina Association.

In recent years, China's philanthropic sector has experienced significant growth, characterized by increasing diversity and vitality. Aquafil Jiaxing collaboration with philanthropic partners and local advocates deepens our definition of sustainability. From caring for the elderly, helping children in need, integrating people with disabilities to women's health programs, each project begins by listening to the community. Together, we are doing more than just providing aid – we are building inclusive systems where dignity and resilience coexist.

By working closely with local communities and partners, we realize that sustainable development thrives when we listen, adapt, and act together.

Yihuan Wang
HR Department - Aquafil Jiaxing

Investing in future generations

Betting on young people is an act of responsibility, enabling us to leave a **positive legacy** and build an **inclusive future** - a future in which talent can emerge regardless of background, and in which economic growth and social progress go hand in hand. At Aquafil, we invest in the younger generation through learning programmes, scholarships and collaborations with academic institutions.

In 2024, we conducted **24 meetings with students**, including **visits by local schools** to our plants and **lectures** at local colleges and universities. We aim to maintain this commitment - about 25 meetings a year - also in 2025. We also opened the doors of our Italian production sites to employees, families and friends for "**Family Day**", welcoming more than 650 people. Through **guided tours**, **creative workshops**, and **play-experiential activities**, even the youngest children discovered our circular production and values.

Also in Italy, we started a new collaboration with the EDI onlus cooperative, which led to the development of **training courses** to "prepare for the future" the students at the Hotelier Institute in Rovereto and the UPT - School of Professions for the Service Sector in Arco. Through multimedia workshops, the children addressed topics such as the **conscious use of digital technologies** and the prevention of **cyberbullying**.

Once again this year, we offered our support to the most deserving students of the ITET Floriani Technical Institute in Riva del Garda (TN), Funding **five scholarships** to support the growth of new talent. **Sponsorships of local cultural associations** and **sports clubs** also continue.

In Slovenia, Aquafil renewed for the second year its support for the "**Circularity is our opportunity & Design Challenge**" initiative of the **Eco-schools Slovenija** programme. The project involved **61 schools and 2,000 children** (more than double the previous year's number) in educational activities in the circular economy. AquafilSLO contributed by organizing three **workshops** for teachers and students, and by participating in the production of the first teacher's manual on "Circular Economy and Textiles" in Slovenia, funded by the Slovenian Ministry of Education and the European Union, and developed in cooperation with Eco Schools and the faculties of pedagogy and natural sciences at the **University of Ljubljana**.

Given the success in 2023, the partnership with the **Slovenian Chemical Society** has also been extended for another academic year. We have confirmed funding for a competition in the area of sustainable chemistry to reward the **best** three-year, master's and doctoral **theses**. Out of 20 applications received, we awarded four candidates.

In the United States, our partnership with the **Parson School of Design in New York** also continued, giving MFA Textiles course participants the opportunity to experiment with eco-design and create innovative products from ECONYL® nylon. In 2024, some students had the opportunity to exhibit their innovative light installations in our showroom at **NeoCon**, one of the largest design fairs in the world.

ALBA CHIARA

ASSOCIAZIONE
DI PROMOZIONE SOCIALE

TURNING PAIN INTO HOPE

Alba Chiara Baroni, daughter of Massimo, our collaborator, was **killed by the person who said to loved her** at only 22 years old, with four gunshots. The association that bears her name works every day to "turn pain into hope" so that such stories never happen again.

Through our Benefit Company Bluloop by Aquafil, we renewed our support for its activities for the third consecutive year, **co-funding** high-impact community projects.

BEGINNING AGAIN ("PUNTO E A CAPO")

This is a free course designed as a **time of rebirth** for women who have experienced violent relationships in the Alto Garda and Ledro Valley community. Two facilitators accompany participants in **sharing** their experiences to help them develop greater self-awareness and build **generative relationships** among women.

VERA GHENO PRESENTS "GRAMMARIANS" ("GRAMMAMANTI")

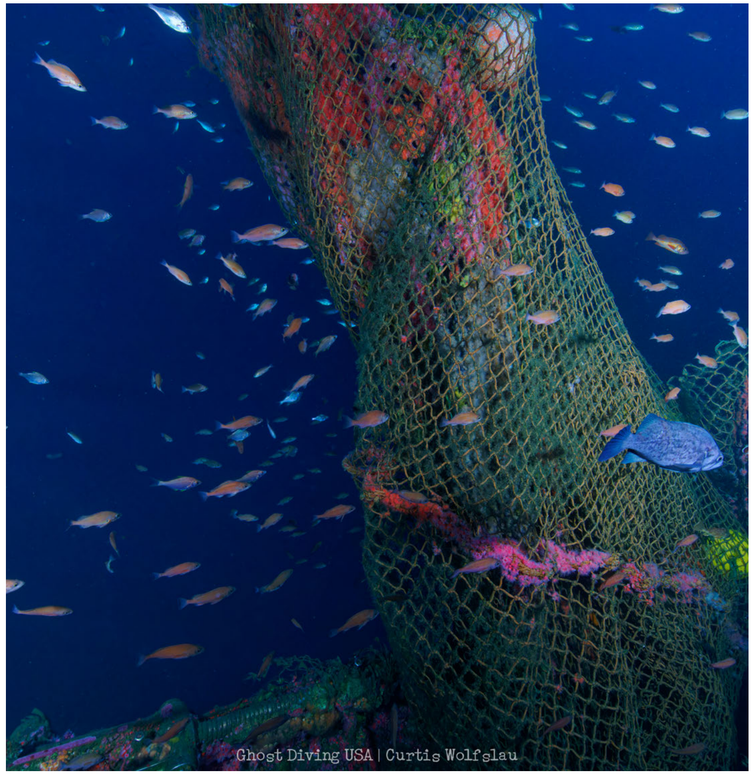
Words are important - for education, culture and the construction of our worldview. But language must be alive and able to evolve to realise its **transformative potential**. This is the theme of Vera Gheno's new essay, presented in Riva del Garda at a sold-out event. The author urged the more than 150 participants to be wary of "**grammar Nazis**", who rigidly defend linguistic norms, and to become "**grammarians**", cultivating an open and creative relationship with words.

INVISIBLE INKS

After the feminicide of Giulia Cecchettin, a Group of **girls** from a local high school approached Alba Chiara seeking **educational support**. Thus was born "Invisible Inks", a journey to discover **feminist** and **radical authors** who remained in the shadows because of a hegemonic and patriarchal cultural system, such as Maria Lai and Natalia Ginzburg.

Taking action to protect the environment

Our impact on the land also comes through environmental protection. In addition to **emissions reduction** initiatives (see section 2.1.3), and **education and information** activities on sustainability matters, described under the ECONYL® project (see section 2.5.3), Aquafil is a co-founder of **Healthy Seas**, a foundation whose ambitious goal is to spread awareness about marine litter prevention by organising cleanup and recovery activities with volunteer divers.



HEALTHY SEAS®

HEALTHY SEAS: FROM WASTE TO WEAR

According to the Ellen MacArthur Foundation, by 2050 we will find **more plastic than fish** in the oceans. 75% percent of this plastic comes from fishing activity, specifically from **nets dispersed at sea**. By partnering with **Healthy Seas**, we seek to be an active part of the solution and promote marine waste circularity.

"The Healthy Seas Foundation" is an organisation that Aquafil co-founded in 2013, with the goal of **combatting** ocean **pollution**. In 11 years of operation, it has recovered more than **1,228 tonnes of fishing nets and other marine waste**, involving more than **550 volunteers** and forming partnerships with more than **1,250 fishermen** and fish farmers in **20 countries**. Healthy Seas' activities are based on three basic pillars: cleaning, education and prevention.

2024 Was an extraordinary year for ocean cleanup: Healthy Seas conducted 126 days of diving and 21 days of surface cleaning, removing approximately 237 tonnes of waste. **The largest "clean-up" operation** ever took place in Menidi, Greece, where more than 50 large containers of marine waste were collected in just six days. All nylon fishing nets collected were sent to Aquafil and, along with other waste, **regenerated into ECONYL® nylon**.

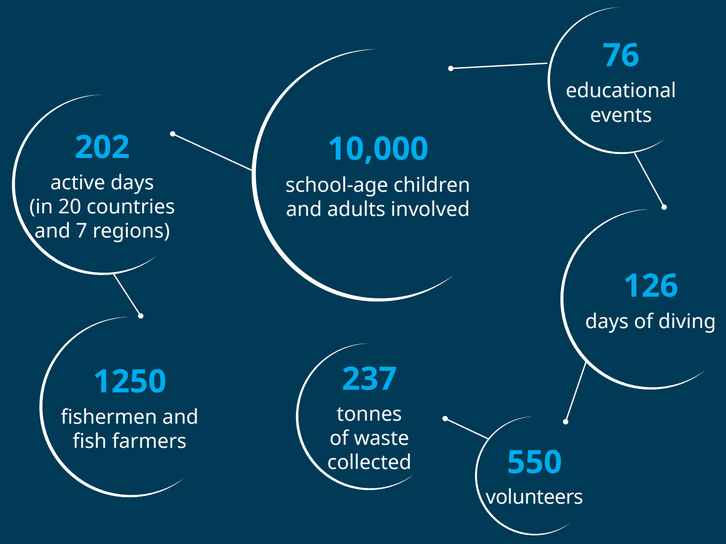
At an educational level, the organisation sponsored **76 educational events**, involving nearly **10,000 people worldwide**. Initiatives have included interactive projects in schools, programmes for college students and workshops with local communities to spread awareness on marine pollution. Particularly innovative was the use of **virtual reality** to show the impact of ghost networks.

Healthy Seas has also landed in **Ghana**: through a partnership with **Chaint Afrique**, it trained local fishermen on sustainable fishing methods and the recovery of abandoned nets.

2024 Also saw a strengthening of activities on the prevention front. The foundation has extended collaboration with the fishing industry, ports and coastal communities to improve marine waste management, involving more than **1,250 fishermen and fish farmers**.

Healthy Seas' efforts have received extensive media coverage, with articles published in leading newspapers in several languages such as **Euronews**, **World Economic Forum**, **Kathimerini**, **Vanity Fair**, **Marie Claire** and **Il Sole 24 Ore**.

HEALTHY SEAS 2024 IN NUMBERS



4 BUSINESS CONDUCT

4 BUSINESS CONDUCT

KEY FACTS AND STATISTICS – 2024

670 — **670 hours** of **training** in **business conduct**

44% — **Female Directors** on the **Board** of **Directors**

0 — Fines, **penalties** or legal action for **corruption** or violation of the **Code of Conduct**

Whistleblowing platform available in the main languages of the Group

Approval of the succession plan for key positions

4

BUSINESS CONDUCT

Corporate integrity is not only a moral obligation, but a strategic lever that creates value in the long run.

Aquafil promotes business conduct and a **corporate culture** based on **integrity, transparency and diligence**, encouraging **individual** and **collective responsibility**. Through a structured system of principles, processes, policies and tools, the Group ensures compliance with the **highest ethical standards**, and prevents misconduct or wrongdoing.

Aquafil's **Board of Directors** establishes the basic principles of Group corporate conduct and culture through the definition and approval of the **Code of Conduct**, which is our **moral compass** (see section 4.1). Leveraging **Directors' expertise** in management and control, corporate restructuring, and business conduct, the Board periodically reviews and improves the Code: the last update was completed in 2023.

The Group also has a number of other policies and procedures with the same purpose, including the 231 Model (see section 4.2), the Anti-Corruption Policy (see section 4.3), and the Whistleblowing System (see section 4.4), in addition to the aforementioned Human Rights Policy (see section 3.1.1).

Employee **training and information** is another key tool for disseminating principles of good management and ethical business conduct. All new hires are required to sign the Code of Conduct and undergo training to thoroughly assimilate its principles during onboarding.

Each year, we also hold professional **development courses** on business integrity topics to help people better understand the company's **ethical values** and the procedures that ensure their compliance. Topics include the **231 Model**, **anti-corruption policies**, and the **whistleblowing procedure**. In 2024, we undertook more than 670 hours of training in business conduct, which also involved 65% of management functions (see section 3.1.3).

This holistic system enables us to generate opportunities and positive impacts throughout the value chain, and to minimise risks and negative impacts. **The materiality analysis** described in section 1.4 identified four material IROs related to the topic of business conduct. These are shown in table 5.15 in Appendix 5.4. Overall, in 2024 the company allocated more than Euro 30,000 of OpEx expenses to the topic of corporate conduct and culture.

4.1

CODE OF CONDUCT

We act with transparency, honesty and in compliance with laws and regulations.

Aquafil's **Code of Ethics** is the basis for our business conduct. It establishes standards of **diligence, integrity and transparency** that stakeholders must adhere to in their daily activities. The Code strictly and without exception prohibits any behaviour involving forms of exploitation (such as slavery, forced labour or child labour), **corruption, discrimination** or violations of **workers' human rights**, placing respect for the individual and dignity at the centre.

Aquafil makes a copy of the Code available to all employees, suppliers, customers and outside contractors and requires their **acceptance**. The Group is also committed to providing training on the Code, in order to promote in-depth knowledge and correct interpretation; encouraging its use as a practical, everyday tool at all levels of the organisation.

The Code of Conduct can only be amended by the **Board of Directors**. The **Supervisory Board** ensures oversight of its implementation in Group activities.

Any addressee who becomes aware of a violation of the principles of the Code of Conduct is required to report it as outlined in the **whistleblowing** procedure described in section 4.4. It is a tool for **preventing, detecting and managing** cases of corruption with input from **all stakeholders**. These violations are investigated by an independent body (**Management Body**) and the results are reported quarterly to the **Control, Risks and Sustainability Committee** and the Supervisory Board ensuring periodic monitoring.

In 2024, no Group company incurred fines or other penalties for violations related to the Code of Conduct or related regulations, evidence of the effectiveness of the procedures and actions put in place as part of the corporate culture that the company monitors on a daily basis.

- **Compliance with all laws (including anti-money laundering anti-corruption, antitrust)**
- **Protection of human rights**
- **Loyalty and integrity in dealing with customers, suppliers and institutions**
- **Health and Safety**
- **Environmental**
- **Conflict of interest**
- **Data protection**
- **Protecting intellectual property**
- **Preservation of cultural heritage and landscape**
- **Use of corporate assets**
- **Accounting and internal controls**
- **Tax compliance**
- **Human resources and employment policies**
- **Gifts**

4.2

231 MODEL

The **Organisation, management and control model** of Aquafil is a system of **rules, procedures and controls** designed to ensure **compliance with laws**. It aims to prevent offences such as corruption, involvement in organised crime, money laundering, terrorism, subversion of democratic order, market abuse, violations of security regulations and unlawful processing of personal data.

The **Model** provides for the drafting of a **Code of Conduct**, mapping of the **corporate areas at risk**, assessment of the **control systems**, and the adoption of a **disciplinary system** to punish any **illicit** behaviour. Supervision of its functioning, updating of the Model and compliance with regulations is entrusted to the **Supervisory Board**, appointed by the **Board of Directors** (see section 1.5.1).

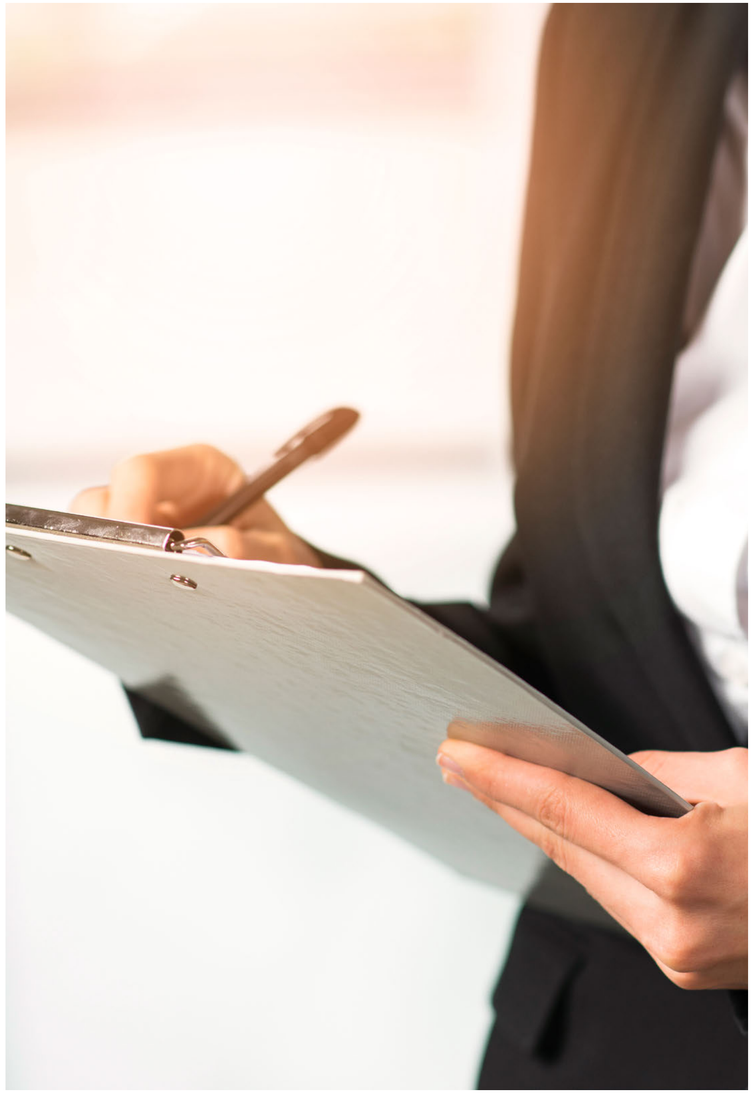
The Model applies to the **Group's Italian companies** that have adopted its principles, offering employees the opportunity to report any wrongdoing through a **whistleblowing system**.

It was adopted by the Board of Directors in **2014** and updated in **2023** to include the changes introduced by Italian legislation regarding the list of offences under Legislative Decree No. 231.

The **Model** is intended to raise awareness among all **employees** and corporate **stakeholders** so that they adopt proper behaviour in the performance of their duties. In line with the provisions of **Legislative Decree No. 231/2001**, Aquafil is committed to organising **periodic training sessions** for employees on these issues, and to providing appropriate **communications** to collaborators and external partners, to ensure that the **Model** is adequately disseminated and understood.

To ensure proper implementation of the **Model**, it is the responsibility of the **Board of Directors** to implement the necessary operational procedures, with the support of the **Supervisory Board**. These corporate instructions are considered a **duty** and **obligation** for all addressees, and their proper application depends on the primary responsibility of each individual, beginning with the heads of departments, functions or services.

Constant efforts in this area have ensured that - again in 2024 - no Group company incurred fines, penalties or legal action for irregularities or non-compliance in the areas regulated by the Organisational Model.



4.3

ANTI-CORRUPTION POLICIES

In September 2023, Aquafil's ESG Committee approved for the first time an Anti-Corruption Policy, which prohibits all forms of corruption, including **unauthorised favours, collusive behaviour and requests for personal or professional benefits**, whether for oneself or others. In 2024, the Policy was updated to include a more precise definition of corruption, in line with Italian and international best practices.

The **Policy** establishes the prohibition of:

- **Procuring**, **promising** or **offering anything of value** to anyone, including public administration officials, in order to obtain undue advantages in business activities
- **Paying bribes to obtain or extend contracts**, expedite official procedures or improperly influence third parties
- **Accepting gifts or gratuities related to conduct that violates the principles** of the Anti-Corruption Policy, Code of Conduct and applicable laws

The Group is committed to **monitoring and preventing** corruption risks in certain areas identified as **sensitive through risk assessment** including: issuance of authorisations and licenses and submission of documentation and certifications to the Public Administration, gifts and entertainment expenses, events and sponsorships, donations/membership fees, purchases of goods and services, consulting, brokerage, business partner relationships, joint ventures, acquisitions and disposals, and selection, recruitment and management of personnel.

The **Group's procedures** for preventing, identifying and handling incidents of corruption are outlined in the **Code of Conduct** and the **whistleblowing procedure** as described in sections 4.1 and 4.4. The effectiveness of our procedures, actions and ongoing commitment to training (see section 4) is demonstrated by the fact that again in 2024 no Group company incurred fines, penalties or legal action for irregularities or non-compliance with the Anti-Corruption Policy.

ANTI-CORRUPTION POLICY

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Provides a **framework** for preventing corruption by defining rules of conduct to ensure **compliance with Anti-Corruption Laws**.

- Provides a clear **definition** of corruption
- Defines the **basic principles** to be observed within the company to prevent and avoid acts of corruption
- Specifies **information, training and monitoring** arrangements to ensure maximum dissemination of the policy

S1 own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users, G1 Business conduct.

Board of Directors, Supervisory and Control Bodies, executives, employees, contractors, suppliers, customers.

This Anti-Corruption Policy has been defined and approved by the ESG Committee. The change in the definition of corruption was approved by the CEO.

The Penal Code and the Italian Civil Code, Law No. 190/2012 (anti-corruption), Legislative Decree No. 231/2001 on the administrative liability of entities, anti-corruption laws, anti-money laundering laws, privacy and personal data protection laws, the Organisation for Economic Co-operation and Development Convention on combatting corruption of foreign Public Officials in international business transactions, the United Nations Convention against corruption, the Foreign Corrupt Practices Act (FCPA) enacted in the United States, the UK Bribery Act enacted in the United Kingdom.

4.4

WHISTLEBLOWING SYSTEM

All Group stakeholders have the opportunity to report, in complete anonymity, unlawful conduct, incidents of harassment and bullying and violations of the Code of Conduct.

Transparency, fairness and integrity are the pillars of Aquafil's business conduct.

Our **whistleblowing procedure** helps us ensure the highest **ethical standards**: employees, suppliers, external contractors and customers are provided with an **IT platform** for submitting reports of **wrongdoing, irregularities and non-compliance**, accessible **24/7**.

Aquafil always guarantees **anonymity, confidentiality** and protection against any form of **retaliation** or **discrimination** against the reporter. Currently, the platform is managed by an independent entity (**Management Body**), which ensures the confidentiality of information through **security** protocols and advanced **encryption** tools.

Reports are processed **promptly** (within 7 days) by specially trained staff. If the alleged violation is among the illegal behaviours regulated by Legislative Decree No. 24 of March 10, 2023, which implements European Directive No. 1937/2019, the Management Body shall promptly inform a special Aquafil **Internal Committee** (composed of the CFO, Internal Audit, Legal, HR and a member of the Supervisory Board) to verify the merits of the report.

If the report is well-founded, the company will apply **disciplinary sanctions** proportionate to the severity of the violation. Once the internal investigation is completed, a response is provided to the reporter no later than **3 months** after receipt of the report.

If the report turns out to be unfounded, the file is closed; conversely, if the report turns out to be well-founded, it is promptly communicated to the **Control, Risks and Sustainability Committee** and the **Supervisory Board**, which receive detailed information on reports received and handled through a dedicated channel.

The Group ensures, at the onboarding stage, that the new employee is informed and aware of the existence of this tool. It also organises business conduct **training** courses (see chapter 4) that provides further information on the use of whistleblowing. In addition, it provides **up-to-date information** through circulars, e-mail and the company intranet. The platform is available in **all languages** of the Group's major companies to ensure maximum accessibility. 100% of workers have access to the platform and 98% have the ability to use it in their native language.

Aquafil Group companies that hold **SA 8000 Social Accountability certification** have an additional tool at their disposal to report suspected human rights violations. These reports are collected through an online platform and then reviewed by the **Comitato SA 8000**, a technical body that also includes employee representatives. In 2024, no reports **were received** under SA 8000.

TABLE 4.1 – **SUMMARY OF REPORTS RECEIVED IN 2024**

Reports	Country	Origin	Nature of the report	Investigated	Managed	Any corrective measures/actions
#1	Closed	USA	Misconduct towards staff	YES	YES	Unfounded report (no evidence provided)
#2	Closed	USA	Misconduct towards staff	YES	YES	Unfounded report (no evidence provided)
#3	Closed	USA	Unfair business practices	YES	YES	Unfounded report (no evidence provided)
#4	Closed	USA	Misconduct towards staff	YES	YES	Unfounded report (no evidence provided)
#5	Closed	USA	Misconduct towards staff	YES	YES	Unfounded report (no evidence provided)
#6	Open	Italy	Misconduct towards staff	YES	YES	Report being investigated by the Management Body

WHISTLEBLOWING PROCEDURE

LINK

Key: Objectives | Contents | Impacts, risks and opportunities | Application | Owner | Alignment with international initiatives

Defines the whistleblowing procedure for the involvement of **all Group stakeholders** in upholding high ethical standards and combating **misconduct**.

- Outlines the **procedure** for **sending reports** via an online platform
- Outlines ways to **protect the reporter** by ensuring **anonymity** and protection against any **retaliation** or discrimination
- Establishes a **training and information plan** to ensure the dissemination and proper application of the procedure

S1 own workforce, S2 Workers in the value chain, S3 Affected communities, S4 Consumers and end-users, G1 Business conduct.

All Aquafil Group stakeholders.

Aquafil's **Board of Directors** approved the Whistleblowing Procedure. The methods of periodic updating and reporting are managed by the **Control, Risks and Sustainability Committee** and the **Supervisory Board**.

Legislative Decree No. 24 of March 10, 2023 implementing European Directive No. 1937/2019.

4.5

TAX COMPLIANCE

We manage our **tax affairs** with **transparency**, **integrity** and **fairness**. All Group companies pay taxes on profits, labour and consumption in the countries in which they operate. The tax strategy is defined by the Board, which takes a prudent and strict approach, excluding **tax planning** practices such as creating artificial structures to avoid tax obligations.

To ensure tax compliance, **Aquafil** applies a **Group Transfer Price** Policy, which ensures proper economic valuation of intercompany transactions across borders.

4.6

POLITICAL INFLUENCE AND ADVOCACY

We stay abreast of regulatory developments and offer our input to legislators in our areas of expertise.

Aquafil's activities are mainly in two areas: **monitoring the evolution of regulations** at European level and advocacy on matters of interest to us. Among the European standards whose development we have been closely following are: Waste Shipment Regulation (WSR), Waste Framework Directive (WFR), Green Claims Directive, Consumer Empowerment for the Green Transition (ECGT) Directive, Single-Use Plastics Directive (SUPD), Ecodesign of Sustainable Products Regulation (ESPR).

In **advocacy**, our work has focused mainly on WFR and SUPD regulations, and in previous years on WSR. With reference to waste **legislation**, we held several meetings with the permanent reresentations of a number of member states, with the aim of following the progress of the work and to discuss issues of prime importance and interest to the company, leveraging our experience in circular econo my and recycling of different types of waste. In the area of **single-use plastics legislation**, the meetings we had with European legislators were aimed at spreading awareness about the benefits of our chemical recycling process and discussing the issue of the mass balance approach within the Implementing Act originally scheduled for 2024, but later postponed due to differences of opinion within the European Commission.

Aquafil does not exercise political influence through financial or in-kind contributions to parties or organisations. The Group is also listed in the **EU Register for Transparency**.

4.7

CERTIFICATIONS

Our voluntary certifications attest to adherence to the highest environmental, social and quality standards.

Aquafil has an **Integrated Management System** to ensure quality, environmental protection, energy efficiency, health and safety, social responsibility and gender equality in **all Group companies**. The policy includes alignment with international standards ISO 9001, ISO 14001, ISO 45001, ISO 50001, SA 8000, and ISO 30415.

In 2024, the Group acquired a new certification, UNI / PdR 125 for gender equality (already discussed in section 3.1.1), in the three Italian plants: Aquafil S.p.A., Tessilquattro Cares and Rovereto. We have also continued to work toward the goals for 2025 and 2028 - see table 4.2.

LIST OF CERTIFICATIONS HELD BY THE AQUAFIL GROUP IN 2024

- **ENVIRONMENTAL MANAGEMENT SYSTEM (ISO 14001)** – Defines the framework for developing an effective Environmental Management System, supporting the company in improving its environmental performance, ensuring regulatory compliance and managing risks and opportunities.

  Production facilities certified: 11/13
  Aquafil employees covered: 90%

- **ENERGY MANAGEMENT (ISO 50001)** – Sets a framework for implementing an effective energy strategy, setting challenging goals, monitoring the right indicators and evaluating results, with the goal of optimising energy efficiency.

  Stabilimenti produttivi certificati: 8/13
  Dipendenti di Aquafil coperti: 69%

- **SOCIAL RESPONSIBILITY (SA 8000)** – Defines eight basic requirements inspired by the principles of the Universal Declaration of Human Rights, including the prohibition of child and forced labour, health and safety protection, freedom of association and collective bargaining, non-discrimination, compliance with disciplinary procedures, limitation of working hours, and ensuring an adequate minimum wage.

  Production facilities certified: 8/10
  Aquafil employees covered: 65%

- **OCCUPATIONAL HEALTH AND SAFETY (ISO 45001)** – Establishes requirements to prevent injuries, ensure safe and healthy work environments and promote worker well-being.

  Production facilities certified: 8/13
  Aquafil employees covered: 69%

- **QUALITY MANAGEMENT (ISO 9001)** – Provides a structured framework for optimising the organisation of business processes. The goal is to ensure the delivery of products and services that meet agreed standards and customer expectations.

  Production facilities certified: 12/13
  Aquafil employees covered: 93%

- **GENDER EQUALITY (UNI PDR 125)** – Awarded by the DNV certifying body, it testifies to the company's ongoing commitment to promoting an increasingly inclusive culture and work environment. All Italian sites have achieved certification*.

  Production facilities certified: 3/3 in Italy;
  Aquafil employees covered: 100% in Italy.

* UNI / PdR 125 certification is Italian, and can only be acquired by Italian plants.

All certifications are available on the Aquafil website. (Link)

TABLE 4.2 – **GROUP CERTIFICATIONS (2024) (*)**

	ISO 14001	ISO 50001	SA 8000	ISO 45001	ISO 9001
Aquafil Arco	✓	✓	✓	✓	✓
Aquafil China	✓	✓	by 2028	✓	✓
Aquafil USA-Cartersville	✓	by 2028	-**	by 2025	✓
Aquafil Carpet Recycling#1	by 2025	by 2028	-**	by 2025	✓
AquafilCRO	✓	✓	✓	✓	✓
AquafilSLO - Ljubljana	✓	✓	✓	✓	✓
AquafilSLO - Ajdovščina	✓	✓	✓	✓	✓
AquafilSLO - Senožeče	✓	✓	✓	✓	✓
AquafilSLO - Celje	✓	✓	✓	✓	✓
Asia Pacific	✓	✓	by 2028	✓	✓
Tessilquattro	✓	by 2028	✓	by 2025	✓
Tessilquattro - Rovereto	✓	by 2028	✓	by 2025	✓
Aquafil O'Mara	by 2025	by 2028	-**	by 2025	-

(*) The 4 plants of the Aquafil Carpet Collection company were not included in the certification table. These plants are collection centres for post-consumer waste (mainly carpet and upholstery) and Aquafil has no plans to initiate certification programmes for them.
(**) After an assessment of labour market conditions in the U.S., it is believed that adoption of SA8000 certification for U.S. plants is not feasible.

4.7.1

Product certifications

Aquafil has obtained a number of certifications for its ECONYL® caprolactam, yarn and polymers to attest to the presence of recycled materials.

Aquafil has confirmed the validity of the **Environmental Product Declarations** (EPDs) for ECONYL® polymer and yarns, which are used in both apparel and textile flooring.

These certifications measure the environmental performance of products through **Life Cycle Assessment** according to the ISO 14025 standard.

All of Aquafil's European locations operate in accordance with the European Union's **REACH regulation**, which governs the registration, evaluation, authorisation and restriction of chemicals.

The company also holds additional certifications to protect the chemical safety of its products, including:

- **OEKO-TEX**: guarantees the absence of harmful substances in Aquafil S.p.A.'s products.
- **Cradle to Cradle Material Health Gold & Silver**: recognition for ECONYL® yarn intended for carpets.
- **ECO Passport**: certification obtained for twelve AquafilSLO products, recognised under the Zero Discharge of Hazardous Chemicals initiative.

4.8

DIALOGUE WITH STAKEHOLDERS

Stakeholder	Engagement area	Measures adopted
Our people	Training	Feedback and performance review through the Do ut des and Talent Dedicated training and induction programmes for new hires Training courses: people trained in 2023
	Information on Group strategies and results	Company intranet Live sharing of financial results
	Equal opportunity, diversity and inclusion	Whistleblowing platform/SA 80000 D&I Policy and human rights Corporate volunteer programme
	Harmonious and safe working environment	Business climate analysis Periodic union meetings Health and Safety office in each legal entity, incident reporting and constant accident monitoring
Suppliers	Ethical and sustainable supply chain management	Supplier assessment procedure Reputational analysis of suppliers All suppliers required to sign Code of Conduct
	Transparency, communication, training	ECONYL® on air platform
Customers	Accessibility and speed of service	Returns and complaints management system
	Transparency, communication, training	ECONYL® blog, ECONYL® academy, ECONYL® on air, ECONYL® E-shop, dedicated tours at AquafilSLO Support and review of customer communication to avoid the risk of greenwashing
	Ethical behaviour	Reputational analysis of customers All customers required to acknowledge Code of Conduct
	“Tailor-made” products	Creation of prototypes or ad-hoc samples upon request Investment in R&D to improve products and services
Financial community and investors	Transparency and communication	Quarterly financial reports Quarterly online presentations of financial results Star conference (Italian stock exchange) year-end Individual calls with leading industry analysts Investor Communication Policy Sustainability ratings from third-party agencies, such as Sustainalytics and EcoVadis
Entities and Institutions	Research and dissemination of best practices	Collaboration with national and international bodies such as National Research Council, International Organization for Standardization (ISO) and UNI (Italian National Unification Body)
	Advocacy	Frequent and ongoing interactions with European institutions related to new laws currently being prepared or amended Participation in roundtables organised by Confindustria

Stakeholder	Engagement area	Measures adopted
Schools and new generations	Accessibility and speed of service	Work in schools with presentations dedicated to the circular economy and Aquafil's journey toward sustainability School-to-work and internship initiatives Testimonials at universities and prestigious events Student visits to production facilities
Local communities	Supporting or funding initiatives	Sponsorship of annual activities
	Collaboration and support for NGOs	Collaboration with Healthy Seas and definition and development of joint projects
Media	Availability, timeliness and accuracy of information	Press conferences and constant dialogue Press releases
End-consumers	Transparency, awareness and training	ECONYL® blog, ECONYL® academy, ECONYL® on air, ECONYL® E-shop

4.9

PARTNERSHIPS AND COLLABORATION

The Group has established strategic partnerships and joined several associations that promote a common vision of sustainable and circular business.

UN GLOBAL COMPACT

This is a voluntary initiative launched by the United Nations. More than 25,000 signatories from 167 countries join forces to encourage the adoption of sustainable and socially responsible practices.

ALLIANCE FOR THE CIRCULAR ECONOMY

Includes nine Made-in-Italy companies that support a change in the production ecosystem to achieve full circularity.

PLASTICS RECYCLERS EUROPE

Brings together major companies involved in plastics recycling, encouraging the use of high-quality recycled plastics and representing the industry at European level.

TEXTILE EXCHANGE

Promotes sustainable and responsible practices throughout the textile supply chain. Develops standards and certifications widely used in the fashion and apparel industry.

EUROPEAN MAN-MADE FIBRES ASSOCIATION (CIRFS)

Represents the interests of the European synthetic fibre industry.

EUROPEAN COMMUNITY OF PRACTICE FOR A SUSTAINABLE TEXTILE ECOSYSTEM (ECOSYSTEX)

Includes a network of 50+ projects co-funded by the European Union and focused on sustainability and circularity in the textile sector. Aims to promote partnerships between projects and collaboration with policymakers to develop effective policies and programmes.

5 APPENDIX

APPENDIX

5.1

AQUAFIL FACILITIES

FIGURE 5.1 – **AQUAFIL PLANTS, OPERATIONS**

USA

ARIZONA

ACR #1 – PHOENIX

ERS
Recovery and separation of post-consumer carpets

ACC – PHOENIX

ERS
Recovery of post-consumer carpets

CALIFORNIA

ACC – ANAHEIM

ERS
Recovery of post-consumer carpets

ACC – CHULA VISTA

ERS
Recovery of post-consumer carpets

ACC – MIRAMAR

ERS
Recovery of post-consumer carpets

ACR #2 - Woodland

Sales office

GEORGIA

AQUAFIL USA AQUAFIL DRIVE, CARTERSVILLE

BCF
Spinning
Masterbatch
Interlacing
Twisting
Heat Setting

AQUAFIL USA FIBER DRIVE, CARTERSVILLE

BCF
Logistics

NORTH CAROLINA

AQUAFIL O'MARA RUTHERFORD COLLEGE

NTF
Spinning
Texturing
Interlacing

SUD AMERICA

CHILE

AQUAFIL CILE SANTIAGO DEL CILE

ERS
Waste Preparation for ECONYL®

EUROPE

ITALY

AQUAFIL ARCO (TN)

BCF
Polymerisation
Spinning
Masterbatch

TESSILQUATTRO CARES

BCF
Interlacing
Twisting

TESSILQUATTRO ROVERETO

BCF
Dyeing
EP
Compound

BLULOOP SRL SB

Sales department (e-shop)
Benefit company

SLOVENIA

AQUAFIL SLO – LJUBLJANA

BCF
Polymerisation
Spinning
Twisting

NTF
Spinning
Masterbatch
Warping

ERS
ECONYL® caprolactam production

AQUAFIL SLO – Ajdovscina

ERS
Waste Preparation for ECONYL®

AQUAFIL SLO – SENOZECE

NTF
Warping

AQUAFIL SLO – CELJE

BCF
Twisting
Heat setting

CROATIA

AQUAFIL CRO OROSLAVJE

NTF
Interlacing
Coiling
Texturing

UNITED KINGDOM

AQUAFIL UK LTD. KILBIRNIE

Sales office

GERMANY

AQUAFIL ENGINEERING GMBH

Development and design of industrial plant

AQUAFIL AQUALEUNA GMBH

Inactive

BELGIUM

AQUAFIL BENELUX FRANCE BVBA

Sales office

TURKEY

AQUAFIL TEKSTIL SANAYI VE TICARET A.S.

Sales office

ASIA

CHINA

AQUAFIL SYNTHETIC FIBRES AND POLYMERS – JIAXING

BCF
Spinning
Interlacing
Twisting
Heat Setting

JAPAN

AQUAFIL JAPAN

Sales office

THAILAND

AQUAFIL ASIA PACIFIC RAYONG

BCF
Interlacing
Twisting

AUSTRALIA

AUSTRALIA

AQUAFIL OCEANSA PTY

Sales office

5.2

MATERIALITY ANALYSIS

5.2.1

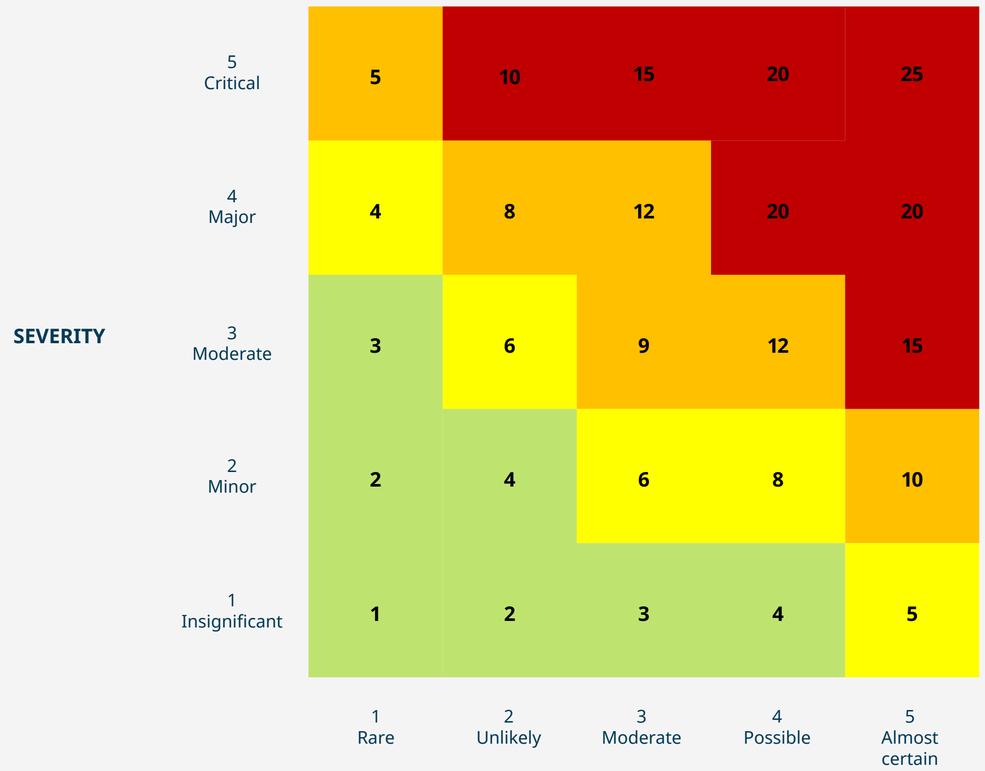
Definition of the materiality threshold

To define the materiality threshold, a matrix was created (see figure 5.2) that maps the **severity and probability** of occurrence of each IRO (for positive impacts, severity was calculated by summing two parameters - scale and scope - while for negative impacts, a third parameter, irremediable character, was also added).

On the basis of the matrix, it was decided to follow a **risk-based** approach, considering as material those IROs that obtained a rating of **medium-high relevance** and **high relevance**.

The materiality threshold is asymmetrical in that more weight was given to IROs with very high severity even if they were not probable based on a prudent viewpoint.

FIGURE 5.2 – **MATERIALITY MATRIX**



KEY:

- Non relevant
- Low-medium relevance
- Medium-high relevance
- High

5.2.2

List of material topics

TABLE 5.1 – **AQUAFIL TOPICS, SUB-TOPICS AND SUB-SUB-TOPICS - IMPACT MATERIALITY**

● Value chain of standard nylon ● Value chain of ECONYL® nylon ⊕ Positive ⊖ Negative

	Topic	Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
E1	**Climate change**	Climate change adaptation		⊕	●		
		Energy		⊖	●	● ●	● ●
		Climate change mitigation		⊕ ⊖	● ●	● ●	● ●
E2	**Pollution**	Soil pollution		⊖	●		● ●
		Water pollution		⊖	●		● ●
		Air pollution		⊖	●		● ●
		Microplastics		⊖	● ●	● ●	● ●
		Substances of very high concern		⊖	●		● ●
		Substances of concern		⊖	●		● ●
E3	**Water and marine resources**	Water	Water consumption	⊖	●		● ●
			Water withdrawals	⊖		● ●	
			Water discharges				
		Marine resources	Water discharges in the oceans	⊖	●		
E4	**Biodiversity and ecosystems**	Direct impact drivers of biodiversity loss	Climate change	⊖	● ●	● ●	● ●
			Land use change, water use change	⊖	●		
			Pollution	⊕			●
			Direct exploitation	⊕	●	●	
		Impacts on the extent and condition of ecosystems	Land degradation	⊖	●		
			Fragmentation and/or subtraction of natural habitat	⊖		● ●	
			Soil sealing	⊖	● ●	● ●	● ●
		Impacts on the state of species	Species population size	⊕ ⊖	● ●	● ●	
E5	**Circular economy**	Resources inflows, including resource use		⊖	●	●	
		Resource outflows related to products and services		⊕		● ●	
		Waste		⊕ ⊖		● ●	● ●

Topic		Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
G1	Business conduct	Other work-related rights	Incidents				
			Prevention and detection including training	+	● ●	● ●	● ●
		Working conditions		+		● ●	
		Management of relationships with suppliers, including payment practices					
		Protection of whist-leblowers		−	● ●	● ●	● ●
		Development and tech-nological innovation		NA	NA NA	NA NA	NA NA
S1	Own workforce	Other work-related rights	Adequate housing	+		● ●	
			Forced labour				
			Child labour				
			Privacy	+		● ●	

Topic		Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
S1	Own workforce		Other	+ −		● ●	
			Collective bargaining, including the percentage of workers covered by collective agreements	+		● ●	
			Work-life balance	+ −		● ●	
		Working conditions	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	+		● ●	
			Secure employment	+		● ●	
			Working time				
			Adequate wages	+		● ●	
			Health and safety	+ −		● ●	
		Equal treatment and opportunities for all	Diversity	+ −		● ●	
			Training and skills development	+ −		● ●	
			Measures against violence and harassment in the workplace	+		● ●	
			Employment and inclusion of persons with disabilities				
			Gender equality and equal pay for work of equal value	−		● ●	

Topic		Sub-topic	Sub-sub-topic	Type	Upstream		Direct		Down-stream	
S2	Workers in the value chain	Other work-related rights	Water and sanitation							
			Adequate housing							
			Forced labour	⊖					●	●
			Child labour	⊖					●	●
			Privacy	NA	NA	NA	NA	NA	NA	NA
		Working conditions	Collective bargaining, including the percentage of workers covered by collective agreements	⊖					●	●
			Work-life balance							
			Freedom of association, the existence of works councils and the information, consultation and participation rights of workers							
			Secure employment	⊖					●	●
			Working time	⊖					●	●
			Adequate wages	⊖					●	●
			Health and safety	⊖	●	●			●	●

Topic		Sub-topic	Sub-sub-topic	Type	Upstream		Direct		Down-stream	
S2	Workers in the value chain	Equal treatment and opportunities for all	Diversity							
			Training and skills development							
			Measures against violence and harassment in the workplace	⊕	●	●			●	●
			Employment and inclusion of persons with disabilities							
			Gender equality and equal pay for work of equal value							
S3	Affected communities	Communities' civil and political rights	Other	⊕						
			Freedom of expression	NA	NA	NA	NA	NA	NA	NA
		Rights of indigenous peoples	Self-determination	⊖						
			Free, prior and informed consent	⊖						
			Cultural rights	⊖						
		Communities' economic, social and cultural rights	Other	⊕		●		●		
			Land-related impacts	⊖						
			Security-related impacts	⊖						
S4	Consumers and End-Users	Product management		NA	NA	NA	NA	NA	NA	NA
		Impacts related to information for consumers and/or end-users	Access to (quality) information	⊕			●	●		
			Privacy	⊖						
		Social inclusion of consumers and/or end-users	Non-discrimination	⊕					●	
			Responsible marketing practices	⊕			●		●	
		Personal safety of consumers and/or end-users	Health and safety							

TABELLA 5.2 – **AQUAFIL TOPICS, SUB-TOPICS AND SUB-SUB-TOPICS – FINANCIAL MATERIALITY**

● Value chain of standard nylon ● Value chain of ECONYL® nylon ⊕ Positive ⊖ Negative

	Topic	Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
E1	**Climate change**	Climate change adaptation		⊖	● ●	● ●	● ●
		Energy		⊖	●	● ●	● ●
		Climate change mitigation		⊕ ⊖	● ●	● ●	● ●
E2	**Pollution**	Soil pollution		⊖		● ●	
		Water pollution		⊖		● ●	
		Air pollution		⊖		● ●	
		Microplastics		⊕ ⊖		● ●	
		Substances of very high concern					
		Substances of concern					
E3	**Water and marine resources**	Water	Water consumption				
			Water withdrawals				
			Water discharges				
		Marine resources	Discharges of water into the sea				
E4	**Biodiversity and ecosystems**	Direct impact drivers of biodiversity loss	Climate change				
			Land use change, water use change				
			Pollution	⊕			●
			Direct exploitation	⊕	●	●	
		Impacts on the extent and condition of ecosystems	Land degradation				
			Fragmentation and/or subtraction of natural habitat				
			Soil sealing				
		Impacts on the state of species	Species population size				
E5	**Circular economy**	Resources inflows, including resource use					
		Resource outflows related to products and services		⊕		● ●	
		Waste		⊕ ⊖	●	● ●	● ●
G1	**Business conduct**	Corruption and bribery	Incidents	⊖	● ●		● ●
			Prevention and detection including training				
		Corporate culture					
		Management of relationships with suppliers, including payment practices					
		Protection of whistleblowers					
		Development and technological innovation					

Topic	Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
S1 Own workforce	Other work-related rights	Adequate housing				
		Forced labour				
		Child labour				
		Privacy	−		● ●	
	Working conditions	Other	−		● ●	
		Collective bargaining, including the percentage of workers covered by collective agreements				
		Work-life balance	+		● ●	
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers				
		Secure employment				
		Working time				
		Adequate wages	+ −		● ●	
		Health and safety	+ −		● ●	
	Equal treatment and opportunities for all	Diversity	−		● ●	
		Training and skills development	+ −		● ●	
		Measures against violence and harassment in the wor-kplace				
		Employment and inclusion of persons with disabilities				
		Gender equality and equal pay for work of equal value				

Topic	Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
S2 Workers in the value chain	Other work-related rights	Water and sanitation				
		Adequate housing				
		Forced labour				
		Child labour				
		Privacy				
	Working conditions	Collective bargaining, including the percentage of workers covered by collective agreements				
		Work-life balance				
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers				
		Secure employment				
		Working time				
		Adequate wages				
		Health and safety	−	● ●		
	Equal treatment and opportunities for all	Diversity				
		Training and skills development				
		Measures against violence and harassment in the wor-kplace				
		Employment and inclusion of persons with disabilities				
		Gender equality and equal pay for work of equal value				

Topic		Sub-topic	Sub-sub-topic	Type	Upstream	Direct	Down-stream
S3	**Affected communities**	Communities' civil and political rights	Other				
			Freedom of expression				
		Rights of indigenous peoples	Self-determination				
			Free, prior and informed consent				
			Cultural rights				
		Communities' economic, social and cultural rights	Other				
			Land-related impacts				
			Security-related impacts				
S4	**Consumers and End-Users**	Product management		+ −	● ●		● ●
		Impacts related to information for consumers and/or end-users	Access to (quality) information				
			Privacy				
		Social inclusion of consumers and/or end-users	Non-discrimination				
			Responsible marketing practices	−		●	●
		Personal safety of consumers and/or end-users	Health and safety				

5.3

COMPOSITION OF AQUAFIL'S OTHER GOVERNING BODIES

5.3.1

Board of Statutory Auditors and Supervisory Board

TABLE 5.3 – **COMPOSITION AND ROLES OF THE BOARD OF STATUTORY AUDITORS (2024)**

Name	Office	Role	Age	ESG experience and skills	
Stefano Poggi Longostrevi	Chairperson of the Board of Statutory Auditor and Statutory Auditor	Statutory Auditor	>50	G	**Independent Director** in listed companies including **Aquafil S.p.A., Banca Generali, Sogefi S.p.A. and Banca Ifis S.p.A.)**. **Chairperson** of the **Control and Risks Committee** of **Banca Generali** (from 2019) and member of the Appointments and Remuneration Committee of **Sogefi S.p.A.** (from 2021). **Chief Executive Officer of Interbanca S.p.A.** (2005-2007), with established experience in **corporate governance and risk management**
Beatrice Bompieri	Member of the Board of Statutory Auditors	Statutory Auditor	>50	G	**Statutory Auditor** in listed companies including **Aquafil S.p.A**. and **Industrie De Nora S.p.A.** **Statutory Auditor** in **FNMPAY S.p.A.**(2020-2023) and **Aquaser S.r.l.** (2023-2025). **Auditor at ACM - Milan Association of Concurrency Practitioners** (since 2016). **Delegate** to the **CNPADC for** the Milan Association of Certified Public Accountants (2020-2024). Member of the **Commission for Enterprise Crisis Management of the Order of Chartered Accountants of Milan** (since 1998).
Bettina Solimando	Member of the Board of Statutory Auditors	Statutory Auditor	>50	G	**Partner** at **Studio Pirola Pennuto Zei & Associati** (since 1998), with experience in tax and legal consulting for Italian and multinational Groups. **Statutory Auditor** in listed companies and member of **Boards of Statutory Auditors**. Member of **Supervisory Boards**. Speaker in **Masters of Tax Law** and conferences on tax and corporate issues.
Marina Manna	Member of the Board of Statutory Auditors	Alternate Auditor	>50	G	**Member of the Board of Directors of Carel Industries S.p.A.** (listed company) since 2018. **Chairperson of the Control, Risks and Sustainability Committee** and member of the **Remuneration Committee**. **Chairperson of the Board of Statutory Auditors** of **SINLOC S.p.A.** and **BLM S.p.A.**, with extensive experience in **corporate governance and internal control systems**. **Statutory Auditor** of several companies, including **Carrara S.p.A**. and **Slowear S.p.A**., and **Alternate Auditor of Aquafil S.p.A.**
Davide Barbieri	Member of the Board of Statutory Auditors	Alternate Auditor	>50	G	**Member of the Board of Statutory Auditors of Sogefi S.p.A.** (listed company) since 2019 and Statutory Auditor of several companies, including **Cembre S.p.A. and Interpump Group S.p.A.** **Auditor and Certified Public Accountant**, with extensive experience in **corporate governance, auditing and regulatory compliance**. Has served as **Statutory Auditor and Auditor** in numerous industrial and financial companies, providing oversight and transparency in **internal control** systems. Many years' experience in managing **corporate governance and audit processes** in listed companies.

TABLE 5.4 – **COMPOSITION AND ROLES OF THE SUPERVISORY BOARD (2024)**

Name	Office	Role	Age	ESG experience and skills
Michele Pansarella	Chairperson of the Supervisory Board	External member	>50	**S** **G**	**Partner at KPMG** and **head** of the **Legislative Decree No. 231/01**, **corporate governance and compliance** team. **Chairperson and member of Supervisory Boards** in companies including **ENI, Lottomatica, SHELL Group, Aquafil** and **Alfasigma**. **Lecturer** in master's programmes at **LUISS, Roma Tre and La Sapienza**. **Author** and **speaker on anti-corruption, whistleblowing, and 231 organisational models**. Member of the **Confindustria Commission for 231 Model Guidelines**.
Manfredi Ferrari Liccardi Medici	Member of the Supervisory Board	External member	<50	**S** **G**	**Senior Lawyer** at **KPMG Tax & Legal in the 231 Legal team**. **Corporate governance and compliance consultant** for listed and multinational companies including **illycaffè S.p.A., Lottomatica Group S.p.A. and Shell Group**. **Trainer** on the **Administrative Liability of Entities** (Legislative Decree No. 231/01) and Anti-corruption. **Member** and **consultant** of **Supervisory Boards** under **Legislative Decree No. 231/01** for leading **industrial and financial companies**.
Karim Tonelli	Member of the Supervisory Board	Internal member	>50	**E** **S** **G**	**Responsible for the adoption of the Organisation, Management and Control Model** as per Legislative Decree No. 231/01 for the Aquafil Group's Italian companies; Previously served as **head of legal activities** for the Aquafil Group; Previously served as **Internal Auditor** of the Aquafil Group; Previously served as the **Investor Relator** of the Aquafil Group; **Internal member of the Supervisory Board** of the Italian companies of the Aquafil Group; **Internal member of the whistleblowing committee** pursuant to Legislative Decree No. 24 of March 10, 2023.

5.3.2

BoD Committees

Control, Risks and Sustainability Committee
- Patrizia Riva (Chairperson);
- Roberto Siagri (Director);
- Chiara Mio (Director).

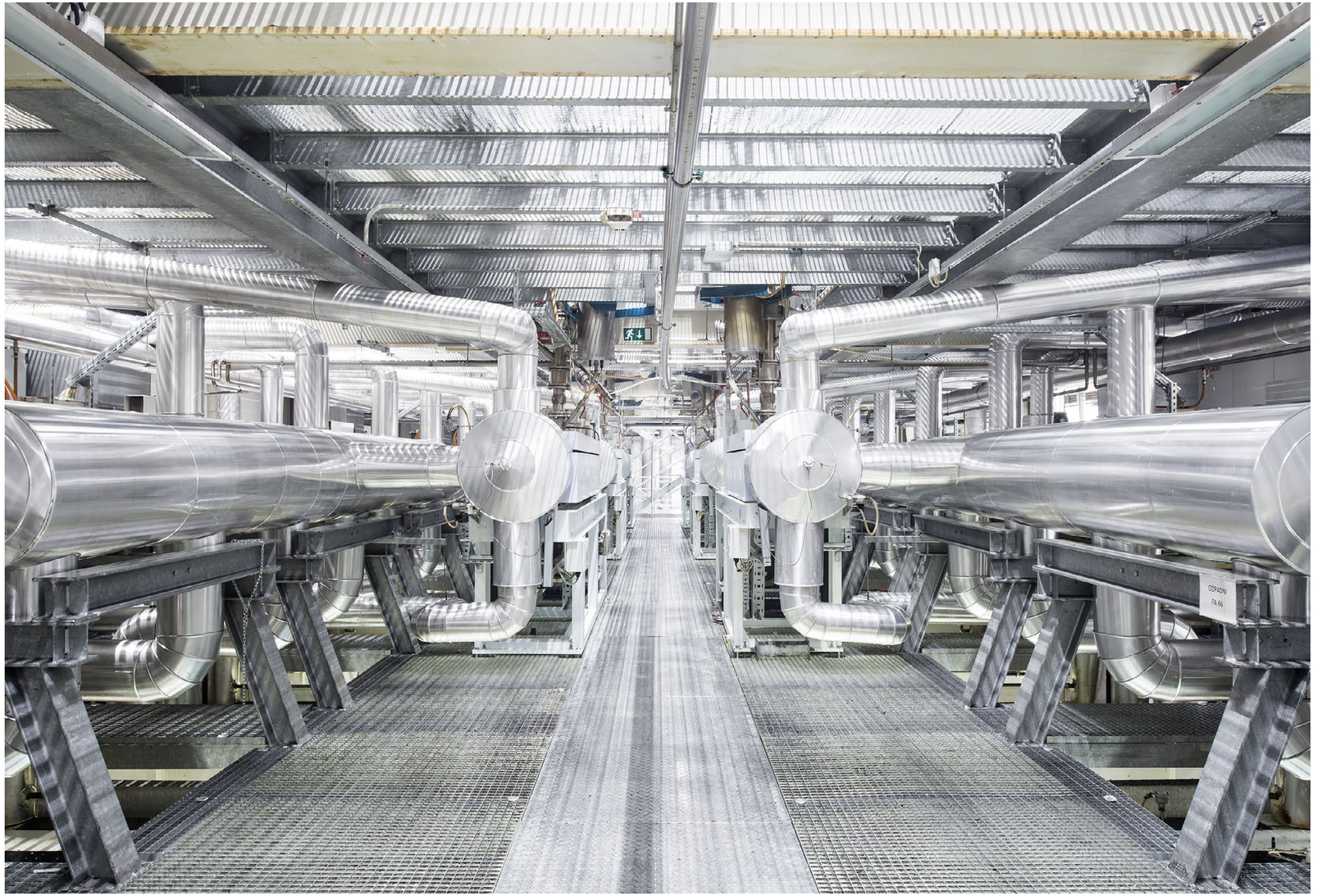
Appointments and Remuneration Committee
- Roberto Siagri (Chairperson);
- Ilaria Maria Dalla Riva (Director);
- Patrizia Riva (Director).

5.3.3

Gender representation in governing bodies

TABLE 5.5 – **PERCENTAGE OF FEMALE MEMBERS IN GOVERNING BODIES (2024)**

Corporate body	Percentage of total members
BoD	44%
Board of Statutory Auditors	60%
Supervisory Board	0%
Control, Risks and Sustainability Committee	66%
Appointments and Remuneration Committee	66%



5.4

IMPACTS, RISKS AND OPPORTUNITIES

TABLE 5.6 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC E1 - CLIMATE CHANGE**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Energy		High energy consumption in business production activities	I	−	Direct and Downstre-am	Short term	Actual	✓	NA	Environmental Policy	ISO 50001 certification ISO 14001 certification
		High energy needs related to oil extraction activities	IR	−	Upstream	Short term	Actual	✓	✓	Environmental Policy	Investment in circular supply chain ECONY[L]® to reduce dependence on fossil-based raw materials (see section 2.5.3)
		Geopolitical tensions, conflicts, dependence on other countries or natural disasters lead to energy shortages and higher prices	R	−	Entire value chain	Medium term	Potential	NA	✓	Environmental Policy	Establishment of a co-generation plant for self-generation of steam and electricity
Climate change adaptation		Extreme weather events damage production sites, warehouses and company buildings, possibly worsening GHG emissions (physical risk)	R	−	Entire value chain	Medium term	Potential	NA	✓	Environmental Policy	Conducting a Climate Risk and Vulnerability Assessment
		Introduction of new environmental regulations such as taxation on CO_2 emissions in production plants	R	−	Direct	Short term	Potential	NA	✓	Environmental Policy	Efficiency measures
		Improvement of raw material-related carbon footprint (Scope 3)	IO	+	Upstream	Medium term	Potential	✓	✗	Environmental Policy	Investment in circular supply chain ECONYL ®

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Climate change mitigation		Replacement of fossil fuels in production processes with renewable sources	IO	+	Direct	Medium term	Actual	✓	✓	Environmental Policy	Purchase of electricity from renewable sources for 92.3% of the total purchased
		Emissions generated from the extraction and initial processing of raw materials for the manufacture of Aquafil's products by suppliers	I	−	Upstream	Short term	Actual	✓	NA	Environmental Policy	Investment in circular supply chain ECONYL® to reduce dependence on fossil-based raw materials (see section 2.5.3)
		GHG emissions generated by Aquafil production plants, offices and employee mobility (Scope 1 and Scope 2)	I	−	Direct	Short term	Actual	✓	NA	Environmental Policy	Identification of decarbonisation levers and establishment of a transition plan in 2027 ISO 50001 certification ISO 14001 certification
		GHG emissions generated from distribution and processing of Aquafil products, used by end consumers, and in end of life (Scope 3)	I	−	Downstre-am	Short term	Actual	✓	NA	Environmental Policy	Investment in circular supply chain ECONYL® Eco-design
		Exceeding the limits imposed by the ETS leads to the purchase of new allowances to offset the generation of direct GHG emissions	R	−	Direct	Short term	Potential	NA	✓		Efficiency of co-generation plants
		Collaboration with distribution partners (through the use of decentralized warehousing, multimodal solutions, and load optimisation) leads to decreased GHG emissions downstream of the supply chain	IO	+	Upstream and Down-stream	Medium term	Actual	✓	✓		Logistical optimisation
		The introduction of new processes and products developed with eco-design principles makes it possible to reduce their life cycle environmental impact in terms of CO_2eq	IO	+	Entire value chain	Long term	Potential	✓	✓		Collaborations with customers (see section 3.3.3)

TABLE 5.7 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC E2 - POLLUTION**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Air pollution		Air pollution caused by the release of toxic or noxious fumes and vapours. Exceeding air pollution levels at Aquafil's production plants	IR	⊖	Direct	Short term	Potential	✗	✓	Environmental Policy	ISO 50001 certification ISO 14001 certification
		Air pollution caused by the typical activities of fossil-based raw material companies	IR	⊖	Upstream	Short term	Potential	✓	✗	Environmental Policy	Investment in circular supply chain ECONYL® to reduce dependence on fossil-based raw materials (see section 2.5.3)
		Air pollution caused by the production of semi-finished and finished products with Aquafil's yarns and polymers	IR	⊖	Downstre-am	Short term	Potential	✓	✗	Environmental Policy	
Water pollution		Water pollution caused by the typical activities of fossil-based raw material companies (spills)	IR	⊖	Upstream	Short term	Potential	✓	✗	Environmental Policy	
		Exceeding water pollution levels in Aquafil's production plants (chemical spills)	IR	⊖	Direct	Short term	Potential	✗	✓	Water Policy Environmental Policy	Water monitoring systems by detecting temperature, abnormal values or exceeding critical pollutant thresholds Use of purifiers Laboratory analysis
		Water pollution caused by the production of semi-finished and finished products with Aquafil's yarns and polymers	IR	⊖	Downstre-am	Short term	Potential	✓	✗		

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Soil pollution		Soil contamination due to dispersion of organic (persistent) chemicals and due to improper waste management (e.g. exceeding of temporary storage limit)	IR	−	Direct	Short term	Potential	✗	✓	Environmental Policy	Monitoring of waste management using appropriate tracking systems (e.g. Winwaste, disposal company reports)
		Soil contamination due to dispersion of organic chemicals (e.g., spills during oil extraction phases)	IR	−	Upstream	Short term	Potential	✓	✗		
		Soil contamination due to improper waste management by B2B customers or end-user	IR	−	Downstream	Short term	Potential	✓	✗		
Substances of concern		The release of substances of concern during the extraction of raw materials	IR	−	Upstream	Medium term	Potential	✓	✗		
		The release of substances of concern during the manufacture of products with Aquafil yarns or polymers	IR	−	Downstream	Medium term	Actual	✓	✗		
Substances of very high concern		The release of substances of very high concern during the extraction of raw materials	IR	−	Upstream	Medium term	Actual	✓	✗		
		The release of substances of very high concern during the manufacture of products with Aquafil yarns or polymers	IR	−	Downstream	Medium term	Actual	✓	✗		
Microplastics		Investment in new technologies to reduce and contain the generation of microplastics	O	+	Direct	Medium term	Potential	NA	✓		Development of a new international standard to uniquely measure microplastics released from the textile sector: ISO 4484-2
		Introduction of new legislation in the European Union regarding the ban on emission of microplastics on the market	R	−	Direct	Medium term	Potential	NA	✓		Development of a new international standard to uniquely measure microplastics released from the textile sector: ISO 4484-2

TABLE 5.8 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC E3 - WATER AND MARINE RESOURCES**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Water	Water withdrawals	High water withdrawal for production activities	I	⊖	Direct	Medium term	Actual	✓	NA	Water Policy	Creation of the A.G.W.T. (Aquafil Global Water Team) Team Efficiency activities to reduce consumption, including indoor recirculation systems Monitoring water stress levels in the areas where we operate
	Water consumption	Water consumption during raw material production phases (e.g. caprolactam)	I	⊖	Upstream	Short term	Actual	✓	NA		
		Water consumption Water consumption during B2B processing of yarns and polymers by Aquafil	I	⊖	Downstream	Short term	Potential	✓	NA		
Marine resources	Water discharges in the oceans	In the oil extraction phase in marine habitats, drilling cuttings, drilling fluids and processing waters can drastically pollute water and have negative chemical effects on local habitats and marine ecosystems	IR	⊖	Upstream	Medium term	Potential	✓	✗		

TABLE 5.9 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC E4 - BIODIVERSITY AND ECOSYSTEMS**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Direct impact drivers of biodiversity loss	Climate change	Biodiversity loss caused by direct GHG emissions (Scope 1, 2)	I	−	Direct	Medium term	Actual	✓	NA		Biodiversity Impact & Risk Assessment Publication of a Biodiversity Strategic Plan in 2026
		Biodiversity loss caused by GHG emissions throughout the upstream value chain (Scope 3)	I	−	Upstream and Down-stream	Medium term	Actual	✓	NA		Extension of Biodiversity Impact & Risk Assessment to the value chain in 2025
	Land use change, freshwater use change and sea use change	Consequences on biodiversity due to land transformation from on-shore oil extraction activities; I alteration of sea use due to off-shore oil extraction and operational activities	I	−	Upstream	Medium term	Actual	✓	NA		
	Direct exploitation	Protect biodiversity by preferring the recovery of secondary mate-rials for the production of Aquafil solutions to traditional sourcing (oil extraction), or producing raw materials from natural resources	IO	+	Upstream and Direct	Medium term	Actual	✓	✓		R&D activities to develop plant-derived nylons Investment in circular supply chain ECONYL® to reduce dependence on fossil-based raw materials (see section 2.5.3)
	Pollution	Reduce the amount of waste for disposal (incineration, landfill) by preferring the recovery of secondary materials for the production of Aquafil solutions instead of traditional sourcing	IO	+	Downstre-am	Medium term	Actual	✓	✓		Investment in circular supply chain ECONYL® to reduce dependence on fossil-based raw materials (see section 2.5.3) Collaborations with customers in take back programmes and eco-design projects (see section 3.3.3)

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Impacts on the state of species	Species population size	Preserve wildlife and restore local habitat in areas affected by value chain activities	IO	+	Upstream and Direct	Medium term	Potential	✓	✗		Extension of Biodiversity Impact & Risk Assessment to the value chain in 2025
		Noise pollution caused by drilling can have a negative impact on migratory routes and habitats of species, resulting in significant changes in populations; loss of access to breeding areas can result in reduced populations near drilling sites	I	−	Upstream	Short term	Actual	✓	NA		

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Impacts on the extent and condition of ecosystems	Land degradation	Some production processes in the extraction and refining phase of the raw material (petroleum) are at high risk of explosion and can cause localised fires that can spread to large areas of land	IR	⊖	Upstream	Medium term	Potential	✓	✗		
		Raw material (oil) extraction activities that include pipeline and oil infrastructure construction, well construction, use of electric pumps and oil storage all contribute to land degradation and habitat fragmentation	I	⊖	Upstream	Medium term	Actual	✓	NA		
	Fragmentation and/or subtraction of natural habitat	Infrastructure construction that has resulted in the loss of land area and fragmentation of natural areas	I	⊖	Direct	Long term	Actual	✓	NA		Biodiversity Impact & Risk Assessment Publication of a Biodiversity Strategic Plan in 2026
	Soil sealing	Intensive land use for infrastructure and mining, and possible soil contamination due to oil spills during the extraction phase can lead to soil sealing and damage to the natural cycle of ecosystems	IR	⊖	Upstream	Medium term	Actual	✓	✗		Extension of the Biodiversity Impact & Risk Assessment to the value chain in 2025
		Production plants, offices and product distribution infrastructure contribute to soil sealing and can lead to damage to the natural cycle of ecosystems	I	⊖	Entire value chain	Medium term	Actual	✓	NA		Biodiversity Impact & Risk Assessment Extension of Biodiversity Impact & Risk Assessment to the value chain in 2025 Publication of a Biodiversity Strategic Plan in 2026

TABLE 5.10 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC E5 – CIRCULAR ECONOMY**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Resources inflows, including resource use		Aquafil uses raw materials from fossil sources contributing to their gradual depletion	I	−	Upstream and Direct	Medium term	Actual	✓	NA	Green procurement policy	Investment in circular supply chain ECONYL® to reduce dependence on fossil-based raw raw materials (see section 2.5.3)
Resource outflows related to products and services		Development and implementation of projects to promote traceability of raw materials and Aquafil products	O	+	Direct	Medium term	Potential	NA	✓		Collaborations with customers in eco-design projects, including R2R (see section 3.3.3)
		Reduction and recovery of primary and secondary packaging (i.e. tubes, films, separators)	IO	+	Direct	Medium term	Actual	✓	✓		Pallet recycling activities
		Increased consumer awareness of plastic materials may lead to increased demand for ECONYL®	O	+	Downstre-am	Medium term	Potential	NA	✓		Investment in circular supply chain ECONYL® (see section 2.5.3)
		Recovery and reuse of packaging (i.e. pallets) through collaboration with customers	O	+	Direct	Short term	Actual	NA	✓		Pallet recycling activities
		Recovery for reuse of packaging from the transportation phases of Aquafil products	IO	+	Direct	Short term	Actual	✓	✓		Recycling activities other packaging components

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
		Reducing production waste through production process efficiency can lead to a reduction in waste	IO	+	Direct	Medium term	Actual	✓	✓		Collaborations with customers in eco-design projects, including R2R (see section 3.3.3)
		A change in waste management and exchange regulations could lead to the inability or greater difficulty of recovering and using waste as a secondary raw material	R	−	Upstream and Direct	Medium term	Potential	NA	✓		Monitoring of regulatory developments, and political influence and advocacy activities (see section 4.6)
		Reduction of waste for disposal produced in the value chain through its recovery and reuse as secondary raw material (ECONYL®)	IO	+	Direct e Downstre-am	Medium term	Actual	✓	✓		Investment in circular supply chain ECONYL® (see section 2.5.3) Collaborations with customers in take back and eco-design projects, including R2R (see section 3.3.3)
Waste		Collaboration with B2B customers in the NTF sector to develop products that can be easily broken down into their constituent materials during the post-use recovery phase	O	+	Direct e Downstre-am	Medium term	Actual	NA	✓		Investment in circular supply chain ECONYL® (see section 2.5.3) Collaborations with customers in take back and eco-design projects (see section 3.3.3)
		New eco-design projects in collaboration with BCF customers to jointly design products that can be easily broken down into their constituent materials during the post-use recovery phase	IO	+	Direct e Downstre-am	Medium term	Actual	✓	✓		Investment in circular supply chain ECONYL® (see section 2.5.3) Collaborations with customers in take back and eco-design projects, including R2R (see section 3.3.3)
		Development of new technologies to easily recover PA6 from the waste produced for secondary raw material production	O	+	Direct	Medium term	Potential	NA	✓		R&D activities (see section 1.2.5)
		Incorrect handling and management of waste during B2B customer processing and end-user phases	IR	−	Downstre-am	Medium term	Potential	✓	✗		

TABLE 5.11 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC S1 - OWN WORKFORCE**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Working conditions	Secure employment	Ensure secure employment for employees	I	+	Direct	Short term	Actual	✓	NA		Predilection for permanent employment relationships SA 8000 Certification Collective bargaining agreements
	Adequate wages	Offer competitive compensation policies to employees	IO	+	Direct	Short term	Actual	✓	✓	Code of Conduct Human Rights Policy Remuneration Policy DE&I Policy	
		Not aligning salary with employee's workload and responsibilities	R	−	Direct	Short term	Potential	NA	✓		
	Freedom of association the existence of works councils and the information, consultation and participation rights of workers	Ensure freedom of association, implementation of labour councils and guarantee workers' right to information, consultation and participation	I	+	Direct	Medium term	Actual	✓	NA	Human Rights Policy	Community of Practice
	Collective bargaining, including the percentage of workers covered by collective agreements	Ensure coverage by collective bargaining and the right to representation of Aquafil employees	I	+	Direct	Short term	Actual	✓	NA	Human Rights Policy Collective bargaining agreements	Meetings with trade union
	Work-life balance	Worker stress due to inadequate strategic work planning process and lack of interpersonal relationships in the company	IR	−	Direct	Short term	Potential	✓	✗		Business climate analysis Agile work
		Ensure workers' well-being (mental and physical health, involvement, flexible working hours, work-life balance, welfare)	IO	+	Direct	Short term	Actual	✓	✓	Parental Leave Policy	Business climate analysis Welfare plans
		Increased automation to promote greater work-life balance	IO	+	Direct	Short term	Actual	✓	✓		Community of Practice: Digitalisation

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Working conditions	Health and safety	Dissemination of a culture of worker health and safety training in relation to health and safety policies and regulatory requirements	I	+	Direct	Short term	Actual	✓	✓	Code of Conduct Health and Safety Procedure Integrated Management System	ISO 45001 certification Health and safety training
		Occupational accidents due to direct or indirect contact with live elements	IR	−	Direct	Short term	Potential	✓	✗		
		Work-related injuries or work-related ill health due to lack of personnel skills, negligence, lack of compliance with preventive measures and failure/incorrect use of personal protective equipment (PPE)	IR	−	Direct	Short term	Potential	✓	✓		
		Risk to workers' health and safety from extreme events	IR	−	Direct	Short term	Potential	✓	✓		
		Implement automation systems in production plants and warehouses to improve human-machine interaction, efficiency and safety in the workplace, enabling people to perform more value-added tasks that are less harmful to health	IO	+	Direct	Medium term	Actual	✓	✓		Community of Practice: Digitalisation of R&D Activities
	Other	Increase the number of SA 8000 certified plants in all Aquafil Group plants (Aquafil Asia Pacific, Aquafil China) demonstrating compliance to the highest social standards	IO	+	Direct	Medium term	Potential	✓	✗		SA 8000 Certification
		Failure (or partial) to share vision, strategies and information on company performance with employees	IR	−	Direct	Short term	Potential	✓	✓		Company intranet Live sharing of financial results

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Equal treatment & opportunities for all	Gender equality and equal pay for work of equal value	Unequal pay and treatment (e.g. in promotions, selection processes)	IR	−	Direct	Medium term	Potential	✓	✗	Code of Conduct Human Rights Policy DE&I Policy	UNI / PdR 125 Certification DE&I Training
	Training and skills development	Lack of pathways for professional growth, skill development and an ageing workforce lead to a lack of trained and experienced workers	IR	−	Entire value chain	Short term	Potential	✓	✓		
		Loss of key figures	R	−	Direct	Short term	Potential	NA	✓	Code of Conduct DE&I Policy Top management succession policy	Do ut Des project Talent management project Aquapedia Onboarding and mentoring process
		Establish a stimulating work environment that attracts talent, fosters professional growth and promotes skill development, including retraining and upgrading	IO	+	Direct	Short term	Potential	✓	✓		
	Measures against violence and harassment in the workplace	Anti-discrimination and anti-harassment policies and dissemination of ethical values within the Aquafil Group	I	+	Direct	Short term	Actual	✓	✗	Code of Conduct Human Rights Policy DE&I Policy	DE&I training
	Diversity	Incidents of discrimination in the workplace and in personnel selection and compensation processes (pay discrimination, inappropriate comments against an employee on cultural, linguistic, religious, political and ethnic grounds)	IR	−	Direct	Short term	Potential	✓	✓	Code of Conduct Human Rights Policy DE&I Policy Whistleblowing Policy	UNI / PdR 125 Certification DE&I Training
		Promote an inclusive culture and support diversity by educating staff to respect human rights and addressing gender, ethnic and cultural biases through the adoption of ethical standards, business strategies and goals (Gender Equality certification, Disal training)	IO	+	Direct	Short term	Potential	✓	✗		

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Other work related rights	Adequate housing	Provision of adequate housing f or the needs of employees	I	+	Direct	Short term	Actual	✓	✗	Retention policy	
	Privacy	Risk of software/hardware integrity and data integrity in the execution of operational processes due to a lack of information and awareness programme on the proper use of IT systems and related risks	R	−	Direct	Medium term	Potential	NA	✓	Policy Privacy SOD (Segregation of Duties) “Incident Response Plan” procedure	Periodic cyber security training
		Violation of the right to privacy, loss and dissemination of personal data and information	R	−	Direct	Short term	Potential	NA	✓	Code of Conduct Human Rights Policy	Designation of a Data Protection Officer
		Security of data generated, processed and stored throughout the Aquafil Group (GDPR	I	+	Direct	Short term	Actual	✓	NA	Code of Conduct Human Rights Policy	Designation of a Data Protection Officer

TABLE 5.12 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC S2 - WORKERS IN THE VALUE CHAIN**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Working conditions	Collective bargaining	Violation of collective bargaining coverage and the right of representation of Aquafil value chain actors	IR	−	Downstream	Short term	Potential	✓	✗	Human Rights Policy	SA 8000 certification
	Secure employment	Erroneous, late or failure to prepare contractual arrangements or obligations to workers resulting in violation of their rights	IR	−	Downstream	Short term	Potential	✓	✗	Reputational analysis of customers	
	Working time	Inadequate and unbalanced work schedules	IR	−	Downstream	Short term	Potential	✓	✗	Human Rights Policy	SA 8000 certification
	Adequate wages	Inadequate wages and remuneration policies in the value chain	IR	−	Downstream	Short term	Potential	✓	✗	Code of Conduct and Human Rights Policy	
	Health and safety	Work-related injuries and accidents in the value chain	IR	−	Upstream e Downstream	Short term	Potential	✓	✗	Human Rights Policy	
		Injuries & incidents involving third parties (workers from outside companies) in Aquafil's business scope	IR	−	Upstream	Medium term	Potential	✓	✓	Human Rights Policy, Integrated Management System, ISO 45001 certification	
Equal treatment and opportunities for all	Measures against violence and harassment in the workplace	Sharing the Code of Conduct and policies on workers' rights on the value chain to prevent incidents of violence and harassment at work	I	+	Upstream and Downstream	Short term	Actual	✓	NA	Code of Conduct, Human Rights Policy	SA 8000 certification
Other work-related rights	Forced labour	Incidents of forced labour and forms of modern slavery in the value chain	IR	−	Downstream	Short term	Potential	✓	✗	Code of Conduct, Human Rights Policy, Reputational Verification customers	EcoVadis Project, SA 8000 certification
	Child labour	Incidents of child labour in the value chain	IR	−	Downstream	Short term	Potential	✓	✗	Code of Conduct, Human Rights Policy, Customer reputational analysis	EcoVadis Project, SA 8000 certification

TABLE 5.13 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC S3 - AFFECTED COMMUNITIES**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Communities' civil & political rights	Other	Undertake projects for the empowerment, awareness and support of women and against genderbased violence	IO	+	Direct	Short term	Actual	✓	✗	DE&I Policy	Support for Alba Chiara APS, and Europa Donna Krapina
Communities' economic, social and cultural rights	Other	Promoting collaboration with schools and universities to boost educational activities, build infrastructure and allocate scholarships to the most deserving students Engagement with the local community strengthens Aquafil's image in the regions where it operates and its attractiveness as an employer	IO	+	Direct	Short term	Actual	✓	✗		Scholarships for ITET Floriani of Riva del Garda (TN), meetings with students, collaboration with Parson School of Design (NY), partnership with Slovenian Chemical Society and EDI Onlus

TABLE 5.14 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC S4 – CONSUMERS AND END-USERS**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Product management		Developing new circular products and services enables entry into new markets and meeting new customer priorities	O	+	Downstream	Medium term	Actual	NA	✓	ESG Policy	R&D activities for creating new products and improving existing products, eco-design activities (see section 1.2.5)
		A change in commodity prices due to interest rates or strategic decisions can lead to a drop in demand from B2B customers	R	−	Downstream	Medium term	Potential	NA	✓		Commercial relationships consolidated in the medium or long term
Informationrelated impacts for consumers and/or end-users	Access to (quality) information	Providing B2B customers with accurate information regarding the composition and origin of the product	I	+	Direct	Short term	Actual	✓	NA		Obtaining product certifications (see section 4.7)
Social inclusion of consumers and/or end-users	Non-discrimination	Positive, educational and inclusive communication to customers and end-users about Aquafil products	IO	+	Downstream	Medium term	Actual	✓	✗	DE&I Policy (see section 3.1.1)	B2B and B2C external communication initiatives, including ECONYL® blog, ECONYL® academy, ECONYL® on air (see section 2.5.3 Training and information)
	Responsible marketing practices	Incorrect or misleading communication about Aquafil products by B2B customers and to end-users	R	−	Direct e Downstream	Short term	Potential	NA	✓	Guidelines for the promotion of ECONYL® products	Team against greenwashing
		Collaboration with its customers in order to share the vision of sustainability along the supply chain, and undertake projects to support sustainable transition	IO	+	Direct e Downstream	Medium term	Actual	✓	✓	Code of Conduct (see section 4.1) Human Rights Policy (see section 3.1.1) Reputational analysis of customers	Project R2R and Take Back (see section 3.3.3)

TABLE 5.15 – **MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO TOPIC G1 - BUSINESS CONDUCT**

Sub-topic	Sub-sub-topic	IRO name	IRO	Type of impact	Direct or indirect	Time horizon	Actual or potential	Impact materiality	Financial materiality	Policy and procedures	Action
Corruption and bribery	Incidents	Corruption and bribery, non-compliance with laws, regulations and standards, anti-competitive behaviour, monopolistic practices	R	−	Upstream and Downstream	Medium term	Potential	NA	✓	231 Model Code of Conduct Anti-Corruption Policy Whistleblowing system	Business integrity training
	Prevention and detection including training	Promotion of principles of integrity, transparency and compliance in business management and value chain	IO	+	Entire value chain	Short term	Actual	✓	✗	231 Model Code of Conduct Anti-Corruption Policy Whistleblowing system	Business integrity training
Corporate culture		Promotion of the Code of Conduct and dissemination of a shared corporate culture and values that guide Group decisions and create an ethical work environment	IO	+	Direct	Medium term	Actual	✓	✗	Code of Conduct	Signature of the Code of Conduct Business integrity training
Protection of whistleblowers		Failure to protect whistleblowers through appropriate systems and procedures to facilitate information (e.g. whistleblowing)	IR	−	Entire value chain	Short term	Potential	✓	✗	Code of Conduct Whistleblowing system	

5.5

CLIMATE CHANGE - ADDITIONAL DATA AND CALCULATION METHODOLOGY

5.5.1

Results of the Climate Risk and Vulnerability Assessment

In the analysis, only risks applicable to the specific operations of the plant were considered.

TABLE 5.16 – **RISK DERIVING FROM MAIN CLIMATE PHENOMENA BY GROUP COUNTRY, IN THE FIRST SCENARIO (2.1°C-3.5°C)**

FIRST SCENARIO (2.1°C-3.5°C)	ITALY	SLOVENIA	CROATIA	ARIZONA	GEORGIA	NORTH CAROLINA	CALIFORNIA
Hot and cold							
Average temperature	Medium high	High	Medium high	Medium high	Medium high	Medium high	Medium high
Extreme heat	Medium high	High	Medium high	Medium high	Medium high	Medium high	High
Cold waves	Medium low	Medium high	Medium low	Medium low	Medium high	Medium low	Low
Rain and drought							
Average rainfall	Medium high	High	Medium low	Medium high	Medium low	Medium low	Low
Extreme rainfall and flooding	High	High	Medium low	Medium low	Medium low	Medium high	Medium low
Fire risk	Medium high	High	Medium high	Medium low	Low	Medium low	High
Drought		High	Medium high	Medium low	Low	Low	Medium low
Aridity	Medium high	High	Medium high	Medium low	Low	Low	Medium low
Wind							
Average windspeed	Low	Low	Medium low		Low		Low
Tropical cyclones					Medium low		
Windstorms	Medium high	Medium high	High	Low	Medium low	Medium high	Low
Snow and ice							
Snow, ice and ice caps	Medium high	Medium low	Medium low		Medium high	Medium low	
Permafrost	Medium low	Medium low	Medium low				

Climate Impact Driver

- Acute
- Chronic

- Very low
- Low
- Medium low
- Medium high
- High
- Very high

FIRST SCENARIO (2.1°C-3.5°C)	ITALY	SLOVENIA	CROATIA	ARIZONA	GEORGIA	NORTH CAROLINA	CALIFORNIA
Landslides and avalanches							
Landslides							
Avalanches							
Coasts							
Sea level							
Coastal flooding							
Oceans							
Average ocean temperature							
Marine heatwaves							
Ocean chemistry: dissolved oxygen and ocean acidity							

TABLE 5.17 – **RISK DERIVING FROM MAIN CLIMATE PHENOMENA BY GROUP COUNTRY, IN THE SECOND SCENARIO (3.3°C-5.7°C)**

SECOND SCENARIO (3.3°C-5.7°C)	ITALY	SLOVENIA	CROATIA	ARIZONA	GEORGIA	NORTH CAROLINA	CALIFORNIA
Hot and cold							
Average temperature	High	Very high	High	High	High	High	High
Extreme heat	High	Very high	High	High	High	High	Very high
Cold waves	Low	Low	Low	Low	High	Medium low	Low
Rain and drought							
Average rainfall	High	Very high	Medium high	High	Low	Low	Low
Extreme rainfall and flooding	Very high	Very high	Medium high	Medium high	Medium high	High	Medium high
Fire risk	High	High	High	Medium high	Low	Low	Very high
Drought	High	Very high	High	Medium high	Low	Low	Medium high
Aridity	Very high	Very high	High	Medium high	Low	Low	Medium high
Wind							
Average windspeed	Low	Low	Medium low		Low		Low
Tropical cyclones					Medium high		
Windstorms	High	High	Very high	Low	Medium high	High	Low
Snow and ice							
Snow, ice and ice caps	High	Low	Medium low		High	Medium low	
Permafrost	Medium low	Medium low	Medium low				

Climate Impact Driver CID

- Acute
- Chronic

- Very low
- Low
- Medium low
- Medium high
- High
- Very high

SECOND SCENARIO (3.3°C-5.7°C)	ITALY	SLOVENIA	CROATIA	ARIZONA	GEORGIA	NORTH CAROLINA	CALIFORNIA
Landslides e Avalanches							
Landslides							
Avalanches							
Coasts							
Sea level							
Coastal flooding							
Oceans							
Average ocean temperature							
Marine heatwaves							
Ocean chemistry: dissolved oxygen and ocean acidity							

5.5.2

Energy consumption

Table 5.18 shows the 2024 reporting scope, which includes all companies in the financial consolidation of Aquafil.

The companies Acca, Poly, Aquafil India, and Nofir, which are reported in the Sustainability Report as “Holdings”, are excluded from the energy mix scope (and emissions calculation) as Aquafil has no operational control over them.

The companies in the scope all fall under the classification of high-impact activities according to the European Commission’s Delegated Regulation (EU) 2022/1288, with the sole exception of Aqualeuna. Also for Aqualeuna, energy consumption has been separated into all the fossil components to provide the reader with more detailed information.

TABLE 5.18 – **SCOPE OF ENERGY MIX CALCULATION (2024)**

Company	Included in the scope of energy mix calculation	Industry description	NACE/Code corresponding activity	High climate impact sector?
Aquafil USA	Included	Artificial and Synthetic Fibers and Filaments Manufacturing	2060	High impact
Aquafil O'Mara	Included	Artificial and Synthetic Fibers and Filaments Manufacturing	2060	High impact
Aquafil SLO	Included	Manufacture of man-made fibres	2060	High impact
Aquafil CRO	Included	Preparation and spinning of textile fibres	1310	High impact
Aquafil Synthetic Fibres and Polymers (CHN)	Included	Manufacturing of nylon fibers	2821	High impact
Aquafil Japan	Included	Textile industry	13	High impact
Aquafil Asia Pacific (TH)	Included	Spinning of natural textile fibres	131	High impact
Aquafil SpA	Included	Manufacture of man-made fibres	2060	High impact
Tessilquattro	Included	Preparation and spinning of textile fibres	1310	High impact
Aquafil Carpet Collection	Included	Materials Recovery Facilities	3832	High impact
Aquafil Carpet Recycling 1	Included	Materials Recovery Facilities	3832	High impact
Aquafil Benelux-France	Included	Commission trade of miscellaneous products	46190	High impact
	Included	Commission trade of textiles, clothing, fur, footwear and leather goods	46160	High impact
Aquafil Chile	Included	Rental of real estate furnished or with equipment and machinery	6810	High impact
	Included	Recovery and recycling of other waste and scrap	383	High impact

Company	Included in the scope of energy mix calculation	Industry description	NACE/Code corresponding activity	High climate impact sector?
Aquafil Engineering	Included	Manufacture of other special purpose machinery not elsewhere classified	289	High impact
	Included	Manufacture of other non-industry specific machinery	2829	High impact
Aquafil Tekstil Sanayi (TR)	Included	Wholesale of textile fibres	46761	High impact
Aquafil Oceansa	Included	Commission trade of textiles, clothing, fur, footwear and leather goods	46190	High impact
Bluloop	Included	Retail sale via mail order houses or via Internet	4791	High impact
Aqualeuna	Included	Engineering activities and related technical consultancy	7112	Not High impact
	Included	Manufacture of other general-purpose machinery	2829	High impact
	Included	Wholesale of chemical products	4675	High impact
Aquafil UK	Included		1310	High impact
Aquafil Carpet Recycling #2	Included	Materials Recovery Facilities	3832	High impact
Aquafil India	Not Included			
Nofir	Not Included			
Poly - Service SAS (FR)	Not Included			
Acca Spa	Not Included			

5.5.3

GHG emissions

Greenhouse gas emissions are calculated monthly by converting the amounts of **energy consumed** into carbon dioxide equivalent (CO_2eq). For this purpose, a specially developed calculation tool, the **Sustainability Web Tool**, is used to which most production plants have access and which uses energy carrier-specific **emission factors**.*

In 2024, there was no change in **quantification methods** other than the adoption of the Inventory Management Plan, which standardised different plants' approaches to conversions and data sharing, ensuring compliance with CRSD requirements (including the use of PCI in energy conversion).

Compared with 2023, however, the **reporting scope** has changed. Emissions were calculated according to the GHG Protocol with an "operational control" consolidation approach. Table 5.19 shows the consolidation method and the percentage of emissions considered for each entity in the scope. The companies Poly, Aquafil India, Acca and Nofir are considered as "Holdings" as Aquafil does not exercise operational control over them; the corresponding emissions are reported in Category 15 "Investments" in Table 2.4 of section 2.1.3.

* Excluded are the trading companies in the scope (AquafilUK, Aquafil Benelux, Aquafil Oceania, Aquafil Turkey, Aqualeuna, ACR2, Bluloop) and production companies that were not in the 2023 reporting scope (Aquafil Japan, Aquafil Chile, Aquafil Engineering). These companies are not currently listed in the Aquafil tool. Data control is exercised by Aquafil according to indications in the Inventory Management Plan. Internal audits are conducted periodically on the data received to ensure compliance.

TABLE 5.19 – **EMISSION CALCULATION SCOPE (2024)**

Company name	Country	Description	% of consolidated GHG emissions for the company
Aquafil S.p.A.	Italy	Production site and headquarters	100
Tessilquattro S.p.A.	Italy	Production site	100
AquafilSLO d.o.o.	Slovenia	Production site	100
AquafilCRO d.o.o.	Croatia	Production site	100
AquafilUK Ltd.	United Kingdom	Sales office	100
Aquafil Fibers and Polymers (Jiaxing) Co.Ltd	China	Production site	100
Aquafil Asia Pacific Co. Ltd.	Thailand	Production site	100
Aquafil U.S.A. Inc	USA	Production site	100
Aquafil CarpeT Recycling (ACR) #1 Inc.	USA	Production site	100
Aquafil Carpet Collection LLC	USA	Production site	100
Aquafil O'Mara	USA	Production site	100
Aquafil Carpet Recycling (ACR) #2 Inc.	USA	Sales office	100
Aquafil Engineering GmbH	Germany	Production site	100
Aquafil Aqualeuna GmbH	Germany	Sales office	100
Aquafil Tekstil Sanayi Ve Ticaret A.S.	Turkey	Sales office	100
Aquafil Chile S.p.A.	Cile	Production site	100
Aquafil Japan Corp	Japan	Sales office	100
Aquafil Benelux France BVBA	Belgium	Sales office	100
Aquafil Oceansa Pty	Australia	Sales office	100
Bluloop Srl SB	Italy	Sales office	100
Acca S.p.A.	Chile	Associate	50
Nofir	Norway	Associate and commercial partner	31,66
Poly-service	France	Associate	50
Aquafil India	India	Holding	45

Compared to last year, the following **reporting** categories have been added **to Scope 3**:

- Business travelling (data was missing last year);
- Downstream leased assets (last year they were not present since they are related to the new legal entities that entered the consolidation scope)

All categories relevant to Aquafil's production environment were accounted for. In fact, the categories "Use phase of the product sold "and "Processing of the product sold" are excluded from the quantification of GHG emissions. In the first case, Aquafil products, after being processed, have an indirect use phase and therefore their quantification is not strictly required methodologically by the GHG Protocol. In the case of "Processing of the product sold" the materiality analysis conducted according to the criteria outlined in the GHG Protocol and adopted by Aquafil in its Inventory Management Plan showed a material sub-threshold. Emissions originating from this emission source were quantified by the company in order to conduct the materiality assessment accurately but not reported as they were not material.

Currently, Aquafil **does not use primary data obtained from suppliers** in the calculation of Scope 3 emissions. Primary data obtained from suppliers means the specific emission factors for the products purchased; in the case of Aquafil, supplier engagement began in 2024 but is currently being evaluated.

Table 5.20 shows the source of the **data used to calculate emissions** and the quantification approaches (CDP compliant).

TABLE 5.20 – **EMISSION QUANTIFICATION APPROACHES**

GHG Protocol Categories	Quantification approach used
Scope 1 Direct emissions	Site-specific method; average data method
Scope 2 Market- and Location-Based	Site-specific method; average data method
Scope 3.1 Purchased goods and services	Site-specific method; spend-based; average product method
Scope 3.2 Capital goods	Spend-based method
Scope 3.3 Fuel and energy-related activities	Site-specific method; fuel-based method
Scope 3.4 Upstream transportation and distribution	Distance-based method; Spend-based method
Scope 3.5 Waste generated in operations	Waste-type-specific method
Scope 3.6 Business travelling	Spend-based method
Scope 3.7 Employee commuting	Average data method; distance-based method
Scope 3.9 Downstream transportation	Distance-based method; average data method
Scope 3.12 End-of-life treatment of sold products	Average data method; waste-type-specific method
Scope 3.13 Downstream leased assets	Average data method
Scope 3.15 Investments	Average data method

TABLE 5.21 – **DATABASES USED FOR EMISSION FACTORS**

Database	Version
Ecoinvent	3.11
Bilan carbon (Ademe)	v17
IEA	IEA Emission Factor Package 2024
EXIOBASE/EPA	2019

Table 5.21 shows the databases used for emission factors and their version.

Assumptions on commuting habits were made for all establishments on a national basis (except Aquafil China, which carried out a survey). Data not provided but derived from assumptions on literature are also related to:

- Energy consumption (natural gas and electricity) for new companies and leased assets (upstream and downstream) estimated by AQUAFIL from literature (EURAC)
- Water consumption for new companies estimated from national literature where available
- End-of-life treatments according to EPD and literature indications (metals)
- Outsourced treatments estimated from databanks and literature

5.6

WATER RESOURCES – ADDITIONAL DATA

TABLE 5.22 – **WATER DISCHARGES VOLUMES BY WATER STRESS AREAS, IN M³ (2024)**

Source	Plant	Stress	UM	Total
Surface water discharges	Aquafil	1-2	m³	780,154
Discharges to surface facilities (industrial use)	AquafilSLO - Ljubljana	0-1	m³	340,591
	AquafilSLO - Celje		m³	
	Aquafil	1-2	m³	143,147
	AquafilCRO		m³	
	Tessilquattro		m³	
	Aquafil USA		m³	
	Tessilquattro - Rovereto		m³	
	O'Mara		m³	
	Aquafil China	3-4	m³	10,191
	Aquafil Carpet Recycling #1		m³	
Discharges to surface systems (civil use)	AquafilSLO - Ljubljana	0-1	m³	13,925
	AquafilSLO - Celje		m³	
	AquafilSLO - Ajdovscina		m³	
	AquafilSLO - Senozece		m³	
Discharges to surface systems (civil use)	Aquafil	1-2	m³	52,421
	AquafilCRO		m³	
	Tessilquattro		m³	
	Aquafil USA		m³	
	Tessilquattro - Rovereto		m³	
	O'Mara		m³	
	Asia Pacific	2-3	m³	1,008
	Aquafil China	3-4	m³	5,033
	Aquafil Carpet Recycling #1		m³	
	Phoenix		m³	
	Anaheim		m³	
	Miramar	4-5	m³	1,429
	Chula Vista		m³	

OVERALL WATER RISK

- Low (0-1)
- Low-Medium (1-2)
- Medium-High (2-3)
- High (3-4)
- Extremely High (4-5)

5.7

BIODIVERSITY – ADDITIONAL DATA

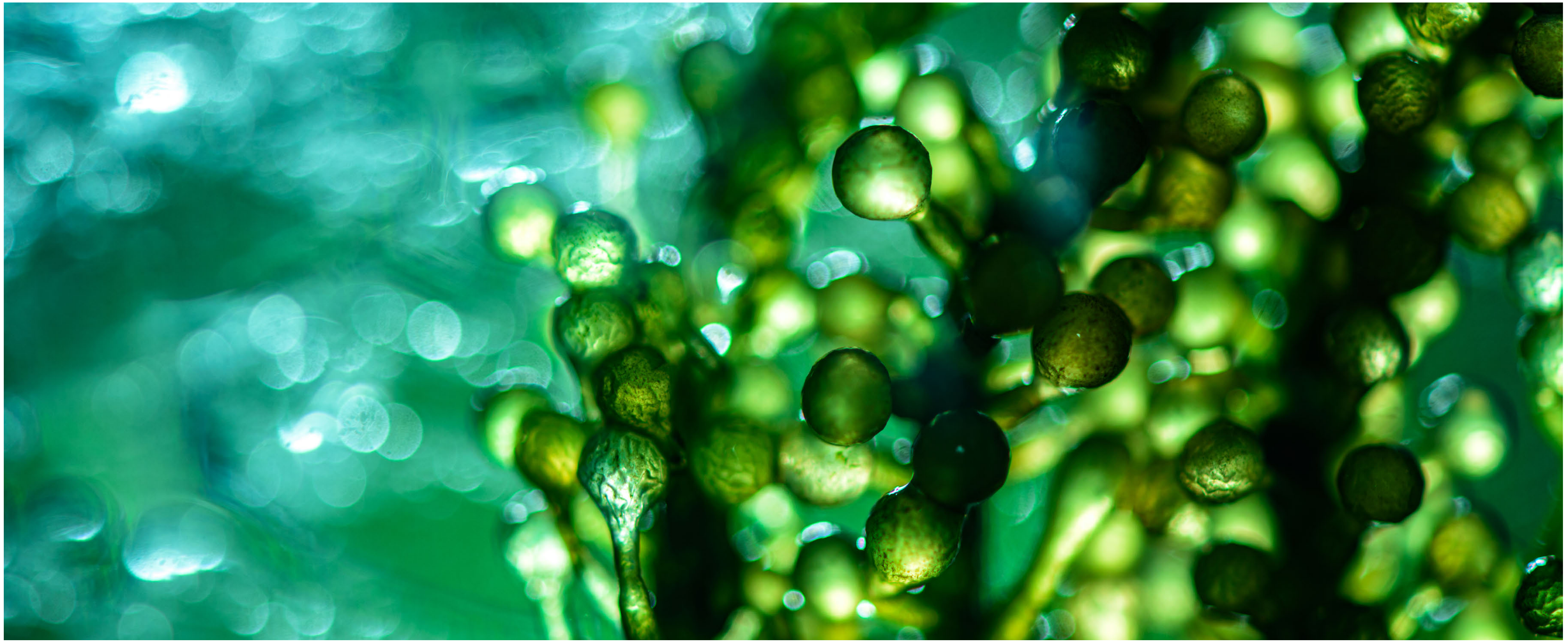


TABLE 5.23 – **SENSITIVE AREAS WITHIN 10 KM OF GROUP PLANTS, IN EUROPE AND NORTH AMERICA**

Name of the area	Country	Directive/Protection Mechanism	Site code or classification
Panorama Nature Reserve	California	IUCN	V: Protected landscape
San Diego Bay National Wildlife Refuge	California	IUCN	IV: Habitat / species management
Tijuana Slough National Wildlife Ref	California	IUCN	IV: Habitat / species management
Robinhood Ridge	California	IUCN	V: Protected landscape / seascape
Newport 5 Preserve	California	IUCN	V: Protected landscape / seascape
Dennery Preserve	California	IUCN	V: Protected landscape / seascape
Los Penasquitos Canyon Preserve	California	IUCN	V: Protected landscape / seascape
Elliott Chaparral Reserve	California	IUCN	V: Protected landscape / seascape
Red Top Mountain State Park feature	Georgia	IUCN	III: Natural monument
Etowah Mounds Historic Site	Georgia	IUCN	IUCN - Unknown
Foothills Conservancy of North Carolina Easement	North Carolina	Non-Governmental Organization	Gap status 2
Foothills Conservancy of North Carolina Preserve	North Carolina	IUCN	V: Protected landscape / seascape
Monte Brione	Italy	Habitat Directive	IT3120075
Lago di Loppio	Italy	Habitat Directive	IT3120079
Manzano	Italy	Habitat Directive	IT3120111
Bus del Diaol	Italy	Habitat Directive	IT3120137
Monte Brento	Italy	Habitat Directive	IT3120115
Torbiera Lomasona	Italy	Habitat Directive	IT3120069
Fiavè	Italy	Habitat Directive	IT3120068
Marocche di Dro	Italy	Habitat Directive	IT3120074
Crinale Pichea – Rocchetta	Italy	Habitat and Birds Directive	IT3120093
Villa Rendena	Italy	Habitat Directive	IT3120152
Lago di Toblino	Italy	Habitat Directive	IT3120055
Le Sole	Italy	Habitat Directive	IT3120154
Dolomiti di Brenta	Italy	Habitat Directive	IT3120177
Brenta	Italy	Birds Directive	IT3120159
Adige	Italy	Habitat and Birds Directive	IT3120156
Laghetti di Marco	Italy	Habitat Directive	IT3120080
Monte Zugna	Italy	Habitat Directive	IT3120114
Monte Ghello	Italy	Habitat Directive	IT3120149
Pra dall'Albi - Cei	Italy	Habitat Directive	IT3120081
Talpina - Brentonico	Italy	Habitat Directive	IT3120150
Taio di Nomi	Italy	Habitat Directive	IT3120082
Servis	Italy	Habitat Directive	IT3120086
Monte Baldo di Brentonico	Italy	Habitat Directive	IT3120173

Name of the area	Country	Directive/Protection Mechanism	Site code or classification
Ljubljanica - Gradaščica - Mali Graben	Slovenia	Habitat Directive	SI3000291
Ljubljansko barje	Slovenia	Birds Directive	SI5000014
Sava - Medvode - Kresnice	Slovenia	Habitat Directive	SI3000262
Dolina Vipave	Slovenia	Habitat Directive	SI3000226
Vipavski rob	Slovenia	Birds Directive	SI5000021
Kras	Slovenia	Habitat Directive	SI3000276
Voglajna pregrada Tratna - izliv v Savinjo	Slovenia	Habitat Directive	SI3000068
Volčeke	Slovenia	Habitat Directive	SI3000213
Posavsko hribovje	Slovenia	Birds Directive	SI5000026
Savinja Celje - Zidani most	Slovenia	Habitat Directive	SI3000376
Reka pri Laškem	Slovenia	Habitat Directive	SI3000358
Ocvirkova jama	Slovenia	Habitat Directive	SI3000083
Kozarica	Slovenia	Habitat Directive	SI3000368
Bistrica pri Libojah	Slovenia	Habitat Directive	SI3000314
Cerovec	Slovenia	Habitat Directive	SI3000114
Medvednica	Croatia	Habitat Directive	HR2000583

5.8

CIRCULAR ECONOMY – CALCULATION METHODOLOGY

5.8.1

Resource inflows and outflows

Material weight calculation uses consumption data collected from the SAP management system. In the absence of more precise guidance on what the legislature intends the words “technical” and “biological” to mean, Aquafil has applied the following definitions:

- **Technical materials**: “Raw materials, i.e. natural resources used for conversion to products or services, such as ores, minerals, and wood; associated process materials, i.e. materials that are needed for the manufacturing process but are not part of the final product, such as lubricants for manufacturing machinery; semi-manufactured goods or parts, including all forms of materials and components other than raw materials that are part of the final product; materials for packaging purposes, including paper, cardboard and plastics” (GRI 301, 2018).
- **Biological materials**: “Bio-based products are derived, in whole or in part, from materials of biological origin (such as plants, animals, enzymes, and microorganisms, including bacteria, fungi and yeasts)” (European Commission, 2024); and “A biomaterial is a material derived or produced from biological organisms such as plants, animals, bacteria, fungi and other life forms. These are also called biological source materials” (Penn State University, 2024).

Applying these definitions to Aquafil’s production, two biological input material streams were identified: wood and paper.

Regarding the **percentage of recyclable products sold**, we consulted the sales report and identified material codes associated with products that can be recycled, belonging to these six macro-categories:

1. **NYLON 6 YARN**
2. **NYLON 66 YARN**
3. **POLYESTER YARN (PET)**
4. **POLYPROPYLENE YARN (DRYARN)**
5. **POLYMER OF PA6 (POLYAMIDE 6)**
6. **POLYMER OF PA66 (POLYAMIDE 66)**
7. **PP, POLYPROPYLENE**
8. **CALCIUM CARBONATE**
9. **MASTER**

5.8.2

Waste

The volume of waste produced - 16,748,201 kg - is an actual and verified figure. By contrast, the end-of-life breakdown was estimated to be 58% by volume, or 9,681,430.5 kg.

This is because end-of-life management is outsourced to third parties who, in some cases, do not provide detailed information about the destination of the waste. In the absence of specific data, it is therefore necessary to resort to estimates based on official waste disposal statistics provided by Eurostat for Europe, the EPA for the United States and other authoritative sources for other countries.

Each individual waste code was assigned an end-of-life based on the local statistics (i.e. the state of the facility that generated the waste) of disposal and/or recovery of the waste.

5.9

EUROPEAN TAXONOMY: TURNOVER, CAPEX E OPEX

Aquafil voluntarily adopts a double view in disclosure: the first, following the strict interpretation of the standard, which considers as eligible only the activity of producing and selling polyamide 6 polymer in granular form; the second, provided voluntarily, which looks at the entire activity of production and sales, including that of yarn. For both scenarios, the relevant data on Turnover, CapEx and OpEx are published according to the characteristics specified in the Regulations.

5.9.1

View 1 - Total production and sales activities of Aquafil (i.e. yarn)

TABLE 5.24 – **TURNOVER FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)**

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 1: Total production and sales activities of Aquafil (i.e. yarn)		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		541,378,550	99.9%	99.5%				0.5%									50.6%	46.9%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	273,051,683	50.4%	100%						Y	Y	Y	Y	Y	Y	Y	50.4%	46.9%		T
4.1 Electricity generation using solar photovoltaic technology (AQCRO)	D35.11	3,393	0.0006%	100%						Y	Y	Y	Y	Y	Y	Y	0.0006%	N/A		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	1,365,313	0.25%					100%		Y	Y	Y	Y	Y	Y	Y	0.25%	N/A		N/A
Overall turnover related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		274,420,389	50.6%	99.5%				0.5%									50.6%	46.9%		

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water e risorse marine (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water e risorse marine (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	266,931,838	49.2%														49.2%	52.6%		
2.7 Material recovery from non-hazardous waste	E38.3	2,251	0.0004%														0.0004%	0.0004%		
4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels	D35.30	24,072	0.004%														0.004%	N/A		
Total turnover related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		266,958,162	49.2%														49.2%	52.6%		
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities (B)		756,321	0.1%																	
Total A + B		542,134,871	100%																	

TABLE 5.25 – CAPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 1: Total production and sales activities of Aquafil (i.e. yarn)		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		33,929,493	99.8%	97.4%				2.6%									60.5%	57%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	20,027,680	58.9%	100%						Y	Y	Y	Y	Y	Y	Y	58.9%	57%		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	533,510	1.6%					100%		Y	Y	Y	Y	Y	Y	Y	1.6%	N/A		N/A
Overall CapEx related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		20,561,190	60.5%	97.4%				2.6%									60.5%	57%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	13,367,831	39.3%														39.3%	41%		
2.7 Material recovery from non-hazardous waste	E38.3	472	0.001%														0.001%	N/A		
Overall CapEx related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		13,368,303	39.3%														39.3%	41%		
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		58,158	0.2%																	
Total A + B		33,987,651	100%																	

TABLE 5.26 – **OPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)**

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 1: Total production and sales activities of Aquafil (i.e. yarn)		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. ATTIVITÀ AMMISSIBILI ALLA TASSONOMIA (A.1 + A.2)		24,012,288	100%	99%				1%									55.9%	47.4%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	13,366,076	55.4%	100%						Y	Y	Y	Y	Y	Y	Y	55.4%	47.4%		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	132,478	0.5%					100%		Y	Y	Y	Y	Y	Y	Y	0.5%	N/A		N/A
Overall OpEx related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		13,498,554	55.9%	99%				1%									55.9%	47.4%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	10,513,107	44%														44%	52%		
2.7 Material recovery from non-hazardous waste	E38.3	628	0.003%														0.003%	N/A		
Overall OpEx related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		10,513,734	43.6%														43.6%	52%		
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		119,195	0%																	
Total A + B		24,131,483	100%																	

TABLE 5.27 – **TURNOVER RELATED TO ACTIVITY 4.30 ON THE GROUP TOTAL (2024)**

Turnover	Proportion (present information in monetary amounts and percentages)					
Economic activity 4.30	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of activity 4.30 in the denominator of the applicable KPI (Turnover)	24,072	0.004%	24,072	0.004%	-	0%
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI (Turnover)	24,072	0.004%	24,072	0.004%	-	0%

5.9.2

View 2 – Production and sale of polyamide 6 polymer (PA6) in granular form

TABLE 5.28 – **TURNOVER FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)**

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 2: Production and sale of polyamide 6 polymer (PA6) in granular form		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		62,116,767	11.5%	89.2%				10.8%									2.3%	1.6%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	11,226,043	2.1%	100%						Y	Y	Y	Y	Y	Y	Y	2.1%	1.6%		T
4.1 Electricity generation using solar photovoltaic technology (AQCRO)	D35.11	3,393	0.0006%	100%						Y	Y	Y	Y	Y	Y	Y	0.0006%	N/A		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	1,365,313	0.25%					100%		Y	Y	Y	Y	Y	Y	Y	0.25%	N/A		N/A
Overall turnover related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		12,594,749	2.3%	89.2%				10.8%									2.3%	1.6%		

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	49,495,695	9.1%														9.1%	5.9%		
2.7 Material recovery from non-hazardous waste	E38.3	2,251	0.0004%														0.0004%	0.0004%		
4.30 High-efficiency cogeneration of heat/cool and electricity from gaseous fossil fuels	D35.30	24,072	0.004%														0.004%	N/A		
Total turnover related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		49,522,018	9.1%														9.1%	6%		
B. Taxonomy-non-eligible activities																				
Turnover of Taxonomy-non-eligible activities (B)		480,018,104	88.5%																	
Total A + B		542,134,871	100%																	

TABLE 5.29 – CAPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?										
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 2: Production and sale of polyamide 6 polymer (PA6) in granular form		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		8,486,070	25%	91.1%				8.9%									17.7%	16%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	5,482,956	16.1%	100%						Y	Y	Y	Y	Y	Y	Y	16.1%	16%		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	533,510	1.6%					100%		Y	Y	Y	Y	Y	Y	Y	1.6%	N/A		N/A
Overall CapEx related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		6,016,466	17.7%	91.1%				8.9%									17.7%	16%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	2,469,133	7.3%														7.3%	5%		
2.7 Material recovery from non-hazardous waste	E38.3	472	0.001%														0.001%	N/A		
Overall CapEx related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		2,469,605	7.3%														7.3%	5%		
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		25,501,581	75%																	
Total A + B		33,987,651	100%																	

TABLE 5.30 – OPEX FROM PRODUCTS AND SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (2024)

				Substantial contribution criteria						Criteria for "do no significant harm": does the activity satisfy the DNSH criteria?									
Economic activity (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of Taxonomyeligible turnover, financial year 2024 (18)	Proportion of Taxonomyeligible turnover, financial year 2023 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
VIEW 2: Production and sale of polyamide 6 polymer (PA6) in granular form		Currency	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		5,210,854	21.6%	95.9%				4.1%									13.6%	17.6%		
A.1 Environmentally sustainable activities (aligned with Taxonomy)																				
3.17 Manufacture of plastics in primary form (Yarn&Multi Yarn)	C20.16	3,145,655	13%	100%						Y	Y	Y	Y	Y	Y	Y	13%	17.6%		T
2.3 Collection and transport of non-hazardous and hazardous waste	E38.1	132,478	0.5%					100%		Y	Y	Y	Y	Y	Y	Y	0.5%	N/A		N/A
Overall OpEx related to environmentally sustainable activities (aligned with Taxonomy) (A.1)		3,278,133	14%	95.9%				4.1%									13.6%	17.6%		
A.2 Activities eligible for the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)																				
3.17 Manufacture of plastics in primary form	C20.16	1,932,093	8%														8%	5.5%		
2.7 Material recovery from non-hazardous waste	E38.3	628	0.003%														0.003%	N/A		
Overall OpEx related to eligible but not environmentally sustainable activities (not aligned with Taxonomy) (A.2)		1,932,721	8%														8%	5.5%		
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		18,920,630	78.4%																	
Total A + B		24,131,483	100%																	

TABLE 5.31 – **TURNOVER RELATED TO ACTIVITY 4.30 ON GROUP TOTAL (2024)**

Turnover	Proportion (present information in monetary amounts and percentages)					
Economic activity 4.30	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Amount	%	Amount	%	Amount	%
Amount and proportion of activity 4.30 in the denominator of the applicable KPI (Turnover)	24,072	0.004%	24,072	0.004%	-	0%
Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI (Turnover)	24,072	0.004%	24,072	0.004%	-	0%

5.9.3

Methodological approach

Calculation of indicators

The Taxonomy requires entities reporting on sustainability to set out the percentage of eligible and aligned activities each year through three key performance indicators (hereafter also" KPIs"), according to the specifications outlined in the Regulation. These indicators relate to: turnover, capital expenditures ("CapEx") and operating expenditures ("OpEx"). In addition, a view is required to facilitate comparison with the previous year's data.

Data collection process

In addition to quantitative data, the Regulation calls for qualitative disclosure. Specifically, the discussion should focus on: how turnover, CapEx and OpEx are allocated to the numerator, the method used and the assumptions to determine the proportion of turnover, CapEx and OpEx for each economic activity.

Turnover

The KPI numerator corresponds to the revenues defined as aligned according to the criteria provided by the EU Taxonomy. Specifically, the Group's turnover aligned with the Taxonomy are the total sum of the gross revenues from sales related to the activity "ECONYL® Regeneration System and other environmentally sustainable activities" (activity 3.17), those related to activity 2.3 referring to revenues from the sale of post-consumer material by Aquafil Carpet Collection and those related to activity 4.1 referring to revenues from the sale of energy produced by the photovoltaic system installed at the Aquafil CRO plant. The denominator of the indicator, on the other hand, corresponds to the total net revenues of the Group, as defined within the Consolidated Income Statement.

CapEx

The numerator of the KPI, i.e. the aligned proportion of capital expenditures, corresponds to the amount of CapEx related to the activity "ECONYL® Regeneration System and other environmentally sustainable activities" and activity 2.3. This proportion was determined in two main ways:

- in the case of expenses directly attributable to the activities described above, these were valued on the basis of the primary figure recorded;
- in the case of expenses not directly attributable to the activity, the allocation of costs was made in proportion to the percentage of aligned turnover to total turnover.

The total CapEx figures (KPI denominator) correspond to the increases for the year, as reported in the consolidated financial statements at December 31, 2024. In line with the provisions of point 1.1.2.1. of Annex I to the Delegated Regulation (EU) 2021/2178, CapEx also included expenses incurred on leased assets, accounted for in accordance with IFRS 16, and expenses incurred for sample development, accounted for in accordance with IAS 38. Both of these types of CapEx were allocated using the methodology outlined above.

Maintenance OpEx

The numerator of the KPI, i.e. the maintenance costs aligned with the Taxonomy refer to all maintenance costs related to the activity "ECONYL® Regeneration System and other environmentally sustainable activities" and the aligned activity 2.3. The alignment data were provided directly by Management Control based on the bills of materials entered within the management ERP. The data of total maintenance (the denominator of the KPI) correspond to those included in the consolidated financial statements at Decembre 31, 2024. The Aquafil Group presents an income statement by nature and not by purpose, so the maintenance item is included partly in Service costs and partly in Material purchase costs (e.g. spare parts).

OpEx R&D - Research

The numerator of the KPI, i.e. research costs aligned with the Taxonomy refer to all project-related costs:

- related to the development/optimisation of products related to the activity "ECONYL® Regeneration System and other environmentally sustainable activities".
- related to the development of new environmentally sustainable products/processes (e.g. use of natural pigments). Data on total research costs (denominator of the KPI) are derived from the reporting, internally, of all costs (i.e. personnel costs, consumables) related to the individual research projects described above.

OpEx R&D - Development

The numerator of the KPI, i.e. development costs aligned with the Taxonomy, is derived from the reporting of all processed samples attributable to the "ECONYL® Regeneration System and other environmentally sustainable activities. Data on total development costs (denominator of the KPI) are derived from the reporting within the Group ERP of all samples produced during 2024.

5.10

THE PEOPLE OF AQUAFIL – ADDITIONAL DATA

The gender pay gap is calculated using the following formula: (male pay level - female pay level) / male pay level. If the ratio is positive, the average male wage level is higher than the average female wage level; if the ratio is negative, the average female wage level is higher than the average male wage level.

TABLE 5.32 – **GENDER PAY GAP BY COMPANY AND PROFESSIONAL ROLE - INCLUDING VARIABLE COMPONENTS AND BENEFITS (2024)**

	Senior Management	Executives	Managers	White-collar	Blue-collar
Jiaxing - Aquafil China		N/A - Male only	5.6%	2.1%	10.7%
Oroslavje - AquafilCRO			16.4%	14.8%	19.9%
Cares - Tessilquattro			-14.9%	23.2%	-3.5%
Rovereto - Tessilquattro			N/A - Male only	30.6%	13.2%
Cartersville (Georgia) - 1 Aquafil Drive USA 1	N/A - Male only	N/A - Male only	26.3%	33.1%	13.7%
Cartersville (Georgia) - 101 Fiber Drive USA 2			N/A - Male only	N/A - Women only	11.5%
Phoenix - Aquafil Carpet Recycling #1			N/A - Male only	51.4%	28.1%
Ajdovscina - AquafilSLO			N/A - Male only		N/A - Male only
Celje - AquafilSLO		N/A - Male only	N/A - Male only	N/A - Women only	10.4%
Ljubljana - AquafilSLO	N/A - Male only	40.5%	-7.1%	-0.3%	23.2%
Senozece - AquafilSLO			N/A - Male only		-1.3%
Aquafil Carpet Collection LLC		N/A - Male only	12.0%	N/A - Women only	N/A - Male only
Rutherford College - Aquafil O'Mara		N/A - Male only	5.7%	-3.5%	7.4%
Arco - Aquafil	N/A - Male only	16.5%	19.1%	19.2%	8.9%
Kilbirnie - AquafilUK		N/A - Male only			
Rayong - Asia Pacific			N/A - Male only	-18.3%	-10.8%
Istanbul - Aquafil Textil Sanayi			N/A - Male only	N/A - Women only	N/A - Male only
Harelbeke - Aquafil Benelux France B.V.B.A.		N/A - Women only	N/A - Male only	30.8%	
Melbourne - Aquafil Oceansa Pty Ltd		N/A - Male only		N/A - Male only	
Berlin - Aquafil Engineering Gmbh		N/A - Male only		18.6%	

5.11

ESRS – TABLE OF CONTENTS

TABLE 5.33 – **ESRS CONTENT INDEX**

Reporting requirement		Sustainability Statement section
ESRS 2 – General disclosures		
BP-1	General basis for preparation of sustainability statements	1.1 Methodological note
BP-2	Disclosures in relation to specific circumstances	1.1 Methodological note
GOV-1	The role of the administrative, management and supervisory bodies	1.5.1 Main governing bodies
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.5.1 Main governing bodies
GOV-3	Integration of sustainability-related performance in incentive schemes	1.5.2 Our remuneration poli-cy
GOV-4	Statement on due diligence	1.5.3 Risk management sys-tem
GOV-5	Risk management and internal controls over sustainability reporting	1.5.3 Risk management sys-tem
SBM-1	Strategy, business model and value chain	1.2.1 Who we are 1.2.4 Our value chains 1.3 Our ESG strategy
SBM-2	Interests and views of stakeholders	4.8 Dialogue with stakehold-ers
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.4 Materiality analysis 5.4 Impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Materiality analysis
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	5.11 ESRS Content Index

Reporting requirement		Sustainability Statement section
E1 – Climate change		
E1-1	Transition plan for climate change mitigation	2.1 Climate change
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.1 Climate change 5.4 Impacts, risks and opportunities 2.1.1 Climate change risk
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Materiality analysis
E1-2	Policies related to climate change mitigation and adaptation	2.1 Climate change 1.3.5 Aquafil's policies
E1-3	Actions and resources in relation to climate change poli-cies	2.1 Climate change 2.1.2 Energy consumption 2.5.3 ECONYL®: the infinite thread, like imagination 3.3.3 Collaboration for eco-design and the creation of circular supply chains
E1-4	Targets related to climate change mitigation and adaptation	1.3.3 Goals and progress against targets 2.1 Climate change
E1-5	Energy consumption and mix	2.1.2 Energy consumption
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.1.3 Greenhouse gas emissions

Reporting requirement		Sustainability Statement section
E2 – Pollution		
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	1.4 Materiality analysis
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 Pollution 5.4 Impacts, risks and opportunities
E2-1	Policies related to pollution	2.2 Pollution 1.3.5 Aquafil's policies
E2-2	Actions and resources related to pollution	2.2 Pollution
E2-3	Targets related to pollution	1.3.3 Goals and progress against targets
E2-4	Pollution of air, water and soil	2.2 Pollution 2.3.2 Water discharge
E2-5	Substances of concern and substances of very high concern	3.3.1 Product management, health and safety 4.7.1 Product certifications
E3 – Water and marine resources		
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	1.4 Materiality analysis
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.3 Water resources 5.4 Impacts, risks and opportunities
E3-1	Policies related to water and marine resources	2.3 Water resources 1.3.5 Aquafil's policies
E3-2	Actions and resources related to water and marine resources	2.3 Water resources 2.3.1 Water consumption
E3-3	Targets related to water and marine resources	1.3.3 Goals and progress against targets
E3-4	Water consumption	2.3.1 Water consumption

Reporting requirement		Sustainability Statement section
ESRS E4 – Biodiversity and ecosystems		
ESRS 2 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	1.4 Materiality Analysis 2.4 Biodiversity 2.4.1 Biodiversity Impact Assessment 2.4.2 Biodiversity Risk Assessment
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.4.1 Biodiversity Impact Assessment 2.4.2 Biodiversity Risk Assessment 5.4 Impacts, risks and opportunities
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.4 Biodiversity
E4-2	Policies related to biodiversity and ecosystems	2.4 Biodiversity 1.3.5 Aquafil's policies
E4-3	Actions and resources related to biodiversity and ecosystems	2.4.1 Biodiversity Impact Assessment
E4-4	Targets related to biodiversity and ecosystems	2.4 Biodiversity 1.3.3 Goals and progress against targets
E4-5	Impact metrics related to biodiversity and ecosystems change	2.4.1 Biodiversity Impact Assessment

Reporting requirement		Sustainability Statement section
ESRS E5 – Circular economy		
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.4 Materiality Analysis 2.5 Circular economy
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	2.5 Circular economy 5.4 Impacts, risks and opportunities 2.5.3 ECONYL®: the infinite thread, like imaginatio
E5-1	Policies related to resource use and circular economy	1.3.5 Aquafil's policies 2.5.1 Resource inflows and outflows
E5-2	Actions and resources related to resource use and circular economy	1.2.5 Il potere dell'innovazione consapevole 2.5.3 ECONYL®: the infinite thread, like imagination 3.3.3 Collaboration for eco-design and the creation of circular supply chains
E5-3	Targets related to resource use and circular economy	1.3.3 Goals and progress against targets 2.5 Circular economy 2.5.3 ECONYL®: the infinite thread, like imaginatio
E5-4	Resource inflows	2.5.1 Resource inflows and outflows
E5-5	Resource outflows	2.5.1 Resource inflows and outflows 2.5.2 Waste
ESRS S1 – Own workforce		
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 The people of Aquafil 5.4 Impacts, risks and opportunities
S1-1	Policies related to own workforce	1.3.5 Aquafil's policies 3.1.1 Building an equitable and inclusive environment 4.1 Code of Conduct
S1-2	Processes for engaging with own workers and workers' representatives about impacts	1.4 Materiality Analysis 4.8 Dialogue with stakeholders 3.1.1 Building an equitable and inclusive environment
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1 The people of Aquafil (and subsections) 4.4. Whistleblowing system 5.4 Impacts, risks and opportunities
S1-4	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	3.1 The people of Aquafil (and subsections) 5.4 Impacts, risks and opportunities
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1.3.3 Goals and progress against targets
S1-6	Characteristics of the undertaking's employees	3.1 The people of Aquafil
S1-8	Collective bargaining coverage and social dialogue	3.1.1 Building an equitable and inclusive environment
S1-9	Diversity metrics	3.1.1 Building an equitable and inclusive environment
S1-10	Adequate wages	3.1.1 Building an equitable and inclusive environment
S1-13	Training and skills development metrics	3.1.3 Fostering personal and professional growth
S1-14	Health and safety metrics	3.1.2 Promoting safety and well-being
S1-16	Remuneration metrics (pay gap and total remuneration)	3.1.1 Building an equitable and inclusive environment
S1-17	Incidents, complaints and severe human rights impacts	3.1.1 Building an equitable and inclusive environment 4.1 Code of Conduct 4.4. Whistleblowing system

Reporting requirement		Sustainability Statement section
ESRS S2 – Workers in the value chain		
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.2 Workers in the value chain 5.4 Impacts, risks and opportunities
S2-1	Policies related to value chain workers	3.2 Workers in the value chain
S2-2	Processes for engaging with value chain workers about impacts	1.4 Materiality Analysis 3.2 Workers in the value chain
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2 Workers in the value chain 1.5.3 Risk management system 4.4. Whistleblowing system
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2 Workers in the value chain 1.5.3 Risk management system
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1.3.3 Goals and progress against targets

Reporting requirement		Sustainability Statement section
ESRS S3 – Affected communities		
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.4 Local communities 5.4 Impacts, risks and opportunities
S3-1	Policies related to affected communities	1.3.5 Aquafil's policies 3.4 Local communities
S3-2	Processes for engaging with affected communities about impacts	3.4 Local communities 4.8 Dialogue with stakeholders
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	4.4. Whistleblowing system
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pur-suing material opportunities related to affected communi-ties, and effectiveness of those actions	3.4 Local communities
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4 Local communities
ESRS S4 – Consumers and End-Users		
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	3.3 Customers and end-users 5.4 Impacts, risks and opportunities
S4-1	Policies related to consumers and end-users	1.3.5 Aquafil's policies 3.3 Customers and end-users
S4-2	Processes for engaging with consumers and end-users about impacts;	3.3 Customers and end-users 4.8 Dialogue with stakeholders 3.3.2 Inclusive and transparent com-munication, against greenwashing
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pur-suing material opportunities related to consumers and end-users, and effective-ness of those actions;	3.3 Customers and end-users (and subsections)
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	1.3.3 Goals and progress against targets

	Reporting requirement	Sustainability Statement section
	ESRS G1 – Business conduct	
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	1.5.1 Main governing bodies 4. Business conduct
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	1.4 Materiality Analysis 4. Business conduct
G1-1	Corporate culture and business conduct policies	4. Business conduct 4.1 Code of Conduct 4.2 231 Model 4.3 Anti-corruption policies 4.4 Whistleblowing system
G1-2	Management of relationships with suppliers	3.2 Workers in the value chain
G1-3	Prevention and detection of corruption and bribery	4.3 Anti-corruption policies
G1-4	Confirmed incidents of corruption or bribery	4.3 Anti-corruption policies 4.4 Whistleblowing system
G1-5	Political influence and lobbying activities	4.6 Political influence and advocacy

TABLE 5.34 – **LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION**

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	X		X		1.5.1 Main governing bodies
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)			X		1.5.1 Main governing bodies
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	X				1.5.3 Risk management system
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)	X	X	X		Not material
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)	X		X		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)	X		X		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)			X		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				X	2.1 Climate change
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		X	X		Not material
ESRS E1-4 GHG emission reduction targets, paragraph 34	X	X	X		2.1 Climate change
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	X				2.1.2 Energy consumption
ESRS E1-5 Energy consumption and mix, paragraph 37	X				2.1.2 Energy consumption

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	X				2.1.2 Energy consumption
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	X	X	X		2.1.3 Greenhouse gas emissions di gas serra
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	X	X	X		2.1.3 Greenhouse gas emissions di gas serra
ESRS E1-7 GHG removals and carbon credits, paragraph 56				X	Not material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			X		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)		X			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)		X			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			X		2.2 Pollution
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	X				2.2 Pollution
ESRS E3-1 Water and marine resources, paragraph 9	X				2.3 Water resources

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS E3-1 Dedicated policy, paragraph 13	X				2.3 Water resources
ESRS E3-1 Sustainable oceans and seas, paragraph 14	X				Not material for direct operations
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	X				Not available
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	X				2.3.1 Water consumption
ESRS 2 SBM-3 – E4 paragraph 16(a)(i)	X				2.4.1 Biodiversity Impact Assessment
ESRS 2 SBM-3 – E4 paragraph 16(b)	X				2.4.1 Biodiversity Impact Assessment e 5.4 Impacts, risks and opportunities
ESRS 2 SBM-3 – E4 paragraph 16(c)	X				Not material
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)	X				Not material
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24(c)	X				Not material
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	X				Not material
ESRS E5-5 Non-recycled waste, paragraph 37(d)	X				2.5.2 Waste
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	X				2.5.2 Waste
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14(f)	X				Not material

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS 2 – SBM3 – S1 Risk of incidents of child labour, paragraph 14(g)	X				Not material
ESRS S1-1 Human rights policy commitments, paragraph 20	X				3.1.1 Building an equitable and inclusive environment
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			X		3.1.1 Building an equitable and inclusive environment
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	X				3.1.1 Building an equitable and inclusive environment
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	X				3.1.2 Promoting safety and well-being
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32(c)	X				3.1.1 Building an equitable and inclusive environment and 4.4 Whistleblowing system
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	X		X		3.1.2 Promoting safety and well-being
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness, paragraph 88(e)	X				3.1.2 Promoting safety and well-being
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	X		X		3.1.1 Building an equitable and inclusive environment
ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)	X				3.1.1 Building an equitable and inclusive environment
ESRS S1-17 IIncidents of discrimination, paragraph 103(a)	X				3.1.1 Building an equitable and inclusive environment
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104(a)	X		X		3.1.1 Building an equitable and inclusive environment

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	X				3.2 Workers in the value chain
ESRS S2-1 Human rights policy commitments, paragraph 17	X				3.2 Workers in the value chain
ESRS S2-1 Policies related to value chain workers, paragraph 18	X				3.2 Workers in the value chain
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	X		X		3.2 Workers in the value chain
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			X		3.2 Workers in the value chain
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	X				3.2 Workers in the value chain e 4.4 Whistleblowing system
ESRS S3-1 Human rights policy commitments, paragraph 16	X				3.4 Local community support
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	X		X		3.2 Workers in the value chain
ESRS S3-4 Human rights issues and incidents, paragraph 36	X				3.3.1 Commitment to affected communities (actions)
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	X				Not available
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	X		X		Not available

Disclosure requirement and related datapoint	SFDR reference (1)	Pillar 3 Reference (2)	Benchmark Regulation Reference (3)	EU Cli-mate Law Reference (4)	Sustainability Statement sec-tion
ESRS S4-4 Human rights issues and incidents, paragraph 35	X				3.2 Workers in the value chain and 4.4 Whistleblowing system
ESRS G1-1 United Nations Convention against corruption, paragraph 10(b)	X				4.3 Anti-corruption policies
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	X				4.4 Whistleblowing system
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	X		X		4.3 Anti-corruption policies
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24(b)	X				4.3 Anti-corruption policies

This graphic version of the report is based on the auditor-certified document, which is available in the Investor Relations section of the Aquafil's website (**link**).