EXCERPT FROM

Integrated annual report 2025

Sofidel

Sustainability content

From the 2025 financial year onwards, the Sofidel Group has chosen to present its sustainability information within the Management report, integrating it with financial information.

Although not yet subject to the requirements of the Corporate Sustainability Reporting Directive (CSRD) – transposed into Italian law by Legislative Decree No. 125 of 6 September 2024 and applicable to Sofidel from the 2027 financial year – the Sofidel Group has already embarked on a gradual path of preparation in response to the evolving external regulatory framework, supported by nearly twenty years' experience of voluntary sustainability reporting. Up to 2024, Sofidel transparently shared with its stakeholders its commitments and performance in environmental, social and governance matters through the various editions of its *Integrated Report*.

The new reporting framework forms part of this alignment process, further strengthens a unified and holistic view of corporate performance, as well as a consistent approach to reporting. To facilitate consultation of the document and support stakeholders in this transition, the sections of the Management report that include sustainability content are highlighted through this visual marker, enabling readers to immediately identify environmental, social and governance information.

The terms 'Sofidel', 'Sofidel Group', or simply 'Group' mean the Group consisting of 'Sofidel S.p.A.' and its direct and/or indirect subsidiaries.

Management report on the consolidated and separate financial statements

as at 31 December 2025

Sofidel

Letter to stakeholders

2025: another year of growth

In 2025, Sofidel confirmed the strength of its sustainable growth trajectory, with positive economic and financial results.
In a global macroeconomic environment marked by uncertainty over tariffs, currency fluctuations and weak household purchasing power—despite a general decline in global inflation—Sofidel recorded steady growth in the United States and maintained a solid performance in European markets.
In particular, driven by the positive effects of the gradual integration of the acquired production sites, the North American market—which accounts for around 50% of Group sales—experienced improved profitability, while Sofidel as a whole improved its operational efficiency.
Group net sales in 2025 reached Euro 4 billion, with EBITDA at 18.65%, up from 17.49% in 2024.

Market trends in North America and Europe

In North America, growth was driven by the Private Label segment, where Sofidel America has strengthened its market leadership, partly thanks to a distinctive competitive edge: it is currently the only manufacturer capable of offering tissue products made using five different technologies (conventional, recycled, brown, TAD and NTT).

In Europe, despite sales volumes remaining largely unchanged, the Group maintained healthy profit margins and strengthened its market position.

The Regina brand has consolidated its position as the second brand in the European market; Hakle has become the Group's second brand by sales volume in Europe; Softis has become the market leader in the toilet paper sector in Austria; and Regina has become the market leader in the kitchen towel category in the United Kingdom.

Also worth noting is the Regina brand's entry into the world of sport as the Official Sponsor of the Giro d'Italia (for the 2025 and 2026 editions), one of the most prestigious stage races in professional cycling worldwide, broadcast in almost 200 countries and watched by 700 million viewers. This investment has enabled the Company to gain visibility in numerous markets.

Investments: new acquisition in the United States and initiatives in both America and Europe

As part of its strategy to strengthen its position in the North American market, Sofidel has taken significant steps.

In June, the acquisition was finalised of four production plants from Royal Interco, LLC ('Royal Paper'), a Company active in both the Consumer and Away-From-Home sectors. The location of the plants – three in Arizona (a 61,000-tonne paper mill in Gila Bend and two converting plants in Phoenix) and one in South Carolina (a converting plant in Duncan) – has enabled Sofidel America to significantly strengthen its presence in the western United States, with significant logistical benefits as well.

In September, the third paper machine, with a capacity of 70,000 tonnes, was commissioned at the Circleville, Ohio, plant, bringing its total capacity to 200,000 tonnes and making it the Group's largest production facility worldwide.

Furthermore, in October, Sofidel announced a new investment aimed at further expanding its production platform in North America. This involves the installation of a 75,000-tonne-per-year TAD (Through-Air Drying) machine, along with associated converting lines, at the plant in Inola, Oklahoma: commissioning is scheduled for the second quarter of 2028.

In Europe, production capacity at the Arneburg plant in Germany was expanded, and the paper machine at the Roanne plant in France was refurbished. Other investments were made in Italy (a new reel warehouse in Soffass, Via Leccio) and Romania (expansion of the converting facility and finished products warehouse, including a ground-mounted photovoltaic system).

Sustainability

In a global context where the ecological transition has become more complex – with institutions reviewing their objectives and priorities, technologies that are not yet mature or fully accessible, investments with longer return periods, and incremental improvements slowing down – sustainability remains a strategic factor in Sofidel's competitive development.
There have been numerous investments to support the ecological transition. Following the installation of a photovoltaic system at Rothley Lodge (United Kingdom), work is currently under way on the construction of a biomass boiler in Baglan (United Kingdom), a second biomass boiler in Frouard (France) and new photovoltaic systems in Buñuel (Spain) and Haines City, Florida (United States).

The new Sofidel Board of Directors

Chairman and shareholder Edilio Stefani passed away on 30 January.
Throughout this difficult period, Sofidel once again demonstrated the strength of the relationship between its shareholders and their shared commitment to working together. In full alignment with the Company's values, vision, objectives and strategies, the Company's Shareholders' Meeting appointed Paola Stefani, daughter of co-founder Emi Stefani, as Chair of the Board of Directors, and appointed another two members from the third generation of the founding families to the Board. A transition marked by continuity which, as with other milestones in its history, demonstrates the Group's strong forward-looking approach.

2026

The macroeconomic outlook remains challenging: geopolitical and trade tensions continue to cause instability, while the pulp market is seeing price rises that could intensify further.

Barring any further deterioration in the economic climate, 2026 is expected to see continued growth in the North American market, which is still characterised by demand outstripping supply. In Europe, however, the commissioning of new production capacity by competitors (in the United Kingdom, Poland, Hungary and Greece) and the arrival of large quantities of semi-finished reels from Asia and Brazil – in markets that are in some cases already characterised by overcapacity – suggest a more competitive environment and pressure on prices.

In 2026, Sofidel will mark the 60th anniversary of its foundation. A significant anniversary, which the Group is preparing to celebrate by reaffirming its values – Loyalty and Transparency, Pragmatism and Foresight, Humility and Courage, Innovation and Quality – and by reinforcing its commitment to responsible growth, guided by the principle of 'Clean Living': a positive force aimed at promoting a cleaner, healthier and more harmonious life for people, communities and the environment.

Luigi Lazzareschi,
CEO of Sofidel

Paola Stefani,
Chair of Sofidel

Group profile

Sofidel at a glance

The Italian-owned Sofidel Group, founded in 1966 and controlled by the Stefani and Lazzareschi families, is among the world's leading manufacturers of paper products for hygienic and domestic use. The Group is headed by Sofidel S.p.A., an Italian public limited Company, with its registered office in Porcari (Lucca). From its headquarter in Porcari, the Group coordinates its international operations, with a presence in Europe and the United States, producing more than 2 million tonnes of paper per year and employing over 9,500 people worldwide. Group net sales in 2025 amounted to Euro 4,018 million.

2025 in figures [2]

1 Family-owned Group

59 Years of activity

2,002,000 t Production capacity (vs 1,860,000 in 2024)

9,664 Employees worldwide (vs 9,087 in 2024)

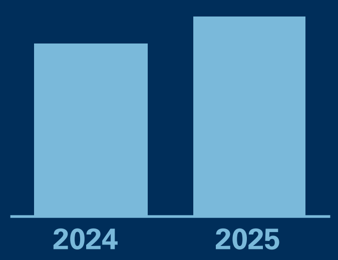
2 Continents where the Group has a manufacturing presence

13 Countries with Group offices and production sites

55 Countries served by Sofidel products

Economic and financial performance

18.65%



EBITDA/Net sales (vs 17.49% in 2024)

€ 4,018 million Net sales (vs € 3,225 million in 2024)

18.48 % Net operating cash flow/ Net sales % (vs 15.22% in 2024)

€ 743 million Net operating cash flow (vs € 490 million in 2024)

€ 749 million EBITDA (vs € 564 million in 2024)

1.15 NFP/Equity (vs 1.33 in 2024)

2.45 NFP/EBITDA (vs 3.58 in 2024)

€ 5,597 million Total assets - Balance sheet

1. According to the European NACE classification, the activities carried out by the Sofidel Group are primarily classified under code 17.22 – Manufacture of household and sanitary goods and of toilet requisites. 2. The figures refer to values as of 31 December 2025; for production capacity (tonnes), the source is Sofidel S.p.A.

Environmental performance

Certified virgin pulp with forest certification schemes **100 %**

772 $KgCO_2eq/t$ paper Gross Scope 1 and Scope 2 market-based GHG emissions per tonne of paper

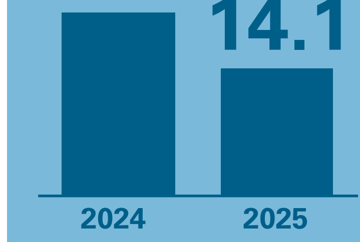
-11.7 % Reduction in virgin plastic intensity in packaging compared to 2023

83.2 % Waste recovered out of 138,188 tonnes of waste generated

Social performance

Employees with permanent contracts (vs 97% in 2024) **97.3 %**

14.1



Recordable work-related injuries rate (vs 15.9 in 2024)

138,456 Training hours provided

51,311 Health and safety training hours

Governance performance

New Group Code of Ethics A framework aligned with Sofidel's values

ISO 20400 Embedded level in the supplier assessment process

Key events during the year

January

SUDDEN PASSING OF THE CHAIRMAN OF THE GROUP, EDILIO STEFANI

On 30 January 2025, **Edilio Stefani, Chairman of the Sofidel Group**, passed away suddenly, just before his 65th birthday. He had spent 45 years of his life in various roles within the Company and became Chairman in March 2021.

This represented a significant loss for the entire Sofidel community which, during the many years the Chairman had spent in the Company, had witnessed and appreciated first-hand his incredible dedication to his work, his human qualities and friendliness.

February

REGINA: OFFICIAL SPONSOR OF THE GIRO D'ITALIA

Regina, the Sofidel Group's iconic brand, has officially entered the world of sports by becoming the **Official Sponsor of the Giro d'Italia for the 2025 and 2026 editions**. The key products of the partnership—**Rotoloni Regina, Regina Asciugoni, and Regina Fazzoletti Tascabili**—shone on a **limited-edition pack celebrating the Giro d'Italia** from mid-April to mid-June. Brand visibility was ensured along the route of the Giro d'Italia and by dedicated advertising campaigns.

The partnership with RCS Sports & Events has also ensured brand visibility at other cycling events organised by RCS Sport & Events. Regarding the sponsorship of the 2026 Giro d'Italia, the next edition of the Corsa Rosa will feature **a stage starting in Porcari**: the Porcari (Paper District) – Chiavari stage.

March

APPOINTED THE NEW BOD OF SOFIDEL S.P.A.

Sofidel's Shareholders' Meeting appointed **the new Chair of the Sofidel S.p.A. Board of Directors, Paola Stefani**, daughter of co-founder Emi Stefani. She is a shareholder who has served on the Board for over 20 years and has over ten years' experience working at the Company. **Luigi Lazzareschi, the Group's Chief Executive Officer, and Nicolò Stefani, appointed Managing Director, were confirmed as members of the Board**, with all the duties and signing powers previously held by his father, Edilio Stefani, including responsibilities on the Boards of all subsidiaries. At the same time, another two members of **the third generation of the founding families** joined the Sofidel S.p.A. Board of Directors: **Federico De Matteis** and **Davide Giacomelli**, already active in the Company for several years as Financial & Operations Coordination Manager – USA and Consolidated Financial Statement Controller, respectively.

April

GROUNDBREAKING CEREMONY FOR THE EXPANSION OF THE DULUTH PLANT IN MINNESOTA

The groundbreaking ceremony was held at the Duluth (MN) plant, marking the start of the works in the United States. **The event was attended by Sofidel's Chief Executive Officer, Luigi Lazzareschi, the Governor of Minnesota, Tim Walz, the Mayor of Duluth, Roger Reinert** and other local officials. The investment, worth a total of over USD 200 million, will transform the plant – currently a paper mill – into a state-of-the-art integrated facility, thanks to the installation of converting lines and the construction of an automated warehouse for finished products. Production expansion began a few months after the plant was acquired. Once completed, **the new production set up will create around 160 new jobs.**

June

SOFIDEL STRENGTHENS ITS POSITION IN THE NORTH AMERICAN MARKET BY ACQUIRING CERTAIN ROYAL PAPER PRODUCTION ASSETS IN THE US

Sofidel acquired four production plants from Royal Interco, LLC ('Royal Paper'), a recognised player in the North American market in both the Consumer and Away-From-Home segments. Three plants in Arizona (paper mill in Gila Bend and two converting plants in Phoenix) and one in South Carolina (converting plant in Duncan) are now officially part of Sofidel's production network. The operation will, above all, strengthen the Group's presence in the western United States.

September

REFURBISHED PAPER MACHINE AT THE PRODUCTION PLANT IN ROANNE, FRANCE

The **new Yankee Dryer** was installed at the Sofidel France plant in Roanne as part of the project to **modernise the paper mill, which has been in operation since the 1980s.** The project was part of a total investment of Euro 14 million, aimed at improving production efficiency and reducing the plant's environmental footprint.

A **CO_2 emission reduction of approximately 1,200 tonnes per year is expected.**

THIRD PAPER MACHINE COMMISSIONED AT THE PLANT IN CIRCLEVILLE, OHIO

At the integrated plant in **Circleville (Ohio)**, the third paper machine – a Valmet DCT 200 with an annual production capacity of 70,000 tonnes – was commissioned. It joins the two Valmet Advantage NTT (New Tissue Technology) machines already in operation, bringing the site's total capacity to over 200,000 tonnes per year.

The investment, announced in 2023, also included the construction of the building that houses the new machine, at a cost of USD 185 million.

September

SOFIDEL AWARDED 'PLATINUM' IN THE ECOVADIS ESG RATING FOR ITS COMMITMENT TO SUSTAINABILITY

The Group achieved the highest possible rating, **placing it among the top 1% of companies with the highest scores in the EcoVadis global database.**

PLATINUM Top 1%
ecovadis
Sustainability Rating
SEP 2025

EcoVadis is a global provider of corporate sustainability ratings, with a network of over 150,000 rated companies. Its methodology is based on international sustainability standards and measures corporate performance across four key areas: Environment, Labour Practices and Human Rights, Ethics and Sustainable Procurement.

EcoVadis recognition page

October

FURTHER EXPANSION OF SOFIDEL'S PRODUCTION CAPACITY IN THE UNITED STATES

To meet growing demand in the North American market, Sofidel announced a new investment to further expand its production capacity in the United States.
The investment involves the installation of a Valmet TAD (Through-Air Drying) paper mill with an annual capacity of 75,000 tonnes, along with the associated processing lines – with a matching production capacity – for the manufacture of finished products.
The new investment will be made at the plant in **Inola, Oklahoma**, with operations expected to commence by the second quarter of 2028.

December

SOFIDEL'S ENVIRONMENTAL COMMITMENT IS RECOGNISED IN THE CDP 2025 RATING

Sofidel was once again recognised by the CDP international rating – one of the leading independent organisations for measuring and reporting on environmental performance worldwide – for its **commitment to the fight against climate change, responsible forest management and sustainable water resource management.**

The Group achieved an **A-** in the **Climate Change** and **Forests** sections and **B** in the **Water** section. Sofidel performed above both the global average and the average for the Paper Products & Packaging sector (with a B rating for climate and a C rating for forest management and water use).

In the forestry sector, CDP introduced a commodity-based assessment (Commodity Scores) for the first time. Here, Sofidel achieved an **A rating for timber products**, the highest possible rating, which attests to excellence in sustainable management and the sourcing of pulp.
Furthermore, as part of its commitment to tackling climate change and engaging with suppliers on environmental issues, Sofidel was included in the **CDP Supplier Engagement Assessment (SEA) A-list**, which recognises companies' commitment to addressing climate change within their supply chains.

Corporate culture and identity

Sofidel Brand Value Proposition

PURPOSE

Clean Living

VISION

Driven by responsibility, transparency and integrity, we empower our people to innovate and create hygiene solutions that make everyday life tidier, cleaner, more convenient, safe and enjoyable, enriching the lives of our customers, employees, partners, shareholders and the communities.

MISSION

We champion clean living by providing sustainable hygiene products that respect both people and the environment.

VALUES

Loyalty & Transparency
We believe that loyalty and transparency are the cornerstones of trust

Pragmatism & Foresight
We believe that taking meaningful action today can have a lasting impact tomorrow

Humility & Courage
We look forward to a future in which courage and humility work in harmony to bring about progress

Innovation & Quality
We innovate to improve quality and strive for quality to inspire innovation

OUTCOME

At Sofidel, we believe that 'Clean Living' is a way of caring for the world and the people who who call it home. We transform hygiene into something greater: a force for good that brings cleaner, healthier and more harmonious life for everyone, everywhere.
With every product we create, we weave together innovation, quality and sustainability to protect health, elevate everyday life and leave a lighter footprint on the planet. Guided by values like loyalty, courage and humility, we act with pragmatism and foresight, always seeking to build trust and inspire progress.
Our vision is rooted in caring for our consumers, by making hygiene accessible, safe and simple; for our people, by fostering a workplace where fairness, growth and collaboration flourish; and for the world around us, by championing practices that respect nature and nurture communities.

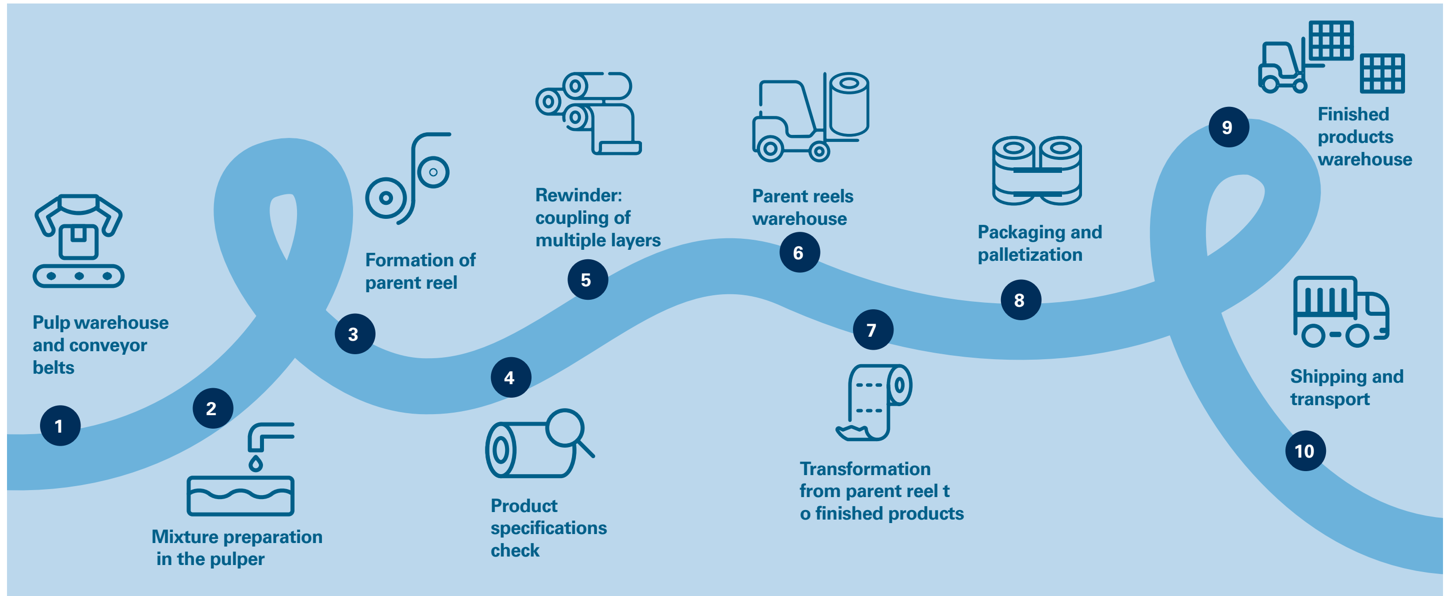
Business model and development factors

The Sofidel Group manufactures and markets tissue and household paper products – including toilet paper, kitchen towels, napkins, handkerchiefs, paper tissues, towels and hospital bed sheets – which are essential for personal care and for cleaning homes, public spaces and workplaces.
The Group directly oversees the entire supply chain, from the sourcing of pulp to the production of tissue paper in reels, including the embossing, printing and fragrance stages, which result in the finished products destined for various sales channels.

The Group now operates in two major regions, Europe and the United States, thanks to three key factors that have driven the Company's responsible growth and sustainable development over time:

- **Sustainability** - For Sofidel, sustainability is a key strategic driver of growth, closely linked to innovation in production processes, products and logistics. It enables the Group to anticipate new opportunities for growth and continuous improvement, while reducing the impact of our activities on natural capital.
- **Asset Quality**- Leveraging a fleet of production plants and machinery that are newer and more efficient than the industry average, the Group achieves high operational efficiency and environmental performance, consistently implementing the latest technologies in the tissue paper sector.
- **Geographical coverage** - To reduce logistics costs and environmental impact while enhancing customer service, Sofidel has strategically established and acquired production plants in close proximity to its target markets.

Sofidel is one of the few large companies to have chosen to focus exclusively on tissue paper, developing unique expertise in the sector over time

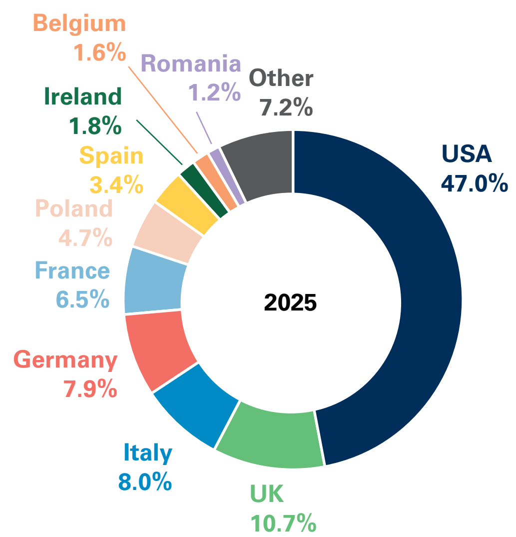


The production and distribution of products is organised into four business lines – **Brand, Private Label, Away-From-Home (AFH) and Parent Reels** (tissue paper reels) – enabling the Group to serve its main target markets: from retail and large-scale distribution to 'away-from-home' consumption needs, to converting companies that do not produce paper themselves, with a range designed to contribute to daily hygiene and well-being.

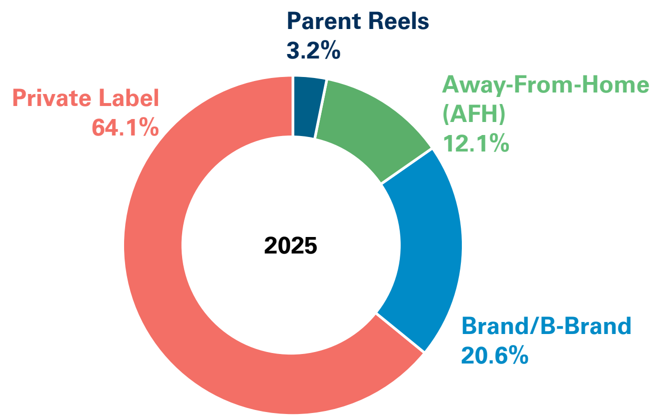
Across all its lines of business, the Group aims to offer efficient and innovative products while minimising the use of natural capital. This commitment is reflected in a policy on responsible forestry procurement and ongoing efforts to reduce waste, emissions, the use of virgin plastic in packaging and water consumption. Sustainability lies at the heart of Sofidel's production processes and value creation for all stakeholders.

Lines of business

Sales breakdown by country



Sales breakdown by line of business



Consumer - Brand

From toilet paper to kitchen towels, napkins, and tissues, Sofidel's consumer-brand portfolio combines functional and aesthetic innovation with an optimal price-quality-quantity ratio, backed by precision-targeted marketing and communication. These characteristics have fostered long-term brand loyalty, enabling the Group to consolidate its position across leading European markets.

Regina is the flagship brand of the Sofidel Group, a market leader in Italy and throughout Europe, with a particularly strong presence in the UK, Ireland, and Poland. Established in the late 1980s, the Regina brand was first distributed in Italy and later in many European markets. Regina products have achieved iconic status among consumer goods in Italy. They have become a staple in Italian homes and hearts, distinguished by their affordability, strength, absorbency, and softness. Their advertising campaigns have yielded historic slogans that are now part of the national heritage, most notably: 'The rolls that never end'. In addition to Regina, the Group has acquired or launched other brands in various European countries: **Softis** mainly in Germany and Austria, **LeTrèfle** and **Sopalin** in France, **Nalys** and **Cosynel** in the Benelux region, **KittenSoft** in Ireland, and more recently **Hakle** and **Dick&Durstig** in Germany. **Nicky** was the first Sofidel brand to be launched in the United States. Sofidel also offers a range of 'B-Brands' designed to support distribution and showcase the Group's innovation capabilities to retail buyers and end consumers alike. These brands are strategically positioned to address different market needs and provide a comprehensive overview of Sofidel's expertise. The flagship brand in this category is Nicky, which is distributed across more than 25 countries and covers all tissue product categories. Through this approach, commercial partners have the flexibility to select specific SKUs for their initial assortment and, subsequently, transition them into their own private label products. In addition to Nicky, other distribution support brands are **Valenty**, **Florex** and **Dayly**.

Consumer – Private Label

In the Private Label sector, Sofidel continues to consolidate its market leadership by offering products and services that reflect the growing needs of the **large-scale retail sector**: product innovation and sustainability through the implementation and development of new production technologies and the wider use of paper for product packaging and wrapping. Furthermore, Sofidel's high organisational efficiency – achieved, for example, through the introduction of automated forecasting – enables the Company to achieve high service levels, in line with the most stringent requirements of major retailers.

Away-From-Home (AFH)

For the specific needs of bars, restaurants, hotels, offices, hospitals, transport companies and other types of '**away-from-home**' consumption, Sofidel offers products and solutions designed to ensure hygiene, comfort and environmental sustainability. Each proposal is designed to suit a variety of professional contexts, offering high-quality, bespoke solutions. In the Away-From-Home channel, Sofidel is present in both Europe and the United States under the **Papernet** brand – a brand known for its innovative and sustainable approach.

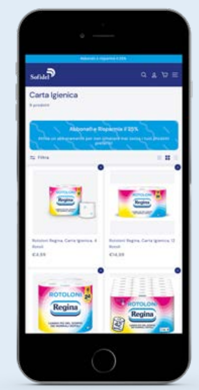
Reels

This channel comprises parent reels sales to converting companies without paper production facilities, which purchase semi-finished products and rely on the Sofidel Group to meet their converting needs.

E-Commerce

Sofidel continues to stand out in the tissue sector thanks to its digital vision and its ability to adapt to developments in the online market. Over the years, the Group has progressively consolidated its omnichannel strategy, strengthening its digital presence to reach consumers wherever they may be: on online marketplaces, in traditional points of sale, via social commerce and on its own e-commerce platforms.

Through an integrated digital ecosystem, Sofidel supports consumers at every stage of their purchasing journey, offering optimised content, personalised promotions and interactive experiences. The online channel continues to prove itself not only as a strategic sales channel, but also as a genuine digital showcase through which the Group engages with consumers, conveying its distinctive values of transparency, sustainability and innovation.



The new product launches and trends of 2025

The Regina rolls continue to conquer Europe

After launching in 2024 on the European markets of **Spain, Poland, the Netherlands, Hungary and Romania**, the Rotoloni Regina **'rolls that never end' continued their European expansion**, reaching France in March 2025 under the Le Trèfle brand and the name Infini. During the year, the Rotoloni met the purchasing needs of consumers and supported the growth in value of the category, offering more sustainable packaging with rolls of tissue paper that feature the high quality of Sofidel products, with double or more than double length compared to standard rolls and a volume taking up half of the shelf space.
A staple of Italian advertising since the 90s, 'Rotoloni Regina' became a household name with its unforgettable catchphrase: 'The rolls that never end'. Their introduction on the market also led to the creation of a new Nielsen product category: ***Maxi Rolls*, larger diameter rolls with more than twice the number of sheets compared to standard products.**

The "Limited editions" in the kitchen towels category

Sofidel has continued to focus on limited editions in the **kitchen towels category**, building on the work begun in 2024 and promoting its best-known brands across various European markets. In Romania with the **Regina** brand, in the Benelux area with the **Nalys** brand and in France with the **Sopalin** brand, Sofidel presented a series of limited editions. With their **modern graphic**s and b**right colours**, they capture attention and offer a distinctive experience in line with local customers' expectations.
The objective is still to **strengthen the bond with consumers,** by offering collections that reflect local trends and cater to customers' increasingly diverse tastes, reflecting Sofidel's commitment to i**nnovation** and **customisation** of its range in response to the needs of increasingly segmented and diverse markets.

Same name, new strength: the 'Power' kitchen towel reaches markets in Germany, France, Belgium and the Netherlands with a higher grammage and TAD technology

The "Power" concept, which has long been established in markets such as Italy, where it is associated with a kitchen towel that offers durability and reliability, was revamped by Sofidel in 2025 and launched in **Germany, France, Belgium and the Netherlands** with distinctive technical features and a targeted positioning. The **new "Power" kitchen towel** has been added to the product range in each country as part of specific strategies (replacing existing products or expanding the range) and launched under local brand names – Regina Power, Sopalin Power and Nalys Xtra Power, respectively – while maintaining consistent technical properties.

Its higher grammage – 25 g/m² compared to the 20 g/m² of products in the same category manufactured using TAD (Through-Air Drying) technology – makes it the **most durable product in the range and category**. At the same time, its soft, pleasant-to-the-touch texture is reminiscent of a fabric cloth, combining effectiveness with comfort. The packaging, made from recycled plastic or paper depending on the market, reflects Sofidel's commitment to using more sustainable packaging.

Ultra Care

Designed specifically for the most sensitive skin, **Ultra Care** is a 4-ply toilet paper enriched with a lotion containing witch hazel extract, which guarantees superior softness and gentleness without compromising on strength and effectiveness – qualities that have always been hallmarks of the Group's products. Having undergone standard dermatological testing in addition to a specific test, Ultra Care aims to meet the growing demand for products suitable for the most sensitive skin. **In May 2025, it was launched in France under the brand Le Trèfle and in Belgium under the brand Cosynel**, with packaging made from recycled plastic or paper, in line with the Group's strategy to reduce the use of conventional plastic in packaging.

The 'Infinity' packaging format

In 2025, Sofidel continued the journey of innovation in packaging, which began in 2024, with the **Infinity** format. Designed to optimise product storage at home thanks to its compact shape, Infinity also has a modern and appealing design compared to the neutral and transparent packaging usually used for formats of the same size.

The Infinity format has established itself across a range of Sofidel's key products in the main European markets: In Italy with **Regina Rotoloni,** one of the most popular brands thanks to its quality and affordability; in the UK with **Regina Blitz,** synonymous with durability and reliability; in France with **Le Trèfle Douceur Bambou**, known for its softness thanks to bamboo fibres.

Still in relation to Infinity, in Italy, a pack of 30 rolls of **Rotoloni Regina "dressed" in pink** has been available since April to mark the sponsorship of the **Giro d'Italia**.

The ideal distribution channels for this innovation include large-scale **hypermarkets** and **supermarkets**—two key segments where Sofidel can continue to leverage the high footfall of families and consumers seeking quality and value, supported by extensive shelf availability and effective visual communication.

Hakle Feucht moist toilet tissue wipes get a makeover: more practical and sustainable packaging

The new pack of **Hakle Feucht moist toilet tissue wipes** has replaced the traditional adhesive tab with a hard lid, which makes it easier to open, ensures a more secure seal, and makes it easier to remove the wipes, while preventing them from drying out. As well as being more practical, the redesign introduced more sustainable packaging solutions by using recycled plastic: the body of the packaging contains 30% recycled plastic and the lid 50%. Hakle Feucht moist toilet tissue wipes are also made exclusively from natural pulp sourced from responsibly managed forests (FSC® certification); they are biodegradable in water (in accordance with the EDANA GD4 standard), free from microplastics and not tested on animals.

Less plastic, more sustainability

In 2025, too, the 'Less plastic, more sustainability' initiative, launched by Sofidel in 2019, remained of strategic importance, representing a priority in product development. As a matter of fact, the option to convert polyethylene packaging to paper wrap was extended to various European countries and international customers, significantly increasing the shelf presence of products with paper packaging.

Nicky Bamboo

In 2025, Nicky launched its **Bamboo products** on the Italian market; these are made entirely from paper and contain a percentage of bamboo, and are designed to meet consumers' growing interest in environmental sustainability, natural materials and plastic-free packaging.

Papernet Kids – new dispensers for children's bathroom areas

Bright and playful, the new Papernet Kids dispensers add a vibrant splash of colour to **children's restrooms**. Easy to refill, hygienic and with a compact design, they are the ideal solution for a clean, tidy and colourful environment. Available in two designs created to match their surroundings, Papernet Kids dispensers combine a playful look with maximum functionality, offering all the features of a standard dispenser but with an extra splash of colour.

In 2025, the **range was expanded** with **two new foam soap dispensers**, designed to make hand washing even more enjoyable. Thanks to the three new brightly coloured soap cartridges – green, blue and pink – handwashing becomes a simple and fun activity, specifically designed to capture children's attention. The cartridges are also Ecolabel-certified and dermatologically tested, ensuring a safe, gentle and environmentally friendly experience.

FullOne - the first controlled toilet paper dispenser by Papernet

'FullOne' is Papernet's first captive coreless toilet paper dispenser with controlled dispensing, designed to ensure the highest level of hygiene in bathroom areas and optimise consumption. It can hold over **200 metres of paper,** reducing waste and refill frequency to a minimum.

The sheet-by-sheet dispensing system ensures that users take one single sheet at a time, guaranteeing total hygiene. 'FullOne' was planned, designed and patented to optimise space.
Its vertical design allows it to be installed in any bathroom area, including space-constrained environments, ensuring the smallest possible footprint.

Sofidel's steady growth is the expression of a long-term strategy that has developed in four strategic phases

1966-1990

Consolidation of a solid production base in Italy

Deciding to invest in the Piana di Lucca (Lucca plain) – a flat area rich in groundwater, a fundamental resource for the paper-making process, and with a wealth of relationships and expertise essential to Sofidel's development, as well as good access to transport infrastructure. Start of the partnership with large-scale retailers, first exports to Europe (France and Germany) and the launch of the Regina brand.

1991-2006

Internationalisation in Europe

International expansion of production in Europe through a series of greenfield investments (the first in France in 1997). Implementation of a 'proximity strategy' aimed at customers and end markets, to reduce logistics costs and improve service levels for large-scale retailers, with beneficial effects in terms of greenhouse gas emissions as well.

2007-2015

Acquisitions in Europe and entry into the North American

Acquisitions in Europe, the launch of a 'multi-brand strategy' and the integration of sustainability as a strategic driver of growth. Entry into the North American market (2012), the world's largest in terms of per capita consumption.

2016-TODAY

Increase in production capacity in Europe and the USA

Growth in the US market by replicating the strategy implemented in Europe. Objective: become a leader in the Private Label sector, which is less developed than its European counterpart. Consolidation in the European market through 'organic growth'.

For more information on the Group's history, please visit "The Story of Sofidel" page on the Company website.

Sofidel in the World

As at 31 December 2025, the Sofidel Group operates in 13 countries worldwide, across Europe and the United States[3].

Sofidel America Corp

1. Circleville OH | Integrated
2. Duluth MN | Paper mill
3. Elwood IL | Converting plant
4. Filadelfia PA | Services
5. Gila Bend AZ | Paper mill
6. Haines City FL | Integrated
7. Hattiesburg MS |Converting plant
8. Inola OK | Integrated
9. Las Vegas NV | Converting plant
   Las Vegas NV | Integrated
10. Lewiston ID| Integrated
11. Shelby NC| Integrated

Sofidel Royal

12. Duncan SC | Converting plant
13. Phoenix AZ | Converting plant
    Phoenix AZ | Converting plant

Sofidel Tissue

14. Filadelfia PA | Services

3. The Green Bay plant in the United States was sold in 2025, with the sale finalised in August. Intertissue Ltd. in the UK was wound up on 15 October 2025.

Sofidel Spain

15. Buñuel ES | Integrated

Sofidel France

16. Frouard FR | Integrated
17. Ingrandes FR | Converting plant
18. Roanne FR | Integrated

Sofidel Ireland

19. Dublino IE | Services

Sofidel UK

20. Baglan UK | Integrated
21. Lancaster UK | Paper mill
22. Leicester - Hamilton UK | Integrated
23. Leicester - Rothley Lodge UK | Converting plant

Sofidel Benelux

24. Duffel BE | Integrated

Sofidel Germany

25. Arneburg DE | Integrated
26. Colonia DE | Trading
27. Schmalkalden - Wernshausen (Plant O, T, W) DE | Integrated

Sofidel Germany Holding

28. Schmalkalden - Wernshausen DE Services

Hakle Markenhaus

29. Schmalkalden - Wernshausen DE Services

Sofidel Sweden

30. Kisa SE | Integrated

Sofidel S.p.A.

31. Lucca - Porcari IT | Services

Soffass

32. Lucca - Bagni di Lucca IT | Paper mill
    Lucca - Borgo a Mozzano IT | Paper mill
    Lucca - Capannori IT | Converting plant
    Lucca - Porcari IT | Paper mill/Converting plant
    Lucca - Porcari IT | Paper mill
    Lucca - Porcari IT | Converting plant
33. Gorizia - Monfalcone IT | Integrated

Sofidel Hungary

34. Lábatlan HU | Converting plant

Sofidel Poland

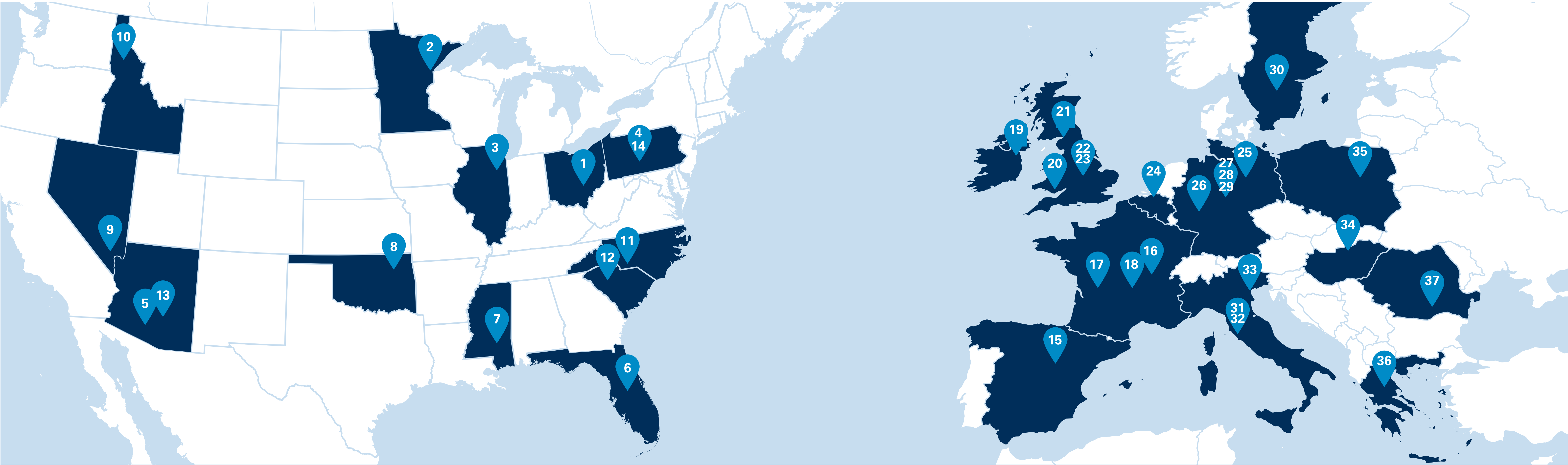
35. Ciechanów PL | Integrated

Sofidel Greece

36. Katerini EL | Integrated

Sofidel Romania

37. Calarasi RO | Integrated



Corporate transactions

Winding-up of Intertissue Limited
During the financial year, the Group initiated voluntary liquidation proceedings for its inactive English subsidiary, Intertissue Limited, in accordance with British insolvency legislation. All the subsidiary's assets and liabilities have been settled and the Company has been formally wound up.

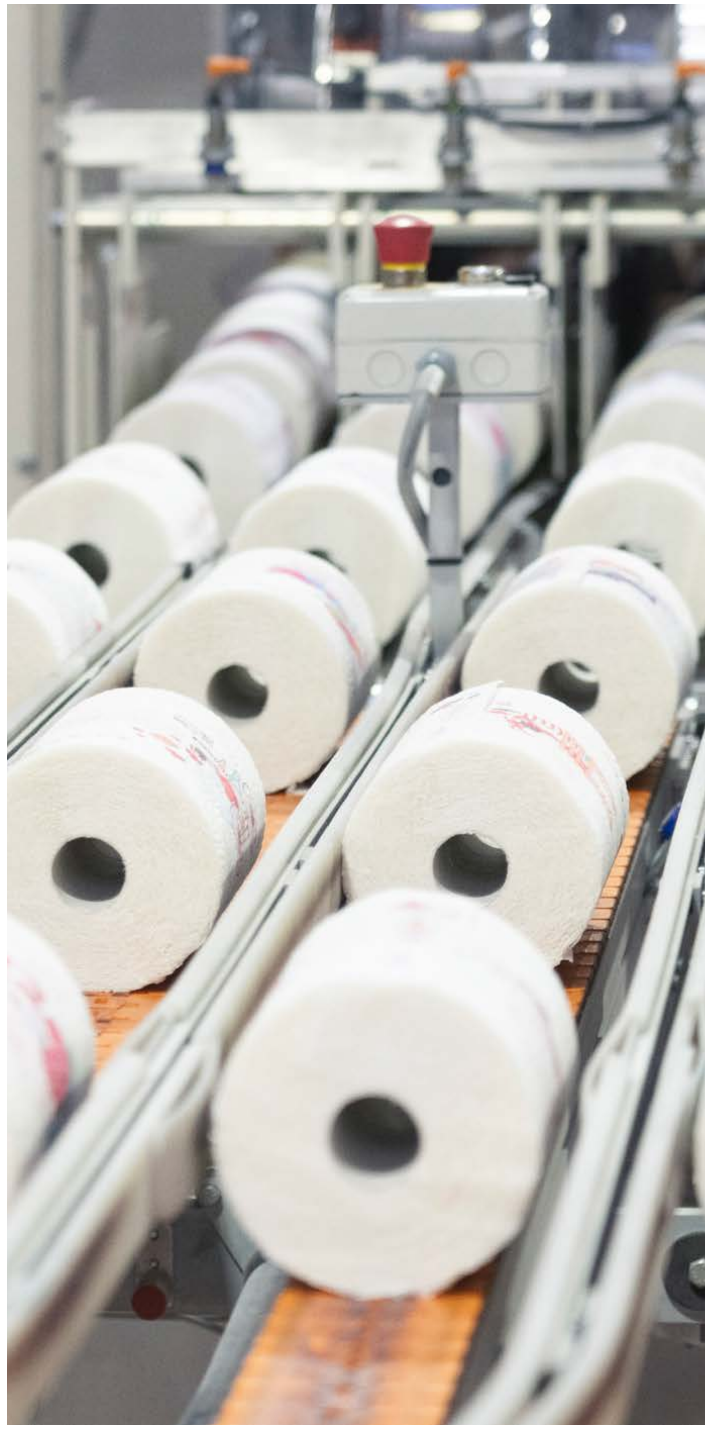
Acquisition of Companies and business combinations
In June 2025, Sofidel completed the acquisition of the assets of Royal Interco, LLC ('Royal Paper'). The agreement, an Asset Purchase Agreement (APA) based on a 'stalking horse' bid between Sofidel and Royal Paper, a recognised operator in the North American market in both the Consumer and Away-From-Home segments, was announced on 9 April 2025. An intermediate phase took place on 22 May 2025, the date on which the tender was concluded, with Sofidel being awarded the contract. Sofidel acquired Royal Paper's assets through Sofidel America, which in turn made use of a newco named Sofidel Royal.

Sale of Green Bay assets
On 18 April 2025, Sofidel America Corp. ("Seller") and Green Bay Converting, LLC ("Buyer") signed the Amended and Restated Purchase and Sale Agreement, which redefined the terms of a previous agreement dated 26 July 2024 (amended on 30 September 2024). The transaction involved the joint sale of: Machinery (movable assets), on 1 May 2025, for an amount of USD 10,170,000; Property, on 1 August 2025, for an amount of USD 30,000,000. The total amount of the sale is USD 40,170,000.

Retrospective adjustments
As at 30 June 2025, the purchase price allocation process relating to the transaction completed by Sofidel America on 1 November 2024 for the acquisition of the tissue division of Clearwater Paper Corporation was completed. As a result, four new production plants – Shelby (North Carolina), Lewiston (Idaho), Las Vegas (Nevada) and Elwood (Illinois) – and 1,658 new employees joined the Sofidel Group, resulting in an increase in production capacity of 342,000 tonnes per year, equal to 25% of the Group's total capacity.
For further details of the transactions, please refer to the notes to the Consolidated Financial Statements.

Secondary offices

The Parent Company 'Sofidel S.p.A.' has no branch offices with permanent representation.



Financial and economic relationships between the Parent Company Sofidel and its subsidiaries

Intercompany relations, summarised below, have consistently been conducted at arm's length and in accordance with prevailing market conditions, grounded in transparency and cooperation to foster both individual and Group growth.

In this regard, the Company opted to adhere to the transfer pricing document requirement regime introduced by Art. 26 of Decree Law No. 78 of 31 May 2010, converted with amendments into Law No. 122 of 30 July 2010: therefore, both a Master File, which collects information relating to the Group, and a Local File per Company, which summarises the international intra-group transactions carried out during the year, have been prepared.

The documentation was prepared in accordance with the provisions of the Ministerial Decree of 14 May 2018, the measure issued by the Director of the Italian Revenue Agency (No. 360494 of 23 November 2020), and Circular No. 15/E of 26 November 2021.

Relationships between the Parent Company and the other entities in the 'Sofidel Group' can be summarised as follows.

Financial and other relationships

	Receivables	Payables
Subsidiaries	1,234,649	115,983
Total	**1,234,649**	**115,983**

Commercial and other relationships

	Receivables	Payables
Subsidiaries	152,853	7,554
Total	**152,853**	**7,554**

Economic relationships (operating revenues)

	Revenue		
	Assets	Services	Other
Subsidiaries	498,777	73,731	47,651
Total	**498,777**	**73,731**	**47,651**

Economic relationships (operating costs)

	Costs		
	Assets	Services	Other
Subsidiaries	1	319	-
Total	**1**	**319**	**-**

Economic relationships (finance income and costs)

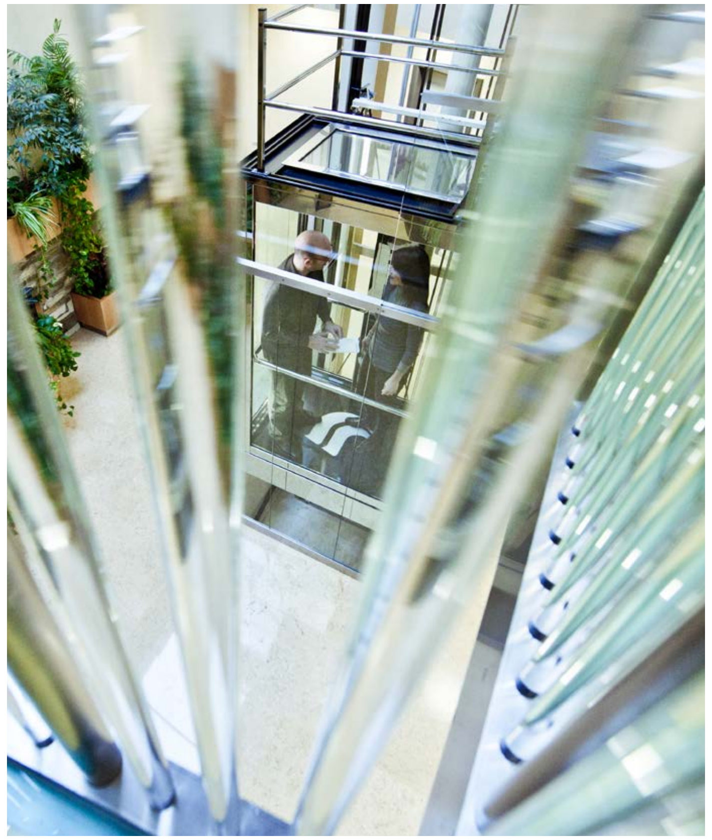
	Income	Costs
Subsidiaries	89,981	7,290
Total	**89,981**	**7,290**

Governance

Group corporate structure and corporate governance model

The **Corporate Governance** model adopted by Sofidel S.p.A. is structured as follows:

- the **Board of Directors (BoD)**, appointed by the Shareholders' Meeting, whose members include representatives of the Lazzareschi and Stefani families — the founders of the Company in 1966 and sole owners of its share capital;
- the **Board of Statutory Auditors**, appointed by the Shareholders' Meeting;
- the **Risk Control and Sustainability Committe**e appointed by the BoD;
- the **Supervisory Board** appointed by the BoD;
- the **Internal Audit** function, the head of which is appointed by the BoD on the recommendation of the Risk Control and Sustainability Committee;
- the Company in charge of the legal audit of the accounts, appointed at the Shareholders' Meeting.



BOARD OF DIRECTORS

In office for the 2025-2027 financial years

Members of the Shareholder families

Paola Stefani	Chair
Lugi Lazzareschi	Chief Executive Officer (CEO)
Nicolò Stefani	Managing Director
Davide Giacomelli	Non-Executive Director
Federico De Matteis	Non-Executive Director

External Directors

Andrea Munari	Non-Executive Director
Silvio Bianchi Martini	Non-Executive Director
Chiara Mio	Non-Executive Director
Alessandro Solidoro	Non-Executive Director
Antonio Pace	Non-Executive Director
Antonio Maria Hernandez de Pereda	Secretary to the Board of Directors

BOARD OF STATUTORY AUDITORS (administrative control) In office for the 2025-2027 financial years

Ugo Fava	Chair
Lorenzo Signorini	Standing Member
Francesca Bitozzi	Standing Member

INDEPENDENT AUDITOR (independent audit of financial statements) In office for the 2025-2027 financial years

EY S.p.A.

SUPERVISORY BODY PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 231/2001

Giacomo Cardani	Chair
Simone Ferretti	Standing Member
Antonio Sitzia	Standing Member

RISK CONTROL AND SUSTAINABILITY COMMITTEE

Silvio Bianchi Martini	Chair
Chiara Mio	Standing Member
Alessandro Solidoro	Standing Member
Antonio Pace	Standing Member
Antonio Maria Hernandez de Pereda	Secretary

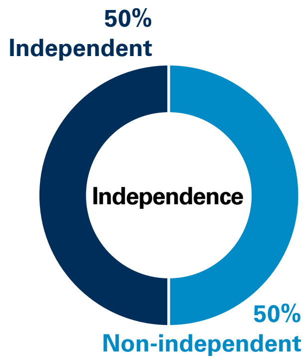
INTERNAL AUDIT

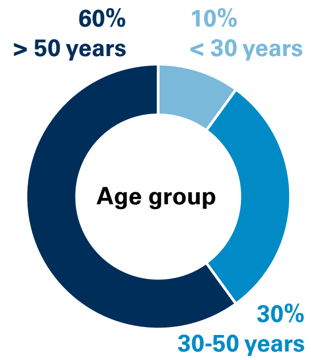
Simone Ferretti	Manager

Board of Directors[4]

The Board of Directors (BoD), elected by the Shareholders' Meeting, is the highest governance body, with full responsibility for the Group's economic, social and environmental performance, which is approved each year by the Shareholders' Meeting during the presentation of the results for the financial year.

In 2021, Sofidel took a major strategic decision, opening up its Board of Directors for the first time in history to independent members from outside the two founding families. The current BoD comprises five members from the founding families and five independent directors, who were appointed to promote the Company's growth and further strengthen its credibility and ability to ensure long-term sustainable development.





The entry of high-profile independent figures from sectors outside the tissue market – boasting experience in economy, banking, finance and sustainability – allows Sofidel to be open to new ideas and to acquire useful knowledge for future challenges.

Against a backdrop of group sales of approximately four billion euros and a geographical presence spanning two continents, strengthening corporate governance is a key tool for addressing the complexities of the external macroeconomic environment, ensuring long-term economic, financial and capital stability, and contributing to the creation of value for all stakeholders.

The role of the BoD

The Board of Directors is the executive body of a Company that is responsible for implementing the decisions taken by the shareholders' meeting and managing business activities on the basis of long-term strategies. It plays a key role in corporate governance as it is responsible for approving organisational strategies, developing management policies, hiring, supervising and remunerating senior managers, and ensuring the legal accountability of the organisation. In addition to guiding management, the BoD ensures that the Company's organisational, administrative and accounting structure is fit for purpose, supervises its business performance and decides on issues for which it is responsible under the Articles of Association.

In carrying out these activities, the Board of Directors pays special attention to the internal control and risk management system, an activity conducted in part through the Risk Control and Sustainability Committee. Specifically, it:

- assigns and revokes the powers of the Executive Directors, setting their limits and manner of exercise;
- examines, and approves in general lines, the Group's strategic industrial and financial plans, checking their implementation and subsequent deviation, if any;
- reviews, approves and guides sustainability planning;
- examines and approves the Company's corporate governance system and Group structure;
- defines the guidelines of the internal control and risk management system with the assistance and on the basis of the indications of the specific Committee; determines the degree of compatibility of risks with management consistent with the identified strategic objectives and includes in its evaluations risks that may become relevant with a view to sustainability over the medium/long-term period of the business;
- approves, at least annually, the work plan prepared by the Head of the Internal Audit function, after consulting the Risk Control and Sustainability Committee;
- appoints and removes the Head of the Internal Audit function, upon the recommendation of the Risk Control and Sustainability Committee, and after consultation with the Board of Statutory Auditors. With the support of the Risk Control and Sustainability Committee, the BoD also ensures that the Internal Audit function is adequately resourced to carry out its responsibilities;

4. In 2025, the gender diversity ratio of Sofidel's Board of Directors – calculated as the ratio of female members to male members – stands at 1:4 (0.25).

- in consultation with the Board of Statutory Auditors, assesses the findings of the independent auditor in the letter of suggestions, if any, and in the report on key issues arising from the legal audit;
- with the preparatory support of the Risk Control and Sustainability Committee, assesses the adequacy of the administrative and accounting organisational structure of the Company and its subsidiaries;
- on the basis of information received from the Chief Executive Officer at least quarterly, evaluations general business performance, comparing the results achieved with the targets;
- approves in advance the transactions of Group Companies which have a significant impact on the balance sheet, income statement and cash flows.

Risk control and sustainability committee

To further strengthen the Company's Governance and ensure the increasingly effective management of risks, opportunities, and the Group's environmental, social, and economic impacts, the Board of Directors established the Risk Control and Sustainability Committee (RCSC). Appointed in March 2022, the Committee aims to ensure maximum focus and expertise on two areas crucial to the Company's future: risk prevention, mitigation, and management, and the sustainability strategy. All the members of the Risk Control and Sustainability Committee are non-executive independent directors.

The RCSC assists the Board of Directors by performing investigative, advisory and recommendation functions in connection with the Board's evaluations and decisions regarding the internal control and risk management system, as well as the approval of periodic financial and sustainability reports.

The RCSC assists the Board of Directors in carrying out tasks concerning:

- the definition of the guidelines of the internal control and risk management system, so that the main risks pertaining to the Parent Company and its subsidiaries are correctly identified, adequately measured, managed and monitored, determining the compatibility criteria between the identified risks and the sound and proper management of the Company consistently with its strategic objectives;
- the periodic review (conducted at least on an annual basis) of the adequacy and effectiveness of the internal control and risk management system in relation to the characteristics of the Company and its risk profile;
- the approval at least annually of the work plan prepared by the head of the Internal Audit function;
- the evaluation, in consultation with the Board of Statutory Auditors, of the findings set forth in the Independent Auditors' reports, in the letter of suggestions, if any, and in the report on key issues arising from the legal audit;
- the appointment and removal of the head of the Internal Audit function.

In assisting the Board of Directors, the RCSC:

- after consultation with the independent auditor and the board of statutory auditors, assesses the proper use of accounting standards and their uniformity for the purpose of preparing the consolidated financial statements;
- expresses opinions on specific issues related to the identification of the main business risks;
- examines the periodic reports assessing the internal control and risk management system, and key reports prepared by the Internal Audit function;
- monitors the autonomy, adequacy, effectiveness and efficiency of the internal audit function;
- reports to the BoD, at least semi-annually, when the annual and half-yearly financial reports are approved, on its activities as well as on the adequacy of the internal control and risk management system;
- is responsible, in a preparatory and advisory capacity, for assessing sustainability information in accordance with current regulations.

Board of statutory auditors

Appointed by the Shareholders' Meeting, the Board of Statutory Auditors is the control body that oversees compliance with the law and the Articles of Association, the organisational principles and proper administration. The Supervisory Board is responsible for overseeing Sofidel's liability in connection with offences committed to benefit the Company. Its role is therefore to oversee and verify the compliance and effectiveness of the 231 Organisational Model (a corporate management system designed to identify and regulate operational procedures in order to reduce the risk of offences committed in the interest or to the benefit of the organisation), to report any deficiencies, anomalies and violations, or to update the Model where necessary. The Supervisory Body is therefore central to both the Model itself and to the requirements compliance programmes. It is responsible for the following:

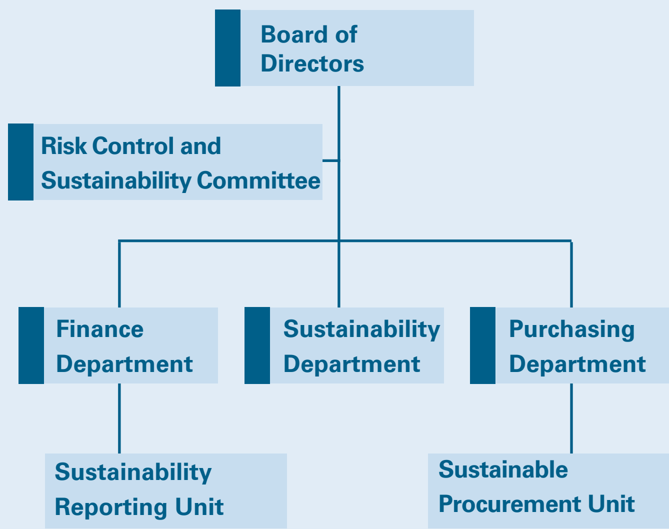
- the proposal of adaptations to the Model, for example following changes in the Company's structure or activities, as well as in the reference regulatory framework;

Sustainability governance architecture

At Sofidel, sustainability management has long been an integral part of the Company's strategy. The Board of Directors regularly addresses sustainability matters on its agenda. It reviews and approves the results of the double materiality analysis; discusses and approves ethical, environmental, and social policies; reviews and approves the Sustainability Plan along with the results of the risk analysis; approves the annual sustainability report as part of the Management Report within the Group's Integrated Annual Report; monitors emerging regulations in this area and defines the corresponding actions; and evaluates any organisational adjustments required in light of these considerations.

To support this work, the Risk Control and Sustainability Committee (RCSC) assists the Board by carrying out preparatory and advisory functions to support the oversight and management of environmental, social and governance issues.

Furthermore, to ensure the implementation of its sustainability strategy, Sofidel has adopted an organisational structure with operational responsibilities in key areas, which guarantees a continuous flow of information between management, the RCSC and the BoD, and ensures that ESG relevant matters to the Group are properly addressed.



- the supervision and control of both the observance and effective implementation of the 231 OMM by the recipients;
- the management and monitoring of information and training initiatives to spread knowledge and understanding of the OMM among its recipients;
- the management and control of information received regarding the operation of the Model;
- the identification of activities with potential crime risk and the planning of controls to prevent crime;
- the identification of the methods of management of the financial resources necessary to prevent crimes from being committed, as well as the introduction of appropriate disciplinary systems for non-compliance with the measures set forth in the OMM.

Internal Audit

The Internal Audit Function supports the organisation in pursuing its goals by assessing and improving the internal control, risk management and corporate governance processes. Specifically, it conducts independent and objective assurance activities to improve the efficiency and effectiveness of the organisation and assess the adequacy and effective operation of the Internal Control and Risk Management System. In this way, it also contributes to developing and disseminating the control and risk management culture within the organisation.

Legal audit

The Company currently appointed to perform the Legal audit of the Group's consolidated financial statements and the separate financial statements of Sofidel S.p.A. is EY.

Internal control and risk management system

The objective of the internal control and risk management system is to ensure the Company's solid sustainable development, **which creates long-term value for all stakeholders.**
The internal control and risk management system adopted by the Group is inspired by the CoSO Report (Internal Control Integrated Framework) and consists of three levels of control:

- **First level** - Involves the Directors of the various functions, known as **Risk Owners**. It identifies, assesses, and manages risks within the scope of responsibility and implements specific mitigation actions;
- **Second level** - Involves the **Control and Risk Management** functions. It anticipates and monitors the main risks for the achievement of the corporate goals and ensures an effective treatment and adequate control measures;
- **Third level** - Involves **Internal Audit**, which conducts independent assurance activities to improve the efficiency of the organisation and assess the adequacy and operation of the Internal Control and Risk Management System.

The internal control and risk management system comprises the set of tools, procedures, rules and organisational structures designed to ensure that the Company is managed properly and in a manner consistent with its sustainable growth objectives

In addition, the **Supervisory Board** is responsible for overseeing the implementation and proper functioning of the Company's Organisational, Management and Control Model pursuant to **Legislative Decree 231/01**. Model updated by the Risk Management & Compliance department.

This organisation expresses the Group's desire to continue improving its control system.

The values of the internal control system

The Group's internal control system is based on the principles of **integrity, transparency and equity.**

All Sofidel employees are required to comply with the **Code of Ethics**, which sets out the principles underlying fair and lawful business conduct. Sofidel takes respect and observance of the Code of Ethics seriously, recognising the whistleblower's right to make anonymous reports through the Whistleblowing channel, guaranteeing in all cases the confidentiality of the information presented.

The Group believes that this tool strengthens the internal control system and that reporting **reflects a sense of civic duty**, helping to bring to light and prevent situations that undermine sound management and, more generally, the public interest. The separation of tasks and responsibilities between decision-makers, those who carry out activities, and those who monitor them makes it possible to organise all decision-making and authorisation processes, which guarantees transparent operating methods based on integrity.

Furthermore, all the Group's companies have a **job rotation** programme which, in addition to raising people's skills, reduces the risks of fraud and corruption by encouraging the creation of relationships based on the highest ethical values with all stakeholders.

Risk management policy

The Sofidel Group adopts an integrated risk management system designed to **identify, assess and monitor the main risk factors** that could affect the achievement of **strategic objectives** and the **creation of value** in the medium to long term. This system is based on **the principles of transparency, accountability and responsiveness** and is structured around an **Enterprise Risk Management (ERM) approach** that takes into account financial, operational, strategic and compliance risks.

Risk management activities are coordinated by the Risk Management & Compliance function, which works in close collaboration with other Company functions and the management team to ensure that policies and procedures are adopted in line with current regulations and international best practice.
The process involves **risk mapping**, the development of mitigation plans and **continuous monitoring** using key indicators and **reporting systems, ensuring** effective oversight and **continuous improvement of the internal control** framework.
The reporting system provides for an annual update to the Risk Control and Sustainability Committee and the Board of Directors, as well as the Internal Audit function.

The risk assessment model considers both the **likelihood of occurrence** and the **severity,** both **at the inherent level**, where no risk response action is taken, and at the residual level, when the effectiveness of mitigation actions is considered.
Risk assessments are updated annually, for both the Europe region and the USA region, through an **analysis of risk scenarios assessed over three time horizons** (short term – 1 year; medium term – 4 years; long term – 25 years) in order to best represent the causes as well as the effects of risk across the entire organisation, further strengthening the quantitative economic assessment of the impacts of risk for each identified scenario.

Assessing risks across multiple time horizons enables the organisation to identify risks – such as those related to climate change, regulatory developments and technological obsolescence – at an early stage, anticipate future challenges and provide the Board of Directors with prompt reports to help it evaluate the necessary mitigation plans.

The final output is the **Sofidel Risk Catalogue**, which enables the various risk owners to prioritise action plans.

At the same time, the Group has further integrated sustainability considerations into its Enterprise Risk Management model, ensuring that environmental, social and governance factors form an integral part of risk analysis and assessment. In particular, over the last two years, a structured framework for assessing climate change-related risks has been implemented, with the aim of integrating these analyses into risk management processes and strategic planning.

The most significant risks, at the residual level, monitored by the Group are represented below. For sustainability risks and specific activities undertaken, please refer to the section *Double Materiality Analysis* in the *Sustainability Statement*.

Risks associated with the macroeconomic and industry framework

Type of risk	Management policy
Country risk	The Group's economic, equity and financial situation is first and foremost influenced by various political and economic factors that affect macroeconomic trends, including, political and economic instability, unemployment rate, level of consumer confidence, trend in household disposable income and, consequently, private consumption. The Group does not operate with countries that are socially, politically or economically unstable. In particular, during 2025 it did not engage in any business activities or transactions with countries classified as Sanctioned Countries by international sanctions authorities. In addition, the Group's geographical diversification across multiple countries, including different continents, helps offset negative economic trends in one country with positive trends in others. Lastly, a global presence makes it possible to be close to the leading markets, thus benefiting from considerable savings and allowing the offer of a service on a 'global' scale. This proximity to markets also enables a better understanding of consumer needs. For further details, please refer to the information provided in *Business model and development factors* and in *Sofidel in the World.*
Sector risk	The Group's economic, financial and equity position is influenced by developments in its industry, which are mainly driven by competitive dynamics, potential new entrants, the threat of substitute products and changes in end markets. The Group has diversified into several lines of business (Private Label, Brand, Away-From-Home and Parent Reels), seeking to offer increasingly high-performance and innovative products and dedicating specific internal resources to each of these. To promote innovation, starting in 2022 the Group launched Sofidel 2030, a project developed in collaboration with the Politecnico di Milano to create a task force of young innovators capable of applying the design thinking methodology to the development of new products and business processes. This product innovation, together with the Group's presence in the Private Label channel, also helps reduce the risks associated with the growing presence of discount retailers in end markets and, at the same time, mitigates the negative effects related to customer concentration. For further details, please refer to the information provided in *Business model and development factors.*

Risks associated with assets protection

Type of risk	Management policy
Credit risk	Credit risk is expressed by the exposure to potential losses arising from the non-performance of obligations undertaken by commercial and financial counterparties. This risk mainly arises from the potential deterioration of the counterparty's financial position or, in extreme cases, from its default. With regard to commercial counterparties, the Group mitigates risk through: • the purchase of insurance policies from leading Companies operating at an international level, whose partnership is based on the sharing of sales objectives, collaboration in defining buyers' risk profiles, transparency in credit policies and performance (both at Group and function level), and the use of customised and innovative insurance solutions for risk measurement and mitigation; • the diversification of counterparties across countries, entities, and sales channels; • compliance with insurance claim procedures; • the requirement of advance payments where insurance cover is not available; • a policy aimed at minimising the concentration of receivables; • the quantification of the risk under analysis at budget level through the use of the IFO (Integrated Finance Organisation) model, and the subsequent sharing of budget data with insurance companies; • the use of the 'Grade' indicator, issued and updated by insurance companies, as a measure of customers' short-term solvency where a credit line has been requested; • monitoring compliance with payment terms, including the suspension of orders for customers more than 10 days past due; • compliance with additional credit limits assigned by Line of Business and Region to monitor and mitigate uninsured credit risk. Regarding the financial aspect, the Group is exposed to credit risk due to its relationship with financial institutions. This entails the risk of partial or total revocation of the uncommitted credit facilities and/or the extension of the time required to obtain access to credit. To address these risks, the Group has put in place the following measures: • diversification of credit facilities by both lending institution and Group Company, with limited concentration of debt exposure across a small number of institutions and spread across multiple Group companies; • strengthening of the financial structure and diversification of financial instruments through committed medium- to long-term credit facilities (both revolving and with extended availability periods for drawdown); • systematic monitoring of developments in the European and US banking systems, noting that developments to date (including concentrations, mergers and acquisitions) have not had any impact on the Group's operations.

Type of risk	Management policy
Foreign exchange risk	The Sofidel Group is exposed to foreign exchange risk as it operates internationally and conducts part of its business activities in currencies other than the Euro. The Sofidel Group aims to minimise economic and transaction risk by using financial instruments for hedging purposes, which it primarily addresses by entering into forward currency contracts. On the other hand, it does not hedge the translation risk that results from the conversion into Euro of the financial statements of subsidiaries prepared in a currency other than the Euro. For an explanation of the economic and financial impacts, please refer to the information provided in the *Notes* to this document.
Interest rate risk	Fluctuations in interest rates within individual countries, as well as differences in rates across the currencies in which the Group operates, affect cash flows and the level of consolidated net finance costs. The Sofidel Group adopts an active interest rate risk monitoring policy, assessing the risk profile of its exposures and managing it through the use of derivative financial instruments in order to stabilise net finance costs. The derivative financial instruments entered into by the Group are plain vanilla instruments (e.g. interest rate swaps and interest rate options), with no speculative features, and may also be structured to enable the Group to benefit, in the short term, from reductions in finance costs. For an explanation of the economic and financial impacts, please refer to the information provided in the *Notes* to this document.
Price change risk	It is the risk that the Fair Value or future Cash Flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether such changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded on the market. The risk of price changes in purchased commodities (pulp and energy) can have a significant impact on the Group's operating and financial results. In this regard, the Company continuously monitors commodity price trends to reassess its sales strategies accordingly. Furthermore, Sofidel adopts the measures described in relation to the financial and strategic risks caused by the increased cost of energy commodities (e.g. energy, gas), CO_2 emission quotas and the worsening of environmental taxation due to an increasingly stricter regulatory framework.

Type of risk	Management policy
Liquidity risk	Liquidity risk represents the possibility that the Group will not be able to meet its payment commitments on time due to difficulties in raising new funds (funding liquidity risk) or quickly liquidating assets on the market (asset liquidity risk). To mitigate this risk, the Group employs a carefully planned financial and treasury management strategy designed to ensure an adequate and stable level of liquidity, while optimising the opportunity cost and maintaining an appropriate balance in the maturity and structure of its debt. In recent financial years, the Group was able to benefit from access to a wide range of medium/long-term financing, with drawdown periods of up to 12 months. This enabled the Group to raise funds on competitive terms and invest them in high-yielding instruments that are either on demand or otherwise readily convertible into cash, thereby helping to build up a substantial liquidity buffer. This buffer significantly reduced the overall risk profile, further strengthening the Group's financial resilience. This result is also made possible by the Group's financial strength, its reputation and its international reach, which facilitate the diversification of funding sources and reduce dependence on individual institutions or markets. For an explanation of the economic and financial impacts, please refer to the information provided in the *Notes* to this document.

Risks associated with distribution logistics

Type of risk	Management policy
Economic and financial risks associated with distribution logistics costs	These risks relate to potential price increases by logistics service providers due to a reduction in available supply. To monitor this risk, the Group has entered into partnerships with selected suppliers to ensure logistics continuity and contain costs, also supported by the optimisation of individual shipments.

Risks associated with ethics and transparency

Type of risk	Management policy
Misrepresentation of financial statements and periodic reports on business performance	Sofidel has developed a system of administrative, financial and management procedures that contribute to minimising the reporting risk. The Group's Finance organisation enables a dual level of control, both at the country level and centrally, where the data from all the companies are consolidated. Sofidel has implemented a number of control mechanisms to ensure the accuracy and reliability of its data. On a monthly basis, it closes its financial accounts, applying the same principles used for the preparation of the annual financial statements. In addition, it prepares a quarterly report, which is shared with key financial stakeholders, and a half-yearly report, which is subject to limited assurance by the same independent auditor that audits the annual financial statements. Sofidel's 2025 financial statements were audited by EY S.p.A. All the Group Companies use the same management system and this leads to considerable benefits in terms of the quality, uniformity and standardisation of the data. In this regard, the migration to SAP of the assets acquired from Clearwater Corporation's former tissue division was completed in 2025, and the migration of the assets acquired from Royal Paper is currently under way.

Risks associated with digitisation and IT security

Type of risk	Management policy
Cyber risk	This is the risk of data loss and/or disruption to operations resulting from cyberattacks, hardware or software malfunctions, and/or human error. To monitor and mitigate this risk, the Risk Management & Compliance department, IT department and OT department hold regular meetings with the CEO to share strategies and necessary investments. The Parent Company Sofidel, responsible for the leading IT services, has adopted the ISO 27001 management system (certified by SGS), an international standard that defines the requirements for an effective information security management system. ISO 27001 is not just an IT security standard because it includes physical, environmental and organisational security in addition to logical data security. Furthermore, from 2025 onwards, the Parent Company is identified as an NIS2 significant entity and, consequently, the Risk Management & Compliance department, in collaboration with the IT and OT departments, is conducting a gap analysis to identify and present the compliance plan to the Board of Directors in the first quarter of 2026, with the aim of meeting regulatory requirements by the date of first application (October 2026). The technical measures include: • the implementation of CyberArk for the secure management of preferential accounts, reducing the risk of abuse of rights and unauthorised access; • secure management of remote access via VPN connections subject to two-factor authentication;

Type of risk	Management policy
	• MDR-SOC services for continuous monitoring and rapid incident response, as well as threat intelligence activities to identify compromised credentials and vulnerabilities; • network segmentation; • regular penetration testing to assess the effectiveness of the mitigation measures put in place; • training programme and ongoing phishing campaigns. Lastly, the Group has taken out an insurance policy covering financial losses from cyber events.
IT business continuity risk	This is the risk of continuity in the use of IT resources. To ensure business continuity in the event of IT issues or cyberattacks, the Sofidel Group has implemented several measures to mitigate this risk, including: • a primary data centre with controlled access; • a secondary disaster recovery data centre located at a Group facility separate from the primary site; • replication of the primary data centre infrastructure on a cloud platform for all essential services (including SAP); • air conditioning and UPS power systems; • immutable backup systems; • a high-availability network infrastructure. During 2025, the primary data centre sustained physical damage, rendering it temporarily unusable. Business continuity was ensured by promptly migrating the services hosted on the primary data centre to the disaster recovery data centre. No production stoppages were recorded. All services were restored in under 5 hours, in line with the RTO and RPO targets set out in the business continuity plan.

Economic and financial performance

The ongoing pursuit of information system integration

Over the past few years, the Group, following international best practices, has implemented a strategy to adopt a single management system in order to improve the quality, consistency, and standardisation of the data.

At the same time, administrative, financial, and management procedures were revised, and currently include:
- the monthly closure of the financial data, applying the same principles as the annual budget;
- the preparation of a quarterly report, distributed to the Group's main financial stakeholders;
- the preparation of a half-yearly report, also shared with financial stakeholders and subject to limited assurance by the independent auditor (EY S.p.A.), which certifies the annual and consolidated financial statements.

Again with a view to reducing data input risks and improving management reporting, it should be noted that in 2024 the Company moved to S4, a more advanced and modern version of SAP.

This activity was further finalised and consolidated during 2025.

Global and industry economic and financial performance

Trends in global economic activity

During 2025, the world economy continue to grow at a modest yet resilient pace on the whole, albeit with different dynamics depending on the main geographical areas.

Global GDP growth is forecast at 3.3% in 2025, in line with 2024, reflecting, on the one hand, headwinds arising from escalating trade and geopolitical tensions and, on the other, support from investment in new technologies – particularly artificial intelligence – and financial conditions that remain broadly accommodating.

The geopolitical landscape has continued to pose a risk to global economic and financial stability.

In 2025, the wars in Ukraine and the Middle East had a significant impact on consumer confidence, trade flows and energy commodity prices; this was compounded by escalating trade tensions between the United States, China and other countries, with tariff hikes and a series of agreements and suspensions.

These factors fuelled uncertainty regarding global value chains and kept risk premiums high for certain classes of financial assets.

Despite this, global trade held up reasonably well: trade volumes grew by 4.1% in 2025 and are expected to slow in 2026, partly due to the delayed effects of new tariffs and the geographical reallocation of trade flows. On the price front, the disinflationary trend that began in 2024 continued into 2025. Global inflation is estimated at 4.1% in 2025, down from 5.8% in 2024, and is expected to fall even further in the coming years.

In advanced economies, inflation is expected to average 2.5% in 2025 and is likely to fall in 2026, while in emerging and developing economies the average rate is set to drop from 7.9% in 2024 to 5.2% in 2025.

However, some variety remains: in the United States, partly due to higher tariffs, core inflation is not expected to return to the 2% target until 2027; in the euro area, consumer price inflation remains around 2%.

Sources: Bank of Italy, Economic Bulletins 2/2025, 3/2025, 4/2025, 1/2026, International Monetary Fund, World Economic Outlook Update, January 2026

Trends in end markets and sourcing markets

Sale prices
Throughout 2025, finished product prices fell steadily and gradually month after month, showing a consistent downward trend for the whole year.

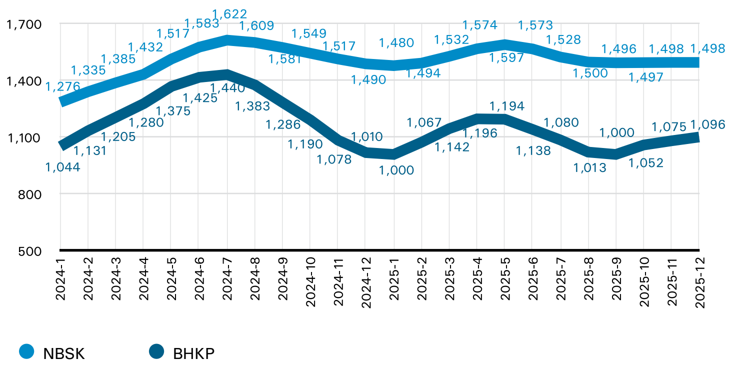
Pulp
In 2025, pulp prices remained below the peaks recorded in 2024. Long-fibre pulp showed greater volatility in 2024, while in 2025 it stabilised at lower levels.
Short fibre also showed a decline compared with the previous year's highs.

Energy
Throughout 2025, energy costs showed an upward trend, with a particularly marked acceleration in the final months of the year. Gas prices, on the other hand, remained broadly stable for the rest of the year following an initial slight rise.

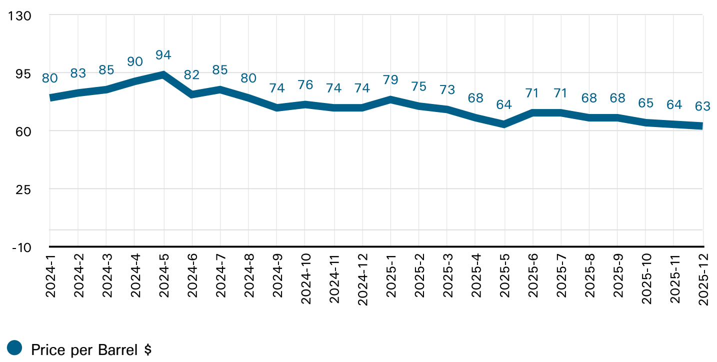
Oil
The oil price index showed a slight decrease during 2025.
Source: (IEA).

The following chart illustrates a slight growth trend in transport cost in Europe during 2025.
Source: Trading Economics - European Union CPI Transportation.

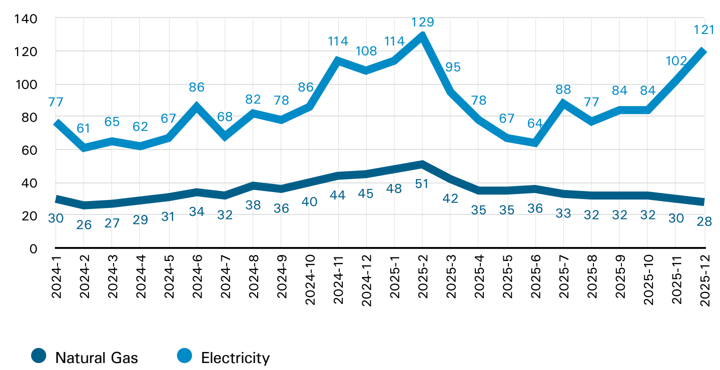
Pix Index in USD Softwood + Hardwood $/Tonne



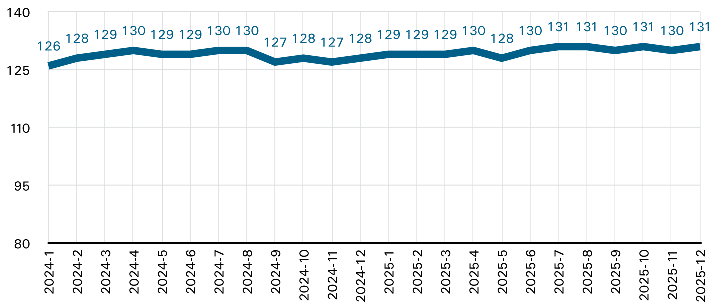
Brent Oil



Trend Natural Gas TTF + Electricity €/MWH Germany



Consumer Price Index Transportation - European Union



The Group's financial performance

2025 was a year of further significant growth for the Sofidel Group, marked not only by the integration of Clearwater Paper Corporation's tissue business – acquired in November 2024 and comprising four production sites – but also by the strengthening of industrial capacity through: (i) the acquisition, in June 2025, of the core assets of Royal Paper, a long-established US tissue manufacturer with registered office in Phoenix, Arizona; (ii) the commissioning, in September 2025, of the third paper machine at the plant in Circleville, Ohio.

Investments made in both Europe and the United States were supported by the Group's strong operating cash flow and access to new medium/to long-term bank loans. In line with the adopted funding strategy, the Group prioritised bilateral financing transactions, involving long-standing partner banks and new counterparties, across Europe and the United States. This approach enabled the financial structure to secure the resources needed to support growth and to meet operational and investment requirements in a balanced manner.

During the year, new medium/long-term loans were taken out for a grand total of approximately Euro 1,500 million, intended to fund acquisitions and industrial investments and to strengthen the financial structure. This amount does not entirely represent an increase in debt, as it includes credit facilities that were either unused or had not yet been disbursed at the end of the financial year, each with an extended availability period through 2026.

This has a significant positive impact on the Group's liquidity profile; as at 31 December 2025, it had Euro 1,141 million in medium/long-term credit facilities available but not yet drawn down, of which:

i. Euro 856 million relating to loans with amortising or bullet repayment;
ii. Euro 285 million relating to the Revolving Credit Facility (RCF).

In addition to these funds, there is approximately Euro 914 million in liquidity, thanks to the substantial generation of positive cash flows in recent financial years.

The disbursement of predominantly unsecured loans, i.e. not back by collateral, also made it possible to keep the proportion of mortgage debt at 18.0% of total loans, thereby maintaining an adequate level of financial flexibility and facilitating the definition of contractual arrangements characterised by fewer financial constraints and longer terms.

As in the previous financial year, the Group confirms that its priority objective is to utilise medium/long-term financing with repayment schedules that are consistent with its financial requirements and designed to ensure a balanced repayment profile over time, avoiding concentrations in specific periods. In this context, a programme to restructure the repayment schedule of financial debt was launched in 2025, with the aim of spreading repayments more evenly and avoiding peaks in certain six-month periods or financial years. The initiative enabled a better alignment of maturities for 2026 and 2027, with a moderate increase in the average maturity of the debt and a further strengthening of the overall sustainability of the financial position.

During the financial year, the Group also initiated, in collaboration with its lenders, a process to review certain loan agreements, with the aim of removing any existing financial covenants and bringing the contractual documentation into line with the Group's new size and credit profile. This process was completed in February 2026. As at the date of approval of these financial statements, the Group's financial debt is therefore not subject to any financial covenants.

The solid liquidity profile, together with robust operating flows, made it possible to minimise the use of short-term credit lines during the year. These lines remain available for an amount higher than Euro 400 million at Group level, guaranteeing a significant margin of financial flexibility to support working capital.

With regard to the financial composition of the debt, in 2025 the Group continued to pursue a strategy of prioritising medium/long-term financing, predominantly at variable rates, in line with its financial risk management policies and the market conditions observed during the period. This decision reflects a desire to maintain a flexible financial structure that is consistent with the evolution of the monetary cycle, thereby benefiting from potentially more favourable conditions in the medium term and optimising the cost of capital. However, the Group continues to monitor market trends closely, selectively assessing the use of hedging instruments and the subscription of fixed-rate loans, in order to maintain an appropriate balance between the proportion of index-linked debt and fixed-cost debt.

The increase in debt recorded in recent financial years led to an overall rise in finance costs accrued on outstanding loans, which rose by approximately euro 44.0 million compared with the previous financial year, mainly due to expenses on medium/long-term debt.

This increase also reflects a time effect: the rise in debt, which was concentrated in the final months of 2024 following the extraordinary transaction, resulted in finance costs in 2025 being calculated over the full financial year on the basis of a higher average debt stock.

The gradual fall in market rates has only partially offset the increase in the absolute value of the costs.

At the same time, the significant availability of liquidity arising from the subscription of medium/long-term debt allowed the Group to manage considerable cash reserves throughout most of the year, invested in demand and term deposits at competitive rates, sometimes exceeding benchmark levels. Finance income for 2025 is therefore only slightly lower than in 2024, solely due to the fall in average market interest rates.

Therefore, the Sofidel Group successfully coped with a year of significant expansion, securing the necessary resources while maintaining rigorous management of liquidity and financial risk. This approach enabled the Group to maintain its financial strength and capitalise on growth opportunities, laying structurally sustainable foundations for its future development.

The Parent Company's economic and financial performance

Activities of the Parent Company

Sofidel S.p.A. is the Parent Company of the Sofidel Group, a global leader in the tissue paper industry.

Beyond its management and coordination functions, the Company operates across several strategic areas: the commercial sector, centralising raw material procurement for the Group; real estate, managing its corporate assets; and the business and financial services sector, supporting its subsidiaries.

Furthermore, the Company licenses its proprietary brands to Group entities, which currently comprise nearly the entire portfolio across both the Consumer and Away-from-Home (AFH) segments.

In accordance with Legislative Decree No. 127 of 9 April 1991 (Articles 25 et seq.), the Company prepares consolidated financial statements integrating the data of its domestic and foreign subsidiaries.
Both the separate and consolidated financial statements are subject to statutory audit by EY S.p.A.

The Company adheres to the Group VAT procedure pursuant to Article 73 of Presidential Decree No. 633 of 26 October 1972, and to the national tax consolidation scheme as set out in Articles 117-129 of Presidential Decree No. 917 of 22 December 1986.

Parent Company's management performance

The 2025 FY, compared to 2024, presents the following summary of the income statement and statement of financial position.

	2025	2024	Changes
Net Sales	572,508	672,288	(99,780)
EBITDA	47,362	52,324	(4,962)
EBIT	41,672	47,115	(5,443)
Profit before tax (EBT)	212,843	204,754	8,089
Profit (loss) for the year	**206,011**	**191,437**	**14,574**

	31/12/2025	31/12/2024	Changes
Non-current assets	1,320,810	1,124,979	195,831
Net working capital	15,186	9,789	5,397
Net invested capital	1,334,779	1,133,126	201,653
Equity	685,166	479,937	205,229
Net financial position (if negative, financial liabilities exceed financial assets)	(649,613)	(653,189)	3,576
Cash flows from operating activities	**222,519**	**153,905**	**68,614**

The following information on the Company's main activities is provided for completeness.

Raw materials trading activities
Revenue from these activities amounted to euro 512 million (euro 623 million in 2024).
The prices charged in intercompany transactions were determined according to the group-wide transfer pricing policy.

Provision of Services and Holding Activities
The management and coordination of subsidiaries constitute the Company's primary function, aimed at strengthening the Group's core business.

During the financial year, the Company's activity continued as planned, in line with the previously established programs.

These activities generated revenue of euro 73.7 million (euro 66.7 million in 2024), reflecting the ongoing long-term qualitative and quantitative development of the services provided. Furthermore, the streamlining of dedicated functions has continued, aimed at optimising this vital Group resource. As in previous years, costs incurred for these activities—inclusive of a mark-up—were recharged to individual Group companies based on actual usage. This allocation followed objective criteria established under the General Service Agreement and an Advance Pricing Agreement (APA) for international operations, concluded with the Italian Revenue Agency in late December 2019.

The Company's other activities include the following:
Real estate
As in previous years, the Company's activity was based on the management of its property portfolio.
Rental income recognised in the income statement amounted to euro 16.6 million (euro 16.78 million in 2024).
As always, the activity ensured that all properties were maintained in good condition.

Management of proprietary brands
The activity in question was based on granting Group Companies the right to use proprietary brands; these currently account for nearly all of the Group's portfolio, across both the Consumer and Away-From-Home segments.

Revenue from these activities totaled euro 30.1 million for the year, compared to euro 29.2 million in 2024.

Financial and treasury management activities
Financial receivables recognised in the balance sheet at year-end amounted to euro 1,235 million (of which euro 91 million was current, consisting of intercompany current accounts).

Interest income charged to subsidiaries amounted to euro 90 million (euro 60 million in 2024). These rates were determined using the CUP method or, where no independent comparable transactions were available, the 'COST OF FUNDS' approach. In this regard, it is worth noting the long-standing internal funding activities carried out across Group companies as part of an integrated treasury management strategy.

Financial Instruments
Interest rate swaps (IRS) and forward currency contracts outstanding at year-end have already been disclosed in the notes to the financial statements, to which reference should be made. During the year, the Group entered into a number of cross currency swaps and continued its commodity hedging policy through commodity swaps and PPAs. It should also be noted that derivative financial instruments are not held for speculative purposes.

Group Investments in Non-current Assets
The Group's investments during the year are presented below.

	Amount
Rights and trademarks	1,380
Intangible assets under development	1,108
Other intangible assets	1,907
Land and buildings	10,967
Plant and machinery	101,781
Industrial and commercial equipment	1,778
Other tangible assets	4,657
Property, plant and equipment under construction and advances	260,964
Total	**384,542**

Investments for the year were made by approximately 73% by Sofidel America and the remainder by all other Group Companies.

In 2025, in the United States, Sofidel made significant investments in new production lines and in the improvement of existing lines, with the aim of enhancing efficiency and production capacity. In particular:
- at the plant in Circleville, Ohio, the expansion of the paper mill's production capacity was completed with the installation of a new paper machine, which went into operation in September 2025. The building that houses the new installation was fitted with a rooftop photovoltaic system that requires no additional land and has a minimal visual impact;
- work began on expanding the production site at the facility in Duluth, Minnesota (US). The investment, worth a total of over USD 200 million, will transform the plant – currently a paper mill – into a state-of-the-art integrated facility, thanks to the installation of converting lines and the construction of an automated warehouse for finished products. Production expansion began a few months after the plant was acquired;
- a photovoltaic plant is also under construction at the Inola site.

The remaining investments relate to ongoing improvements across all production processes, in line with the Group's consolidation and growth strategies.

Investments in non-current assets of the Parent Company
The Parent Company's investments for the year were as follows.

	Amount
Licences, rights and trademarks	749
Intangible assets under development and advances	1,108
Investment property	117
Other tangible assets	561
Property, plant and equipment under construction and advances	4,005
Total	**6,541**

The item 'Property, plant and equipment under construction and advances' relates to the refurbishment of a warehouse at the Porcari plant.

The item 'Licences, rights and trademarks' includes costs incurred for purchasing modules and/or implementations of SAP, VIM and other software.

The Group's economic and financial figures in 2025

Technologies and definitions

Sofidel's management assesses the Group's economic and financial performance—both at a consolidated level and across its various operating segments—using specific margins and indicators. As these metrics are not defined by law or the adopted accounting standards, they are referred to as 'Non-GAAP Financial Measures'.

Below is a description of how these margins and indicators are determined, according to the ESMA/2015/1415 Guidelines, to allow for a better assessment of the Group's operating performance and financial position.

EBITDA is not identified as an accounting measure under IFRS and should not be considered an alternative measure for assessing the Group's earnings performance. As the composition of EBITDA is not regulated by the relevant accounting standards, the determination criteria applied by the Group may not be homogeneous with those adopted by others and therefore not comparable.

Net sales	The item refers to the Group's core revenues (line item "Revenue from contracts with customers (net sales)" in the income statement).
Value added	The margin is calculated by adding personnel costs to EBITDA.
EBITDA	The margin is calculated by adding depreciation, amortisation, impairment losses and provisions for risks to EBIT.
EBIT	The margin corresponds to operating profit reported in the income statement.
Profit before tax (EBT)	The margin corresponds to profit before tax reported in the income statement.
Non-current assets	The item refers to "Total non-current assets" in the consolidated statement of financial position (hereinafter "SFP"), net of financial receivables and "Deferred tax assets"; it includes "Assets held for sale".
Employee severance and risk provisions	The item refers to the sum of "Employee severance and other personnel-related provisions" and "Provisions for risks and charges" recognised under liabilities in the statement of financial position.
Net working capital	The item refers to the algebraic sum of inventories, trade receivables, other current receivables, trade payables and other current payables.
Net invested capital	The item is calculated as operating assets net of operating liabilities and provisions.
Net financial position or net financial debt	The item is calculated as financial assets net of financial liabilities; in the KPIs it is sometimes abbreviated as "NFP".
Net operating cash flow	In cash terms, the item represents the equivalent of operating profit in the income statement.
Free cash flow	The item is obtained by deducting net capital expenditure from "net operating cash flow".
Cash flow generated	The item represents the change in the net financial position during the period.
Investments	The item represents total investments in non-current assets (intangible and tangible) net of related disposals, where specified.
ROS (Return on net sales)	The indicator is calculated as the ratio of "EBIT" to "Net sales", as defined above.
ROI (Return on investment)	The indicator is calculated as the ratio of "EBIT" to "Total assets" as per the statement of financial position.
ROE (Return on equity)	The indicator is calculated as the ratio of "Total comprehensive income" to "Total equity", as defined above.

Analysis of financial performance data

With reference to the corporate transaction described above, i.e. that Sofidel America completed the acquisition of the tissue division of Clearwater Paper Corporation on 1 November 2024, the statement of financial position and income statement as at 31 December 2024 were restated (31 December 2024 'restated') and, consequently, all comparative figures with the previous year in this document therefore refer to 31 December 2024 restated.

Value-added income statement

	2025 Absolute values	%	2024 Absolute values	%
Net sales	4,018,235	100.00%	3,224,972	100.00%
Other revenue	93,411	-	56,554	-
Total net revenue	**4,111,646**	**-**	**3,281,526**	**-**
Consumption of materials and goods	(1,671,038)	41.29%	(1,442,847)	44.74%
Services	(880,723)	21.92%	(684,620)	21.23%
Other operating costs	(94,095)	2.34%	(69,562)	2.16%
Value added	**1,465,791**	**(36.48)%**	**1,084,496**	**(33.63)%**
Personnel costs	(716,416)	17.83%	(520,549)	16.14%
EBITDA	**749,375**	**(18.65)%**	**563,947**	**(17.49)%**
Depreciation, amortisation and impairment losses	(265,877)	6.62%	(189,995)	5.89%
Provision for risks	(2,059)	0.05%	(4,041)	0.13%
EBIT	**481,439**	**(11.98)%**	**369,911**	**(11.47)%**
Finance income and costs	(152,202)	3.79%	(67,488)	2.09%
Profit before tax (EBT)	**329,237**	**(8.19)%**	**302,423**	**(9.38)%**
Income taxes	(116,908)	2.91%	(81,668)	2.53%
Net profit	**212,329**	**(5.28)%**	**220,754**	**(6.85)%**

It should be noted that for Sofidel Tissue the 2024 figures contribute to the consolidation only for the months of November and December.

Analysis of reclassified financial position data

Functional statement of financial position

	31 December 2025	31 December 2024	Changes
Intangible assets	348,568	338,569	9,999
Property, plant and equipment	3,003,611	3,039,786	(36,175)
Equity investments and non-current securities	3,918	3,889	29
A. Non-current assets	**3,356,097**	**3,382,244**	**(26,146)**
B. Provisions	**(15,112)**	**(15,087)**	**(26)**
Inventories	760,011	756,124	3,887
Trade receivables	300,062	364,127	(64,065)
Other receivables	206,391	245,604	(39,213)
Trade payables	(718,716)	(742,268)	23,552
Other payables	(452,801)	(452,179)	(623)
C. Net working capital	**94,947**	**171,408**	**(76,461)**
D. Net invested capital (A+B+C)	**3,435,932**	**3,538,565**	**(102,633)**
Cash and cash equivalents	914,037	460,812	453,224
Short-term financial liabilities	(3)	(5,946)	5,943
Current financial assets and receivables	55,121	28,793	26,328
Medium/long-term financial receivables	5,516	2,956	2,560
Medium/long-term financial liabilities	(2,358,517)	(2,161,316)	(197,201)
Short-term financial liabilities	(449,912)	(341,430)	(108,483)
E. Net financial position	**(1,833,758)**	**(2,016,131)**	**182,372**
F. Deferred income relating to capital grants	**(9,202)**	**(11,913)**	**2,710**
G. Total equity	**(1,592,971)**	**(1,510,522)**	**(82,449)**
H. Sources of financing (E+F+G)	**(3,435,932)**	**(3,538,565)**	**102,633**

Net financial position

	31 December 2025	31 December 2024	Changes
Cash and cheques	206	116	90
Bank and postal deposits	913,830	460,696	453,134
A. Liquidity	**914,036**	**460,812**	**453,224**
B. Current financial assets and receivables	**21,151**	**21,871**	**(720)**
Current bank borrowings (loan accounts)	0	(5,946)	5,946
Short-term derivative financial liabilities	(4,680)	(44,846)	40,166
Current portion of loans	(411,638)	(251,422)	(160,216)
Lease liabilities due within 12 months	(20,100)	(16,761)	(3,339)
Current payables to plant suppliers	(9,817)	(14,448)	4,631
C. Gross current financial debt	**(446,235)**	**(333,423)**	**(112,812)**
D. Net current financial debt i.e. short-term net financial position) (A+B+C)	**488,953**	**149,260**	**339,692**
E. Non-current financial receivables	**39,486**	**9,878**	**29,608**
Lease liabilities	(68,252)	(57,735)	(10,517)
Loans falling due beyond the next financial year	(2,261,374)	(2,075,130)	(186,244)
Long-term derivative financial liabilities	(3,681)	(13,627)	9,946
Non-current payables to plant suppliers	(28,890)	(28,778)	(112)
F. Gross non-current financial debt	**(2,362,198)**	**(2,175,270)**	**(186,928)**
G. Net non-current financial debt (medium/long-term net financial position) (E+F)	**(2,322,710)**	**(2,165,392)**	**(157,322)**
H. Net financial debt (net financial position) (D+G)	**(1,833,758)**	**(2,016,132)**	**182,374**

A negative ‘net financial position’ indicates that financial liabilities exceed liquidity and financial receivables

Statement of changes in net financial position

	2025	2024
EBIT	481,439	369,911
Depreciation and amortisation	266,037	190,198
Provisions	1,899	3,838
Share of grants (non-cash income)	(32,543)	(12,311)
Other non-cash items	0	(634)
Gross operating cash flow (A)	**716,832**	**551,003**
Change in trade receivables	55,200	100,097
Change in inventories	(23,064)	(58,939)
Change in trade payables	26,042	(22,142)
Change in other short-term assets/liabilities	23,851	(18,827)
Change in net operating working capital (B)	**82,029**	**190**
Change in other provisions and deferred tax assets (C)	(3,362)	16,572
Current taxes	(52,789)	(76,933)
D. Net operating cash flow (A+B+C)	**742,709**	**490,832**
Purchases of property, plant and equipment net of disposals	(362,069)	(367,859)
Business acquisitions	(156,968)	(1,056,153)
Changes in intangible assets	(4,161)	(5,032)
Changes in non-current financial assets	(30)	(54)
Capital gain	15,934	633
Capitalised borrowing costs	0	0
Change in payables for capital expenditure	(12,620)	87,386
Cash outflows for investments (E)	**(519,913)**	**(1,341,079)**
F. Free cash flow (D+E)	**222,796**	**(850,247)**
Finance costs/(income) paid	(95,401)	(58,754)
Foreign exchange gains/(losses)	0	(2,356)
change in the scope of consolidation	(24,290)	(46,310)
Dividends and extraordinary remuneration Directors' remuneration paid	0	(26,100)
Other changes (translation differences)	79,268	(57,744)
Cash flow generated (F+G)	**182,373**	**(1,041,511)**
Net financial position at the beginning of the year	**(2,016,132)**	**(974,620)**
Net financial position at the end of the year*	**(1,833,758)**	**(2,016,132)**

*The reference metric is the net financial position on a like-for-like basis; for a detailed breakdown, please refer to the statement presented above.

Statement of main KPIs

		2025	2024
Financial performance results	Net sales	4,018,235	3,224,972
	EBITDA	749,374	563,947
	EBIT	481,439	369,911
	Profit before tax (EBT)	329,236	302,423
	Total comprehensive income	212,328	220,755
Financial position results	Net invested capital	3,435,932	3,538,565
	Total equity	1,592,971	1,510,522
	- of which Group companies	1,592,926	1,510,459
	- of which third parties	46	63
	Net financial position (if negative, financial liabilities exceed financial assets)	(1,833,758)	(2,016,131)
Financial results	Net operating cash flow	742,709	490,832
	Free cash flow	222,796	(850,247)
	Net investments in intangible assets (net of divestments)	4,161	5,032
	Net investments in tangible assets (net of divestments)	362,069	367,860
Employees	Average number of employees	9,387	7,596
	Number of employees (year-end)	9,644	9,087
Key performance indicators	EBITDA / Net sales	18.65%	17.49%
	ROS (Return on net sales)	11.98%	11.47%
	ROI (Return on investment)	8.60%	7.06%
	ROE (Return on equity)	13.33%	14.61%
	Net operating cash flow / Net sales	18.48%	15.22%
	Net financial position / EBITDA	2.45	3.58
	Net financial position / total equity	1.15	1.33
	Net financial position / net operating cash flow	2.47	4.11

For further details on the methodology used to determine the margins and indicators above, please see the paragraph *'Terms and Definitions'*.

Reconciliation statements between equity and profit or loss

The reconciliation of the equity attributable to owners of the Parent and consolidated equity is presented below.

	31 December 2025	31 December 2024
Equity attributable to owners of the Parent	**685,166**	**479,937**
Contribution from subsidiaries	2,662,771	3,192,034
Elimination of impairment of equity investments	41,390	24,510
Calculation of non-controlling interests	0	(65)
Adjustment for unrealised intercompany inventory profits	(2,752)	(2,872)
Effect of intercompany eliminations and other adjustments	(73,296)	(97,887)
Elimination of equity investments	(1,720,354)	(2,085,199)
Total equity attributable to owners of the Parent	**1,592,925**	**1,510,458**
Third-party capital	60	76
Profit attributable to non-controlling interests	(14)	(13)
Total non-controlling interests	**46**	**63**
Total equity attributable to owners of the Parent and non-controlling interests	**1,592,971**	**1,510,521**

The reconciliation of the profit for the year of the Parent Company and the consolidated profit for the year is presented below.

	31 December 2025	31 December 2024
Profit for the year of the Parent Company	206,011	191,437
Contribution from subsidiaries	204,704	242,585
Elimination of impairment of equity investments	16,880	3,000
Other consolidation adjustments	18,344	(10,035)
Adjustment for unrealised intercompany inventory profits	120	(388)
Dividend eliminations	(233,716)	(205,832)
Elimination of equity investments	0	0
Effect of intercompany sales elimination	0	0
Profit attributable to owners of the Parent	**212,343**	**220,767**
Profit attributable to non-controlling interests	**(15)**	**(13)**
Profit (loss) for the year attributable to owners of the Parent and non-controlling interests	**212,328**	**220,754**

The Parent Company's economic and financial figures in 2025

Terms and definitions

Net sales	The item refers to the Parent Company's core revenues (line item "Revenue from sales and services" in the Parent Company income statement).
Value added	The margin corresponds to value added reported in the Parent Company income statement.
EBITDA	The margin corresponds to EBITDA reported in the Parent Company income statement.
EBIT	The margin corresponds to operating profit reported in the income statement.
Profit before tax (EBT)	The margin corresponds to profit before tax reported in the income statement.
Total investments	The item corresponds to total assets as per the Parent Company's statement of financial position.
Net working capital	The item refers to the algebraic sum of inventories, trade receivables, other current receivables, trade payables and other current payables.
Net invested capital	The item is calculated as operating assets net of operating liabilities and provisions.
Net financial position or net financial debt	The item is calculated as financial assets net of financial liabilities.

Analysis of reclassified financial performance data

	2025 Absolute values	%	2024 Absolute values	%
Net Sales	572,508	100%	672,288	100%
Other revenue	48,933	-	46,053	-
Total net revenue	**621,442**	**-**	**718,341**	
Consumption of materials and goods	(483,912)	84.5%	(586,502)	87.2%
Services	(50,768)	8.9%	(41,623)	6.2%
Other operating costs	(2,313)	0.4%	(2,977)	0.4%
Value added	**84,448**	**14.8%**	**87,239**	**13.0%**
Personnel expenses	(37,087)	6.5%	(34,915)	5.2%
EBITDA	**47,362**	**8.3%**	**52,324**	**7.8%**
Depreciation, amortisation and impairment losses	(5,690)	1.0%	(5,209)	0.8%
EBIT	**41,672**	**7.3%**	**47,115**	**7.0%**
Finance income/(costs)	200,394	35.0%	158,529	23.6%
Foreign exchange gains/(losses)	(29,223)	5.1%	(890)	0.1%
Profit before tax (EBT)	**212,843**	**37.2%**	**204,754**	**30.5%**
Current and deferred taxes	(6,832)	1.2%	(13,316)	2.0%
Profit (loss) for the year	**206,011**	**36.0%**	**191,438**	**28.5%**

Analysis of reclassified financial position data

The reclassified statement of financial position is presented below.

	31 December 2025	31 December 2024	Changes
Deferred liquidity	276,639	324,486	(47,847)
Immediate liquidity	415,348	178,632	236,716
Inventories	123	131	(8)
Current assets (A)	**692,110**	**503,250**	**188,860**
Tangible and intangible non-current assets	88,311	87,190	1,121
Equity investments and medium/long-term receivables	2,409,424	2,317,215	92,209
Non-current assets (B)	**2,497,735**	**2,404,405**	**93,330**
C. Total investments (A+B)	**3,189,845**	**2,907,655**	**282,190**
Current liabilities (D)	**(561,679)**	**(624,062)**	**62,383**
Equity	(685,167)	(479,937)	(205,230)
Provisions	(1,490)	(1,661)	171
Medium/long-term borrowings	(1,941,509)	(1,801,995)	(139,514)
Non-current liabilities (E)	**(2,628,166)**	**(2,283,593)**	**(344,573)**
F. Total sources (D+E)	**(3,189,845)**	**(2,907,655)**	**(282,190)**

The functional reclassification is presented below.

	31 December 2025	31 December 2024	Changes
Intangible assets	6,453	6,210	243
Property, plant and equipment	81,858	80,979	879
Non-current financial assets	1,232,499	1,037,789	194,710
A. Non-current assets	**1,320,810**	**1,124,979**	**195,831**
B. Provisions	**(1,217)**	**(1,642)**	**425**
Inventories	123	131	(8)
Trade receivables from customers	98	27	71
Trade receivables from subsidiaries	152,853	185,925	(33,072)
Trade payables	(141,001)	(173,004)	32,003
Trade payables to subsidiaries	(7,554)	(12,026)	4,472
Other assets	21,795	23,320	(1,525)
Other liabilities	(11,128)	(14,584)	3,456
C. Net working capital	**15,186**	**9,789**	**5,397**
D. Net invested capital (A+B+C)	**1,334,779**	**1,133,126**	**201,653**
Net financial position (E)	(649,613)	(653,189)	3,576
Equity (F)	(685,166)	(479,937)	(205,229)
G. Sources of financing (E+F)	**(1,334,779)**	**(1,133,126)**	**(201,653)**

The following statement summarises the net financial position at year-end.

	31 December 2025	31 December 2024	Changes
Cash on hand	10	10	(0)
Other cash and cash equivalents (current accounts)	415,338	178,622	236,716
Cash and cash equivalents (A)	**415,348**	**178,632**	**236,716**
Current intercompany financial receivables	90,994	111,109	(20,115)
Short-term securities and other current financial receiv-ables	10,899	4,107	6,792
Current financial receivables (B)	**101,893**	**115,215**	**(13,322)**
Current portion of non-current bank borrowings	(313,479)	(184,249)	(129,230)
Current bank borrowings	(1,328)	(37,057)	35,729
Lease liabilities	(296)	(241)	(55)
Current payables to other lenders	0	0	0
Current intercompany financial liabilities	(87,167)	(202,921)	115,754
Current financial liabilities (C)	**(402,270)**	**(424,467)**	**22,197**
D. Net current financial surplus/(debt) (A+B+C)	**114,971**	**(130,620)**	**245,591**
Non-current intercompany financial receivables	1,143,655	1,276,217	(132,562)
Other non-current financial receivables	33,269	3,209	30,060
Non-current financial receivables (E)	**1,176,924**	**1,279,426**	**(102,502)**
Non-current bank borrowings	(1,912,611)	(1,761,432)	(151,179)
Non-current intercompany financial liabilities	(28,816)	(30,325)	1,509
Non-current payables to other lenders	(83)	(10,238)	10,155
Non-current financial liabilities (F)	**(1,941,510)**	**(1,801,995)**	**(139,515)**
G. Net non-current financial surplus/(debt) (E+F)	**(764,586)**	**(522,569)**	**(242,017)**
H. Net financial position (D+G)	**(649,615)**	**(653,189)**	**3,574**

A negative net financial position indicates that cash and cash equivalents are insufficient to cover total financial debt, representing the Company's net exposure to lenders.

The statement of cash flows of cash hand cash equivalent is presented below.

	2025	2024
A. Cash flows from operating activities		
Profit (loss) for the year	206,011	191,437
Income taxes	6,832	13,316
Dividends	(223,818)	(170,368)
Finance costs/(income)	5,917	8,839
Expenses/(income) from equity investments	16,880	3,000
1. Profit (loss) before income taxes, interest, dividends and gains/(losses) on disposals	**11,821**	**46,225**
Adjustments for non-cash items with no impact on net working capital		
Other adjustments for non-cash items	133	79
Depreciation and amortisation of non-current assets	2,690	5,209
2. Cash flow before changes in net working capital	**17,644**	**51,513**
Changes in net working capital		
Changes in inventories	9	(19)
Changes in trade receivables	(71)	(10)
Changes in trade payables	(32,397)	(3,150)
Changes in receivables from subsidiaries	33,072	(18,579)
Changes in payables to subsidiaries	(4,472)	(1,636)
Other changes in short-term assets and liabilities	(2,165)	(2,625)
Share of investment grants		-
3. Cash flow after changes in net working capital	**11,620**	**25,494**
Other adjustments		
Interest received/(paid)	(5,894)	(11,706)
Income taxes paid	(6,902)	(30,264)
Dividends received	223,818	170,368
Interest paid on lease liabilities	(23)	(24)
Change in provisions	(100)	37
Cash flows from operating activities (A)	**222,519**	**153,905**

	2025	2024
B. Cash flows from investment activities		
Non-current assets		
Investments in tangible and intangible assets	(7,088)	(4,508)
Change in payables for capital expenditure	665	914
Capital gains on non-current assets		
Disposals of non-current financial assets	(211,590)	(280,974)
Cash flows from investing activities (B)	**(218,013)**	**(284,568)**
C. Cash flows from financing activities		
Third-party capital		
New medium/long-term borrowings	452,000	1,238,850
Repayment of medium/long-term borrowings	(169,213)	(143,331)
New short-term borrowings	(882)	970
Change in other borrowings and intercompany current accounts	31,190	(949,393)
Changes in derivative assets/liabilities	(79,953)	45,776
Change in the principal portion of lease liabilities	(270)	(230)
Equity		
Dividends (and extraordinary directors' remuneration) paid	-	(26,100)
Change in reserves	-	-
Other changes	(662)	-
Cash flows from financing activities (C)	**232,210**	**166,542**
Increase in cash and cash equivalents (A+B+C)	**236,716**	**35,879**
Cash and cash equivalents at the beginning of the year	**178,632**	**142,753**
Cash and cash equivalents at the end of the year	**415,348**	**178,632**

For a breakdown of 'Cash and cash equivalents', please refer to the table at the end of the statement of cash flows in the financial statements.

Main results of subsidiaries (directly and indirectly held)

The results of the direct and indirect subsidiaries as at year-end 2024 are shown in the tables below.

Direct equity investments

Entity name	Registered office	% ownership interest	Net asset value	Profit (loss) for the year
Soffass S.p.A.	Porcari (Italy)	100%	250,496	20,397
Sofidel France S.a.s	Frouard (France)	100%	98,144	21,818
Sofidel Spain S.l.u.	Tudela (Spain)	100%	50,854	1,299
Sofidel Germany Holding GmbH	Schmalkalden (Germany)	100%	104,532	20,400
Sofidel Greece S.a.	Katerini (Greece)	100%	6,774	(31)
Sofidel UK Ltd.	Baglan (UK)	100%	454,654	70,679
Sofidel America Corp.	Florida (USA)	80.4%*	1,239,087	3,490
Sofidel Hungary K.f.t.	Labatlan (Hungary)	100%	3,517	(10,101)
Sofidel Poland Sp.z.o.o.	Ciechanów (Poland)	100%	163,570	21,878
Sofidel Benelux N.v.	Duffel (Belgium)	100%	22,347	2,304

*The remaining 19.6% is indirectly held via 'Sofidel UK Ltd.'.

Indirect equity investments

Entity name	Registered office	% ownership interest	Net asset value	Profit (loss) for the year
Sofidel Germany GmbH	Schmalkalden (Germany)	100%	226,297	0
Hakle Markenhaus GmbH	Düsseldorf (Germany)	100%	336	31
Sofidel Romania S.a.	Călărași (Romania)	99.8%	29,822	6,649
Sofidel Sweden A.b.	Kisa (Sweden)	100%	27,669	3,541
Sofidel Ireland	Dublin (Ireland)	100%	97	32
Sofidel Tissue	Delaware (USA)	100%	(64,749)	63,019
Sofidel Royal	Delaware (USA)	100%	50,654	(6,115)

The figures of the various companies always refer to the 2025 financial statements approved by the respective local management bodies and subsequently restated in accordance with IAS/IFRS as adopted by the Company for the preparation of its financial statements.

The exchange rates used are the average 2025 rates for income statement items, while equity items, including profit for the year, are translated at historical rates. It should be noted that the 2024 income statement of Sofidel Tissue reflects an average USD exchange rate of 1.0556 for the November-December period.

These values are subsequently restated in accordance with IAS/IFRS as adopted by the Parent Company for the preparation of its financial statements.

Outlook

Outlook for the Group's economic and financial performance

Global economic growth is forecast to remain at moderate levels, around 3.3%, for the two-year period 2026-2027.
The projections reflect a still fragile balance between supportive factors, such as technological investments in artificial intelligence and financial conditions that are generally considered accommodating, and risk factors, represented by ongoing geopolitical and trade tensions.
According to estimates, the United States is expected to continue to show relatively robust growth, while the euro area is forecast to be in a phase of slow and structurally weak recovery. Among the emerging economies, India is set to remain the main contributor to global growth, while China is expected to benefit from temporary stimulus measures, albeit against a backdrop of structural slowdown.
Global inflation is expected to ease gradually, with a faster return to target levels in the advanced economies, a development which, according to forecasts, would allow for a gradual and prudent easing of monetary policy.
Global trade is expected to slow down in the short term, before gradually recovering in 2027.
However, the outlook remains characterised by a high degree of uncertainty: risks are predominantly assessed on the downside and include a possible rise in protectionism, geopolitical tensions, high levels of public debt and potential downward revisions to expectations regarding the benefits of artificial intelligence.

Source: International Monetary Fund, World Economic Outlook Update, January 2026

Despite a macroeconomic environment where inflation continues to affect consumer spending and ongoing geopolitical tensions (in Ukraine and the Middle East, among others) impact global growth and raw material prices, the Group continues to address rising demand in the American market and consolidate its position in Europe by:

- further improving the efficiency of existing plants, specifically the Circleville (OH) plant following the start-up of the third paper machine in the third quarter of 2025, and of all plants acquired over the last 2 years;
- increasing advertising across all brand markets;
- pursuing continuous improvements in product quality and in the technologies used in production processes.

These actions confirm the sustainable growth strategy, geared towards the creation of shared value, which aims not only to consolidate its profitability, but also to tackle the climate crisis and promote the ecological transition, through:

- increased use of electricity from renewable sources (including photovoltaic systems, as well as investments in hydrogen and biomass);
- the development of targeted policies aimed at strengthening relationships with local communities and institutions, school and university districts, chambers of commerce, and trade and non-profit associations.

Outlook for the Parent Company's economic and financial performance

For 2026, the Company expects raw materials trading activities to broadly confirm the results achieved in the year just ended, alongside a continued significant increase in royalties from trademark licensing to subsidiaries, with positive effects on operating performance.

Sustainability Statement

General disclosures

Basis for preparation

The Sofidel Group's Consolidated Sustainability Statement (hereinafter also the "Sustainability Statement") has been prepared taking into account developments in the European sustainability reporting regulatory framework and the gradual alignment with the **European Sustainability Reporting Standards (ESRS)** introduced under Directive (EU) 2022/2464 – the **Corporate Sustainability Reporting Directive (CSRD).**

The Statement was prepared in a context characterisedby both a two-year deferral of the mandatory application of the CSRD for the Sofidel Group and an ongoing review at the date of preparation of this document. In particular:

- The application of the ESRS is not yet mandatory for the Sofidel Group as a result of Directive (EU) 2025/794 ('Stop-the-Clock' Directive), which postponed its application until the 2027 financial year;
- the ESRS framework is currently undergoing a review which was announced but had not yet been finalised at the time of drafting this Sustainability Statement;
- with Commission Recommendation (EU) 2025/1710, the European Commission recommended, on a transitional and short-term basis, the use of the VSME standard – voluntary sustainability reporting standard for non-listed small and medium-sized enterprises. With reference to the current draft prepared by EFRAG, large undertakings can also adopt it on a voluntary basis; however, this decision is at the discretion of the organisation itself.

In this context, the Sofidel Group adopted **a gradual and proportionate approach** to sustainability reporting, recognising its central role as a driver of transparency, accountability and structured dialogue with stakeholders.
Sofidel therefore chose to prepare its sustainability discloures in accordance with the **VSME standard** (option B: Basic Module and Comprehensive Module), adopted as the **minimum reference framework** for preparation of the information, and to **include it within the Management report**, in order to ensure **consistency, comparability and an integrated overview** with the e financial information, in line with the voluntary reporting approach adopted over the years as well as with a view to progressive alignment with future regulatory requirements.

The VSME standard was **selectively supplemented** with disclosure requirements and indicators derived from the **ESRS,** the **GRI standards** and the **SASB standards**, where deemed necessary to adequately represent the specific characteristics of the Group's business model and its interactions with sustainability topics.

The level of alignment with the various reference standards and the location of the relevant information within the document are set out in the *Content Index* section, which lists, for each applicable standard, the relevant disclosure requirement and the location of the corresponding disclosure within the text.

Structure of the sustainability statement

The Group's Sustainability Statement is structured into four main sections, with a view to gradually aligning with the requirements of the CSRD:

- **General disclosures;**
- **Environmental information;**
- **Social information;**
- **Business conduct information.**

In particular, this section of the Management report presents the environmental, social and governance topics that are material for the Group, taking into account the results of the **double materiality analysis** described in the dedicated section.

In the relevant sections, the following information is provided for each material topic:

- a summary of the material **impacts, risks and opportunities (IROs)** at sub-topic and sub-sub-topic level;
- key management measures and **action plans;**
- the relevant **metrics** for understanding the Group's performance.

Given that the Sustainability Statement is included within the Management Report, certain information required by the adopted standards is provided by way of **incorporation by reference**, through cross-references to specific sections of the Management Report (business model and development factors, governance and risk management system).

In order to facilitate ease of reference and ensure that environmental, social and governance content can be identified immediately, the sections of the Management Report that include information relevant to the Sustainability Statement and incorporated by reference are **highlighted with this visual marker.**

Sustainable finance

According to the **European Investment Bank**, sustainable finance involves including environmental, social and governance considerations in investment decisions, channelling capital towards activities and projects that are sustainable in the long term. It plays a key role in achieving the objectives of the **European Green Deal**, which aims to promote the green transition, i.e. the shift towards a more sustainable economy through sustainable technologies, industry and transport.

Within this framework, in **2023 Sofidel completed four medium/long-term financing transactions** with leading European institutions, structured as **Sustainability-Linked Loans (SLL)** in accordance with the **Sustainability-Linked Loan Principles** defined by the **Loan Market Association (LMA).**
These loans were intended to strengthen the Group's financial structure and, at the same time, to promote and monitor the adoption of good environmental and social practices through specific sustainability indicators.
Following the significant acquisitions carried out in the United States between 2024 and 2025, the Group, in agreement with its lenders, updated the SPTs (Sustainability Performance Targets) associated with the Sustainability Linked Loans, while keeping the KPIs defined at signing unchanged. This enabled the realignment of the sustainability indicators with the Group's new scope of operations.

The sustainability indicators associated with the Sustainability-Linked Loans are **highlighted in the text using a specific symbol** to enable the Group's financial stakeholders to readily identify them.

Reporting period, scope, comparability of data and estimates

The reporting period covered by the Sustainability Statement corresponds to the 2025 financial year (1 January to 31 December 2025). This Statement has been prepared on a consolidated basis, and the scope of reporting corresponds to the scope of consolidation of the Sofidel Group's consolidated financial statements. With regard to the assets acquired from Royal Interco, LLC ('Royal Paper'), their performances are included in reporting from the date on which they are consolidated in the financial statements. A detailed list of the Group's sites included in the scope of reporting, together with their geographical coordinates, is provided in the Appendix section of the Sustainability Statement.

The reporting methodology adopted ensures, as far as possible, comparability of information over time. Where changes or methodological refinements have occurred, as well as updates to the measurement criteria, data for prior financial years have been restated, where applicable, to ensure o ensure consistent and comparable presentation. These cases are clearly identified and described in the relevant sections of the document. Where new performance indicators are introduced from 2025 onwards, or where methodological refinements cannot be applied retrospectively to data for the 2024 and 2023 financial years, the symbol '–' is shown in the tables. The value '0' is used to indicate that the indicator has a value of zero for the relevant financial year .

The quantitative information has been prepared on the basis of the data available at the time of preparation. Where necessary and where indicated, estimates and assumptions have been used, based on methodologies deemed appropriate and consistent with market best practice and with the principles of reliability, clarity and fair presentation of information.

In preparing this Sustainability Statement, Sofidel has not exercised the option to omit information classified as sensitive.

Scope of assurance

The qualitative and quantitative disclosure prepared in accordance with the VSME standard, reported in this Sustainability Statement, was subjected to limited assurance by EY S.p.A., according with the principles of the ISAE 3000 International Standard on Assurance Engagements (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information - ('ISAE 3000 Revised'), issued by the International Auditing and Assurance Standards Board (IAASB).

The complete list of VSME disclosure requirements reported, indicating their location within the document, is set out in the *VSME Standard Content Index*, under the *Content Index* section.

Quantitative indicators not linked to any VSME disclosure, reported on the same pages indicated in the *VSME Content Index*, are not subject to limited assurance by EY S.p.A.

The list of these indicators and supplementary information, which do not relate to any VSME disclosure, derived from the ESRS, the GRI standards and the SASB standards is set out separately in the *Content Index: Other Standards – ESRS, GRI, SASB*, included in the *Content Index* section.

In accordance with the scope of the engagement, the double materiality analysis conducted by the Group,although it represents a central element of the reporting process and the identification of material topics, is not subject to limited assurance by EY S.p.A. The methodology used and the results of the analysis are set out in the dedicated section.

Stakeholder engagement

Throughout 2025, the Group maintained an ongoing dialogue with its stakeholders on material topics, using engagement channels and tools tailored to the nature of the topics, the level of engagement, and the specific context.

	Inform	Listen	Consult	Engage	Collaborate
Environment	• Voluntary disclosure initiatives • Environmental product information • Partecipation in stakeholder information-gathering initiatives • Corporate website, social media, and newsletters • Intranet • Certification bodies • Sofidel internal committees	• Targeted meetings with customers • Events/initiatives organised by NGOs (e.g. WWF) • Targeted meetings with environmental authorities • Targeted meetings with trade associations • Certification bodies • Sofidel internal committees	• Targeted meetings with customers • Events/initiatives organised by NGOs (e.g. WWF) • Targeted meetings with environmental authorities • Targeted meetings with trade associations • Certification bodies • Sofidel internal committees	• Targeted meetings with customers • Events/initiatives organised by NGOs (e.g. WWF) • Targeted meetings with environmental authorities • Targeted meetings with trade associations • Certification bodies • Sofidel internal committees	• Targeted meetings with customers • Events/initiatives organised by NGOs (e.g. WWF) • Targeted meetings with environmental authorities • Targeted meetings with trade associations • Certification bodies • Sofidel internal Committees
Shareholders	• Consolidated financial statements and Management report • Sustainability report • Corporate website • Financial strength and sustainability	• Shareholders' meeting • Board and Committee Meetings • Quarterly/half-yearly • Ad hoc meetings			
Local communities and the general public	• Corporate website • Sustainability report • Fondazione Giuseppe Lazzareschi website • PR and social media	• Ad hoc national and local meetings	• Ad hoc national and local meetings	• Relations with national, regional and local institutions • Community investment and local initiatives • Initiatives with NGOs	• Partnerships with schools, universities, and research institutions • Partnerships with NGOs
Financial community	• Consolidated financial statements and Management report • Sustainability report • Corporate website • Bank reports • Disclosure upon request • PR	• Conference calls • One-to-one meetings • National and international events		• CSR events	

	Inform	Listen	Consult	Engage	Collaborate
Consumers and clients	• Newsletters • Corporate website • Commercial and service websites • Social media • Sofidel Shop • Product and sales documentation • Communication campaigns • Sustainability report • Meetings with top customers • Raising customer awareness of ESG topics	• Customer satisfaction surveys • Complaints management (toll-free numbers) • Monitoring of all communication channels regarding Group activities • Sofidel Shop	• European Marketing & Sales Meeting	• Periodic interviews • International meetings • Ad-hoc training	• Multi-thematic roundtables • Ad hoc interviews
Suppliers and commercial partners	• Corporate website • Supplier Guidelines • Sustainability report	• Ad hoc meetings	• Ad hoc meetings		• Support programmes
Institutions	• Corporate website • Sustainability report • Social media, media relations and events	• Ad hoc meetings • Public forums and conferences • Sofidel-hosted conferences	• Meetings with local authorities • Relations with regulatory bodies	• Technical working groups with Institutions	• Forums and conferences
People of the Sofidel Group	• Intranet portal • Senior management communications • Sustainability report • Group organisational communications • 'People & Paper' House Organ • Sofidel Informa/News • Sharing of HR guidelines, policies, and procedures • Sofidel Digital Channels • Viva Engage	• Employee Engagement Survey (Sofidel Engagement Survey) • Targeted meetings	• Focus groups • Workshops	• Corporate events • International Human Resources Meetings • Meetings with Trade Union Organisations • Meetings with Health and Safety Representatives • Welfare project • Engagement activities (e.g. internal competitions, social events)	• CRAL (employee recreational and welfare association) • Cross-departmental projects

Double materiality analysis

In line with the approach taken in previous financial years, although not required under the VSME reporting standard, in 2025 the Sofidel Group deemed it appropriate to update the double materiality analysis carried out in 2024. This activity forms part of an ongoing process to enhance the quality of information and ensure alignment with the requirements set out in the European Sustainability Reporting Standards (ESRS).

The analysis was conducted by applying the **principle of double materiality**, which jointly considers the impact perspective and the financial perspective.

A sustainability topic is considered material in terms of impact when it is associated with significant impacts – whether positive or negative, actual or potential – on people or the environment in the short, medium or long term (**Impact materiality** – inside-out perspective). These include impacts arising from the Group's own operations as well as those linked to the upstream and downstream value chain.

At the same time, a sustainability topic is considered financially material when it has significant financial implications, i.e. when it can influence, or could influence in the future, the organisation's current or future financial performance (**Financial materiality** – outside-in perspective). This is particularly the case where a topic gives rise to risks and/or opportunities stemming from past, present or future events.

These two aspects are closely interlinked and require an assessment of their interdependencies; however, a sustainability topic may be material solely from an impact perspective or, alternatively, from a financial perspective. Furthermore, materiality can manifest simultaneously in both perspectives.

Methodological approach

The 2025 update of the double materiality analysis, tooken place in the second half of the year, was carried out in the following methodological phases:

a. Context analysis

During this phase, Sofidel's own operations, its commercial relationships and operating context were updated, together with an analysis of key stakeholders. In addition, as a preliminary step in the process, a review of the 2024 double materiality analysis was carried out, to identify potential additions, changes and updates to the sustainability topics under consideration. This activity was carried out to gradually align with the requirements of the ESRS: to this end, the impacts, risks and opportunities (IROs) were correlated to the list of topics, sub-topics and sub-sub-topics proposed in ESRS 1[5] , and the nomenclature of sustainability topics was updated in line with the official language used by these standards.

b. Identification of impacts, risks and opportunities

The findings from the context analysis made it possible to draw up a preliminary list of IROs (**long list**) relating to environmental, social and governance issues, taking into account Sofidel's own operations as well as its upstream and downstream value chain. The development of the long list of IROs involved the following steps:

1. **Identification** of material sustainability topics, taking into account the specific characteristics of the Sofidel Group's operational and business model;
2. **Correlation** of the identified sustainability aspects with the topics, sub-topics and sub-sub-topics in line with the ESRS;
3. **Mapping of impacts, risks and opportunities,** based on the results of the internal and external context analysis, and identification of the nature of the impact (positive/negative, actual/potential).

For each impact, the related scope, i.e. as the part of the value chain where the impact occurs, was then identified distinguishing between Sofidel's own operations, the upstream value chain and the downstream value chain.

The actual and potential impacts were identified on the basis of corporate sustainability due diligence procedures, focusing therefore on the Group's operations, its commercial relationships and its value chain.

With regard to the risks mapped during the activity, a review was carried out in relation to the sustainability risks identified by the Company's internal risk management system (Enterprise Risk Management). Each ERM risk was linked to the topic in question and the relevant sub-topic and sub-sub-topic.

In addition to these risks, new risks – as well as opportunities – were identified, taking into account the impacts generated.

5. Standard ESRS 1, Annex A 'Application Requirements' (AR 16), CSRD Directive.

Specifically, therefore, for each impact, risk and opportunity, various aspects were considered, identified and subsequently assessed, including:

- **Scope** – identification of the value chain (Sofidel's own operations, the upstream value chain and the downstream value chain) in which the impact, risk or opportunity arises;
- **Stakeholders** – mapping of stakeholders potentially affected by the impacts;
- **Interdependencies** – potential interlinkages between the impacts, risks and opportunities;
- **Dependencies** – identifying any dependencies on natural, human or social resources as sources of risk and opportunity. In this context, Sofidel identified natural resources as a potential dependency and therefore took this into account in the process of identifying and assessing IROs;
- **Human rights** – potential impacts on human rights arising from the identified impacts, risks and opportunities. In this case, the final assessment gave greater weight to the magnitude rather than the likelihood of occurrence;
- **Time horizons** – identifying the timeframe (short, medium or long term) within which each impact, risk and opportunity begins to take effect. The definition of time horizons is consistent with the reference standards[6]. With regard to business risks, the time horizon was determined on the basis of the ERM results and, from a prudential perspective, the horizon associated with the combination of the highest ERM risk magnitude and likelihood was taken into account.

c. Assessment of IROs and identification of material topics

This phase involved the assessment of previously identified impacts, risks and opportunities, using a rating scale. In defining this scale, the thresholds used within the ERM framework were adopted, with values ranging from 1 (lowest) to 4 (highest).

For each impact, risk and opportunity, the **magnitude** and **likelihood** were assessed using specific rating scales.

In particular, in the case of **magnitude**, two separate scales were defined: one for assessing impacts and one for assessing risks and opportunities:

- for impacts, magnitude was assessed based on three drivers (scale/degree of materiality, scope/extent, and irremediable character);
- for risks and opportunities, magnitude was divided into four drivers (reputational, economic/financial, operational, and compliance), in line with the ERM process.

As regards **likelihood**, this was assessed in terms of the frequency with which the event has occurred in the past and the likelihood of occurence in the future.

The assessment began with a preliminary assessment of the IROs, drawing on datasets, specific tools, industry benchmarks and other existing business tools. With specific reference to the assessment of business risks, this was supported, where available, by risk mapping within the ERM framework. Furthermore, in the assessment of the IROs, the aspects described above in phase *b)* were taken into account.

Subsequently, one-to-one interviews were conducted with internal management in order to validate or refine the preliminary findings.

The materiality of the assessed IROs was determined using a **threshold-based approach (materiality threshold)**, which involved plotting the impacts, risks and opportunities within a matrix. The matrix, in addition to the materiality threshold adopted, is consistent with that used for ERM purposes, with a view to ensuring consistency across the Company's tools. Therefore, an impact, risk or opportunity was considered material if the intersection of the magnitude and likelihood values exceeded the materiality threshold. The materiality threshold, i.e. the minimum level of significance required for an impact, a risk or an opportunity (and the related sustainability topic) to be considered material, complies with the guidance provided in the technical reference available at the time of drafting this document (EFRAG IG[7]).

d. Aggregating the results of the assessment of impacts, risks and opportunities that exceeded the threshold, enabled the identification of the material sustainability topics. In particular, if at least one IRO was deemed material, the corresponding topic, sub-topic and sub-sub-topic were also considered material. The application of the materiality threshold enabled the transition from the long list to the short list of Group's material sustainability topics.

6. Short term refers to a period of one year or less; medium term to a period of between 1 and 5 years; and long term to periods exceeding 5 years.
7. Materiality Assessment Implementation Guidance, section '3.6 Deep dive on impact materiality: Setting thresholds'.

d. Reporting and formalisation of results

The results of the double materiality analysis were shared with the Risk Control and Sustainability Committee and subsequently approved by the Chief Executive Officer and the Managing Director. Through this process, the Group's administrative, management and supervisory bodies were kept fully informed and updated on both the results of the analysis and the methodological approach adopted.

The sustainability topics identified as material for the Group are therefore disclosed in this document, within the relevant sections for each topic.

The double materiality analysis is reviewed at least once a year in order to identify any changes in the internal and external context and to ensure that it is continuously updated in a manner consistent with and aligned with the Group's operating context and circumstances.

Stakeholder engagement in the assessment

During the assessment of the IROs, the views of external stakeholders were incorporated through indirect engagement, achieved via dedicated meetings with the corporate departments responsible for stakeholder engagement activities, as described in the previous section Stakeholder engagement. These meetings enabled the collection of feedback from engagement activities, to confirm the preliminary assessments of impacts, risks and opportunities.

Double materiality results

Overall, the double materiality analysis carried out in 2025 identified a set of material topics that reflect the typical characteristics of the paper industry.

With regard to environmental issues, particular relevance was attributed to matters relating to climate change, pollution, water stewardship, as well as the responsible sourcing of natural raw materials and the proper management and disposal of waste.
From a social perspective, in addition to issues relating to the Group's own workforce, particular importance is placed on matters concerning workers along the value chain, the affected communities – including indigenous populations potentially impacted by the sourcing of natural raw materials – as well as access to high-quality information and responsible business practices towards consumers and end-users.

As regards governance, the double materiality analysis confirmed the materiality of corporate culture, responsible supply chain management and corruption and bribery.

10 Material Topics

93 Material IROs

ENVIRONMENT		SOCIAL		GOVERNANCE	
Climate change	I R O	Own workforce	I R O	Business conduct	I R
Pollution	I R	Workers in the value chain	I R		
Water	I R O	Affected Communities	I R O		
Biodiversity and ecosystems	I R	Consumers and end-users	I R		
Resource use and the circular economy	I R O				

I Impact R Risk O Opportunity

The results of the analysis carried out in 2025 partly confirmed the findings of the impact materiality assessment conducted in 2024. However, the update to the methodology enabled a more in-depth analysis than in the previous financial year, enabling a more precise identification of additional material impacts.

These include, for example, impacts relating to other work-related rights (forced labour and child labour) affecting the Company's own workforce, as well as those relating to pollution and working conditions (secure employment, health and safety, etc.) affecting workers along the value chain.

With regard to the financial materiality findings, the adoption of a wider time horizon – covering the short, medium and long term, compared to the analysis carried out in 2024, which focused exclusively on the short term – made it possible to identify further risks and opportunities.

The risks identified include those relating to water pollution, waste management, and product safety for consumers and end-users. In addition to the opportunities already identified for 2024, further opportunities emerged relating to recycling and reuse of the water resource, as well as to resource inflows.

The update to the materiality analysis also enabled a more in-depth assessment of the reporting scope, particularly with regard to the identification and definition of stakeholders in the upstream and downstream value chain, as well as the aforementioned adoption of the terminology set out in the ESRS for sustainability topics.

A breakdown of the material impacts, risks and opportunities is provided below.

I Impact | R Risk | O Opportunity
I (+) Positive impact | I (-) Negative impact

Upstream value chain | Own operations | Downstream value chain

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Climate change	Climate change adaptation	-	Changes in climate conditions and/or extreme weather events (storms, landslides, floods and coastal flooding, extreme rainfall, extreme heatwaves, etc.) with negative impacts on energy supply.	R	Medium term	Own operations
			Risks associated with acute and chronic extreme weather events caused by climate change (with particular focus on drought, rising temperatures and flooding), which could have an impact on the Group's plants.	R	Long term	Own operations
			Transition risk arising from changes in the external environment, characterised by the increasing introduction and tightening of ever more stringent climate policies and regulations.	R	Long term	Own operations
	Climate change mitigation	-	Reputational risk arising from a failure to meet public objectives and public expectations regarding sustainability and climate matters.	R	Long term	Own operations
			Energy consumption and resulting GHG emissions arising from the Company's production activities (Scope 1 and Scope 2), with negative impacts in terms of their contribution to climate change.	I (-) Actual	Short term	Own operations
			GHG emissions generated along the value chain (Scope 3), with negative impacts in terms of contribution to climate change.	I (-) Actual	Short term	Upstream value chain, Downstream value chain
	Energy	-	Risk arising from rising costs of energy from non-renewable sources.	R	Long term	Own operations
			Opportunities to use renewable energy at reduced costs and invest in low-carbon technologies that can lead to a smaller carbon footprint, lower energy consumption and lower energy costs.	O	Medium term	Own operations
			Energy consumption and resulting GHG emissions arising from the Company's production activities (Scope 1 and Scope 2), with negative impacts in terms of contribution to climate change.	I (-) Actual	Short term	Own operations
			GHG emissions generated along the value chain (Scope 3), with negative impacts in terms of their contribution to climate change.	I (-) Actual	Short term	Upstream value chain, Downstream value chain

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Pollution	Air pollution	-	Potential negative impact arising from the inadequate management of NOx emissions into the air from combustion plants, and SOx emissions linked to the use of biomass to fuel certain boilers in paper production.	I (-) Potential	Short term	Own operations
			Potential indirect negative impact arising from the production activities of the value chain in terms of air pollution.	I (-) Potential	Short term	Upstream value chain, Downstream value chain
			Exposure to fines and legal disputes relating to air pollution.	R	Long term	Own operations
	Water pollution	-	Potential negative impact associated with the paper production process, with reference to parameters relating to oxygen demand (chemical oxygen demand – COD, and biological oxygen demand - BOD) and total suspended solids (TSS).	I (-) Potential	Short term	Own operations
			Potential indirect negative impact generated by the production activities of the value chain in terms of water pollution.	I (-) Potential	Short term	Upstream value chain, Downstream value chain
			Exposure to fines and legal disputes relating to water pollution.	R	Long term	Own operations
	Soil pollution	-	Potential negative impact resulting from the inadequate management of substances used in the Group's production processes (solvents, dyes, acids and other chemicals, etc.).	I (-) Potential	Short term	Own operations
			Potential indirect negative impact generated by the production activities of the value chain in terms of soil pollution.	I (-) Potential	Short term	Upstream value chain, Downstream value chain
			Exposure to fines and legal disputes relating to soil pollution.	R	Long term	Own operations
	Substances of concern and substances of very high concern	-	Potential negative impact resulting from the inadequate management of substances of concern and substances of very high concern in production processes.	I (-) Potential	Short term	Own operations
			Indirect negative impact potentially due to inadequate management of substances of concern and substances of very high concern in the production processes of the upstream value chain.	I (-) Potential	Short term	Upstream value chain
			Exposure to fines and legal disputes relating to the use of substances of concern and substances of very high concern in production processes.	R	Short term	Own operations

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Water	Water	Water consumption	Negative impact on water resources due to water consumption in production processes.	I (-) Actual	Short term	
			Indirect negative impact on water resources arising from water consumption in production processes of the upstream and downstream supply chain.	I (-) Actual	Short term	
			Opportunities for cost savings through the use of water recycling and reuse technologies.	O	Medium term	
			Dependence on the water resources, which is essential for production activities, with a particular focus on water-stressed area, resulting in disruptions to normal production operations.	R	Long term	
		Water withdrawals	Negative impact on water resources due to water withdrawal in production processes.	I (-) Actual	Short term	
			Indirect negative impact on water resources resulting from water withdrawal in production processes of the upstream and downstream value chain.	I (-) Actual	Short term	
			Dependence on the water resources, which is essential for production activities, with a particular focus on water-stressed area, resulting in disruptions to normal production operations.	R	Long term	
		Water discharges	Potential negative impact on water bodies due to inadequate management of water discharges.	I (-) Potential	Short term	
			Potential indirect negative impact on water bodies due to inadequate management of water discharges of the upstream and downstream value chain.	I (-) Potential	Short term	
			Exposure to fines and legal disputes relating to the discharge of inadequately treated wastewater into the sewerage system without authorisation.	R	Short term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Biodiversity and ecosystems	Direct impact drivers on biodiversity loss	Climate change	Potential negative impact associated with deforestation, resulting in the loss of the natural ability of forest ecosystems to absorb and store carbon dioxide (CO_2).	I (-) Potential	Medium term	
		Land-use changes, fresh water-use changes and sea-use changes	Negative impact due to the potential contribution to biodiversity loss resulting from production activities carried out in the vicinity of protected natural areas.	I (-) Potential	Short term	
			Indirect negative impact resulting from the potential contribution to biodiversity loss caused by production activities carried out in protected natural areas by actors in the value chain.	I (-) Potential	Short term	
		Direct exploitation	Indirect potential negative impact on forests in terms of biodiversity arising from the procurement of virgin fibre raw materials sourced from forests.	I (-) Potential	Short term	
			Reputational and regulatory risk associated with forestry practices that are illegal or unacceptable from an environmental and ethical perspective.	R	Long term	
	Impacts and dependencies on ecosystem services	-	Dependence on key ecosystem services (e.g. wood fibre), which exposes the Group to the risk of rising costs for virgin raw materials in the event of forest ecosystem degradation and the resulting loss of biodiversity, leading to a reduction in the availability and quality of fibres.	R	Medium term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Resource use and the circular economy	Resource inflows, including resource use	-	Negative impact potentially generated by the purchase of forestry raw materials and packaging sourced from unsustainable and non-regenerative supply chains for the manufacture of products.	I (-) Potential	Medium term	
			Transition risk linked to regulatory changes, which could introduce restrictions on the trade in single-use products and/or forest products, and to a simultaneous failure to meet customer and consumer expectations in terms of product and packaging sustainability, with potential restrictions on market access and a decline in sales volumes.	R	Long term	
			Opportunities for cost savings and to gain a competitive advantage by reducing the use of plastic in packaging.	O	Medium term	
			Opportunities for cost savings arising from a lower volume of raw material purchased and waste generated, resulting from the use of production waste.	O	Medium term	
	Resource outflows related to products and services	-	Opportunity to gain a competitive advantage by reducing its environmental impact through the use of certified virgin raw material and/or alternative raw materials.	O	Short term	
	Waste	-	Potential negative impact caused by the inadequate management of waste generated during production processes, whether hazardous or non-hazardous.	I (-) Potential	Short term	
			Indirect potential negative impact caused by the inadequate management and disposal of hazardous and non-hazardous waste by actors in the downstream value chain.	I (-) Potential	Short term	
			Risk of non-compliance with laws and regulations governing the disposal of hazardous and non-hazardous waste.	R	Long term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Own workforce	Working conditions	Secure employment	Positive impact on employees resulting from secure employment.	I (+) Actual	Short term	
			Risk of difficulty in retaining qualified staff in key roles (turnover) due to the lack of an effective succession and talent development plan.	R	Medium term	
		Working time	Potential negative impact on employee satisfaction and well-being due to failure to comply with working hours when workloads are high.	I (-) Potential	Short term	
		Adequate wages	Satisfaction, motivation and improved well-being among staff, as well as the development of individual potential, through the creation of merit-based pay and incentive schemes.	I (+) Actual	Short term	
		Social dialogue	Failure to respect freedom of association and ineffective social dialogue, which may lead to dissatisfaction among employees.	I (-) Actual	Short term	
			Risk of impact on productivity due to trade union actions.	R	Medium term	
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Failure to respect freedom of association and ineffective social dialogue, which may lead to dissatisfaction among employees.	I (-) Actual	Short term	
		Collective bargaining, including rate of workers covered by collective agreements	Failure to implement collective bargaining agreements, with a potential negative impact in terms of employee dissatisfaction.	I (-) Potential	Short term	
		Work-life balance	An imbalance between work and private life and, at certain times, heavy workloads that can lead to increased job dissatisfaction.	I (-) Potential	Short term	
		Health and safety	Work-related incidents, accidents and ill health, which may have negative impacts on the health and safety of the workforce.	I (-) Potential	Short term	
			Exposure to fines and legal disputes relating to work-related accidents and ill health.	R	Long term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Own workforce	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Potential negative impact on employee motivation, well-being and satisfaction resulting from a failure to uphold gender equality and equal pay for work of equal value, and a failure to value diversity.	I (-) Potential	Short term	
			Exposure to fines and legal disputes, as well as reputational damage, arising from incidents of discrimination.	R	Medium term	
		Training and skills development	Workforce satisfaction through the development of professional skills via training programmes provided to employees, aimed at enhancing the individual skills of each person.	I (+) Actual	Short term	
			Opportunities to improve business performance and develop innovative ideas by fostering workforce satisfaction through the development of professional skills.	O	Medium term	
		Measures against violence and harassment in the workplace	Potential negative impact arising from incidents of discrimination (including gender-based pay discrimination) and/or abuse within the Company's operations.	I (-) Potential	Short term	
			Exposure to fines and legal disputes, as well as reputational damage, arising from incidents of discrimination.	R	Medium term	
		Diversity	Potential negative impact on employee motivation, well-being and satisfaction resulting from a failure to uphold gender equality and equal pay for work of equal value, and a failure to value diversity.	I (-) Potential	Short term	
			Exposure to fines and legal disputes, as well as reputational damage, arising from incidents of discrimination.	R	Medium term	
	Other work-related rights	Child labour Forced labour	Potential violation of employees' human rights (forced labour and child labour).	I (-) Potential	Short term	
			Exposure to fines and legal disputes, as well as reputational damage, arising from incidents of human rights violations.	R	Medium term	
		Privacy	Inadequate management of employee data, with possible negative impacts in terms of loss of sensitive data, as well as a loss of trust in the Group on the part of employees.	I (-) Potential	Short term	
			Exposure to fines and legal disputes arising from breaches of employees' personal data.	R	Medium term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Workers in the value chain	Working conditions	Secure employment Working time Adequate wages Social dialogue Freedom of association Collective bargaining Work-life balance	Potential negative impact on the satisfaction, motivation and well-being of the workforce along the value chain, caused by precarious employment, inadequate pay, a lack of active dialogue, restrictions on freedom of association, a lack of rights to information, consultation and participation, work-life imbalance, and failure to comply with working hours and overtime regulations.	I (-) Potential	Short term	
			Reputational risk associated with the improper management of human resources along the value chain.	R	Short term	
		Health and safety	Work-related incidents, accidents and ill health, which may have negative impacts on the health and safety of the workforce in the value chain.	I (-) Potential	Short term	
			Reputational risk associated with work-related accidents and ill health among workers in the value chain.	R	Short term	
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity	Potential negative impact on workers in the value chain, due to gender inequality and unequal pay for work of equal value, the exclusion of people with disabilities, a lack of training, insufficient promotion of diversity, and the absence of measures against violence and harassment in the workplace	I (-) Potential	Short term	
			Reputational and financial risk arising from fines linked to incidents of discrimination within the value chain.	R	Long term	
		Training and skills development	Satisfaction of the workforce in the value chain by developing technical skills through training programmes delivered to employees.	I (+) Actual	Short term	
	Other work-related rights	Child labour Forced labour Adequate housing Water and sanitation	Violations of the human rights of workers at suppliers and commercial partners.	I (-) Potential	Short term	
			Violation of human rights by suppliers and commercial partners, which could result in civil and/or criminal liability for Sofidel and have a negative impact on its procurement, reputation and regulatory compliance.	R	Long term	
		Privacy	Inadequate data management, with possible negative impacts in terms of the loss of sensitive data relating to workers in the value chain.	I (-) Potential	Short term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Affected Communities	Communities' economic, social and cultural rights	Land-related impacts	Positive impact on the local area through philanthropy, sponsorship and partnerships with local authorities.	I (+) Actual	Short term	
			Potential indirect negative impact arising from the supply chain in terms of environmental degradation, pollution and the exploitation of natural resources, with possible harmful effects on local communities, including cases of forced displacement.	I (-) Potential	Short term	
			Creation of added value for the local area by ensuring employment and generating positive impacts for the whole local community.	I (+) Actual	Short term	
			Enhancement of the Group's reputation through awareness-raising activities with organisations, associations and citizens.	O	Short term	
	Rights of indigenous peoples	Free, prior and informed consent Self-determination Cultural rights	Indirect negative impact caused by actors in the supply chain in terms of violations of the rights of indigenous peoples.	I (-) Actual	Short term	
			Reputational risk arising from violations of the rights of indigenous peoples by actors in the supply chain.	R	Short term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Inadequate management of consumers' data, with possible negative impacts in terms of loss of stakeholders' sensitive data and reduced trust in the Group.	I (-) Potential	Short term	
			Loss of sensitive data of the Group's consumers and consequent exposure to fines and legal disputes.	R	Medium term	
		Access to (quality) information	Increased customer and consumer satisfaction thanks to effective complaints management through a well-established after-sales service.	I (+) Actual	Short term	
			Reputational risk arising from the inability to provide external stakeholders with reliable, up-to-date and prompt information from adequately traced sources.	R	Medium term	
	Personal safety of consumers and/or end-users	Health and safety	Failure to comply with product safety requirements, with a potential negative impact on consumers and/or end-users.	I (-) Potential	Short term	
			Reputational risks and exposure to fines relating to product safety.	R	Long term	
		Protection of children	Potential negative impact on children due to failure to comply with product and packaging safety requirements.	I (-) Potential	Short term	
			Reputational risks and risk of fines relating to product safety.	R	Long term	

Topic	Sub-topic	Sub-sub-topic	Description	Type of IROs	Time horizon	Value chain
Consumers and end-users	Social inclusion of consumers and/or end-users	Responsible marketing practices	Increased consumer satisfaction through responsible marketing practices that ensure access to reliable and accurate information.	I (+) Actual	Short term	
			Reputational risks associated with irresponsible marketing practices.	R	Medium term	
Business conduct	Corporate culture	-	Positive impact generated by effective governance in promoting the Company's values, culture and ethics, resulting in benefits in terms of strengthening the trust and satisfaction of internal and external stakeholders.	I (+) Actual	Short term	
	Protection of whistleblowers	-	Potential negative impact on whistleblowers caused by the inadequate management of reports received via the whistleblowing channel.	I (-) Potential	Medium term	
	Management of relationships with suppliers, including payment practices	-	Ethical and responsible management of supplier relationships, aimed at rewarding and encouraging suppliers who demonstrate the highest standards of sustainability and giving priority to local suppliers, thereby bringing benefits to local communities.	I (+) Actual	Short term	
			Risk of reputational damage to Sofidel and its brands arising from a supply chain that is not aligned with the Group's principles and values.	R	Long term	
	Corruption and bribery	Prevention and detection including training Incidents	Potential negative impact caused by incidents of corruption.	I (-) Potential	Short term	
		Incidents	Reputational and non-compliance risks associated with incidents of corruption, attributable to inadequate prevention and detection measures, as well as training programmes.	R	Long term	

Climate Change Risk Assessment

In 2024, Sofidel launched a structured **Climate Change Risk Assessment (CCRA)** with the aim of improving the Group's understanding of its exposure to physical and transition climate-related risks and integrating them into its risk management and strategic planning processes.
The project involved an initial phase of risk mapping and identification based on industry benchmarks, scientific papers, and an analysis of the value chain and the geolocation of assets. This activity enabled the identification of a **long list of physical risks** (acute and chronic) **and transition risks** (market, regulatory and policy, reputational and technological) that may be emerging and potentially material for Sofidel. This list was subsequently refined with input from the Risk Owners, leading to the identification of a short list of physical and transition risks, **in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).**

The identified risks were subsequently assessed through a qualitative and quantitative assessment of the economic and financial impacts across three time horizons: short term (by 2025), medium term (by 2030) and long term (by 2050).
The assessment, carried out through interviews with the Risk Owners to evaluate likelihood and impact, was supported by a **data-driven approach**, based on the use of **climate datasets and internationally recognised scientific models**. In particular, the assessment was supported by scenario analyses, applying the **climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC)**, which enable the analysis of the evolution of risk exposure according to different global warming trajectories.
Specifically, the 2024 analysis considered two scenarios:

- **RCP 2.6 scenario – Aggressive Mitigation (1.5°C)**: an optimistic scenario involving drastic emission reductions, consistent with the Paris Agreement (2015), aimed at limiting the rise in the global average temperature to less than 1.5°C by 2100;
- **RCP 8.5 scenario – No Climate Action (4.0°C):** a worst-case and extreme scenario involving the absence of policies and measures to mitigate and adapt to climate change, in which the system continues to operate under a 'Business as Usual' scenario, leading to rising greenhouse gas emissions and an increase in the global average temperature of more than 4°C by 2100, resultin in the failure to meet the targets of Paris Agreement.

In 2025, the results of the first CCRA exercise were integrated into the ERM processes, and the analysis was extended to include the newly US plants, aquired between late 2024 and mid-2025. In this context, the scope of the analysis was further expanded to include the **RCP 4.5 scenario – Middle of the Road (2–3.5°C)**, an intermediate scenario characterised by moderate emissions based on existing policies and announced commitments.
These activities enabled the development of dedicated risk profiles and metrics to support the anticipation of potential impacts and resilience-focused strategic decisions, while strengthening the monitoring models.
For each climate risk, the results were presented in a risk matrix, with the positioning determined by a combination of likelihood and impact, based on the assessment scale adopted, and subsequently incorporated into the **Group Risk Catalogue**, contributing to the **double materiality assessment.**
With regard to the most significant risks, the scenario analysis showed that, as climate trajectories change, the Group's risk profile shifts from predominantly **transition risks** – such as the failure to meet public targets and rising public expectations on climate issues – in the **most optimistic scenario**, to an **increasing exposure to physical risks**, particularly **acute risks**, in the **intermediate and worst-case scenarios**.
In particular, under a worst-case scenario (RCP 8.5 – No Climate Action), the CCRA highlighted the significance of macro-physical risks for both Europe and the United States, associated with **extreme, acute and chronic weather events caused by climate change**, with potential repercussions on Sofidel's plants, manifesting primarily through:

- **water scarcity**, resulting in a reduction or interruption of normal production activities due to prolonged drought and pollution, which woul require, even in the medium term, effective water stewardship and the development of operational resilience;
- **rising temperatures**, which will affect working conditions, productivity and energy costs, requiring greater attention to be paid to workers' health and safety in adverse weather conditions as early as the medium term.

The application of the intermediate scenario (RCP 4.5 – Middle of the Road) largely confirmed the findings of the worst-case scenario, reinforcing the need for careful water management.
In response to these findings, Sofidel developed a **strategic mitigation plan** t to address the identified risks. In particular, in **2026**, for the sites identified as most vulnerable and significant for the Group, plans are in place to **gather detailed information with the support of local management**, which will contribute to the wider process of reviewing the Group's Sustainability Plan, described in *Commitments and policy*.
These measures form part of a wider strategy to strengthen operational resilience, thereby ensuring the Group's long-term operational capability and competitiveness.

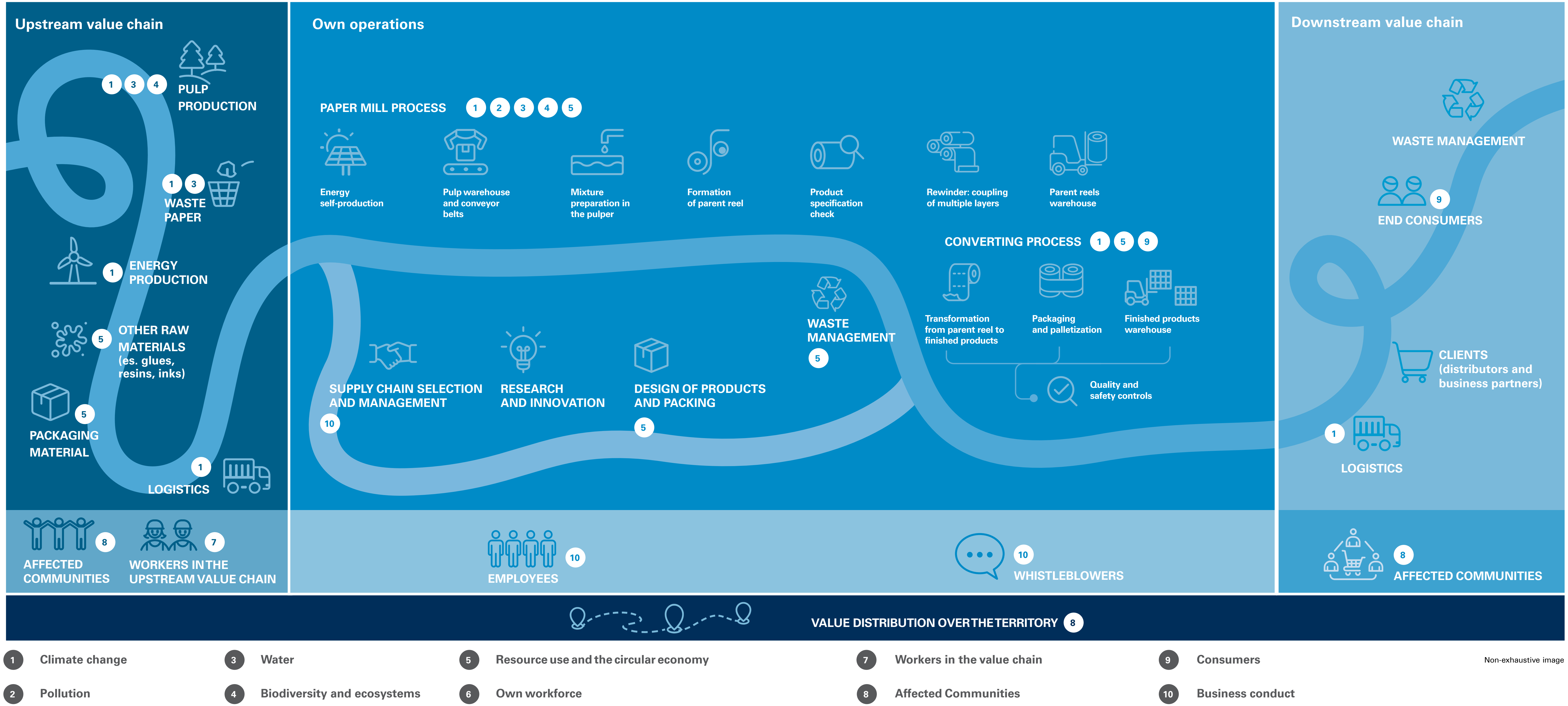
Sofidel's value chain

As outlined above, the scope of the double materiality analysis covered the **Group's entire value chain**, including procurement activities, the Group's own operations and downstream phases involving customers and end consumers, with impacts on the environment and people.

With regard to its own operations, the analysis covered all fully consolidated companies within the Sofidel Group located in Europe and the United States. Particular attention was paid to production plants during the impact assessment, given their specific environmental significance.

The actors in the upstream value chain were selected based on spending significance, both by product category and by geographical area, enabling the identification of the most significant categories.

The main categories of stakeholders involved upstream and downstream are illustrated in the figure below, which shows the key relationships between the sustainability topics that are material to the Group and its business model, along the entire value chain.



Commitments and policies

Sofidel has set out public commitments on the sustainability topics that are material to its business, aimed at guiding the Company's approach towards the creation of long-term responsible value.

Upstream value chain | Own operations | Downstream value chain

Policy	Content	Scope	Business conduct
The Sofidel Group Code of Ethics	Formalises and promotes the **principles and criteria of conduct** that guide the behaviour of the Group's employees in their work and relationships with all internal and external stakeholders, to help them act in accordance with the **corporate culture and ethics**, namely the **Values** that define Sofidel identifies and guide the Group in all its actions. The Code also serves as a reference for suppliers and commercial partners, who are required to adopt similar principles. Reference frameworks: Fundamental Conventions of the International Labour Organization; principles of the Global Compact; OECD Global Legal Standards; United Nations Sustainable Development Goals.	Upstream value chain, Own operations, Downstream value chain	Business conduct
Anti-Corruption Policy	Establishes the **principle of 'zero tolerance'** towards any form of corruption or money laundering within the Group's activities, as the foundation for ethical and transparent conduct in line with the Group's values. It sets out the rules and operational tools for preventing and combating such practices, defining responsibilities, standards of conduct and the components of the anti-corruption management system. The policy also covers areas of risk such as conflicts of interest, contracts with third parties, relations with the Public Administration, gifts, donations and sponsorships. Reference frameworks: United Nations Convention against Corruption; Strasbourg Criminal Law Convention on Corruption of 27 January 1999; Strasbourg Civil Law Convention on Corruption of 4 November 1999 in the public and private sectors.	Upstream value chain, Own operations, Downstream value chain	Business conduct
Whistleblowing Policy	Aims to foster a **corporate culture** based on **integrity**, **transparency and civic responsibility**, encouraging anyone who becomes aware of misconduct, illegal behaviour or conduct that does not comply with regulations or Company policies to report it in a safe and protected manner. The policy sets out the reporting channels, the categories of persons authorised to submit reports, the types of conduct that may be reported, and the process for handling such reports, while ensuring the confidentiality of the whistleblower and protection against any form of retaliation.	Upstream value chain, Own operations, Downstream value chain	Business conduct
Human Rights Policy	Reaffirms the Sofidel Group's commitment to recognising and respecting the **equal dignity of every person** and contributing to the well-being of individuals and the communities where it operates. The policy sets out the Group's commitments to ensuring **respect for human rights** in all business activities and along the value chain, establishing fundamental principles such as: the prevention of discrimination; the prohibition of forced labour, child labour and modern slavery; safeguarding fair pay and workplace health and safety; the prohibition of harassment and behaviour that undermines dignity; respect for the rights of local and indigenous communities with regard to their cultures, ways of life and ties to the land, and the protection of biodiversity. Reference frameworks: Universal Declaration of Human Rights; UN Guiding Principles on Business and Human Rights; ILO Declaration on Fundamental Principles and Rights at Work; Women's Empowerment Principles; Dhaka Principles for Migration with Dignity.	Upstream value chain, Own operations, Downstream value chain	Own workforce Workers in the value chain Affected Communities
Regulations against discrimination, sexual harassment in the workplace and bullying	Reiterate the principle of **zero tolerance towards all forms of harassment, discrimination, bullying and intimidation**, confirming the Group's commitment to ensuring a working environment that respects the dignity, integrity and physical and mental well-being of individuals and is based on **equal treatment** at every stage of employment.	Own operations	Own workforce
Forestry Procurement Policy	Reiterates the Sofidel Group's commitment to ensuring a **'Zero Deforestation' supply chain**, contributing to the **conservation of forests, the protection of biodiversity and climate protection**, recognising the essential role of forest ecosystems for the **global environment** and for the **local and indigenous communities** that depend on them. The policy governs the procurement of forestry raw materials used in production activities, setting out rigorous criteria for the selection of suppliers, the use of raw materials sourced from responsibly managed forests, and the use of recognised certifications (FSC®, PEFC™, SFI). Reference frameworks: Accountability Framework initiative (AFi).	Upstream value chain, Own operations	Biodiversity and ecosystems Affected Communities
Supplier Code of Conduct	Governs the relationships between Sofidel and its supply chain, setting out the **minimum standards** to which all the Group's suppliers must adhere in relation to **the protection of human and labour rights, health and safety, corporate integrity and anti-corruption, non-discrimination and respect for the environment.** The Code promotes the responsible management of natural resources in production activities, requiring conduct that is ethical, transparent and compliant with applicable regulations. It aims to ensure a **supply chain aligned with Sofidel's sustainability values** and expects suppliers to apply these principles to their own partners and subcontractors. Reference frameworks: OECD Guidelines for Multinational Enterprises; Universal Declaration of Human Rights; Rio Declaration on Environment and Development; the 10 Principles of the UN Global Compact.	Upstream value chain	Business conduct
Occupational Health and Safety Policy	Reflects the Group's commitment to guaranteeing, protecting and promoting the **health and safety** of its employees, as well as that of its suppliers, customers and all other stakeholders with whom it interacts. The policy is based on the Sofidel Group's **Safety Principles** and guides the organisation towards the **prevention of work-related accidents and ill health** through the identification, assessment and control of risks, while promoting responsible behaviour and safe and healthy working conditions.	Own operations	Own workforce
Management System Security Policy	Recognises that information is a vital asset for the business and, as such, must be adequately protected. Sofidel is committed to ensuring an appropriate level of **data and information security** in all activities relating to the design, development and delivery of ICT (Information and Communication Technology) services, safeguarding data security through privacy and integrity.	Own operations	Own workforce Workers in the value chain Consumers
Quality Policy	Rooted in the Company's Vision, Mission, and Values, this Policy defines the Group's commitment to delivering hygiene products and solutions that improve daily life, while ensuring full respect for the environment and all stakeholders. Quality is understood as a **shared responsibility** and as a strategic lever for creating value in a transparent, ethical and sustainable manner. In line with this approach, the Policy sets out Sofidel's commitment to meeting all applicable requirements – whether legal, voluntary, explicit or implicit – and to pursuing the continuous improvement of the **Group Quality Management System**.	Own operations	Business conduct Consumers and end-users

In line with these commitments, in 2023 Sofidel drew up the **2024-2026 Sustainability Plan**, structured around the three ESG (Environment, Social and Governance) pillars and divided into 13 categories. The Plan included public and internal objectives, actions spread over the three-year period in question, and long-term targets. It was drawn up with reference to the **Group's scope prior to the acquisitions** made in the **United States in 2024 and 2025.**

These external growth operations, which are of significant strategic importance, did indeed substantially alter the structure of the Sofidel Group, highlighting the need to review and update the Sustainability Plan so that it continues to adequately reflect the Group's organisational and strategic development.

In this context, therefore, Sofidel launched a **review of the Plan**, aimed at progressively reassessing sustainability objectives, initiatives and priorities in light of the new organisational scope, with implementation scheduled by the end of the first half of 2026. The process also includes the review and validation of greenhouse gas (GHG) emission reduction targets in accordance with the methodology of the **Science-Based Targets initiative (SBTi)**, which is currently being submitted, as part of a **commitment to continuous improvement.**

Sofidel, the Agenda 2030 and the United Nations Global Compact

SUSTAINABLE DEVELOPMENT GOALS

The United Nations Agenda 2030 serves as the global framework for promoting sustainable, inclusive and resilient development for people and the planet. The 17 Sustainable Development Goals (SDGs) set out in the Agenda serve as a guide for businesses, institutions and organisations committed to integrating sustainability into their strategies and growth models.

In this context, since 2010, Sofidel has been a member of the **UN Global Compact** of businesses that have pledged to contribute to the development of sustainable business and the construction of a better future. The Group chose to embrace the **ten principles of the Global Compact**, covering human rights, labour standards, environmental protection and the fight against corruption, and to integrate them into its strategies, policies, actions and operational procedures.

While recognising the importance of all the Sustainable Development Goals (SDGs) of the Agenda 2030, Sofidel identified the **priority SDGs** that are directly linked to its business and sphere of influence – that is, the goals where the Company's activities can have the most significant impact in terms of creating sustainable value.

Sofidel's priority Sustainable Development Goals

Management systems and product certifications

Summary of the certified management systems and product certifications in Group companies as at 31 December 2025.

Data updated as at 31 December 2025

- • Certified
- ◇ Only for reels
- Δ Only trading
- + Under licence of Sofidel
- x Under licence of Sofidel Sweden
- ▯ Service provided by the holding Company to all companies

	Product safety			Quality	Self-Controlled Health-Hygiene System	Health and safety	Environment									Energy	Sustainable procurement [3]	Information security [4]
	BRC	IFS	UL GMP	ISO 9001		ISO 45001	ISO 14001	EMAS	OK Compost Industrial	Ecolabel	Der Blauer Engel	Swan Label	FSC®	PEFC	SFI	ISO 50001	ISO 20400	ISO 27001
Soffass Paper Mill Via Lazzareschi				•	•	•	•	•	+	•			•	•		•	▯	▯
Soffass Converting Via Lazzareschi		•		•	•	•			+	•			•	•			▯	▯
Soffass Monfalcone		•		•	•	•	•			◇		◇	•	•		•	▯	▯
Soffass Tassignano		•		•	•	•				•			•	•			▯	▯
Soffass Valdottavo				•	•	•	•			•			•	•		•	▯	▯
Soffass Val Fegana				•	•	•	•			•			•			•	▯	▯
Soffass Via di Leccio				•	•	•	•			•			•			•	▯	▯
Soffass Via Fossanuova		•		•	•	•			+	•			•	•			▯	▯
Sofidel				•	n.a.	•			•				Δ	Δ			•	•
Sofidel America Circleville	•				•	•							•	•	•		▯	▯
Sofidel America Duluth						•							•				▯	▯
Sofidel America Elwood			•										•		•		▯	▯
Sofidel America Haines City	•				•	•							•		•		▯	▯
Sofidel America Hattiesburg	•				•	•							•		•		▯	▯
Sofidel America Inola	•				•	•							•		•		▯	▯
Sofidel America Las Vegas 1	•				•	•							•		•		▯	▯
Sofidel America Las Vegas 2			•										•		•		▯	▯
Sofidel America Lewiston			•										•		•		▯	▯
Sofidel America Shelby			•										•		•		▯	▯
Sofidel Benelux	•			•	•	•	•			◇			•	•		•	▯	▯
Sofidel France Frouard		•		•	•	•	•			•			•	•		•	▯	▯
Sofidel France Ingrandes		•		•	•	•				•			•	•			▯	▯
Sofidel France Roanne		•		•	•	•	•			•			•	•			▯	▯
Sofidel Germany Arneburg		•		•	•	•	•			•		x	•	•		•	▯	▯
Sofidel Germany Wernshausen (Plant O)		•		•	•	•	•			•	•		•	Δ		•	▯	▯
Sofidel Germany Wernshausen (Plant T)		•		•	•	•	•			•			•	•		•	▯	▯
Sofidel Germany Wernshausen (Plant W)				•	•	•	•			•	•		•	Δ		•	▯	▯
Sofidel Greece		•		•	•	•	•						•	•			▯	▯
Sofidel Hungary		•		•	•								•	•			▯	▯
Sofidel Poland		•		•	•	•	•					x	•	•			▯	▯
Sofidel Romania		•		•	•	•	•			•			•	•		•	▯	▯
Sofidel Spain		•		•	•	•	•			•			•			•	▯	▯
Sofidel Sweden		•		•	•	•	•			•		•	•	•		•	▯	▯
Sofidel UK Baglan	•			•	•	•	•						•			•	▯	▯
Sofidel UK Hamilton, Leicester	•			•	•	•	•						•			•	▯	▯
Sofidel UK Lancaster				•	•	•	•					x	•			•	▯	▯
Sofidel UK Rothley Lodge, Leicester	•			•	•	•	•						•				▯	▯
Royal Paper Gila Bend													•				▯	▯
Royal Paper Phoenix 1			•										•				▯	▯
Royal Paper Phoenix 2			•										•				▯	▯
Royal Paper Duncan			•										•				▯	▯

3. ISO 20400 guidelines enable the integration of sustainability into the organisation’s procurement policies and are applied across the entire Sofidel Group.

4. ISO 27001 certification defines the requirements for an Information Security Management System (ISMS) and ensures the selection of adequate and proportionate security controls. This service is provided by the holding Company to all Sofidel Group entities.

Environmental information

Climate change

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Climate CDP 2025 A-

Sub-topic	Sub-sub-topic	IROs	Management measures and action plans
Climate change adaptation	-	R	• **Certified environmental management system** for the Group's plants; • **Supply of electricity from renewable sources**, including through Power Purchase Agreements (PPAs) and Guarantees of Origin (GOs); • **Energy self-production from renewable sources and diversification of the energy mix** through photovoltaic plants, bio-syngas production and biomass boilers; • **Supplier Code of Conduct** setting out specific requirements regarding energy consumption and GHG emissions along the supply chain.
Climate change mitigation	-	I (-) R	
Energy	-	I (-) R O	

I Impact R Risk O Opportunity

The paper manufacturing sector is characterised by significant use of energy resources, both in the form of fuels and electricity, including along its value chain, and therefore has a **significant emissions profile**, which is why it is classified as a high impact climate sector.

Aware of the significance of climate change and the responsibility associated with its industrial activities, the Group recognises the importance of **careful and efficient management of energy consumption** and the adoption of **measures aimed at mitigating its carbon footprint.**

Against this backdrop, the **main activities carried out in 2025** by the various Group companies are described below.

Sofidel America

At the plant in Circleville (OH), the expansion of the paper mill's production capacity was completed with the installation of a new paper machine, which went into operation in September 2025. The building that houses the new installation was fitted with a **rooftop photovoltaic system** with peak power of **4.7 MW**, that requires no additional land and has a minimal visual impact.

A photovoltaic system is also under construction at the **Inola** site, with peak power of **5.2 MW**; the planned schedule for the works envisages the start of energy production in the **first half of 2026**.

Sofidel Sweden

During **2025**, significant progress was made towards achieving full capacity at the 4.2 MW **Bio-Syngas** generation plant of Meva Energy AB, which was commissioned in 2024.

The plant generates a combustible gas (bio-syngas) from wood pellets. Sofidel uses the gas produced directly at its Swedish site, aiming to replace nearly all current fossil fuel sources once the plant reaches full capacity. This will result in an 8,500-tonne reduction in CO_2 emissions compared to the previous carbon footprint associated with LPG consumption. This project will enable Sofidel Sweden to achieve **near-total decarbonisation** of its operations.

Sofidel France

At the Roanne plant, a new paper machine was commissioned at the end of 2025 to replace the previous one, resulting in **lower energy consumption**.

In the same year, the Company Engie also increased its delivery of biomethane under a ten-year contract to supply the same plant. The **biomethane** is produced by a **fermentation plant using agri-food waste and sewage sludge** from the municipality of Roanne. The supply contract, which is structured as a BPA (Biomethane Purchase Agreement), provides for the sale to Sofidel of 25,000 MWh/year of biomethane, saving around 4,600 tonnes of CO_2 emissions per year.

Activities to build a new **biomass boiler** began at the **Nancy** plant, supported by the national incentive programme entitled BCIAT *(Biomasse Chaleur Industrie Agriculture et Tertiaire)*. Commissioning is scheduled for the first half of 2026 and, once fully operational, will enable a reduction of approximately 9,000 tonnes of carbon dioxide per year, allowing Sofidel France to decarbonise a significant portion of its thermal needs.

Sofidel UK

At the plant in **Baglan**, South Wales, the installation of a **biomass boiler** is nearing completion; it will replace the current natural gas-fired unit. The system was commissioned in January 2026 and will enable a significant reduction of methane gas consumption for steam generation.
During 2025, progress was also made on the **project to convert an industrial oil refinery into a plant for the production of green hydrogen**, developed by the Company **MorGen Energy** and involving **Sofidel UK**. Sofidel UK's involvement involves the **withdrawal of a significant quantity of hydrogen**, which is intended to replace the natural gas currently used in its industrial operations. The project benefited from **a substantial grant from the UK government**.
Furthermore, Sofidel UK has joined '**East Midlands Hydrogen**', one of the leading **hydrogen generation and distribution clusters for industrial use**. This initiative will support and accelerate regional plans for the production, distribution and industrial use of hydrogen, fostering the decarbonisation of industry, mobility and energy generation. As part of this project, from 2028 onwards, the plant in **Leicester** will be able to receive a steady supply of hydrogen capable of **meeting more than 50% of its current fuel requirements**, through a distribution line.

Sofidel Romania

At the end of **2025**, work began on the installation of a **ground-mounted photovoltaic system** with peak power of **4.9 MW**, capable of covering approximately **15% of the electricity requirements** of the Company's industrial operations.

Sofidel Spain

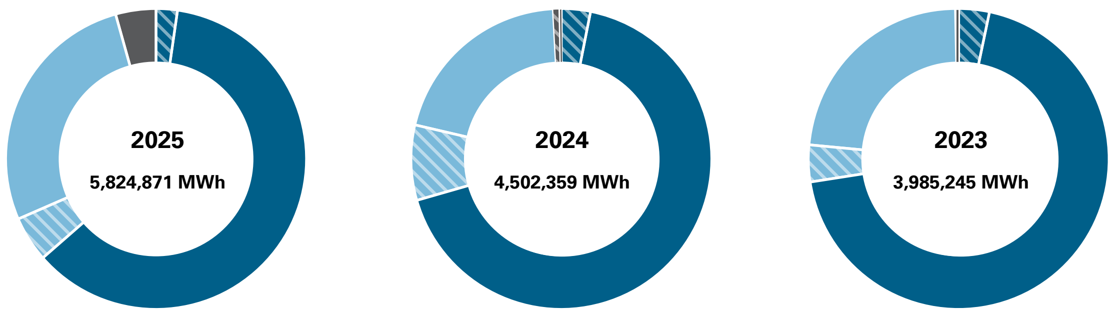
A **photovoltaic system divided into two phases** is currently under construction in Spain. The first phase, with power of approximately **3.75 MW**, is divided into two sections: the first section, which comprises the rooftop installation, was completed in 2025, while the second, located in the car park, was completed in January 2026. The third section – for which the authorisation process was completed at the end of 2025 – will include a ground-mounted section, which is due to come into operation at the start of **2027**. Once the project is complete, the plant will have a total power of **12 MW**, covering approximately **20% of the plant's electricity requirements** and establishing itself as one of the largest self-consumption photovoltaic plants in **Navarre.**

Sofidel Benelux

In March 2025, a **0.25 MW** photovoltaic system installed on the roof of the building came into operation at Sofidel Benelux.

In 2025, total energy consumption rose by approximately 29.3% compared with 2024, as shown below.

Energy consumption by source and origin



	Fuels (MWh)		Electricity (MWh)		Heat/steam (MWh)		Total
	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable	
2025	132,782	3,570,011	284,725	1,584,307	0	253,046	**5,824,871**
2024	140,335	3,036,344	363,879	923,402	37,883	516	**4,502,359**
2023	130,936	2,760,007	157,754	934,151	0	2,397	**3,985,245**

This change is primarily attributable to the expansion of the Group's scope following significant acquisitions carried out in the United States between late 2024 and 2025, which resulted in the inclusion of new production sites with high energy intensity.

The monitoring of energy consumption, which continued throughout the year, enabled the identification of improvement measures and the development of studies and assessments aimed at identifying new sources of supply and investment opportunities in increasingly more efficient technologies with a lower environmental impact. These activities already led, in 2025, to the **planning of further measures** aimed at **reducing its energy consumption and carbon footprint**, which will be progressively implemented over the **2026-2027 two-year period**.

Energy consumption and mix[8]

	2025	2024	2023
1) Fuel consumption from coal and coal products (MWh)	0	0	0
2) Fuel consumption from crude oil and petroleum products (MWh)	62,931	49,768	45,819
3) Fuel consumption of natural gas (MWh)[9]	3,507,080	2,986,577	2,714,188
4) Fuel consumption from other fossil sources (MWh)	0	0	0
5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources(MWh)	1,837,353	923,918	936,548
6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**5,407,364**	**3,960,263**	**3,696,555**
7) Consumption from nuclear sources (MWh)	**0**	**0**	**0**
8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	132,782	140,335	130,936
9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	279,508	396,680	152,175
10) Consumption of self-generated non-fuel renewable energy (MWh)	5,217	5,082	5,579
11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**417,507**	**542,097**	**288,690**
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**5,824,871**	**4,502,359**	**3,985,245**

	2025	2024	2023
Share of fossil sources in total energy consumption (%)	92.8	88	92.8
Share of consumption from nuclear sources in total energy consumption (%)	0	0	0
Share of renewable sources in total energy consumption (%)	7.2	12	7.2

Electricity self-production

	2025	2024	2023
From non-renewable sources (MWh)	175,120	293,224	293,918
From renewable sources (MWh)	5,217	5,082	5,579
Total (MWh)	**180,337**	**298,306**	**299,497**

Energy intensity[10]

	2025	2024	2023
Total energy consumption per net revenue[11] (MWh/€k)	1.4	1.4	1.3
Total energy consumption per tonne of paper (MWh/t paper)	3.4	3.2	3.1

8. The figures were calculated using the available invoices as the primary source. In the absence of such information, internal figures or estimates based on official data available at the time of preparation were used. 9. Figure calculated using the Lower Calorific Value. 10. Source: Internal data. 11. The 'total energy consumption per net revenue' indicator is calculated on the basis of total energy consumption and total net revenue, as the Sofidel Group's economic activities are classified as high impact climate sectors. The net revenue used to calculate the indicator corresponds to the IFRS 15 revenue reported in the 'Consolidated income statement' table in the note to the financial statements under the item 'Revenue from contracts with customers'.

Greenhouse gas emissions

Effective monitoring of progress towards reducing greenhouse gas emissions requires, as a first step, the **annual compilation of a greenhouse gas (GHG) emissions inventory**. To this end, Sofidel follows the accounting rules set out in the GHG Protocol, the international standard for measuring and reporting emissions.

The inventory covers all categories of emissions relevant to the Group, broken down by Scope in accordance with the GHG Protocol methodology:

- **Scope 1**: direct emissions from sources owned or controlled by the Company;
- **Scope 2**: indirect emissions from the generation of purchased and consumed energy;
- **Scope 3**: other indirect emissions along the value chain.

With a view to continuous improvement and enhancing transparency in reporting, from 2025 onwards, reporting on Scope 3 emissions has been included within the Sustainability Statement, in line with the Group's data consolidation process.

Scope 2 emissions are calculated using two different methodological approaches:

- **location-based**: uses average emission factors related to specific national power generation energy mixes;
- **market-based:** uses emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual instruments, the emission factor for the electricity supplier's residual mix is applied, after excluding the component linked to energy tracking systems, such as Guarantees of Origin (GO) or other renewable energy certificate systems (RECS).

In general, the national average emission factors used by the location-based approach are usually lower than the corresponding factors computed on the basis of the residual mixes used in the market-based calculation.

The adoption of both methodologies allows Sofidel to provide a comprehensive and transparent picture of its carbon footprint, highlighting both the geographical context and the impact of **the Company's energy procurement and decarbonisation strategies.**

In 2025, gross Scope 1 and Scope 2 greenhouse gas emissions increased compared to the previous year (35.6% under the location-based approach and 41.9% under the market-based approach, compared to 2024 figures). This trend is consistent with the rise in energy consumption and primarily reflects the expansion of the Group's scope following significant acquisitions carried out in the United States between late 2024 and 2025, which resulted in the inclusion of new production sites with high energy and emission intensity.

Taking a broader view and looking at the overall emissions profile for 2025, it is clear that **Scope 3 indirect emissions account for a significant proportion (over 60%) of the Group's total emissions**. This data reflects the nature of Sofidel's business model and the significance of the upstream phases of the value chain, particularly in relation to the acquisition of goods and services and to downstream transport and distribution in the production process, which account for approximately 58% and 18% of total Scope 3 emissions respectively. This confirms the importance of complementing efforts to reduce Scope 1 and Scope 2 emissions with a **progressive and structured approach along the value chain.**

In 2025, the indicator of **Scope 1 and market-based Scope 2 emission intensity per tonne of paper** produced remained consistent with trends in production volumes and with the **changes in the Group's scope**. The change recorded compared with 2024, amounting to approximately 15.5%, is mainly attributable to the inclusion of new production sites acquired in the United States between the end of 2024 and mid-2025, characterised by technological assets, energy mixes and operating methods that differ in part from the Group's standards, which influenced the emission intensity in that year of integration.

Gross Scopes 1, 2 and 3 and total GHG emissions

	2025	2024	2023
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO_2eq)	722,641[12]	616,102	562,146
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	45.0	59.3	66.8
Scope 1 biogenic emissions			
Scope 1 biogenic emissions (tCO_2eq)	50,071	54,384	48,235
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO_2eq)	580,130	344,490	300,229
Gross market-based Scope 2 GHG emissions (tCO_2eq)[13]	605,402	319,806	364,945
Scope 1 and 2 GHG emissions			
Gross Scope 1 and location-based scope 2 GHG emissions (tCO_2eq)	1,302,771	960,592	906,636
Gross Scope 1 and market-based scope 2 GHG emissions (tCO_2eq)	1,328,043	935,907	927,091
Significant scope 3 GHG emissions			
Category 1: Purchased goods and services (tCO_2eq)	1,323,934	-	-
Category 2: Capital goods (tCO_2eq)	59,319	-	-
Category 3: Fuel- and energy-related activities not included in Scope 1 or 2 (tCO_2eq)	290,229	-	-
Category 4: Upstream transportation and distribution (tCO_2eq)	399,779	-	-
Category 5: Waste generated in operations (tCO_2eq)	22,637	-	-
Category 6: Business traveling (tCO_2eq)	5,985	-	-
Category 7: Employee commuting (tCO_2eq)	19,605	-	-
Category 8: Upstream leased assets (tCO_2eq)	9,416	-	-
Category 9: Downstream transportation (tCO_2eq)	41,352	-	-
Category 10: Processing of sold products (tCO_2eq)	44,739	-	-
Category 12: End-of-life treatment of sold products (tCO_2eq)	55,415	-	-
Category 13: Downstream leased assets (tCO_2eq)	969	-	-
Total gross Scope 3 GHG emissions (tCO_2eq)	**2,273,379**	**-**	**-**
Total gross Scope 1, 2 and 3 GHG emissions			
Total GHG emissions (location-based) (tCO_2eq)	**3,576,150**	**-**	**-**
Total GHG emissions (market-based) (tCO_2eq)	**3,601,422**	**-**	**-**

12. Direct emissions from combustion at production sites (Scope 1) are accounted in accordance with the European Union Emissions Trading System (EU ETS), which regulates CO_2 emissions in Europe for energy-intensive industrial sectors. Scope 1 emissions from sites not covered by the EU ETS have been estimated using national emission factors. For the calculation of other minor emissions not regulated by the ETS—such as those from forklift usage and workplace heating—Italian national emission factors were applied for European sites, while the EPA publication 'Emission Factors for Greenhouse Gas Inventories 2024' was used for emissions in the United States. Source: Sofidel Group Emissions Inventory.
13. The emissions were calculated using the emission factors, where available, corresponding to renewable energy supply agreements through dedicated contractual instruments (e.g. Power Purchase Agreements or Guarantees of Origin). The remaining emissions were calculated using the coefficients for the residual mixes. (Sources: Green-e Residual Mix for plants in the USA, AIB European Residual Mix for plants in Europe). Source: Sofidel Group Emissions Inventory.

Emission intensity[14]

	2025	2024	2023
Gross Scope 1 and 2 GHG intensity			
Gross Scope 1 and location-based Scope 2 GHG emissions per net revenue (tCO_2eq/€m)	324	298	290
Gross Scope 1 and market-based Scope 2 GHG emissions per net revenue (tCO_2eq/€m)	331	290	296
Gross Scope 1 and location-based Scope 2 GHG emissions per tonne of paper ($KgCO_2eq$/t paper)	757	684	677
Gross Scope 1 and market-based Scope 2 GHG emissions per tonne of paper ($KgCO_2eq$/t paper)	772	667.9	734.8
Total gross Scope 1, 2 and 3 GHG intensity			
Total GHG emissions (location-based) per net revenue (tCO_2eq/€m)	890	-	-
Total GHG emissions (market-based) per net revenue (tCO_2eq/€m)	896	-	-
Total GHG emissions (location-based) per tonne of paper ($KgCO_2eq$/t paper)	2,000	-	-
Total GHG emissions (market-based) per tonne of paper ($KgCO_2eq$/t paper)	2,015	-	-

14.The net revenue used to calculate the emission intensity indicator corresponds to the IFRS 15 revenue reported in the 'Consolidated income statement' table in the note to the financial statements under the item *'Revenue from contracts with customers'*.

Indicator associated with Sustainability-Linked Loans.

Logistics

Logistics – understood as the organisation of the movement of materials within the Company (incoming and outgoing) – is a key area for Sofidel, both from an operational and organisational perspective and in terms of environmental sustainability, playing a vital role in the business.

Sofidel manufactures products in multiple countries for a diverse range of markets; consequently, it manages hundreds of thousands of shipments annually to ensure on-time delivery in line with customer requirements. This task demands exceptional organisational capabilities to optimise costs across the entire supply chain, while contributing to the Group's profitability and **its economic and environmental sustainability**.

Logistics activities represent a significant cost for Sofidel, as they are one of the main industrial cost drivers of its manufacturing operations. Additionally, the traffic flows generated by incoming (raw materials) and outgoing goods (semi-finished and finished products) represent a significant portion of the Group's total environmental impact.

Sofidel's finished products are primarily distributed by road. Sofidel does not operate its own fleet; instead, it outsources its logistics operations to leading transport providers. The freight market in 2025 saw slight growth without significant fluctuations, remaining highly sensitive to shifts in key macroeconomic indicators. Costs stayed high, as they were heavily influenced by factors reflecting the overall health of the economy: Gross Domestic Product (GDP), interest rates, inflation, unemployment rates, and commodity prices—specifically oil. In this context, Sofidel's logistics continued to focus on ensuring excellence in service levels while maintaining full compliance with certifications, safety, and sustainability standards. The objective was to consolidate existing partnerships and fully meet the expectations of our business partners, as well as those of end consumers.

Although road transport is Sofidel's primary method of product distribution, rail transport offers a viable alternative, particularly for inbound flows. For example, in the United States – and more specifically at the plants in Circleville (OH) and Inola (OK) – pulp is supplied by rail, which delivers directly to the plants, reducing the need for road transport and improving the overall efficiency of the supply chain. In the North American context, the full integration of the recently acquired sites will also have a significant impact on sustainability, facilitating a more coordinated and optimised management of logistics flows.

Due to the significant environmental impacts associated with freight traffic, Sofidel aims to incentivise **policies for choosing transportation vehicles** to which it will entrust its services **based on environmental protection criteria**, while continuing to strongly focus on the **optimisation of costs** and **service level**. During 2025, the Group further expanded its use of **stand trailers** to support its logistics operations.

This approach enables loading and unloading operations to be managed more efficiently, optimising the use of transport vehicles, significantly reducing waiting times and improving the organisation of internal flows. The ability to position the trailers in designated areas also allows for more accurate planning of operations and more flexible management of volumes, with tangible benefits in terms of operational continuity and service reliability. Sofidel remains committed to a **production strategy focused on market proximity**, aiming to optimise **service levels** and enhance **sustainability** by **minimising delivery distances**.

Pollution

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sub-topic	Sub-sub-topic	I R O s	Management measures and action plans
Pollution of air	-	I (-) R	• **Continuous monitoring** of atmospheric emissions, water discharge parameters and environmental matrices; • **Adoption of technologies and systems designed to prevent and reduce pollutants;** • **Certified environmental management systems** for the Group's plants; • **Supplier Code of Conduct** setting out specific requirements regarding the use of chemicals and the protection of air, water and soil along the supply chain; • **Management and control of substances of concern** released during the production process (essences and fragrances, etc.).
Pollution of water	-	I (-) R	
Pollution of soil	-	I (-) R	
Substances of concern and very high concern	-	I (-) R	

I Impact R Risk O Opportunity

The production of tissue paper involves interactions with the air, water and soil environments, as well as the use of chemical substances that aid the production process. These interactions do not relate solely to the activities carried out directly by the Group, but also extend, in particular, to the upstream production processes of the value chain. Environmental matters are therefore a key priority for Sofidel.

In particular, due to its operational characteristics, paper production results in emissions into the atmosphere which include, in addition to carbon dioxide (CO_2), **nitrogen oxides (NOx)**, and **sulphur oxides (SOx)**, mainly associated with combustion processes in heating systems (boilers) and the paper drying phases. The estimated atmospheric emission levels for the reporting year were below the reporting thresholds set out in Annex II to Regulation (EC) No 166/2006 (E-PRTR – European Pollutant Release and Transfer Register). In 2025, consolidated emissions14F amounted to approximately 757 tonnes of NOx and 23 tonnes of SOx.

As regards water discharges, the production process of paper for hygiene and household use is subject to strict regulations. Paper mills are required to monitor specific parameters, as defined by applicable national and local legislation, in order to ensure that their facilities operate correctly and that they comply with regulatory and internal procedures. The parameters monitored in most production plants include chemical and biological oxygen demand (**COD** and **BOD**), total suspended solids (**TSS**), as well as **phosphorus** and **total nitrogen**.

The gradual improvement in the main quality parameters of discharges (BOD, COD and SST) recorded in 2025 compared to previous years is attributable to the change in the Group's scope of operations during the 2024-2025 period, linked to the integration of the newly acquired US production facilities.
In this context, throughout 2025, Sofidel continued to ensure that its production activities were carried out in a controlled manner and in compliance with environmental permits and applicable legal and regulatory requirements, including through environmental management systems implemented at plant level, with the aim of preventing and minimising its impact on the surrounding environment.

15. As comprehensive and consistent measurements were not available for all sites at the time of preparing this document, the values were estimated using NAEI emission factors (UK).

Absolute and specific emissions of water pollutants[16]

	2025	2024	2023
Water pollutants – absolute values			
COD (t)	4,438	1,276,6	1,236,8
TSS (t)	723	341,2	262,4
BOD5 (t)	498	299,4	220
N (t)	88	-	-
P (t)	19	-	-
Water pollutants – intensity values			
COD (kg/t paper)	2.6	1.2	1.2
TSS (kg/t paper)	0.4	0.3	0.2
BOD5 (kg/t paper)	0.3	0.3	0.2
N (kg/t paper)	0.1	-	-
P (kg/t paper)	0	-	-

16. The figures were calculated using internal analyses as the primary source. In the absence of such information, estimates based on data available at the time of preparation were used.

Water

Sub-topic	Sub-sub-topic	IROs	Management measures and action plans
Water	Water consumption	I (-), R, O	• **Certified environmental management system** for the Group's plants; • **Systems and solutions for water reduction and reuse in production processes;** • **Supplier Code of Conduct** setting out specific requirements on the responsible use of water resources along the supply chain.
	Water withdrawals	I (-), R	
	Water discharges	I (-), R	

I Impact R Risk O Opportunity

Paper manufacturing requires the use of significant quantities of water resources, both in the Group's production activities and in the upstream phases of the value chain relating to the production of pulp, which is the Group's main raw material. Although technological advances have, over time, led to significant improvements in efficiency and reduced consumption, the achievement of structural results within Sofidel's operational activities also depends to a large extent on the **quality of industrial plant management** and on **widespread awareness of the importance of water conservation** within the Group.

In this regard, the level of water consumption at the various industrial facilities is the combined result of **engineering and design choices** and the **level of expertise, attention and awareness of the operators** involved in the production processes.

The increases in water stewardship levels observed in 2025 compared with 2024 – in particular, an increase in water withdrawals of 43.2% in absolute terms and 17.4% in terms of specific withdrawal per tonne of paper – were found to be primarily linked to the expansion of the Group's operating scope, following acquisitions made in the United States between 2024 and 2025.

These changes also reflect a comparison with the **Group's historical water performance**, which is the result of established practices in efficient plant management and a widespread awareness among Sofidel operators of the importance of water conservation.
Despite this, **the overall performance remained within the levels expected from the application of the best available technologies in the paper industry**[17].

The activities that enabled Sofidel to achieve these levels of water consumption to date include the **optimisation of production cycles**, the **careful design of industrial plants** and the **ongoing awareness-raising among plant staff**. These are complemented by specific initiatives and investments aimed at reducing water withdrawals, including **rainwater harvesting and reuse systems**, installed at the Sofidel UK plant in Baglan (further upgraded in 2022) and at the Sofidel France plant in Roanne (completed in 2025), as well as **the wastewater reuse plant** at the Soffass paper mill on Via Lazzareschi.

In recent years, Sofidel also launched **in-depth studies aimed at analysing and identifying alternative water sources**, with the aim of diversifying the ways in which its plants are supplied.

17. On 26 September 2014, the European Commission adopted conclusions on the best available techniques (BAT) for the production of pulp, paper and board, under Directive 2010/75/EU of the European Parliament and of the Council.

Water withdrawal and consumption[18 19]	2025	2024	2023
Specific withdrawal (m³/t paper)	10.8	9.2	7.6
Withdrawal (m³)	18,600,848 of which 5,080,697 from water stress areas	12,990,164 of which 3,588,663 from water stress areas	9,574,299 of which 3,146,303 from water stress areas
of which evaporated during the production process (m³)	4,464,386 of which 2,093,970 from water stress areas	3,779,503 of which 1,403,678 from water stress areas	3,448,792 of which 1,020,810 from water stress areas

Water supply sources[20] - 2025

Groundwater **24%**
of which 5.2% from water stress areas

Rainwater **0.4%**

Surface water **47,6%**
of which 12.7% from water stress areas

Aqueduct **28%**
of which 9.5% from water stress areas

Water discharges[21]	2025	2024	2023
Total amount of water discharged (m³)	14,136,462 of which 2,986,727 (21.1%) from water stress areas	9,210,661 of which 2,184,985 (23.7%) from water stress areas	6,125,507 of which 2,125,493 (34.7%) from water stress areas

These analyses, conducted to date at the sites of **Soffass Monfalcone, Sofidel UK Leicester** and **Sofidel Poland**, are preparatory to future investment plans, enabling the potential of available resources to be assessed and **alternative solutions to be identified that can strengthen production continuity and reduce environmental impact.**

The aim of achieving **increasingly lower levels of water withdrawal and consumption** is driven not only by Sofidel's commitment to achieving the best possible environmental performance, but also by the need to **address the physical impacts of climate change**. As a matter of fact, in some areas where the Group operates, a **worrying trend of reduced rainfall** has been observed in recent years, accompanied by longer and longer periods of drought. In this context, the **climate risk analysis** continued in **2025**, with the aim of identifying the areas that host Sofidel plants and that, in future, could be more exposed to **water stress or lower resource availability**, including the new plants acquired in the last two years.

The results of these analyses will be subject to further examination, with a view to determining the scale and nature of the measures required to mitigate risks relating to the water resource and to ensure the Group's operational continuity.

18. The figures were calculated using the available invoices as the primary source. In the absence of such information, internal figures or estimates based on data available at the time of preparation were used. 19/20. The analysis of areas with water stress was conducted using the **WRI Aqueduct Water Risk Atlas**, a tool developed by the **World Resources Institute (WRI)** that provides an interactive map of water risks worldwide. In particular, the analysis is based on the baseline water stress indicator, which measures the ratio of total water demand to the availability of renewable surface and groundwater resources, calculated at the sub-basin level. Baseline water stress indicator values above 40% identify areas with high water stress.
21. Source: Internal data.

Biodiversity and ecosystems

Sub-topic	Sub-sub-topic	I R Os	Management measures and action plans
Direct impact drivers of biodiversity loss	Climate change	I (-)	• **Forestry Procurement Policy** aimed at preventing deforestation, land-use conversion and the degradation of natural ecosystems along the supply chain; • **Internationally recognised forest certification and chain-of-custody certification issued by independent third-parties** for the responsible sourcing of forestry raw materials; • **Supplier Code of Conduct** setting out specific requirements on the protection of biodiversity, land use and natural resources along the supply chain; • **Monitoring the direct impacts of the Group's production activities on biodiversity.**
	Land-use change, fresh water-use change and sea-use change	I (-)	
	Direct exploitation	I (-) R	
Impacts and dependencies on ecosystem services	-	R	

I Impact R Risk O Opportunity

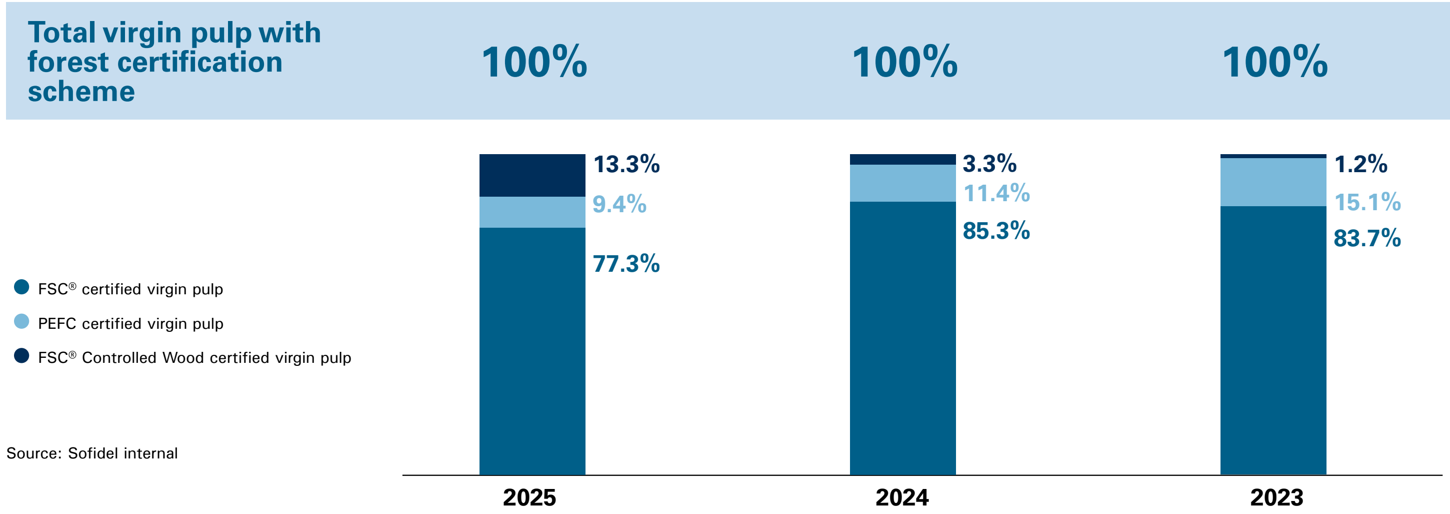
Awareness of the role played by forests in protecting the global environment and maintaining and preserving biodiversity prompted the Sofidel Group to adopt the **Forestry Procurement Policy**, which summarises and formalises the **principles and objectives underlying the Group's strategy for the responsible sourcing of virgin forestry raw materials.**

The Policy was developed in collaboration with staff from **WWF Italy and WWF International** and is based on the guidelines of the **Accountability Framework initiative (AFi)**.
It serves as the benchmark for the Group's entire **forestry procurement management system** and sets out the guidelines that inform operational decisions along the supply chain.

In particular, the Policy sets out the following strategic objectives:
- ensuring a supply chain that does not induce deforestation at any stage **(Zero Deforestation)**;
- developing a supply chain that does not cause or contribute tothe conversion or environmental degradation of natural ecosystems at any stage;
- ensuring that procurement activities comply with the **Supplier Code of Conduct** and do not violate the human rights of the stakeholders involved in the supply chain, from the workers to indigenous communities, directly or indirectly affected by procurement activities in the areas where the raw material originates;
- developing mitigation and prevention actions in collaboration with suppliers in the event of severe human rights violations or evidence of environmental degradation in sourcing areas, including those beyond the Group's direct supply chain;
- carrying out active monitoring in high-risk countries to ensure the legality of forestry operations, harvesting, processing, and trade in timber and timber-derived products;
- checking the absence of Genetically Modified Organisms (GMOs) in the species from which the raw material originates to ensure a GMO-free supply chain;
- prioritising suppliers and producers holding **forest management and chain-of-custody certifications** issued by independent third-party bodies, based on internationally recognised standards for sustainable forest management.

In line with these guidelines and commitments, the Sofidel Group's procurement of fibrous raw materials (pulp) in 2025 consisted mainly of virgin fibre (95%), supplemented by a proportion of recycled paper (5%).
Of the total virgin fibre, as much as 77.3% was certified with the FSC® (Forest Stewardship Council®) chain of custody, 9.4% with the PEFC (Programme for the Endorsement of Forest Certification) chain of custody, and the remaining 13.3% with the FSC® Controlled Wood standard.
In 2025, therefore, **100% of the virgin fibre purchased by the Group had received at least one good forest management certificate.**

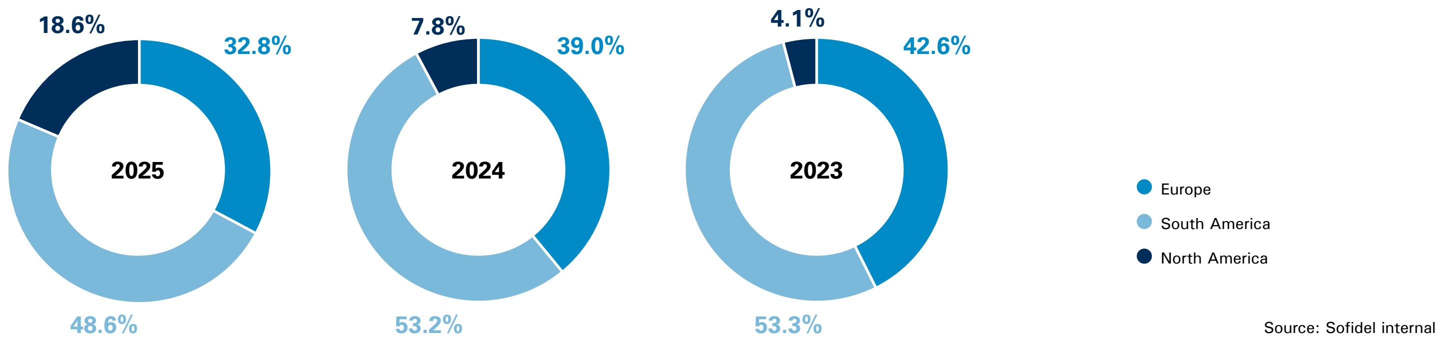
Purchases of virgin pulp by forest certification scheme



Source: Sofidel internal

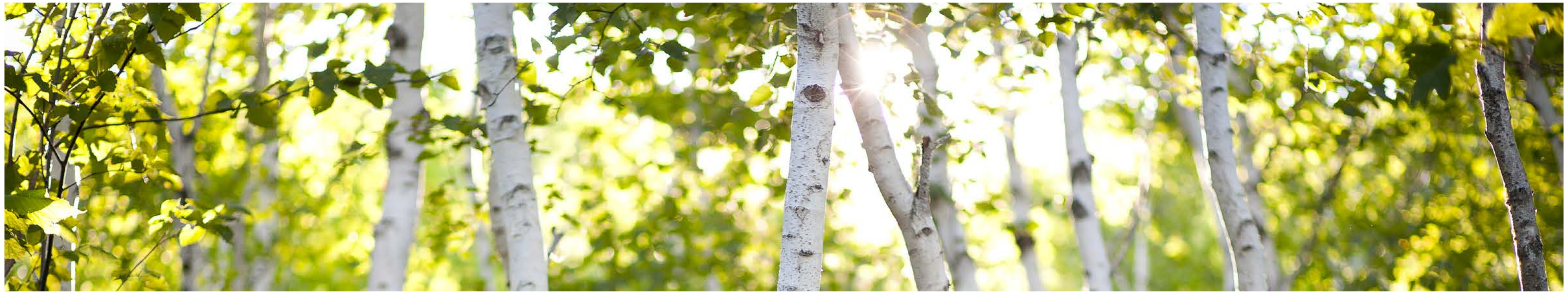
Forest certifications are not the sole instrument for ensuring responsible forest management. For some time, Sofidel has adopted criteria for selecting the **countries of origin** of its fibre material to **minimise the risks associated with illegal or otherwise environmentally and ethically unacceptable forestry practices.** By the end of 2025, 48.6% of the virgin pulp purchased came from South America, 32.8% from Europe and 18.6% from North America. Supplies from countries affected by ongoing conflicts or with low legal or corruption risk ratings have been excluded.

Countries of origin of purchased virgin pulp



Source: Sofidel internal

Building on the work begun the previous year, in **2025 Sofidel continued its efforts to comply with the requirements of the European Union Regulation on Deforestation-free Products (EUDR, Regulation (EU) 2023/1115)**. These initiatives form part of the Group's broader commitment to strengthening **traceability, due diligence and responsible management of the supply chain** for forestry raw materials, in line with its Forestry Procurement Policy and its 'Zero Deforestation' objective.
The following section sets out the **main updates** regarding the activities carried out during 2025 in preparation for the future entry into force of the Regulation.



The impact of the new European Deforestation Regulation (EUDR) 2023/1115

Context
In force since June 2023, the Regulation aims to combat deforestation and forest degradation linked to the production and trade of specific commodities and their derivatives, ensuring that products placed on the EU market have not been produced on land subject to such phenomena after 31 December 2020. In Sofidel's case, the raw material falling within the scope of the Regulation is wood—currently subject to the Timber Regulation (EU Regulation 995/2010), which will be automatically repealed upon the entry into force of the EUDR—from which pulp is produced and subsequently processed into tissue paper.

Sofidel's obligations and role
Regulated goods can be placed on the EU market (imported or produced in the EU) only if the following is guaranteed: 1) zero deforestation; 2) they are produced in accordance with the legislation of the country of production; 3) they are subject to a declaration of due diligence. Sofidel qualifies as an 'operator' due to its import of goods from non-EU countries and may be subject to further obligations under the regulatory changes currently in force at the time of writing.

Towards compliance
In 2025, Sofidel continued to implement the activities necessary for compliance, by enhancing existing systems and developing new ones to ensure coverage of the entire upstreamand downstream workflow. In the autumn of 2025, the EU authorities put forward various proposals to amend and extend the statutory deadlines. Whilst awaiting clarification from the European institutions regarding the implementation deadlines, Sofidel continues its dialogue with suppliers in order to consolidate its risk assessment criteria and enhance the effectiveness of its due diligence system.

Forest initiatives

Forest Forward

Sofidel is participating in a forest protection initiative organised by WWF International known as Forest Forward. The project involves companies, communities and organisations in all sectors (especially those related to using raw materials from forests).
It aims to accelerate commitments to zero-deforestation and zero-conversion of natural ecosystems, combat degradation and promote forest restoration. The initiative also places particular emphasis on local forest management in tropical and subtropical countries, while safeguarding the role of local communities in forest conservation.

Together We Plant the Future

The three-year pilot project was launched by Sofidel and Suzano in May 2023 to promote ecological conservation and restoration, while supporting socio-economic development in a region of the Brazilian Amazon.
For further details, please refer to the chapter *Affected Communities*.

In line with the focus on the impacts on biodiversity along the supply chain and with the commitments made under the Forestry Procurement Policy, the Group considered it appropriate to also examine the potential direct impact of its own operations. In particular, an **analysis was carried out to assess the location of Sofidel Group sites in relation to biodiversity-sensitive areas**, in order to verify whether they are located within or near protected areas[22].
The analysis showed that **none of the Group's facilities or assets are located within protected areas**.

Twenty-seven sites, listed in the table below, were found to be **in the proximity of biodiversity-sensitive areas**.

The Group will therefore continue to **monitor the location of its sites and the surrounding ecosystems over time**, taking into account any potential expansion of protected areas or changes in local environmental conditions, and will implement preventive and mitigation measures where necessary, in line with its commitment to protecting biodiversity.

22. The analysis was conducted using the **World Database on Protected Areas (WDPA)**, the global reference database for identifying terrestrial and marine protected areas, managed by the **United Nations Environment Programme – World Conservation Monitoring Centre (UNEP-WCMC)** in collaboration with the **International Union for Conservation of Nature (IUCN)**. For the purposes of assessing proximity, a prudent buffer zone of 5 km was defined, extending from the boundaries of the areas listed in the WDPA, in order to identify potential direct or indirect interactions with sensitive ecosystems.

Sofidel Group sites located near biodiversity-sensitive areas

Country	City	Type of site	Site area (ha)	Sensitive areas
United States of America	Duluth	Production (paper mill)	35	Lake Superior National Estuarine Research Reserve, Marine Protected Area
	Circleville	Production (integrated)	114	Circleville Canal, Wildlife Area
	Lewiston	Production (integrated)	23	Anabel Osborn, Private Conservation
Spain	Buñuel	Production (integrated)	32	Río Ebro, Special Areas of Conservation (Habitats Directive)
France	Roanne	Production (integrated)	26	Milieux alluviaux et aquatiques de la Loire, Special Areas of Conservation (Habitats Directive)
	Frouard	Production (integrated)	28	Lorraine, Parc naturel régional
Ireland	Dublin	Services	< 1	Sandymount Strand/Tolka Estuary, Ramsar Site, Wetland of International Importance; South Dublin Bay SAC, Special Areas of Conservation (Habitats Directive)
United Kingdom	Baglan	Production (integrated)	11	Earlswood Road Cutting And Ferryboat Inn Quarries, Site of Special Scientific Interest; Crymlyn Burrows, Site of Special Scientific Interest
	Lancaster	Production (paper mill)	2	Wyre-Lune, Marine Conservation Zone
	Leicester Hamilton	Production (integrated)	11	Gipsy Lane Pit, Site of Special Scientific Interest
	Leicester Rothley Lodge	Production (converting plant)	7	Halstead Road Centenary Pasture, Local Nature Reserve
Belgium	Duffel	Production (integrated)	4	NBP/AN/21/0193 type 2, Gebieden met natuurbeheerplan type 2
Germany	Colonia	Trading	< 1	LSG-Rhein, Rheinauen und Uferbereiche von Flittard bis Rodenkirchen, Landschaftschutzgebiet
	Schmalkalden-Wernshausen (Plant O,T, W)	Production (integrated)	20	Werra bis Treffurt mit Zuflüssen, Special Areas of Conservation (Habitats Directive)
	Schmalkalden-Wernshausen (Holding)	Services		
	Arneburg DE	Production (integrated)	30	Elbaue zwischen Sandau und Schönhausen, Special Areas of Conservation (Habitats Directive)

Country	City	Type of site	Site area (ha)	Sensitive areas
Sweden	Kisa	Production (integrated)	32	Föllingsö, Special Areas of Conservation (Habitats Directive)
Italy	Lucca - Porcari	Services	40	Former lake bed of Lake Bientina, Special Areas of Conservation (Habitats Directive)
	Lucca - Porcari	Production (paper mill/converting plant)		
	Lucca - Capannori	Services	< 1	Verciano Marshes, Prati alle Fontane and Padule delle Monache, Special Areas of Conservation (Habitats Directive)
	Lucca - Capannori	Production (converting plant)	8	Verciano Marshes, Prati alle Fontane and Padule delle Monache, Special Areas of Conservation (Habitats Directive)
	Lucca - Porcari	Production (paper mill)	18	Former lake bed of Lake Bientina, Special Areas of Conservation (Habitats Directive)
	Lucca - Porcari	Production (converting plant)	14	Former lake bed of Lake Bientina, Special Areas of Conservation (Habitats Directive)
	Gorizia - Monfalcone	Production (integrated)	7	The Trieste and Gorizia Karst, Special Areas of Conservation (Habitats Directive)
Hungary	Lábatlan	Production (converting plant)	18	Duna és ártere, Special Areas of Conservation (Habitats Directive)
Poland	Ciechanów	Production (integrated)	23	Krośnicko-Kosmowski, Obszar Chronionego Krajobrazu; Nadwkrzański, Obszar Chronionego Krajobrazu
Romania	Călărași	Production (integrated)	33	Iezerul Călărași, Special Protection Area (Birds Directive)

Resource use and circular economy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Sub-topic	Sub-sub-topic	I R O s	Management measures and action plans
Resource inflows, including resource use	-	I (-) R O	• Internationally recognised **environmental product certifications and labelling;** • **Packaging and labelling solutions designed to reduce the environmental impact** throughout the product lifecycle; • **Systems for the recovery and recycling of production waste;** • **Structured waste management procedures,** aimed at recovery or reuse; • **Supplier Code of Conduct** setting out specific requirements on waste management along the supply chain.
Resource outflows related to products and services	-	O	
Waste	-	I (-) R	

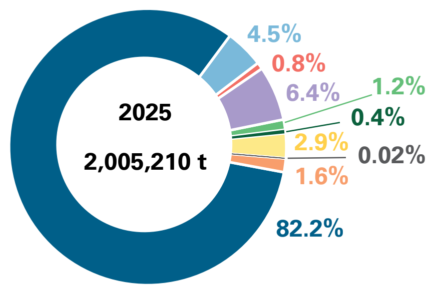
I Impact R Risk O Opportunity

Resource use

In addition to the efficient use of fibre in the industrial process – which is the main raw material for the production of tissue paper – Sofidel's efforts to improve environmental performance are also driven by **responsible product design and management**, in line with the guidelines of the **Ecodesign for Sustainable Products Regulation**, introduced by the European Commission in 2024.

It is against this backdrop that the Group has, since 2013, adopted an approach aimed at **reducing the use of virgin plastic in packaging**. Sofidel's strategy is based not only on an overall reduction in the materials used, considered a priority, but also on the **introduction of recycled plastics** in primary and secondary packaging (thereby preventing over 8,000 tonnes of virgin plastic from entering the market in 2025), and on the **use of paper packaging** as an alternative material for packaging numerous products. As a matter of fact, paper is a widely recycled material, derived from **renewable resources** and characterised by **high biodegradability**, in line with the principles of circular economy.

Resource inflows[23]



	2025
Paper and cardboard packaging (t)	128,616
Plastic packaging (virgin plastic content) (t)	23,101
Plastic packaging (recycled plastic content) (t)	8,281
Chemical additives (t)	57,507
Oils and lubricants (t)	468
Tissue paper reels purchased outside the Group (t)	32,855
Quantity of virgin pulp consumed (t)	1,648,161
Quantity of recycled pulp consumed (t)	89,281
Purchased finished products (t)	16,940
Total (t)	**2,005,210**

23. Data extracted from ERP software.

These policies focusing on responsible packaging design led, in 2025, to a **reduction in the use of virgin plastic of approximately 11.7% compared to 2023**, with an **estimated annual saving of over 3,000 tonnes of plastic**.

Furthermore, through the use of paper and cardboard packaging, the percentage by weight of **primary packaging made with easily recyclable materials** stood at **82.6%**[24].

Consumption and intensity of virgin plastic use in packaging

	2025	2024	2023
Consumption of virgin plastic in packaging (t)	23,101	19,093	19,670
Intensity of virgin plastic use in packaging (kg/t paper)	14.4	14.7	16.3
Reduction in the intensity of virgin plastic use in packaging 2025 vs 2023 (%)	-11.7%		

Sofidel's commitment to eco-design is also reflected in its goal of ensuring that **finished products carry at least one eco-label issued by an external body. These labels are granted following independent third-party audits**, confirming the adoption of high environmental standards across the entire product lifecycle. Key examples include forest chain-of-custody certifications under the FSC® and PEFC standards.
Sofidel has also obtained numerous licenses to use the EU **Ecolabel**, the **Nordic Swan Ecolabel**, and the German **Blauer Engel** label.

Main environmental certifications and labels

FSC®, PEFC

Identify products containing wood-based materials from responsibly managed forests, in accordance with strict environmental, social, and economic standards.

EU Ecolabel, Nordic Swan Label, Blauer Engel

They are European product labels. They are obtained only upon demonstration of compliance with strict environmental criteria across the entire supply chain associated with the product's manufacture.

24. Data extracted from ERP software.

Indicator associated with Sustainability-Linked Loans.

Waste

In line with key international policies and guidelines on waste management, Sofidel adopts an approach focused primarily on **prevention and reduction** of the quantities generated, through the continuous optimisation of production processes and the application of **ecodesign** principles in product design.
As a matter of fact, the Group specialises in products made from **virgin pulp**, a raw material whose processing generates **limited quantities of waste**, which is largely **reused directly within the production facilities**. Where reduction at source does not allow for further improvements, Sofidel established **detailed operating procedures** for proper waste management, designed to ensure that materials are sorted into homogeneous categories and, as far as technically possible, to facilitate their **recovery and reuse**.

The main waste stream generated by the plants is represented by **sludge from recycled fibre processing (recovered paper)**, followed by that produced by the treatment plants downstream of the production plants. This waste is mainly recovered for use in the production of materials for the construction industry and in agriculture, or treated in waste-to-energy plants for energy generation, with only a small portion sent to landfill.
Other waste streams include materials such as **paper, wood, metal and polyethylene**, which are sent for recovery and re-used in other production cycles.
Finally, the paper-making process involves a **minimal amount of hazardous waste**, which is not specifically linked to paper production but stems from the day-to-day operation of industrial plants (for example, waste oil, neon lights and batteries). Sofidel carries out **regular checks** on the operators responsible for the transport and handling of such waste, in order to verify their compliance with regulatory requirements within its facilities and throughout the subsequent phases of waste management.

The expansion of the Group's operating scope, following acquisitions made in the United States between 2024 and 2025, led to a slight increase in the total volume of waste generated in 2025, amounting to approximately 11.1% compared with 2024. Despite this, in 2025, **waste management continued to prioritise recovery**, which accounted for **83.2%** of total waste generated, while the remaining 16.8% was sent for disposal.

Waste generated by type[25]

	2025	2024	2023
Total amount of waste generated (t)	**138,188**	**124,397**	**105,003**
Of which hazardous (t)	706	651	442
Of which non-hazardous (t)	137,482	123,746	104,561
Of which sent for recovery (t)	**114,915**	**103,966**	**77,891**
Of which hazardous (t)	*357*	*263*	*271*
Of which non-hazardous (t)	*114,558*	*103,703*	*77,620*
Of which prepared for reuse (t)	**0**	**0**	**0**
Of which hazardous (t)	*0*	*0*	*0*
Of which non-hazardous (t)	*0*	*0*	*0*
Of which recycling	**63,180**	**-**	**-**
Of which hazardous (t)	*95*	-	-
Of which non-hazardous (t)	*63,085*	-	-
Of which other recovery operations (t)	**51,736**	**-**	**-**
Of which hazardous (t)	*262*	-	-
Of which non-hazardous (t)	*51,474*	-	-
Of which sent for disposal (t)	**23,273**	**18,194**	**8,979**
Of which hazardous (t)	*348*	*388*	*169*
Of which non-hazardous (t)	*22,925*	*17,806*	*8,810*
Of which sent to landfill (t)	**14,195**	**7,378**	**1,120**
Of which hazardous (t)	*121*	*94*	*11*
Of which non-hazardous (t)	*14,075*	*7,284*	*1,109*
Of which incineration (t)	**1,152**	**-**	**-**
Of which hazardous (t)	*9*	-	-
Of which non-hazardous (t)	*1,143*	-	-
Of which other disposal operations	**7,928**	**-**	**-**
Of which hazardous (t)	*218*	-	-
Of which non-hazardous (t)	*7,710*	-	-

25. The figures were calculated using available official documentation as the primary source. In the absence of such information, estimates based on data available at the time of preparation were used. Statistics on the final treatment of waste are based on the processes defined in Annexes I and II of Directive 2008/98/EC. With regard to 2024, the statistics on the total quantity of waste managed in 2024 do not include the Sofidel America Lewiston plant, while the statistics on the final destination of waste do not include the Sofidel America Duluth or Sofidel America Lewiston plants. With reference to 2023, the statistics do not include Sofidel America.

Social information

Own workforce

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH

Sub-topic	Sub-sub-topic	IROs
Working conditions	Secure employment	I (+) R
	Working time	I (-)
	Adequate wages	I (+)
	Social dialogue	I (-) R
	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	I (-)
	Collective bargaining	I (-)
	Work-life balance	I (-)
	Health and safety	I (-) R
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	I (-) R
	Training and skills development	I (+) O
	Measures against violence and harassment in the workplace	I (-) R
	Diversity	I (-) R
Other work-related rights	Child labour	I (-)
	Forced labour	R
	Privacy	I (-) R

Management measures and action plans

- **Contractual and organisational measures** aimed **at stable employment and staff retention;**
- Structured process for **Performance Management** and **compensation and development rules;**
- **Employee feedback initiatives and Engagement Survey;**
- **Continuing professional development programmes** to support skills development;
- **Sofidel Group's Human Rights Policy and Code of Ethics,** which formalise the standards of conduct regarding human rights, working conditions, fairness and respect for people and the environment;
- **Occupational Health and Safety Policy** to protect people's health and safety in the workplace;
- **Technologies and initiatives to support risk prevention and the promotion of a safety culture;**
- **ISO 45001-certified occupational health and safety management system** for the Group's plants;
- **Privacy framework** and measures to ensure the security of employee data.

I Impact R Risk O Opportunity

Human capital represents a key element of every organisation: it is the combination of skills, abilities, experience and relationships that develop among the people working within the Company. It is a cornerstone of the Group's culture and a key driver of identity and value creation.
At Sofidel, human capital is defined by key qualities: passion, expertise, reliability and a sense of belonging.

People management is based on a **practical approach**, focused on **developing skills and internal growth**, in full compliance with the principles set out in the **Group Code of Ethics and policies.**

These principles serve as a fundamental reference for promoting responsible, inclusive and respectful behaviour within the organisation, enshrining full **respect for human rights, the health and safety of individuals, freedom of association and the well-being of the local communities** where the Group operates.

In this context, **Sofidel condemns child labour and forced labour, as well as any form of discrimination or harassment,** and is committed to ensuring a working environment free from prejudice and respectful of the individuality and dignity of workers at every stage of the employment relationship. In this regard, the Grouphas adopted specific policies against discrimination, workplace sexual harassment and bullying.

In line with the Group's HR management guidelines, people are central to the value creation process. The Group has always shown a strong **commitment to its staff**, investing in initiatives and tools designed to promote **professional development** and the **physical and mental well-being of its employees.** Employees are provided with targeted training programmes, designed to meet the specific requirements of their roles and to reinforce the corporate culture, thereby creating the ideal conditions for improving occupational health and safety.

In line with general efficiency, Sofidel also encourages flexibility in the organisation of work to facilitate work-life balance, with flexible working hours and part-time employment contracts. It also recognises workers' right to form and join unions, or other collective bargaining organisations, as well as the right to refrain from joining them.

People at the heart of Sofidel's initiatives

Companies are made up of people, their passions and talent, their expertise and their ability to imagine new solutions and opportunities. Engaging with and motivating people is a key factor in the Group's development and in creating long-term value. In this context, during **2025, Sofidel promoted and developed a number of initiatives** aimed at enhancing its human capital, strengthening a sense of belonging and supporting the professional development of its people. Below are some of the key initiatives during the year.

THE MIGRANTS & REFUGEES PROJECT

In 2025, the Sofidel Group embarked on a path towards a **more inclusive employment policy that embraces diversity**, promoting internal career opportunities and personalised integration programmes for migrant workers and refugees from disadvantaged countries across the globe. Through the Migrants & Refugees project, the Company widened its approach to **social sustainability**, adopting **fair contract models**, **intercultural support networks** and **internal mentoring programmes**. The aim is to create a respectful non-discriminatory working environment that is mindful of people's physical and psychological well-being, thereby helping to build a corporate culture that is increasingly more fair, resilient and innovative.

Within this framework, Sofidel launched two significant initiatives at various Italian plants: the **Welcoming & Inclusion Project** and the **Ghana Project.**

- **Welcoming & Inclusion Project**: launched in early 2025, it led to the recruitment of nine staff members with political refugee or humanitarian protection status, who come from non-European countries and are resident in Italy. The candidates were posted to three of the Group's production plants, where they carried out operational duties and underwent a training and mentoring programme. At the end of the probation period, six of them were offered permanent contracts.
- **Ghana Project**: developed in collaboration with Confindustria Alto Adriatico, the Autonomous Region of Friuli Venezia Giulia and the employment agency Umana. The project involved the recruitment of four workers from Ghana as warehouse staff at one of the Group's production facilities. Training began in Ghana, where the candidates learnt Italian and acquired the basic skills, before continuing in Italy with work placement.

THE #RIPARTO PROJECT

In 2025, thanks to the #RIPARTO project, a model for **work-life balance for new mothers** was rolled out at the Italian subsidiaries. Having won a national tender organised by the Prime Minister's Office, the Company launched an integrated project to support mothers returning to work. A number of practical measures were introduced, including additional paid leave, contributions to supplementary pension schemes, refresher training upon return from maternity leave, an agreement with nurseries, and parenting support services.

FOCUS ON YOUNGER GENERATIONS IN THE WORKFORCE

For many years, Sofidel has worked with educational institutions to support the training of the younger generation and **help young people enter the world of work**, thereby bridging the gap between the skills acquired at school and those required by businesses. The Group runs a range of initiatives with schools and universities to organise career guidance sessions on specialised roles within the paper industry, lectures and seminars delivered by Company specialists, work-study programmes and internships, offering practical, career-focused experience, as well as organising Company visits to enable students to see the production process and the underlying technology for themselves.

Among its key collaborations, the Group is one of the lead partners in the establishment of Italy's first **master's programme** specifically tailored to the paper industry, in **'Paper and Board Engineering' at the University of Pisa**. All lectures are delivered entirely in English, and the course was designed specifically to address the needs expressed by companies; indeed, it aims to train specialists for the paper industry, equipping them with a solid multidisciplinary understanding of products, processes and plant management. Since the programme began, Sofidel contributed each year by providing highly qualified lecturers, hosting students on work placements, supporting them in the preparation of their dissertation projects, and arranging for some of its employees – both Italian and from overseas subsidiaries – to attend individual courses, enabling them to enhance their technical skills as part of a lifelong learning approach.

THE SOFIDEL ENGAGEMENT SURVEY PROJECT

Following the Sofidel Engagement Survey, a **employee engagement survey** conducted in 2024, the Group identified and developed a number of action plans aimed at addressing the key areas for improvement that emerged: communication, a sense of belonging, growth and development, performance and accountability, trust in leaders, and innovation. In this context, the main projects implemented in 2025 focused on:

- **Leadership Programme.** Designed to strengthen **managerial skills** and enhance drivers of recognition, change management and trust in management, the programme comprises a leadership training course structured around three managerial clusters. The learning goals and content of the three programmes were developed centrally, but always with particular attention to the local cultural specificities that characterise a multinational Company. Classes have been organised at local level in the participating European countries since the first quarter of 2025 and will continue in subsequent years, so as to welcome new managers and support the ongoing development of those who have already taken part in the project.
- **L&D Factory.** The Sofidel L&D Factory is a new and significant initiative designed to enhance growth and development, dedicated to learning and professional development within the Sofidel Group. The project provides employees with a **comprehensive online library** comprising thousands of courses focused on both personal and professional development, available in multiple languages and accompanied by subtitles, in order to ensure maximum accessibility and inclusivity. The topics are business-oriented and range from soft to hard skills, with content updated on an ongoing basis to ensure that the catalogue remains comprehensive, up-to-date and in step with market developments. All employees have the opportunity to devote part of their time to training, choosing for themselves the courses that best align with their professional development goals. The system will also enable managers to assign courses directly to members of their team, thereby promoting coordinated development and reinforcing a corporate culture focused on continuous learning.
- **CEO Talks.** In order to **strengthen communication and build trust in leadership**, the Chief Executive Officer introduced quarterly communications designed to share insights, strategic guidelines, achievements and future objectives, as well as to present new initiatives, investments and areas for improvement. Launched in the second quarter of 2025, the project represents a significant step towards **transparency** and in**formation**, offering every employee the opportunity to gain a deeper understanding of the development path undertaken by the Sofidel Group. The chosen format is video, featuring concise content that is subtitled and translated into the Group's official languages with the help of artificial intelligence, to ensure maximum accessibility for all colleagues with Company devices. This is yet another communication tool designed to bridge the gaps within a Group that is constantly growing and becoming more and more global.
- **Virtual Coffee with Leadership.** The Virtual Coffee with Leadership project was also designed with the aim of having a positive impact on **communication and trust in leadership**, through the organisation of **regular online meetings between employees and senior management**. The Virtual Coffee sessions, which began in 2025, are held on a regular basis and provide an informal opportunity for staff to engage directly with senior management. During these sessions, **employees can ask questions, raise points of interest or express concerns and receive feedback from senior management**. The format involves collecting questions that are answered during the live event, followed by an open Q&A session, which encourages **transparent, two-way dialogue**. The initiative stands out for its aim to foster an environment of active listening and mutual trust, helping to bridge the gap between management and staff, strengthening a sense of belonging and promoting a collaborative corporate culture.
- **Sofidel Innovation Award. To encourage a culture of innovation**, the Sofidel Innovation Award was launched in 2025, a project that invited all Group employees to submit **innovative ideas**, encouraging their participation through a prize scheme. The project attracted a high level of participation, involving colleagues from various countries and departments, who put forward proposals aimed at improving processes, products, a sense of community and corporate sustainability. Evaluation of the ideas was entrusted to a panel comprising members of senior management, who selected the most promising projects. The winning ideas will be reviewed by the relevant departments and may serve as a starting point for future developments. In addition to the award ceremony for the winners, other entries received a special mention for having particularly stood out within the context of the initiative. The idea-gathering phase was underpinned by an integrated communication plan that ensured the initiative was widely publicised across all internal channels, thereby promoting accessibility and **active engagement**. The award ceremony was also a significant occasion for celebration, highlighting the talent, dedication and ability to think outside the box of Sofidel's employees.
- **Performance Management Process.** To promote growth, development, performance and accountability, the **new Performance Management process** was also implemented in 2025. The project included a significant initial training component to facilitate the roll-out of the system, raise awareness among managers and staff, and launch the first performance campaign in July 2025. This initiative represents a concrete step towards a shared performance culture. Through structured feedback and regular appraisals, as well as the setting of clear objectives and individual action plans, the aim is to recognise the contribution of every employee, foster open dialogue between managers and teams and encourage continuous improvement.

Workforce composition and management

Workforce composition data as at 31 December 2025, shown below, incorporate methodological updates and refinements introduced from 2025 onwards, defined in accordance with the reporting standards adopted for the preparation of this document and to support gradual alignment with the new European sustainability reporting standards.

In particular, one of the key changes is that the Sofidel Group has updated its calculation methodology to include apprentices in the total number of employees. This has enabled a more accurate representation of the Group's organisational structure and, to ensure comparability with previous financial years, the figures for 2024 and 2023 have also been restated in accordance with the same criteria.

Where methodological additions or refinements could not be applied retrospectively to the data for the 2024 and 2023 financial years, the tables show the symbol '–', as explained in the section *Basis for preparation,* at the beginning of the *Sustainability Statement*. One such example is the introduction of a gender classification offering several options (women, men, not disclosed, unknown).

Furthermore, in 2025, the Group introduced a review of the criteria for assigning professional grades, in line with the updated corporate guidelines, with a view to ensuring greater consistency and transparency in staff classification mechanisms. The new criteria apply starting from the 2025 financial year, while the composition of employees by category for previous financial years reflects the allocation criteria previously in force.

It should therefore be noted that, from 2025 onwards:

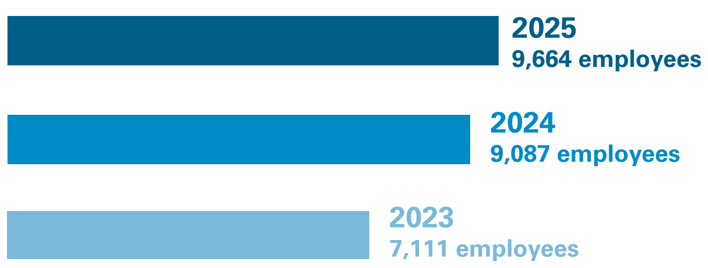
- **'Manager'** means an employee with managerial and decision-making responsibilities within the organisation who coordinates people, processes and/or business functions, while defining the operational plans necessary to achieve the assigned business objectives;
- **'White Collar'** refers to an employee who performs mainly administrative, technical, specialist or professional activities. His/her duties require theoretical or analytical skills and are generally performed in an office or non-manual environment. He/she supports the organisation's operations through data management, planning, control, analysis, and coordination activities, including staff resources and services;
- **'Blue Collar'** refers to an employee who performs operational or manual tasks, typically related to production, maintenance, logistics or other technical functions in the field. His/her duties require practical skills, manual dexterity and specific technical expertise, often carried out in workshops, factories, production lines or operational areas.

Unless otherwise stated, all figures relating to workforce composition are calculated on a headcount (HC) basis.

Based on the criteria described above, **a total of 9,664 people contributed to the Sofidel Group's results – a slight increase (6%) compared to 2024** (9,087) – of which **70.6% Blue Collars, 23.2% White Collars** and **6.2% Managers.** The absolute majority of **contracts were permanent (97.3%)** and **almost all employees** had a **full-time contract (98.3%)**.

In addition, the Group's companies engage non-employee workers. As at 31 December 2025, the total number of non-employee workers stood at 291, comprising Blue Collars employed in production activities at the paper mills and converting plants and in warehouse management.

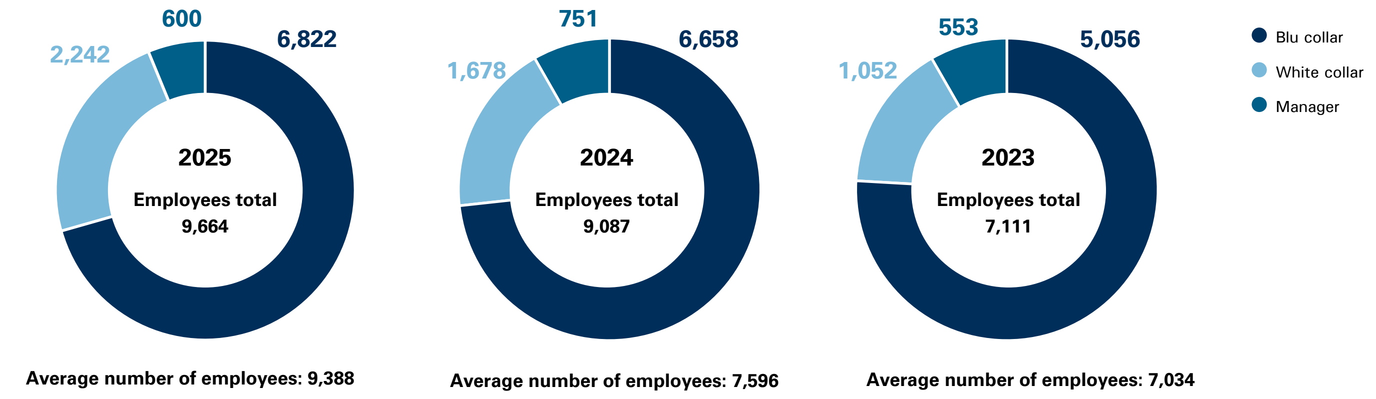
The number of Group employees over the years



Breakdown of employees by country

Country	2025	2024	2023
Belgium	163	162	161
France	722	724	713
Germany	869	836	804
Greece	69	68	62
Italy	1,400	1,375	1,367
Ireland	0	1	1
Poland	475	470	466
Romania	233	248	236
Spain	368	359	344
Sweden	199	189	181
UK	871	864	841
Hungary	164	176	198
USA	4,131	3,615	1,737

Breakdown of employees by category



Employees of the Parent Company by category and gender

	2025					2024					2023				
	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total
Blue Collars	14	0	0	0	14	10	0	-	-	10	10	0	-	-	10
White Collars	102	111	0	0	213	93	103	-	-	196	85	84	-	-	169
Managers	20	83	0	0	103	20	84	-	-	104	20	84	-	-	104
Total	136	194	0	0	330	123	187	-	-	310	115	168	-	-	283

Breakdown of employees by category, gender, work contract and contract type

	2025					2024					2023				
	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total
Number of permanent employees															
Blue Collars	824	5,819	0	0	**6,643**	765	5,692	-	-	**6,457**	542	4,318	-	-	**4,860**
White Collars	756	1,411	0	0	**2,167**	670	945	-	-	**1,615**	592	849	-	-	**1,441**
Managers	150	444	0	0	**594**	169	577	-	-	**746**	119	429	-	-	**548**
Total	**1,730**	**7,674**	**0**	**0**	**9,404**	**1,604**	**7,214**	**-**	**-**	**8,818**	**1,253**	**5,596**	**-**	**-**	**6,849**
Number of temporary employees															
Blue Collars	21	158	0	0	**179**	11	190	-	-	**201**	16	180	-	-	**196**
White Collars	46	29	0	0	**75**	40	23	-	-	**63**	2	3	-	-	**5**
Managers	0	6	0	0	**6**	1	4	-	-	**5**	37	24	-	-	**61**
Total	**67**	**193**	**0**	**0**	**260**	**52**	**217**	**-**	**-**	**269**	**55**	**207**	**-**	**-**	**262**
Number of non-guaranteed hours employees															
Blue Collars	0	0	0	0	**0**	0	0	-	-	**0**	0	0	-	-	**0**
White Collars	0	0	0	0	**0**	0	0	-	-	**0**	0	0	-	-	**0**
Managers	0	0	0	0	**0**	0	0	-	-	**0**	0	0	-	-	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**	**-**	**0**	**0**	**0**	**-**	**-**	**0**
Number of full-time employees															
Blue Collars	831	5,906	0	0	**6,737**	767	5,813	-	-	**6,580**	549	4,435	-	-	**4,984**
White Collars	739	1,428	0	0	**2,167**	650	958	-	-	**1,608**	567	866	-	-	**1,433**
Managers	145	448	0	0	**593**	162	579	-	-	**741**	117	431	-	-	**548**
Total	**1,715**	**7,782**	**0**	**0**	**9,497**	**1,579**	**7,350**	**-**	**-**	**8,929**	**1,233**	**5,732**	**-**	**-**	**6,965**
Number of part-time employees															
Blue Collars	14	71	0	0	**85**	9	69	-	-	**78**	9	63	-	-	**72**
White Collars	63	12	0	0	**75**	60	10	-	-	**70**	62	7	-	-	**69**
Managers	5	2	0	0	**7**	8	2	-	-	**10**	4	1	-	-	**5**
Total	**82**	**85**	**0**	**0**	**167**	**77**	**81**	**-**	**-**	**158**	**75**	**71**	**-**	**-**	**146**

Turnover

In 2025, the Group updated its methodology for calculating the turnover rate[26] in line with the new reporting standards adopted. To ensure comparability with previous financial years, the figures for 2024 and 2023 were also restated to reflect this change in methodology.
In 2025, the Sofidel Group's **turnover rate** was **19%**, slightly higher than the previous year (16.4%). The total number of people who left the Group voluntarily, through retirement or termination of employment, was **1,786.**

The following table shows the breakdown by country, gender and age group.

Turnover rate and number of people who left the Group by country

	2025		2024		2023	
	Number of employees who left the organisation	Turnover rate (%)	Number of employees who left the organisation	Turnover rate (%)	Number of employees who left the organisation	Turnover rate (%)
Country						
Belgium	17	10.4	14	8.7	19	11.8
France	62	8.6	58	8.1	65	9.2
Germany	68	8	76	9.3	60	7.6
Greece	9	13.2	16	24.8	1	1.6
Italy	88	6.4	74	5.4	88	6.6
Poland	42	8.9	48	10.3	69	15
Romania	44	18.4	45	18.7	21	9.2
Spain	18	4.9	17	4.8	17	5
Sweden	45	23.3	41	22.3	52	29.2
UK	113	13	143	16.8	145	17.6
Hungary	42	24.8	53	28.3	64	33.5
USA	1,237	31.8	744	27.7	669	38.5
Total	**1,786**	**19**	**1,329**	**16.4**	**1,270**	**18.1**
Gender						
Women	429	24.7	294	19.8	297	23
Men	1,355	17.7	1,035	15.6	973	17
Unknown	2	-[27]	-	-	-	-
Age group						
<30 years	505	33.8	420	33.7	416	39.5
30-50 years	819	16.5	643	14.9	595	15.7
> 50 years	462	15.8	266	10.5	259	11.8

26. Number of employees who left the organisation during the reporting year/average number of employees during the reporting year x 100.

27. Due to the update to the calculation methodology required by the adopted reporting standards and introduced from 2025, the turnover figure for the 'unknown' category cannot be calculated for 2025.

Family-related leave

In all the countries in which it operates, the Group complies with regulations governing family-related leave (maternity and paternity leave, parental leave, leave for caregivers) and, more generally, any form of compulsory or optional leave granted to workers. It also fosters forms of **flexibility in the use of leave** in order to accommodate the needs of its employees, in compliance with local laws and regulations. Consequently, **all employees are entitled to family-related leave.**

During 2025, **2.3%** of employees took parental leave. The percentage was higher among **women (4.2%)** than **men (1.9%)**, reflecting a different distribution of the use of these measures within the workforce.

Industrial relations

The Sofidel industrial relations system is based on an open, continuous, and constructive dialogue with trade unions in the countries where the Group operates.

In the Sofidel Group companies, employee contracts are regulated by forms of national, Company or individual collective bargaining in accordance with current law. This guarantees clear and enforceable conditions and promotes a system of relations that protects the core value ofwork, both for the companies and the workers.

With regard to the Group's scope, by the end of 2025, **55.3%** of employees were covered by collective bargaining agreements (NCLA or company-level agreements). The remainder consists mainly of staff employed in the **United States**, where the socio-political context and the labour market differ significantly from those in Europe. In this context, although a proportion of employees are covered by company-wide agreements, a significant number are primarily covered by individual agreements, in line with the country's standard practice and legislation.

The European Works Council (EWC) is the body established under European Directive 94/45/EC to facilitate the transnational information and consultation of employees in Community-scale undertakings and groups. The parties have begun the process of implementing the EU directive with reference to the Sofidel Group.

Furthermore, Group companies do not make direct or indirect contributions to political parties, movements, committees, or trade union organisations, nor to their representatives; they also refrain from exercising any direct or indirect pressure on political parties.

Inclusion, equal opportunities and non-discrimination

Sofidel bases its human resources management policy on the principles expressed in its **Code of Ethics**, which **condemns any form of discrimination based on gender, age, religion, sexual orientation, culture or ethnicity**. The Group is therefore committed to fostering a working environment free from prejudice and respectful of the individuality and dignity of all people, ensuring equal treatment and opportunities.

In line with these principles of fairness and equal treatment, employees are also informed and made aware of the **channels available for reporting** any irregularities, such as the whistleblowing channel, which is described in more detail in the chapter on *Business ethics.* The reinforcement of these principles is also supported, where necessary, by d**edicated training initiatives,** such as the training project on the prevention of harassment that continued in 2025 in the United States, described in more detail in the section T*raining and skill development* below, and aimed at providing practical tools to recognise, prevent and report harassing or otherwise inappropriate behaviour.

With regard to gender diversity, in 2025 the women-to-men ratio in managerial roles within the Sofidel Group stood at 1:3 (0.3). In senior management[28], the women-to-men ratio was 1:5 (0.2).

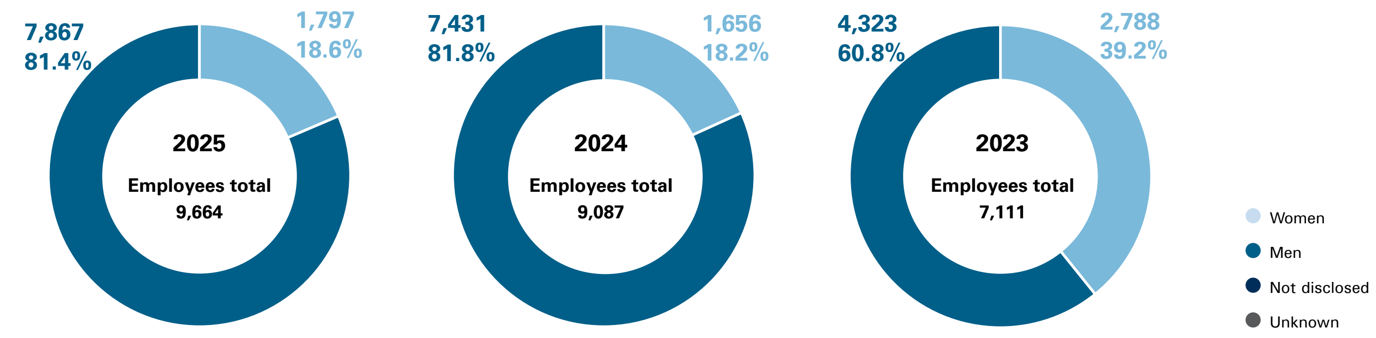
At the same time, in the countries where it operates, Sofidel pays particular attention to multiculturalism within its work environments, applying the principles of equal treatment, transparency and non-discrimination at every stage of the employment relationship, starting with the recruitment and onboarding processes. In 2025, this focus was also reflected in inclusion initiatives aimed at migrant workers and refugees, including the *Migrants & Refugees* project, described at the start of the chapter *Own workforce*.

Furthermore, with regard to protected categories, the Group complies with the obligations set out in current legislation on recruitment. Specifically, in 2025, the percentage of employees in these categories accounted for 0.7% of total employees.

The tables below provide detailed information about the composition of the workforce by category, with particular reference to **gender and age profiles**, for the three-year period in question.

28. Defined as first and second organisational levels.

Breakdown of employees by gender



Breakdown of employees by category, gender and age group

	2025					2024					2023				
	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total	Women	Men	Not disclosed	Unknown	Total
<30 years															
Blue Collars	171	1,090	0	0	**1,261**	144	1,009	-	-	**1,153**	104	751	-	-	**855**
White Collars	126	184	0	0	**310**	95	137	-	-	**232**	90	115	-	-	**205**
Managers	3	5	0	0	**8**	3	21	-	-	**24**	5	14	-	-	**19**
Total	**300**	**1,279**	**0**	**0**	**1,579**	**242**	**1,167**	**-**	**-**	**1,409**	**199**	**880**	**-**	**-**	**1,079**
30-50 years															
Blue Collars	405	3,092	0	0	**3,497**	364	3,100	-	-	**3,464**	263	2,354	-	-	**2,617**
White Collars	489	795	0	0	**1,284**	444	523	-	-	**967**	394	483	-	-	**877**
Managers	85	221	0	0	**306**	98	314	-	-	**412**	71	225	-	-	**296**
Total	**979**	**4,108**	**0**	**0**	**5,087**	**906**	**3,937**	**-**	**-**	**4,843**	**728**	**3,062**	**-**	**-**	**3,790**
>50 years															
Blue Collars	269	1,795	0	0	**2,064**	268	1,773	-	-	**2,041**	1,393	191	-	-	**1,584**
White Collars	187	461	0	0	**648**	171	308	-	-	**479**	275	145	-	-	**420**
Manager	62	224	0	0	**286**	69	246	-	-	**315**	193	45	-	-	**238**
Total	**518**	**2,480**	**0**	**0**	**2,998**	**508**	**2,327**	**-**	**-**	**2,835**	**1,861**	**381**	**-**	**-**	**2,242**

Building on the analysis of gender and age profiles, the Group's focus also extends to **remuneration**[29], considered **an integral part of fairness and equal treatment**, particularly with regard to pay differences between men and women. In this regard, Sofidel developed **compensation and skills development rules based on criteria of equality**, with the aim of preventing and, as far as possible, reducing as gender pay differences.

The data in the table below show that despite policies aimed at ensuring fairness and equal treatment between men and women, a pay gap unfavourable to women persists in the White Collar and Manager categories, while remuneration in the Blue Collar category is largely aligned. This trend occurred in an organisational context that underwent profound structural changes during the year, significantly affecting the composition of the workforce and, consequently, remuneration aggregates.

In particular, the significant expansion resulting from the acquisition of Clearwater Paper Corporation's tissue division, which was finalised at the end of 2024, resulted in approximately 1,600 new employees joining the Group, whose remuneration and job roles were not fully aligned with the Group's historical standards. The subsequent process of organisational integration and harmonisation, aimed at ensuring consistency with Sofidel's global model, led to a series of changes to the organisational structure, which affected the gender pay gap recorded in 2025.
In addition to this, the Group's criteria for assigning job categories were revised in 2025 with the aim of standardising the classification criteria and making them more transparent. While this initiative supports the long-term stability of the Group's HR system, it lead to the reclassification of many employees into different job categories, resulting in temporary impacts on gender pay indicators.

Taken together, these factors had a combined effect on the gender pay gap trend, which, despite the Group's efforts to maintain fairness and rebalance wages, proved to be more significant than the corrective measures that could be implemented during the year.
The significant changes scheduled for 2025 therefore made it difficult to accurately assess their impact on remuneration metrics. Over the coming years, Sofidel will continue to closely monitor developments in equity and remuneration, stepping up initiatives aimed at gradually reducing pay gaps and ensuring equal treatment.

Ratio of average remuneration of women to men and gender pay gap[30] by category

	2025		2024		2023	
	Women-to-men average remuneration ratio (%)	Gender pay gap (%)	Women-to-men average remuneration ratio (%)	Gender pay gap (%)	Women-to-men average remuneration ratio (%)	Gender pay gap (%)
Basic salary						
Blue Collars	94.5	5.5	97.4	2.6	97.9	2.1
White Collars	82.4	17.6	85.3	14.7	84.8	15.2
Managers	77.4	22.6	86.0	14.0	78.9	21.1
Total	**95.1**	**4.9**	**99.2**	**0.8**	**98.8**	**1.2**
Total remuneration[31]						
Blue Collars	98.3	1.7	102.0	-2	105.6	-5.6
White Collars	82.6	17.4	85.5	14.5	84.9	15.1
Managers	76.5	23.5	86.7	13.3	78.5	21.5
Totale	**97.3**	**2.7**	**102.6**	**-2.6**	**101.9**	**-1.9**

29. In 2025, the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) was 46.35. The ratio between the percentage increase in the total annual remuneration of the highest position and the average percentage increase in the total annual remuneration of all employees was 0.66.
30. The gender pay gap is defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees .
31. Total remuneration comprises the basic salary, variable components, and other monetary and non-monetary benefits, including benefits in kind. The figures for 2024 and 2023 were restated to include benefits in kind, which were previously excluded, in order to ensure that the figures are fully comparable.

Ratio of standard entry-level wage to statutory minimum wage by country

Country	National minimum wage	Ratio of standard entry-level wage to statutory minimum wage		
		2025	2024	2023
Belgium	100	147	173	159
France	100	108	106	104
Germany	100	123	124	120
Greece	100	100	100	100
Italy	100	100	100	100
Poland	100	100	100	100
Romania	100	100	100	100
Spain	100	115	130	143
Sweden	100	100	100	100
UK	100	100	100	127
Hungary	100	108	100	100
USA	100	207	227	214

In line with its principles of equal treatment and fairness, the Group also ensures **compliance with national minimum wage requirements in all countries in which it operates,** for both new hires and current employees, **without gender-based differentiation.**

The table on the side shows the ratio between the between the entry-level wage and the statutory minimum wage across different countries, highlighting the remuneration policy adopted by the Group over the three-year period.

Training and skills development

For Sofidel, the professional development of its employees is a key factor in **enhancing human capital** and supporting the **growth of the entire organisation**. In a constantly evolving labour market, characterised by the accelerating digital transition and the introduction of new technologies such as artificial intelligence, ongoing investment in upskilling is essential not only to promote the well-being and personal development of employees, but also to strengthen the Company's competitiveness and ability to adapt to future challenges.

At Sofidel, training is managed as a key process for organisational growth, starting with a training needs analysis. In this phase, employees' skills gaps are identified in order to assess areas for improvement and enhance workforce capabilities. The training needs assessment is conducted annually, leading to the identification of targeted training programmes designed to enhance soft, digital, technical, managerial, and language skills.

In 2025, the Group invested Euro 2,341,647 and provided a total of **138,456 training hours.**

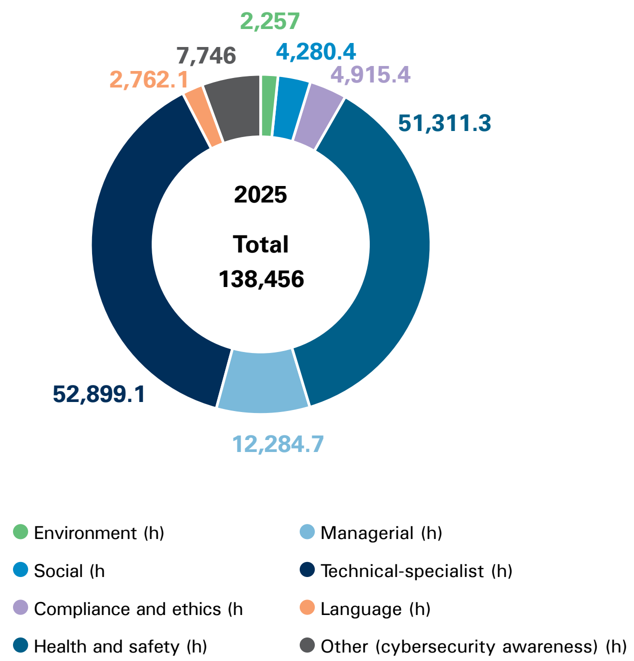
138,456 hours
Total training

14.3 hours per capita
Training hours per employee

Average training hours for employees by gender and category

	2025
Total training hours (h)	**138,456**
Training hours per employee (h/per capita)	14.3
By gender	
Women (h/per capita)	14
Men (h/per capita)	14.4
By category	
Blue Collars (h/per capita)	10.9
White Collars (h/per capita)	19.3
Managers (h/per capita)	34.6

Training hours by topic



Indicator associated with Sustainability-Linked Loans.

Leadership Programme Project

414 employees | **8,000** hours management training

In 2025, the Group invested heavily in strengthening **managerial skills**, promoting training programmes to develop its employees' leadership abilities.

The **Leadership Programme**, involving line managers from almost all of the Group's European subsidiaries, was designed to provide shared tools and methodologies aimed at developing leadership skills, effective communication and change management.

The programme was coordinated across the participating countries and took the form of face-to-face training courses structured around three management clusters:

- **Driving Change: Vision and Strategies for an Agile Future**, to address global trends and strengthen flexibility, empowerment and resilience;
- **Dynamic Leadership: Manage, Innovate, Transform** with a focus on **developing interpersonal skills, managing both cultural and generational diversity, and the ability to drive change** while promoting the adoption of an innovative and entrepreneurial mindset;
- **Lead Forward: Build Trust. Manage Conflicts. Create Value**, which focuses on the importance of **effective communication and time management**, and also includes modules on negotiation and conflict resolution.

Through the Leadership Programme, over 8,000 management training hours were delivered, involving 414 employees.

Unleash Your Leadership Potential (UYLP) Programme

163 leaders | **3,100** hours management training

In the same year, Sofidel America continued the **Unleash Your Leadership Potential (UYLP)** programme launched at the end of the previous year, with the aim of addressing the need for inspirational leadership, improving employee engagement and reducing turnover.

The programme, designed as an experience-based course aimed at developing core leadership skills, was delivered to 163 leaders at Sofidel America's historic sites. Participants took part in an intensive three-day workshop, comprising over 3,100 total training hours, focusing on key topics such as: core leadership skills including performance review, managing feedback and difficult conversations, coaching and self-assessment, the use of the Everything DiSC Leadership Profile tool and other practical tools designed to support the application of these new skills in day-to-day working life.

The programme will be rolled out to the new American sites in 2026, including the identification and development of future leaders.

Performance Management

In 2025, a key training programme was also launched in connection with the new **Performance Management** process, involving all white collars and managers at the European subsidiaries. The training programme for managers covered a wide range of topics: from the introduction of the new process and performance appraisal tools, to the sharing of best practices for setting individual targets and managing resistance during the adoption process. Through interactive workshops, e-learning modules and discussions between the HR function and line managers, managers were able to gain a greater understanding of the importance of performance appraisal as a strategic tool for professional development, thereby improving their ability to provide constructive feedback, monitor progress and promote greater transparency in appraisal processes. Individual contributors, on the other hand, were provided with a series of short training modules delivered via e-learning, designed to help them understand the new process, the importance of performance appraisal as a driver of growth, and the value of feedback. The Performance Management training programme involved a total of 1,446 people and a total of 4,314 training hours.

1,446 employees

4,314 hours training

Harassment prevention

In America, Sofidel continued its training on **harassment prevention** in 2025, updating the content and involving all employees. This interactive training programme, aimed at both new hires and more senior staff, has been designed to provide **practical tools for recognising, preventing and reporting inappropriate or harassment-like behaviour**, thereby fostering a safe, productive and compliant working environment. The sessions focused on appropriate and inappropriate behaviour, and harassment, exploring the following topics: workplace etiquette and protected characteristics, workplace relationships, hostile environments, reporting and retaliation, policy reviews, and supervisors' responsibilities.

1,599 employees | **3,656** hours training

Thanks to this programme, 1,599 people were trained over a total of 3,656 hours, with the aim of enabling participants to recognise and report instances of harassment, thereby fostering a corporate culture based on respect, safety and professional integrity.

Artificial Intelligence

Throughout the year, Sofidel reaffirmed its commitment to training on the topics of **digital transformation** and **artificial intelligence**, continuing with the project to support the use of Copilot, an AI tool that facilitates writing, data analysis, programming and day-to-day work activities. In its second year, the project involved the creation of introductory webinars to explain how best to use this digital assistant, as well as the development of thematic modules of interest to all participants: from choosing the most effective AI tool based on the user's needs, to AI support in managing meetings, and prompting techniques for achieving more efficient results.
Over the course of the year, 280 employees from all the Group's subsidiaries received training, with a total of 1,362 training hours delivered on AI-related topics.

280 employees

1,362 hours training

Sofidel Language Learning Programme

The **Sofidel Language Learning Programme**, launched in 2023, continued into 2025, with its primary objective to provide all Group employees with a digital platform for **improving their language skills**.
Through conversation classes, group lessons, practical exercises, pronunciation tools and digital resources, participants can learn in a flexible and personalised way and improve their foreign language skills.
Over the course of the year, 382 employees took advantage of this training opportunity, and were also able to extend access to the platform to a family member or friend.
This initiative not only helps to expand vocabulary, but provides a valuable opportunity to learn about different parts of the Company and strengthen a sense of belonging, by fostering connections between colleagues from different offices.

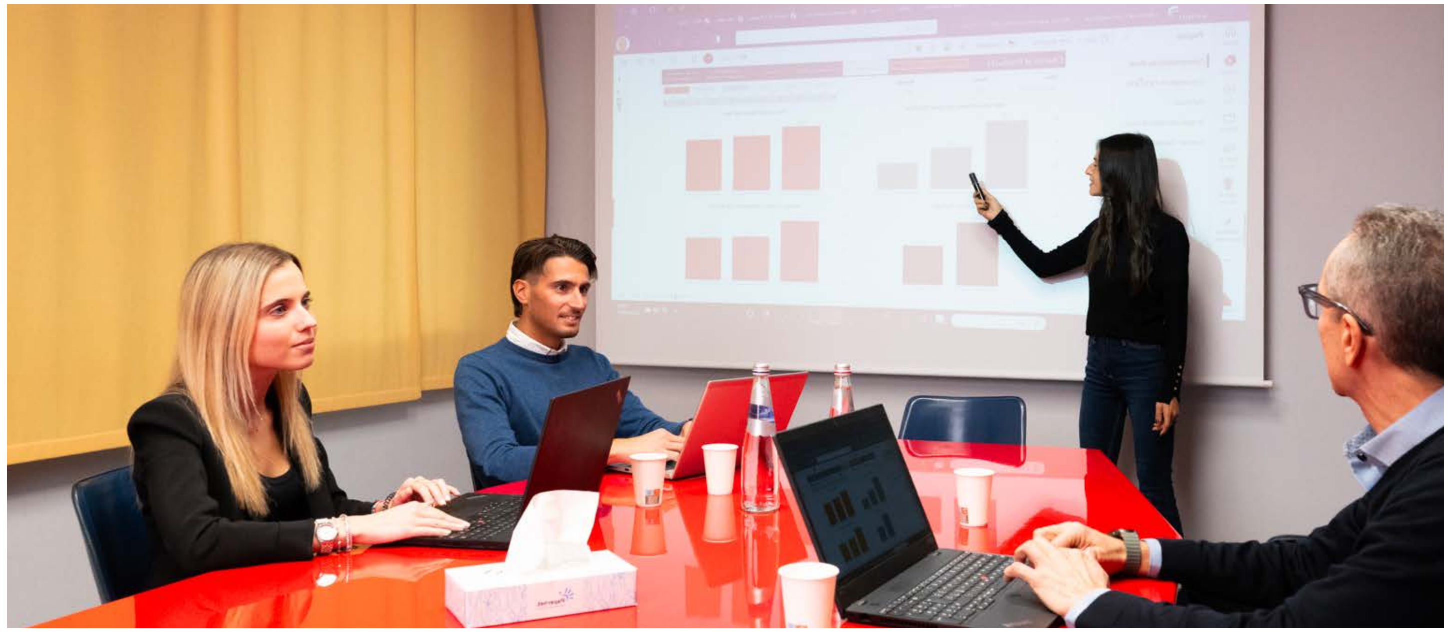
382 employees

Building on training initiatives to raise awareness of the new process, its importance and appropriate use, Sofidel launched the **Performance Management** project in 2025, involving all white-collar staff and managers across its European subsidiaries. The programme was designed to foster the development of professional and soft skills, considering the specific requirements of each employee's role and their individual objectives, in line with the Group's organisational framework and the Company's strategic guidelines.

Beyond this scope, Sofidel also continued to assess performance for blue-collar staff in countries where this is required by local law.

Percentage of employees who participated in periodic performance reviews

2025	Women	Men	Blue Collars	White Collars	Managers
Total employees who participated in performance reviews	749	2,292	1,371	1,304	366
Total employees eligible for performance review	1,797	7,867	6,822	2,242	600
Percentage of employees who participated in performance reviews (%)	41.7	29.1	20.1	58.2	61



Health and safety

For Sofidel, workplace health and safety are essential elements in supporting fair and sustainable development that respects people.
To engage all workers in the daily effort to foster a widespread and deep-rooted safety culture, **Sofidel has committed to reducing the rate of recordable work-related injuries by at least 10% annually, compared to the 2022 baseline**.
Recognising the importance of this topic, the Group therefore committed to a clear strategy until 2026, without precluding continuous improvement, with the aim of achieving the maximum technically feasible reduction in all health and safety risks in the workplace.

To pursue this priority, Sofidel developed an action plan based on specific **Safety Pillars**, such as the **ISO 45001 Management system** adopted by the Group's plants. The continuous improvement of the **Risk Assessment Document** is the cornerstone of this system. To this end, Sofidel has completed the review and implementation of its Risk Assessment Documents across Italian plants, a process that will be gradually extended to other countries, where feasible and beneficial. This document involves the Employer, the Prevention and Protection Service Manager, the Medical Officer, and the Workers' Safety Representative.

Although **ISO 45001 certification** almost covers the entire Group, in the coming years the process to include the few plants not yet certified will continue, as will measures to strengthen the system at sites with existing certification. This will include the completion, in 2025, of the ISO 45001 certification process for the US plants, excluding the sites acquired in 2024 and 2025. In 2025, **77% of the workforce was covered by a health and safety management system**, for which health and safety risk assessments were conducted.

In terms of **occupational health and safety**, in 2025 the **Sofidel Group continued to invest in various projects and initiatives** aimed at strengthening risk prevention and promoting an increasingly widespread and shared safety culture.

Projects and initiatives in terms of occupational health and safety

Near-miss: Sofidel encourages employees to be aware and take immediate action to report situations, actions and behaviour that might increase the risk of incidents. To this end, **awareness-raising activities** continued in 2025 to increase the reporting of **near misses** (events that did not result in injury but had the potential to do so), with a target of a **5% annual increase** over the next three years, compared to the previous year's baseline. The Corporate Health and Safety Department is engaged in a c**ontinuous process to standardise and harmonise the know-how** in the field of health and safety through the dissemination of Safety Alerts in the event of significant injuries or near misses occurring in the Group's plants.

Embossing rollers safety: this structured initiative is aimed at the **thorough and targeted assessment of risks present on the converting units**, with particular attention to operational areas involving **embossing rollers**. The main objective of the project is to systematically identify all potential hazards associated with mechanisms that could crush or entangle the upper limbs, which represent one of the most significant safety risks for workers.

Safety 5: a project aimed at **raising awareness among all employees of the five types of recurring situations** that lead to injuries, through the distribution of information materials, videos shown on information screens, and dedicated meetings with staff.

Safety walks: the initiative is designed to **strengthen the safety culture** through the **daily and direct involvement of managers** at each site. The aim is to ensure a constant presence in production areas, promoting a **proactive approach to risk prevention**. The project requires managers to make regular rounds of the workplace, carefully observing working conditions and identifying any visible issues, such as faults with equipment, non-compliant behaviour or situations that could generate hazards. During these visits, managers do not merely identify issues, but engage in **constructive dialogue** with staff across the various departments, raising their awareness of the importance of safety regulations and encouraging them to share their views, suggestions and feedback. These discussions serve a dual purpose: on the one hand, to raise awareness of the risks and promote safe behaviour; on the other, to gather valuable information directly from staff members, who are often the first to spot potential problems.

Toolbox talks: the creation of a **structured model** for **communication and direct engagement with staff**, promoting the sharing of relevant information on safety and good operational practices. The format aims to become one of the strategic tools for **consolidating a safety culture**, reducing the likelihood of incidents and promoting a safer and more collaborative working environment.

Tutor: the aim of the project is to **identify key personnel within the production departments**, selecting staff with a high level of expertise and specialisation in the use of machinery. Drawing on their first-hand experience in the field, these workers will be involved in strategic initiatives aimed at improving the safety and efficiency of processes.
The initiative requires the tutors to play an active role in **preparing operating and safety instructions**, ensuring that the procedures are clear, comprehensive and comply with current regulations. The instructions will be designed to minimise the risks associated with the use of the equipment and to standardise the procedures to follow in the event of anomalies. In addition to drafting the procedures, the tutors will play a key role in **supporting staff training and development**, taking part in dedicated sessions and supporting colleagues during the practical steps. This approach makes it possible to transfer technical knowledge in a direct and practical way, promoting on-the-job learning and the dissemination of best practice.

PPE (personal protective equipment): Sofidel is reviewing **all types of PPE** used at its plants in order to **raise the standards** applied, by defining a specific benchmark. The type of cut-resistant gloves to be used has been revised across the board, and protective headgear was introduced to prevent head injuries or damage caused by impacts during operations and maintenance.

Safe Behaviour Observatory: the project continues at the Group's plants. It was developed in collaboration with Confindustria Toscana Nord and the INAIL territorial department of Lucca, after an initial pilot phase involving a paper mill and a converting plant. The project aims to enhance workers' attention and awareness through behavioural observation and the provision of feedback, promoting positive and safe behaviours and contributing to the development of a widespread safety culture through the broad and direct involvement of all employees. To promote safe and responsible conduct through shared health and safety values and practices, Sofidel launched a pilot **project** across several Italian plants. This initiative aims to **foster a safety culture** by engaging employees through Focus Groups tailored to workers with similar roles, experience, and seniority.

Safe Forklift: the installation of **anti-collision systems on lifting equipment** (forklifts) aims to **reduce the likelihood of collisions between vehicles and mitigate the risk of pedestrian-vehicle accidents** in loading and unloading areas. The Corporate Health and Safety Department provides technical support to the Group's technical area in the implementation of the project.

Reel Pusher: involving the installation of safety devices in one of the continuous paper machine areas where interference with operators is most likely. The device ensures smooth, jam-free reel extraction, minimising the need for operator intervention. In this case as well, the Corporate Health and Safety Department provides technical support to the Group's technical area in the implementation of the project.

Paper Pusher Robot: with the aim of eliminating manual operations and operators' direct exposure to risks, the **Paper Pusher Robot** project continues, with the installation of a device designed to eliminate the need for manual paper removal and unloading into the pulper of the paper machine. The Corporate Health and Safety Department provides technical support to the Group's operating areas in the implementation of the project.

In addition, Sofidel has strengthened and standardised, across the Group, the periodic inspection of ropes required by technical standards, with the aim of ensuring responsible rope management by defining internal standards for replacement and overload analysis systems.

Fire risk prevention: is a key priority for the Group. In addition to specific training for workers, Sofidel also invests in both passive and active protection measures to reduce damage to personnel and structures. Beyond the requirements of the technical regulations in force in the countries where its production sites are located, the Group has implemented measures such as additional fire compartmentation and the installation of fire detection and alarm systems in unattended plant areas.

In the area of fire risk prevention, the **Basic Cleaning & Inspection (BCI)** project is also worth mentioning. BCI is the **standard for cleaning and inspecting production lines aimed at ensuring safety, product quality, fire prevention, workplace order and efficiency**. In this case as well, the Corporate Health and Safety Department provides technical support to the Group's operating areas in the implementation of the project. Production operators are the key players in both restoring the basic conditions of the production lines and maintaining the established standard of cleanliness, while supervisors and coordinators provide support and training for operators and ensure that the standard is correctly enforced.

The accumulation of potentially flammable materials due to inadequate cleaning after each shift or maintenance activity is a common cause of many small fires or explosions. The BCI system is designed to prevent such incidents. To support cleaning and dust reduction, Sofidel is testing dedicated mobile telescopic vacuum systems capable of reaching areas of the plant that are difficult to access with traditional air-blowing equipment.

The importance of training

Each year, Sofidel develops a **health and safety training plan** across all Group Companies.
In 2025, a total of **51,311 training hours** were provided across the Group to both employees and new hires.
The various modules covered the main aspects required by national regulations:

- task-related risks and prevention & protection measures;
- the use of work equipment and PPE;
- emergency and fire management;
- first aid;
- rights and responsibilities of organisational roles.

At each plant, Sofidel provides both formal and on-the-job training programmes for all worker categories to foster awareness of workplace safety. Our partnership with the European Agency for Safety and Health at Work (EU-OSHA) continued through participation in the two-year campaign (2023–2025) focused on occupational health and safety in the digital era.

The training programme also includes the **'Leadership in Safety'** project, aimed at middle managers in the plant (production, maintenance, warehouses). The initiative aims to support these individuals in carrying out their crucial role as health and safety managers/supervisors, by strengthening their safety management skills and ability to **motivate and guide people** towards greater risk awareness and the adoption of safe working practices.

Injury risk and mitigation measures

The following table highlights the occupational hazards that constitute a risk of injury with severe consequences and the resulting actions taken by the Group to eliminate and reduce these risks to a minimum using the hierarchy of controls.

Injuries	Actions
Slips and trips	Drafting of H&S standards, operational controls on production sites, specific information and training for workers.
	Specific campaign for the Safety 5 project.
Crushing and entrapment	Drafting of H&S standards on checks to be performed on machine and equipment safety devices.
	Information and training of operators and supervisors on compliance with safety procedures. Topic-focused audits.
	Specific campaigns with the Safety 5 project and the Embossing Rollers Safety project.
Musculoskeletal strain	Investments aimed at reducing the manual handling of loads, specific information and training of workers.
Contact with sharp, pointed and rough objects	Raising awareness on the use of cut-resistant PPE; training on the correct use of work equipment.
	Definition of specific H&S standards regarding the use of PPE.

Occupational health and safety indices

The availability of statistical data is essential for analysing occupational health and safety performance, as well as for planning any improvement measures and providing transparent information to stakeholders.

With a view to continuous improvement and in light of the importance the Group attaches to these issues, from 2025 onwards the statistics presented have been supplemented with new indicators, including the number of cases of recordable work-related ill health and the number of days lost due to injuries, work-related ill health and work-related deaths.

In 2025, **the rate of recordable work-related injuries** showed a **decrease compared to the previous year, falling from 15.9 in 2024 to 14.1 in 2025**, confirming the Group's commitment to the continuous improvement of occupational health and safety conditions, including through **investment in various projects and initiatives** aimed at strengthening risk prevention and promoting an increasingly widespread safety culture.

Occupational health and safety indicators for employees	2025	2024	2023
Total number of recordable work-related injuries (no.)	232	212	191
Rate of recordable work-related injuries (total no. of recordable work-related injuries/no. of hour worked x 1,000,000	**14.1**	**15.9**	**15.7**
Total number of fatalities due to work-related injuries and ill health (no.)	0	0	0
Number of hours worked (no.)	16,452,548.9	13,317,257	12,174,025
Number of cases of recordable work-related ill health (no.)	15	-	-
Number of days lost due to work-related injuries and fatalities from work-related injuries, work-related ill health and deaths following ill health (no.)	4,604	-	-

Occupational health and safety indicators for non-employee workers	2025	2024	2023
Total number of recordable work-related injuries (no.)	10	5	15
Rate of recordable work-related injuries (total no. of recordable work-related injuries/no. of hours worked) x 1,000,000	**24.2**	**14.8**	**41.4**
Total number of fatalities from work-related injuries and ill health (no.)	0	0	0
Number of hours worked (no.)	413,198	339,052	362,554

Indicator associated with Sustainability-Linked Loans.

Internal logistics

The internal handling of raw materials, finished products and semi-finished products, as well as storage operations, constitute a complex process that requires a high degree of attention in both organisational and operational terms. The proper management of these activities is essential to ensuring continuity, reliability and safety within production sites.

In this context, the **partial automation of internal logistics** represents a further step towards **improving working conditions, enhancing safety standards** and supporting an **increasingly efficient and modern operating model**.

In 2025, work began on expanding the production site at the facility in Duluth, Minnesota (US), which also includes the construction of an automated warehouse for storing finished products. The adoption of this solution makes it possible to completely eliminate manual storage areas and optimise the use of warehouse space, thereby maximising production capacity and profitability.

Automated storage warehouses offer multiple benefits in terms of safety:
- they fully eliminate the risk of accidents involving workers and machinery;
- they significantly reduce the risk of fire by providing an isolated environment with restricted and closely monitored access;
- they enable significant savings thanks to the building's compact footprint, thereby helping to reduce land use.

Regarding safety, the aforementioned **Safe Forklift** project also plays a significant role, aiming to mitigate risks in warehouse areas and surrounding environments associated with interactions between workers and machinery in motion.

Affected communities

17 PARTNERSHIPS FOR THE GOALS

Sub-topic	Sub-sub-topic	I R O s	Management measures and action plans
Communities' economic, social and cultural rights	Land-related impacts	I (+) O	• **Initiatives to foster collaboration and dialogue with the local area,** through partnerships and sponsorship with local authorities; • **Human Rights Policy,** with commitments on information and engagement with local communities through free, prior and informed consultations; • **Forestry Procurement Policy,** with commitments to traceability and supply chain monitoring, and consultation with NGOs involved in forest conservation.

I Impact R Risk O Opportunity

Sofidel feels the responsibility of combining profit and growth with a strong **focus on people, environmental and social impact on local communities** and the development of the local areas and communities where it operates. The Group is committed to building strong relationships with its stakeholders – including non-profit organisations, institutions and the academic community – and fostering ongoing dialogue based on the principles of honesty, transparency and collaboration.

Key commitments for 2025

Mi Curo di Te - "Acting the Natural Way"

The **environmental education project** 'Mi Curo di Te' (I'll Take Care of You), promoted by Sofidel in collaboration with WWF Italy and its Regina brand, came to an end in the 2025/2026 school year. The twelve editions of 'Mi Curo di Te', a **free educational programme** aligned with the Italian Ministry's guidelines on civic education, were aimed at Italian primary schools.

Sofidel with the Pianeta Terra Festival

In 2025, Sofidel once again sponsored the 'Pianeta Terra Festival', the event organised by the publisher Editori Laterza which takes place every October in Lucca. The aim of the Festival is to **create awareness of the key topics of ecological transition and social inequality.**

The 'Multibank' initiative: Sofidel donates hygiene products in the United Kingdom

Sofidel confirmed its participation in 2025 in the 'Multibank' project, co-founded by the former British Prime Minister Gordon Brown and Amazon in **response to the high levels of poverty in the United Kingdom**. The 'Multibank' donation centres distribute essential items (such as toilet paper and kitchen towel) to people experiencing social hardship.

Sofidel and Telethon in Italy

Sofidel renewed its fourteenth consecutive partnership with the Telethon Foundation, **supporting research into rare genetic diseases.**

Since 2012, Sofidel has supported the Telethon Foundation through an annual donation.

Donations and sponsorships in Italy

In the Municipality of Porcari, where the Group has its registered office, and in the Piana di Lucca, where almost all of its Italian plants are located, **Sofidel has supported initiatives with local associations**, such as Happy Porcari (Porcari Carnival), Atletica Porcari (Porcari Corre), Torretta Bike (Padulata), and local institutions (Estate Porcarese).

The Company donated food parcels and chocolate eggs created by AIL (Italian Association against Leukaemia, Lymphoma and Myeloma) to families facing social and financial hardship during the Christmas and Easter holidays. Furthermore, to celebrate Mother's Day, every new mother was given an azalea shrub from Italy's AIRC Foundation for Cancer Research.

Donations and sponsorships in Europe

All Group companies in Europe made **donations or provided sponsorship to local or national non-profit organisations operating in the areas where Sofidel plants are located.** These included: a partnership in France with ELA, the European Leukodystrophy Association, and Banque Alimentaire; 'Asociación Española Contra el Cáncer – Navarra' in Spain; 'Handball Sport Association – Jurand' in Ciechanów, Poland; 'Charity Link' in Leicester in the UK, 'Bethesda Children's Hospital' in Hungary and 'Sports Festival – Elementary School' in Wernshausen in Germany.

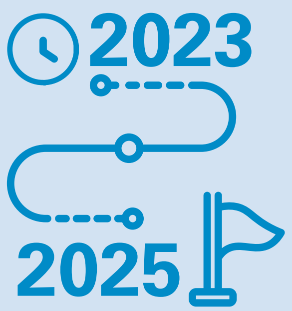
Closer relations with local communities in the United States

Every year, Sofidel continues to strengthen its ties with local communities, institutions, schools and universities, chambers of commerce and non-profit organisations in the areas where it operates. In 2025, **Sofidel America made donations and provided sponsorship, both financial and in the form of products, to meet the various needs of local communities.** These included: in Haines City (FL) with 'The Way Center', an organisation offering support and social reintegration programmes; in Duluth (MN) with 'CHUM', which provides accommodation for the homeless and support for families in need; in Circleville (OH), with 'Walk to End Alzheimer's' and the 'Ohio RedHawks Baseball Club'; in Hattiesburg (MS), with the 'Mirage Blue Hockey Club'; in Las Vegas (NV) with the inclusive baseball team 'Miracle League'; in Inola (OK) with the San Antonio 'Food Bank' to help communities in Texas affected by the floods in July 2025.

The Giuseppe Lazzareschi Foundation

The goal of the Foundation, founded in 2003 in Porcari, is to promote the cultural, social and entrepreneurial growth of the Lucca area and the region of Tuscany. Events in 2025 included the **'Obiettivo Zero' safety project,** which presented awards to the Italian paper companies that achieved the best results in eliminating work-related injuries, while 'Cartacea', the tissue, cardboard and paper festival, celebrated the paper sector with a lively three-day event with discussions, music, art installations, workshops and theatrical performances.

"Together We Plant the Future": a bioeconomy pilot project in partnership with Suzano



The **three-year pilot project *'Together We Plant the Future* –** *Developing biodiversity corridors for a more sustainable future'* came to an end in 2025. Launched by Sofidel and Suzano in 2023, its aim was to **promote ecological conservation and restoration**, while supporting **socio-economic development in an Amazonian region of Brazil.** The project was carried out with the support and on-the-ground implementation of IABS, the Brazilian Institute for Development and Sustainability, and Amazônia Onlus, an Italian non-profit association active in protecting the Amazonian rainforest and its local communities.

In 2025, the project continued until its completion, with **planning, development, implementation, auditing, and monitoring activities (including field visits, technical assistance, and meetings and training sessions with local communities)** related to the project's four main objectives: strengthening beneficiary socio-productive organisations; contributing to the food sovereignty of participating families; reinforcing local production structures and supporting the organisation, processing, and marketing of community products; and restoring the Permanent Protection Areas of forest land.

Initiatives to support local communities, including the charitable donations, sponsorship and community engagement projects described above, form part of the Group's broader vision of **creating shared value.**

Creating value means building positive relations with stakeholders, be they individuals, families, communities, local areas or society as a whole. In this context, **Global Value Added** represents a form of social disclosure that measures the economic-financial wealth produced by the Group in relation to the stakeholders who share in its distribution.

The Global Value Added[32] generated by the Group in 2025 was approximately Euro 4,124 million.

Calculation and distribution of global added value	2025	2024[33]	2023
Generated economic value (€)	4,123,899	3,300,964	3,217,575
Distributed economic value (€)	3,594,471	2,895,744	2,708,129
Operating costs (suppliers) (€)	2,615,625	2,177,341	2,079,899
Value distributed to employees (€)	716,416	520,549	458,247
Value distributed to capital suppliers (banks and shareholders) (€)	164,455	111,927	67,057
Value distributed to the Public Administration (€)	95,900	83,686	100,815
Value distributed to the community (€)	2,075	2,240	2,111
Retained economic value (€)	**529,428**	**405,220**	**509,446**

32. Global Value Added is determined by subtracting from the value of production — including revenues from sales and other income — the costs of services, raw materials and consumables, provisions and other operating charges. Extraordinary and ancillary items are deducted from the resulting gross characteristic Added Value.

33. Following the completion of the Purchase Price Allocation (PPA) relating to the acquisition of the tissue division of Clearwater Paper Corporation, finalised by Sofidel America on 1 November 2024, the financial statements for 2024 were restated. Consequently, the statement of financial position, the income statement as at 31 December 2024 and the comparative figures in this document are presented on the basis of the restated figures. For further details, please refer to the section *Corporate transactions.*

Consumers and end-users

Sub-topic	Sub-sub-topic	I R O s	Management measures and action plans
Information-related impacts for consumers and/or end-users	Privacy	I (-) R	• **Clear and transparent product labelling,** including through the use of internationally recognised environmental certifications and labels; • **Structured channels for consumer feedback and assistance;** • **Privacy Policy** and measures to ensure the security of consumer data.
	Access to (quality) information	I (+) R	
Social inclusion of consumers and/or end-users	Responsible marketing practices	I (+) R	
Personal safety of consumers and/or end-users	Health and safety	I (-) R	• ISO 9001-certified **management systems;** • **Self-Controlled Health-Hygiene System** and **BRC, IFS HPC** and **UL GMP** standards for the protection of consumer safety.
	Protection of children	I (-) R	

I Impact R Risk O Opportunity

Quality and product safety

The Group pays utmost attention to developing innovative products and services that **meet the expectations** of commercial partners and end consumers, **guarantee constant quality and comply with safety standards to protect their health.** These are essential assets that Group Companies ensure through the application of strict procedures, continuous staff training, monitoring of production processes and a focus on continuous improvement.

The quality of the Sofidel products – namely, the satisfaction of customers' and consumers' requirements and expectations – is guaranteed by corporate processes that comply with the **Quality Management System** (ISO 9001:2015), while consumer safety is ensured by the Sofidel S**elf-Controlled Health-Hygiene System** and the **BRC Global Standards for Consumer Products, Personal Care and Household, IFS HPC (International Featured Standard, Household and Personal Care Products)** – developed by European retail consortia – and **UL GMP (Underwriter Laboratories Good Manufacturing Practices),** developed by the US **FDA (Food and Drug Administration).**

Quality management and hygiene and health control are two **synergistic management systems** that make it possible to monitor the entire production chain – from suppliers to the delivery of products to Sofidel's business partners – through close monitoring of production, converting and storage processes. The Group's quality and safety policies reflect its way of operating, driving the pursuit of excellence and continuous improvement, with a view to anticipating regulatory requirements and meeting market needs in terms of products and services.

Product quality

For Sofidel, certifications are essential to ensure consumer safety and demonstrate its commitment to continuous improvement in compliance with regulations. All the European plants are certified according to **ISO 9001:2015.** Furthermore, product quality is monitored constantly at the Group plants through the **Product Compliance Index.** This parameter takes account of 'Non-Conformities' detected during production and resolved before products are placed on the market. Non-compliant products are those that fail to meet requirements and the expectations of customers and consumers.

The following tables show the Product Compliance Index values recorded over the past three years. Considering the maximum possible value of 100, and that the Compliance Index is based on criteria that are more rigorous than the simple ratio of compliant products to total production, the data also showed **excellent results at all Group companies** in 2025.

Product compliance index[34]

	Soffass Converting Via Lazzareschi	Soffass Monfalcone	Soffass Tassignano	Soffass Via Fossanuova	Sofidel America Circleville	Sofidel America Elwood	Sofidel America Green Bay	Sofidel America Haines City	Sofidel America Hattiesburg	Sofidel America Inola
2025	98.8	98.4	97.4	97.6	97.8	98.8	100	98.6	99.7	95.3
2024	99.3	98	97.2	98.1	97.3	-	100	98.2	98.1	94.5
2023	99.4	99.3	96.9	98.7	94.7		99.8	97.7	99.7	94.4

	Sofidel America Las Vegas 1	Sofidel America Las Vegas 2	Sofidel America Lewiston	Sofidel America Shelby 1	Sofidel America Shelby 2	Sofidel Benelux	Sofidel France Frouard	Sofidel France Ingrandes	Sofidel France Roanne	Sofidel Germany Arneburg
2025	99.7	98.7	99.5	98.4	99.8	98.8	98.7	98.9	99.2	99.2
2024	99.2	-	-	-	-	98.7	97.5	99	99.3	99.5
2023	99.6					99.1	97.5	99.3	99.2	99

	Sofidel Germany Wernshausen (Plant O)	Sofidel Germany Wernshausen (Plant T)	Sofidel Germany Wernshausen (Plant W)	Sofidel Greece	Sofidel Hungary	Sofidel Poland
2025	98.1	98.9	98	93.2	97.1	99
2024	98.5	99.5	99.7	98.2	98.7	99.4
2023	99.2	99.4	100	97.9	97.6	99.6

	Sofidel Romania	Sofidel Spain	Sofidel Sweden	Sofidel UK Baglan	Sofidel UK Hamilton Leicester	Sofidel UK Rothley Lodge Leicester
2025	97.1	99.3	99.4	97.1	99.1	99.6
2024	99.4	98.3	98.1	96.6	99.3	99.5
2023	99.4	99	98.9	97.3	99.5	99.6

The method for calculating the Compliance Index is described in the Quality Management System procedure for manufacturing the product.

Non-conformities are weighted according to their severity and measured against total production. The formula used is the following:

$$Q = 101 - \frac{A + (B \times 50) + (C \times 500)}{N}$$

A = quantity of compliant products produced.
B = quantity of minor non-conformities identified.
C = quantity of major non-conformities identified.
N = total quantity of products produced.

50 and 500 are two empirically determined multiplicative coefficients.

34. For facilities not included within the Group's reporting perimeter during the reporting period, the corresponding field has been shaded in grey.

Product safety

Product safety is ensured through the implementation, in most Sofidel plants, of the **Self-Controlled Health-Hygiene System,** and through certification according to voluntary standard BRC, voluntary standard **IFS**, and **UL GMP** certification.

The 'Self-Controlled Health-Hygiene System' is based on the assessment of the potential physical, chemical and biological contamination risks at various stages of the production cycle, e.g. supply of raw materials, production process and delivery of products to the warehouse. 'Good Manufacturing Practices' (GMP) reduce and limit initial risk.
No cases of product recalls were recorded in 2025. In addition, based on the information received from the Group's plants, no incidents of non-compliance relating to the health and safety impacts of products and services were recorded in 2025. The 'Self-Controlled Health-Hygiene System' also includes monitoring activities, such as audits, traceability tests and product recalls, as well as chemical and microbiological analyses carried out on samples of the different types of products by accredited external laboratories, in compliance with leading regulations and guidelines.

In 2025, there were 32 **sites with product safety certifications** (BRC, IFS, UL GMP), accounting for 98% of global production. In the plants where the Hygiene and Health Self-Control System is implemented (93% of the Group's total plants), **100% of products are subject to an assessment of their impact on consumers' health and safety**. All these processes help ensure consumer safety by minimising risks associated with the product and meeting the requirements of large-scale retailers.

Access to information and transparency towards consumers

Alongside quality and product safety, Sofidel recognises the importance of ensuring that consumers have constant access to **clear, accurate and transparent information about its products, and of promoting responsible marketing practices throughout the entire customer and consumer relationship cycle.**

In this context, the protection of consumers' personal data is an essential element of a relationship based on transparency and fairness. As a Group operating across multiple markets and in contact with a large number of consumers, Sofidel adopted a management model that complies with the European GDPR (General Data Protection Regulation).

Access to quality information, accurate marketing communications and actively listening to consumers are also fundamental prerequisites for building and maintaining a **relationship of trust** over time. In support of this approach, Sofidel is committed to ensuring that its finished products are accompanied by clear, transparent and verifiable information, based on recognised standards and objective evidence, such as internationally recognised environmental certifications and labelling issued by external bodies following audits conducted by independent third parties, as described in the chapter *Resource use and circular economy*.

At the same time, through various **feedback channels and structured dialogue tools**, the Group gathers feedback, handles reports and complaints, and monitors customer and consumer satisfaction levels, viewing feedback as a fundamental prerequisite for understanding a constantly evolving market, identifying new needs and signs of change, and continuously improving the consumer experience.

Sales force

Our sales force is the first point of contact with the market. It receives ongoing training to understand the needs of large-scale retail and consumers and, in collaboration with the Marketing and Research & Development teams, translate them into solutions.

Customer Care service

This represents another valuable source of information. The Sofidel Group offers a Customer Care function that supports customers from order placement through to payment completion. This function employs around 90 people across the organisation and operates in all the countries where Sofidel is present. To further ensure operational excellence and service continuity, Sofidel is also working to develop a European Customer Service Hub. Customer service activities are centrally coordinated, while reporting organisationally to local managers to ensure timely responses at local level.

Complaints management

Sofidel has a thorough system for analysing and managing the complaints and claims of its business partners and consumers. On this front, responsiveness is essential to help maintain a strong relationship of trust and to better manage any problems related to product quality. Complaints management is organised through an IT workflow involving the functions concerned.

Thanks to a dedicated internal tool, Claim Management Efficiency, all complaints are analysed and broken down by type. Response times are monitored with the aim of being more responsive.

Toll-free numbers

In order to be closer and in touch with consumers, Sofidel has decided to create a centralised hub which responds to the single email info@consumer.sofidel.com and to the country-specific toll-free numbers. The new HUB ensures there is an increasingly attentive direct dialogue between the Company and consumers, also in compliance with the new European legislation on product safety (EU 988/2023).
Furthermore, through the adoption of a specific tool for managing Contact Centres, Sofidel is able to attentively analyse the reports received from consumers and suggest possible ideas for improvement.

Customer satisfaction

The annual survey aimed at analysing customer satisfaction is a very important indicator which prompts the Group to improve and maintain a constructive and collaborative dialogue with stakeholders.

Social Media

Management of social media is a continuous source of feedback, comments and interactions, which teach us a great deal about the preferences, values and opinions of consumers and the Group's customers.
Listening is very important to Sofidel. We are convinced that an open and collaborative attitude, based on the principles of communication and transparency, is the basis for improving the daily experience of those who use Sofidel products and for supporting large-scale distribution.

Information on business conduct

Business ethics

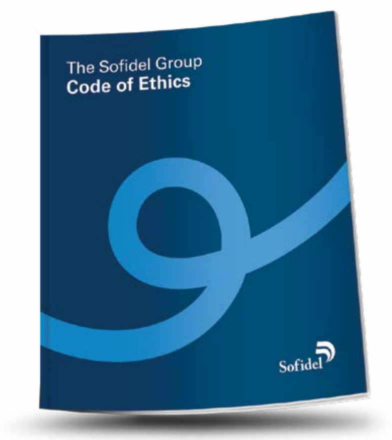
Sub-topic	Sub-sub-topic	IROs	Management measures and action plans
Corporate culture	-	I (+)	• **The Sofidel Group Code of Ethics,** which sets out the Company's values and standards of conduct;
Protection of whistleblowers	-	I (-)	• **Whistleblowing Policy** and a dedicated **reporting channel**, available to internal and external stakeholders for submitting reports;
Corruption and bribery	Prevention and detection, including training	I (-)	• **Anti-Corruption Management System** for Group Companies.
	Incidents	I (-) R	

I Impact R Risk O Opportunity

Sofidel has adopted a Code of Ethics and clear anti-corruption and whistleblower protection policies that define the standards of conduct to be followed and outline the Group's approach to corporate culture.

Code of Ethics

In 2025, Sofidel reinforced its commitment to responsible, transparent and sustainable business practices by adopting the **new Group Code of Ethics.** This key document guides day-to-day decisions and sets out the principles underpinning the corporate culture. The Code of Ethics formalises and promotes the principles and guidelines of conduct that all employees are required to follow in their professional activities. It establishes **standards of conduct** to ensure transparency, integrity and mutual respect **in dealings with colleagues, customers, suppliers, commercial partners and external stakeholders.**



It is not merely a set of rules: the Code of Ethics serves as the **compass** that guides decisions in line with the values that define Sofidel and which steer the Group in everything it does. It is the cornerstone of its values and principles of behaviour, serving as a tool of reference.The Sofidel Code of Ethics not only steers daily actions, but fosters an open and transparent dialogue with stakeholders, strengthening the corporate culture and commitment to sustainability.

Corruption

Sofidel adopts a structured and proactive approach to the prevention of corruption, based on the **principles of integrity, transparency and 'zero tolerance'**, as set out in its **Anti-Corruption Policy**, approved on 25 February 2025 by the Board of Directors of Sofidel S.p.A. The Policy sets out the guidelines for the **Anti-Corruption Management System** coordinated by the Risk Management & Compliance department, which is responsible for overseeing the model and ensuring its continuous improvement. Throughout 2025, activities involving both corporate and local staff focused on consolidating what had already been implemented and on rolling out the model to t**wo new companies, Sofidel Greece and Sofidel Romania**, a process formalised with the appointment of a local Focal Point by the Legal Representative following appropriate training. In late 2025, the Anti-Corruption Management System will therefore have been implemented not only in the two companies mentioned above, but also at Soffass, Sofidel, Sofidel France, Sofidel Spain, Sofidel Benelux and Sofidel Germany[35].

At an operational level, oversight of the system is the responsibility of the Focal Point, who supervises enforcement of the system and guarantees its adequacy and constant updating. In performing its activities, it involves all the functions that, at various levels, carry out tasks considered sensitive for Anti-Bribery purposes.

35. The Anti-Corruption Management System has been adopted by 21 offices and plants out of 46, representing 46% of the Sofidel Group's total sites.

In application of the Anti-Bribery model adopted by Sofidel, **specific controls were introduced in all sales or purchases of the Group, as well as in relation to donations and gifts.** For example, it is always necessary to assess and compare several offers (with very few and well-identified exceptions). As far as transportation is concerned, the Supply Chain department has implemented Trasporeon, a platform that provides transparent management of transportation and routes assignment. Moreover, frequent **job rotation** is implemented for the people in the purchasing department who are in direct contact with suppliers, as well as a segregation of duties and responsibilities in processes identified as high-risk, which reduces the risk of fraud, including corruption. During the reporting period, the Sofidel Group did not receive any convictions or financial penalties for breaches of regulations relating to corruption or bribery.

Whistleblowing

Sofidel protects and encourages anyone who wishes to report potential inappropriate conduct, misconduct or alleged breaches of laws, regulations and the principles expressed in Group policies and procedures.

To this end, it has adopted a **Whistleblowing Policy** and local procedures in compliance with EU Directive 2019/1937 and the relevant national implementing legislation. These documents are published on the Group's institutional website and on the Company intranet.

The Whistleblowing system is based on a web platform managed by an external Company that guarantees the non-traceability of reports and the possibility of receiving anonymous reports. In addition, direct or remote meetings can be arranged at the whistleblower's request.

As far as Sofidel is concerned, the report is managed by the Whistleblowing Commission composed of Risk Management & Compliance Director, Internal Audit Manager and HR Director; with regard to subsidiaries, by a Whistleblowing Officer who is usually a member of the local HR function.

Alternative channels are provided in the event of a conflict of interest with the recipient of the report.

The Whistleblowing system in place ensures the confidentiality of whistleblowers and other protected individuals. It also recognises that whistleblowers may submit anonymous reports and guarantees the confidentiality of the information disclosed in all circumstances.

The Group believes that this tool strengthens the internal control system and views reporting as a **demonstration of civic responsibility**, helping to identify and prevent situations that undermine good governance and, more broadly, the public interest. For this reason, during 2025, information campaigns were organised for all employees, using leaflets and videos distributed across all production sites, with the aim of raising awareness of the tool among the workforce.

Through this comprehensive system, internal and external stakeholders can report suspected breaches of laws, regulations and the Code of Ethics, including conduct that fails to comply with the principles of respect for human rights. All reports received in 2025 that fell within the scope of the reporting channel were analysed and investigated; where reports were substantiated, the Group took the appropriate corrective and remedial action.

Reports and cases of human rights violations received via the whistleblowing system – 2025

Scope of the report	Own workforce	Value chain / other stakeholders	Outcome of the investigation and actions taken
Child labour	No	No	No cases were reported during the reference period.
Forced labour	No	No	No cases were reported during the reference period.
Human trafficking	No	No	No cases were reported during the reference period.
Discrimination[36]	Yes	No	• Four reports closed without findings (unsubstantiated events); • Three reports under investigation at the end of the financial year; • Two substantiated reports, in respect of which corrective and disciplinary actions were taken, including measures concerning the staff involved and targeted training initiatives.

36.With regard to the three reports listed as still open in the 2024 Integrated Report, received in December 2024, it should be noted that during 2025 the relevant investigations were concluded without any findings, as the reported events were not substantiated.

Supply chain

Sub-topic	Sub-sub-topic	I R Os	Management measures and action plans
Management of relationships with suppliers, including payment practices	-	I (+) R	• **Supplier Code of Conduct,** to support responsible and sustainable supply chain management; • **Management system for sustainable procurement in accordance with ISO 20400;** • **Human Rights Policy,** which formalises the commitment to respecting human rights along the value chain; • **Forestry Procurement Policy,** with commitments to traceability and supply chain monitoring, and consultation with NGOs active in forest conservation.
Working conditions for workers in the value chain	Secure employment Working time Adequate wages Social dialogue Freedom of association Collective bargaining Work-life balance	I (-) R	
	Health and safety	I (-) R	
Equal treatment and opportunities for workers in the value chain	Gender equality and equal pay for work of equal value Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity	I (-) R	
	Training and skills development	I (+) R	
Other work-related rights of workers in the value chain	Child labour Forced labour Adequate housing Water and sanitation	I (-) R	
	Privacy	I (-)	
Rights of indigenous peoples	Free, prior and informed consent Self-determination Cultural rights	I (-) R	
Communities' economic, social and cultural rights	Land-related impacts	I (-)	

I Impact R Risk O Opportunity

For Sofidel, the proper and responsible management of the value chain is a cornerstone of its sustainability strategy, from an environmental and a social perspective.

With regard to the social dimension, given the nature of the paper industry and the structure of the supply chain, the most material impacts on working conditions and human rights are primarily found in the upstream phases of the value chain, particularly among raw material suppliers, within a broader system of relationships along the value chain.

In this context, Sofidel established a set of controls designed to promote **responsible supply chain management,** incorporating social and environmental requirements. These controls are set out in the **Supplier Code of Conduct,** which establishes binding minimum principles and standards for all commercial partners regarding **human rights, working conditions, health and safety, and environmental protection,** and in the Group's specific **Human Rights Policy**, which is based on the main international conventions.

The standards adopted cover areas such as working conditions, health and safety, inclusion and respect for the human rights of workers and communities potentially involved in procurement activities, including local and indigenous communities, and serve as a key tool for promoting the Group's values and ensuring that partners operate in an ethical and responsible manner.

In particular, given the specific nature of the tissue sector's supply chain and the central role played by forestry raw materials, Sofidel recognises and safeguards the rights of indigenous peoples with regard to their culture, way of life, institutions, ties to the land and development models. Compliance with these principles is the focus of the forest audits carried out by certification bodies at the Group's pulp suppliers, as part of the checks to ensure compliance with the FSC® Forest Management standards.

In the context described above, the key features of Sofidel's supply chain are set out below. In 2025, the Group's supply chain comprised around 8,500 active suppliers worldwide.

Sofidel allocated two-thirds of its total expenditure to raw material suppliers, followed by suppliers of logistics services, machinery and energy. In particular, pulp fibre accounted for the largest share of expenditure, followed by energy and natural gas, then transport. As a matter of fact, Sofidel's supplier network is diversified in terms of number and characterised by a significant economic concentration on a limited group of suppliers (approximately 230) who account for 80% of the Group's expenditure.

Main macro purchasing categories

Raw materials for papermill and converting: these are the materials used in the initial phase of the production process, i.e. the conversion of fibre into reel of tissue paper, and the materials used in the phase where the reels are transformed into finished products, known as the converting process.

They mainly include:
- **virgin and recovered pulp**, fibre sourced from certified wood (FSC®, PEFC) and post-consumer recovered fibre;
- **paper packaging,** kraft paper packaging, boxes, cores for reels and finished products, adhesive labels, ties, etc;
- **polyethylene packaging,** plastic film straps, tapes and bags, used to protect and package reels and finished products;
- **chemicals,** treatments, resins, starches, emollients and other chemical additives;
- **inks and adhesives,** products for decorative printing, marking and adhesive applications;
- **fragrances,** essential oils for scented products;
- **biomass,** plant waste materials used in energy production processes;
- **tissue paper finished products,** tissue paper, handkerchiefs, napkins, toilet paper;
- **other finished products,** soaps and dispensers for the Away-From-Home (AFH) line.

Services: the most diverse and varied purchasing category.
These include, among others:
- **energy and natural gas**, which are required to power the production facilities and machinery such as turbines, pumps, ventilation systems and converting lines;
- **transport and logistics,** this constitutes the Group's third largest category in terms of expenditure and covers deliveries from production plants to end customers, both domestic and international, as well as the transfer of finished and semi-finished products between production plants. In line with a strategy focused on proximity to end customers, most transport is carried out by road, with only a small proportion via conventional rail or international intermodal transport;
- **waste disposal,** i.e. the collection, transport, treatment and disposal of industrial waste such as treatment sludge and production waste (paper and packaging).

Other services: utility management, consultancy, maintenance services, advertising, marketing and promotional services, financial services, insurance, leasing and property leasing, personnel management, cleaning and security services, energy and environmental services, logistics services, etc.

Mechanical and electrical spare parts: replacement components used to keep machinery and equipment in good working order.

Geographical distribution

The Sofidel Group's network of suppliers is also characterised by a diverse geographical distribution.
Suppliers of fibrous raw materials (pulp) are mainly based in South America, the United States, Canada and Europe, in order to ensure a continuous and widespread supply to the plants located in these regions, as explained in the chapter *Biodiversity and ecosystems.*

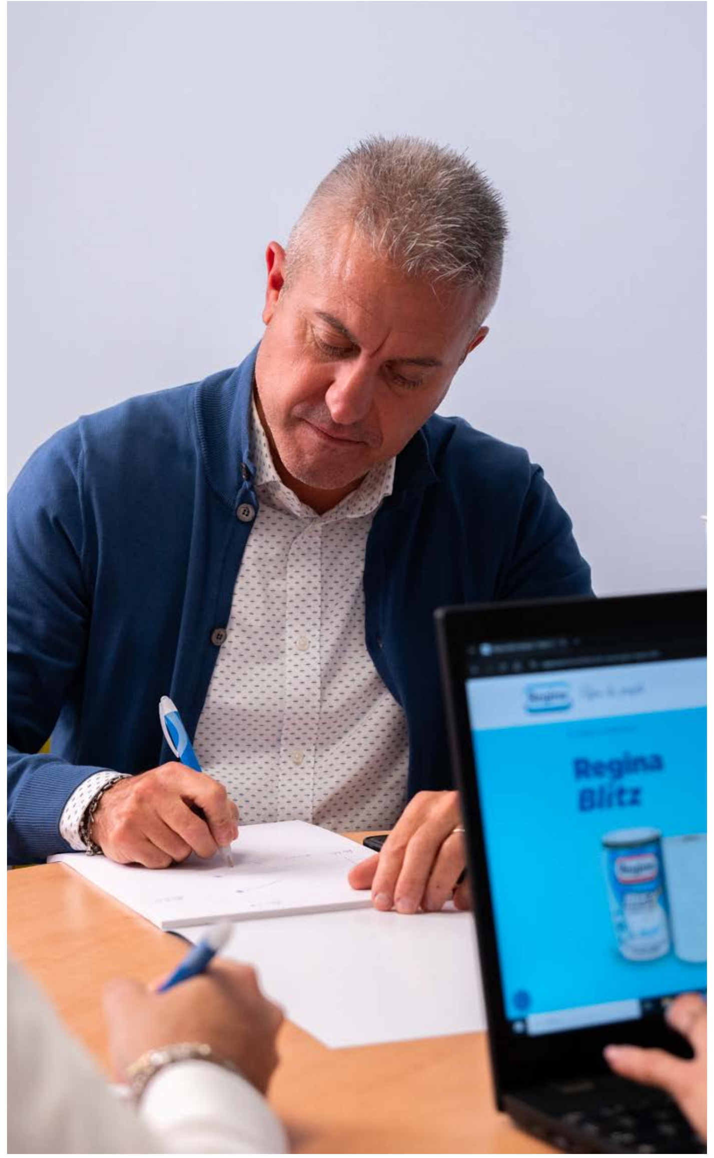
For all other suppliers, in 2025 expenditure was concentrated in the United States (over 44% of suppliers, excluding pulp suppliers) and in Europe, particularly in Italy (19%), followed by Germany (9%), the United Kingdom (7%) and France (5%), where the Group has a long-standing presence.

Sofidel's approach to supplier management

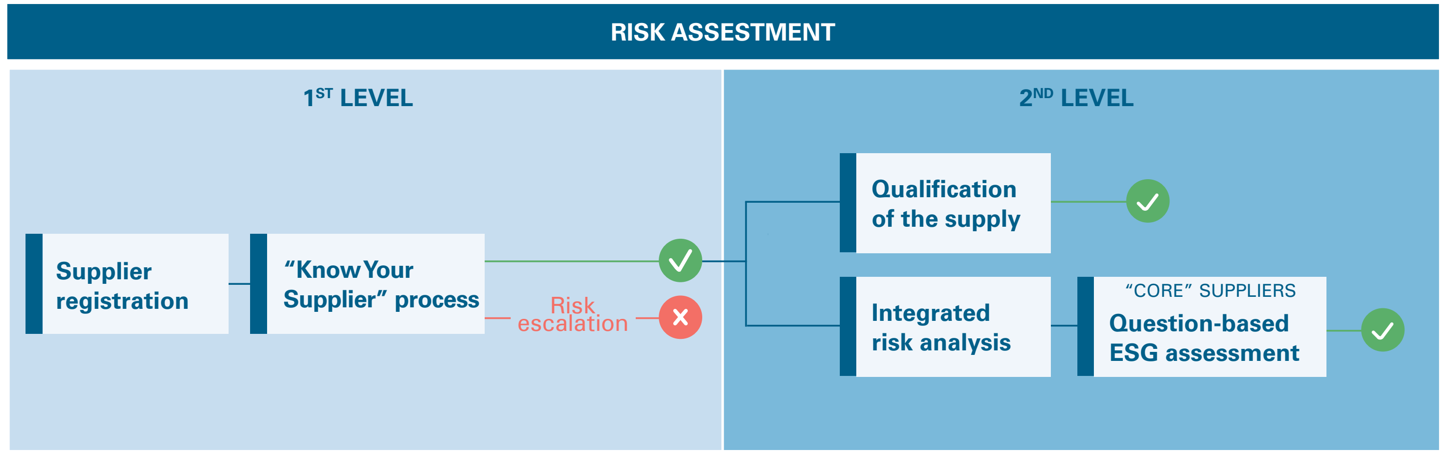
Following the ISO 20400 gap assessment conducted in 2023, the Group's Procurement Department embarked on a process to update the supplier evaluation system, with the aim of strengthening the integration of sustainability criteria into the strategic and operational aspects of procurement processes.
The updating of existing criteria and tools led, in 2025, to a structural overhaul of the supplier pre-qualification process, partly in light of the approval, in July 2024, of the **Corporate Sustainability Due Diligence Directive (CSDDD)**, the European directive which complements the due diligence framework of the EU Regulation on Deforestation-free Products 2023/1115 and integrates it with regard to the monitoring and impact assessment obligations that European companies must fulfil in the coming years. The CSDDD, adopted in July 2024 – and subsequently included in the package of Omnibus I simplifications – requires a risk-based approach to value chain management and encourages integrated governance of risks associated with procurement activities.

The objectives of the project are:
- **Strengthening risk management** in the supply chain;
- **Streamlining, centralising** and improving the quality of information flow from suppliers, in response to rising purchase volumes and the increasing complexity of the business;
- **Driving the evolution of procurement processes towards global standards** such as the OECD Guidelines and the latest regulatory requirements on due diligence and sustainability performance reporting (CSDDD, CSRD).

In 2025, Sofidel began and almost completed the implementation of its new qualification framework, integrating existing tools with new solutions. The following summary outlines the current status of the process, which remains a work in progress and may be further refined over the coming months of 2026.



Supplier assessment: a modular approach to risk management



Supplier assessment is organised according to a two-tier framework, with each tier focusing on a different level of detail.

Level 1: automated checks on suppliers using integrated digital solutions, without requiring their direct involvement. It allows for an initial risk mapping and involves:

1. **Supplier registration**
2. **'Know Your Supplier' (KYS) process**

During the registration process, the supplier's identity is verified and general company details are collected (e.g. company name, address, VAT number, etc.).
The supplier also familiarises themselves with Sofidel's key policies, including the Supplier Code of Conduct.
The KYS process enables the creation of a supplier compliance risk profile through automated checks and screening tools that identify penalties and adverse media coverage.

Level 2: the supplier is invited to undergo a more detailed assessment using personalised questionnaires (tailored to the relevant product categories) and supporting documentation.

1. **Qualification of the supply**
   This involves verifying the compliance of the products and services provided, using specific questionnaires to collect information and archive of certifications relating to quality, product safety and sustainability.
   In particular, each year, pulp suppliers complete and submit a detailed questionnaire containing environmental data relating to pulp production, for the purposes of FSC® audits, compliance with ISO 14001 and to assist in the preparation of the emissions inventory.

2. **'Question-based' ESG assessment**
   This involves an in-depth analysis of 'core' suppliers[37], by sending out ESG questionnaires tailored to the supplier's country, size and industry sector.
   The suppliers assessed are given a specific score for the three dimensions – Environment, Social and Governance – and an 'overall' score. Based on the results of the assessment, the strengths, areas for improvement and areas of risk are then identified, to be followed up as necessary.
   The questionnaires will be analysed and verified by qualified auditors.

37. The start of this final assessment phase is subject to an internal analysis by the Procurement team, which takes into account and cross-references various variables and KPIs, including: the supplier's expenditure with Sofidel, the risk associated with the country of origin, the concentration index within the procurement category, sensitivity to KYS and other significant factors. However, these parameters will be progressively updated to ensure consistency with the Group's Enterprise Risk Management model and the changing external environment.

Following review described above, in November 2025 Sofidel once again underwent the audit to achieve **ISO 20400 certification**, successfully **passing the inspection** and **further improving its score** from previous years.

In particular, the new assessment system received a score of 4.1, corresponding to the **'embedded' maturity level**, an improvement on the score of 3.9 – 'strategic' maturity level – achieved in 2023 under the Group's previous assessment system.

Appendix

Geolocation of Sofidel Group sites

Country	City	Type of site	Site address	Postcode	Geolocation
United States of America	Las Vegas NV	Production (converting plant)	3515 Las Vegas Boulevard North Las Vegas	89115	36.224786, -115.088712
	Inola OK	Production (integrated)	16400 E 620 Road	74036	36.11689044258107, -95.81931818799242
	Duluth MN	Production (paper mill)	100 North Central Ave	55807	46.732503, -92.164604
	Green Bay WI [38]	Production (converting plant)	2200 Larsen Rd	54303	44.53283184758582, -88.08719491829325
	Hattiesburg MS	Production (converting plant)	176 W L Runnels Ind Dr	39401	31.25667707837747, -89.26286974585507
	Circleville OH	Production (integrated)	25910 US-23	43113	39.55275442530706, -82.9582752743505
	Filadelfia PA	Services	300 Welsh Rd Suite 200	19044	40.163021, -75.153567
	Haines City FL	Production (integrated)	1006 Marley Rd	33844	28.090353172222105, -81.6113195594587
	Gila Bend, AZ	Production (paper mill)	31201 W Thayer Rd	85337	32.92741783806652, -112.72654435450762
	Phoenix, AZ	Production (converting plant)	711 and 705 North 17th Ave	85007	33.45637819387543, -112.09547714577158
	Phoenix, AZ	Production (converting plant)	2060 51st Ave	85043	33.4287265692667, -112.16985287460848
	Duncan , SC	Production (converting plant)	150 Retlaw Ct	29334	34.90428387417722, -82.15043879999999
	Las Vegas, NV	Production (integrated)	3901 Donna St, North Las Vegas	89030	36.23053451432476, -115.13351900359153
	Lewiston, ID	Production (integrated)	801 Mill Road	83501	46.422875, -116.980757
	Elwood, IL	Production (converting plant)	21561 W Mississippi Ave	60421	41.40260416397055, -88.13737018800038
	Shelby, NC	Production (integrated)	671 Washburn Switch Rd	28150	35.317597095972914, -81.61662641897576
Spain	Buñuel	Production (integrated)	Polígono industrial, calle B, nº 16	31540	41.976636371682716, -1.484729359135347
France	Ingrandes	Production (converting plant)	543 ZAE les Terres Rouges	86220	46.89103398258886, 0.576004383677066
	Roanne	Production (integrated)	112 Rue de Matel	42300	46.05034421646808, 4.093589183409575
	Frouard	Production (integrated)	Chaussée du Ban la Dame Parc Eiffel Energie	54390	48.770457394169135, 6.137224997055308
Ireland	Dublin	Services	88 Harcourt St, Saint Kevin's, Dublin 2	D02 DK18	53.33668525895586, -6.2629389299959
United Kingdom	Baglan	Production (integrated)	Brunel Way Baglan Energy Park Briton Ferry Neath	SA11 2FP	51.62227093429302, -3.826618019770334
	Lancaster	Production (paper mill)	Lancaster, Lansil Way	LA1 3QY	54.065840787038695, -2.7904101891355664
	Leicester - Hamilton	Production (integrated)	Hamilton Leicester, Waterside Road, Hamilton Industrial Park Leicester	LE5 1TZ	52.665423572697065, -1.074557918057327

38. The Green Bay plant in the United States was sold in 2025, with the sale finalised in August.

Country	City	Type of site	Site address	Postcode	Geolocation
United Kingdom	Leicester - Rothley Lodge	Production (converting plant)	Rothley Lodge, Leicester Unit D, Mountsorrel, Loughborough, Leicestershire	LE7 7NL	52.722937946069486, -1.1265341892180383
Belgium	Duffel	Production (converting plant)	A. Stocletlaan 3	2570	51.08796827506412, 4.492214997191001
Germany	Colonia	Trading	Ebertplatz 21 - 23	50668	50.9513571509169, 6.958906539511242
	Arneburg	Production (integrated)	Schönfelder Str. 1 D	39596	52.717077451453115, 12.022091081945822
	Schmalkalden Wernshausen (Plant O, T, W)	Production (integrated)	Unterm Bahnhof 10	98574	50.722900029975065, 10.354226583881427
	Schmalkalden Wernshausen (Holding)	Services	Unterm Bahnhof 10	98574	50.722900029975065, 10.354226583881427
	Schmalkalden Wernshausen (Hakle Markenhaus)	Services	Unterm Bahnhof 10	98574	50.722900029975065, 10.354226583881427
Sweden	Kisa	Production (integrated)	Industrivägen 15A	59038	57.97748224195927, 15.613248539948389
Italia	Lucca - Porcari (Holding)	Services	Via Giuseppe Lazzareschi, 23	55016	43.820443361213655, 10.608119941100629
	Lucca - Porcari	Production (paper mill)	Via Giuseppe Lazzareschi, 23	55016	43.820443361213655, 10.608119941100629
	Lucca - Capannori	Services	Via Madonna comunale, 37	55016	43.849525492293736, 10.559709935907911
	Lucca - Bagni di Lucca	Production (paper mill)	Via Fegana, 38 Loc. Fornoli	55022	44.018628429191715, 10.543677539120457
	Lucca - Borgo a Mozzano	Production (paper mill)	Loc. Valdottavo Via Prov. Ludovica	55023	43.94260100060292, 10.494890081444863
	Lucca - Porcari	Production (converting plant)	Via Giuseppe Lazzareschi, 23	55016	43.818225148912546, 10.609054520596272
	Lucca - Capannori	Production (converting plant)	Via Cavaliere lavoro Mario Carrara	55012	43.82699347919289, 10.564376131646162
	Lucca - Porcari	Production (paper mill)	Via di Leccio	55016	43.81988247562649, 10.626456623698383
	Lucca - Porcari	Production (converting plant)	Via Fossanuova, 59	55016	43.81852914936382, 10.617433623698307
	Gorizia - Monfalcone	Production (integrated)	Via Grota del Diau Zot, 6,	34074	45.7893916667389, 13.574726725653234
Hungary	Lábatlan	Production (converting plant)	Lábatlan Rákóczi Ferenc út 159	2541	47.75524268967066, 18.467325810420775
Poland	Ciechanów	Production (integrated)	Mleczarska, 31	06400	52.86242800458039, 20.610328656004416
Greece	Katerini	Production (integrated)	1st Km. Old National Road	60100	40.287934847924994, 22.52459172536602
Romania	Călărași	Production (integrated)	Str. București, 358	910058	44.191793056805516, 27.361695183237885

Content index

VSME standard content index

VSME standard		Disclosure	Location	Notes
		Basic module		
B1 Basis for preparation	**B1-24**	a) The selected option: i. OPTION A: Basic Module (only); or ii. OPTION B: Basic Module and Comprehensive Module.	p. 62	
		b) if the undertaking has omitted a disclosure as it is deemed classified or sensitive information.	p. 64	
		c) whether the sustainability report has been prepared on an individual basis (i.e. report is limited to the undertaking's information only) or on a consolidated basis (i.e. the report includes information about the undertaking and its subsidiaries).	p. 64	
		d) in case of a consolidated sustainability report, the list of the subsidiaries, including their registered address, covered in the report.	p. 22-23	
		e) the following information: i. the undertaking's legal form; ii. NACE sector classification code(s); iii. size of the balance sheet (in euro); iv. turnover (in euro); v. number of employees in headcount or full-time equivalents; vi. country of primary operations and location of significant asset(s); vii. geolocation of sites owned, leased or managed.	p. 8, 22-23	
	B1-25	If the undertaking has obtained any sustainability-related certification or label, it shall provide a brief description of those (including, where relevant, the issuers of the certification or label, date and rating score).	p. 13, 88, 102-103, 109, 128, 138, 140, 149	
B2 Practices, policies and future initiatives for transitioning towards a more sustainable economy	**B2-26**	a) The undertaking shall state whether it has practices.	p. 7, 12, 18-19, 90-92, 97, 98, 100-101, 102-105, 108-110, 112-115, 120, 122, 125-127, 128-131, 133, 134-136, 138-141, 142-143, 144-145, 147-149	
		b) The undertaking shall state whether it has policies on sustainability issues, whether they are publicly available, and any separate environmental, social or governance policies for addressing sustainability issues.	p. 84-85, 102, 112, 120, 142-143, 144-145	
		c) The undertaking shall state whether it has any future initiatives or forward-looking plans that are being implemented on sustainability issues.	p. 7, 12, 90-92, 97, 98, 100-101, 102-105, 108-110, 112-115, 120, 122, 125-127, 128-131, 133, 134-36, 138-141, 142-143, 144-145, 147-149	
		d) The undertaking shall state whether it has targets to monitor the implementation of the policies and the progress achieved towards meeting such targets.	p. 86-87, 128	

VSME standard		Disclosure	Location	Notes
B3 Energy and greenhouse gas emissions	**B3-29**	The undertaking shall disclose its total energy consumption in MWh, with a breakdown into renewable, non-renewable, electricity and fuels.	p. 92	
	B3-30	a) the Scope 1 GHG emissions in tCO_2eq (from owned or controlled sources).	p. 95	
		b) the location-based Scope 2 emissions in tCO_2eq (i.e. emissions from the generation of purchased energy, such as electricity, heat, steam or cooling).	p. 95	
	B3-31	The undertaking shall disclose its GHG intensity calculated by dividing 'gross greenhouse gas (GHG) emissions' disclosed under paragraph 30 by 'turnover (in Euro)' disclosed under papargraph 24(e)(iv).	p. 96	
B4 Pollution of air, water and soil	**B4-32**	If the undertaking is already required by law or other national regulations to report to competent authorities its emissions of pollutants, or if it voluntarily reports on them according to an Environmental Management System, it shall disclose the pollutants it emits to air, water and soil in its own operations, with the respective amount for each pollutant.	p. 98-99	
B5 Biodiversity	**B5-33**	The undertaking shall disclose the number and area (in hectares or m2) of sites that it owns, has leased or manages in or near a biodiversity-sensitive area.	p. 106-107	
B6 Water	**B6-35**	The undertaking shall disclose its total water withdrawal, i.e. the amount of water drawn into the boundaries of the organisation (or facility); in addition, the undertaking shall separately present the amount of water withdrawn at sites located in areas of high water-stress.	p. 101	
	B6-36	If the undertaking has production processes in place which significantly consume water, it shall disclose its water consumption calculated as the difference between its water withdrawal and water discharge from its production processes.	p. 101	
B7 Resource use, circular economy and waste management	**B7-37**	The undertaking shall disclose whether it applies circular economy principles and, if so, how it applies these principles.	p. 108	
	B7-38	a) The undertaking shall disclose the total annual generation of waste, broken down by type (non-hazardous and hazardous).	p. 111	
		b) The undertaking shall disclose the total annual waste diverted to recycling or reuse.	p. 111	
		c) The undertaking shall disclose if it operates in a sector using significant material flows (for example manufacturing, construction, packaging or others), the annual mass-flow of relevant materials used.	p. 111	
B8 Workforce – General characteristics	**B8-39**	a) The undertaking shall disclose the number of employees in headcount or full-time equivalent, by type of employment contract (temporary or permanent).	p. 118	
		b) The undertaking shall disclose the number of employees in headcount or full-time equivalent, by gender.	p. 121	
		c) The undertaking shall disclose the number of employees in headcount or full-time equivalent, by country of the employment contract, if the undertaking operates in more than one country.	p. 116	
	B8-40	The undertaking shall disclose the employee turnover rate for the reporting period.	p. 119	

VSME standard		Disclosure	Location	Notes
B9 Workforce – Health and safety	**B9-41**	a) The undertaking shall disclose, regarding its employees, the number and rate of recordable work-related incidents.	p. 132	
		b) The undertaking shall disclose, regarding its employees, the number of fatalities as a result of work-related injuries and work-related ill health.	p. 132	
B10 Workforce – Remuneration, collective bargaining and training	**B10-42**	a) The undertaking shall disclose whether the employees receive pay that is equal or above applicable minimum wage for the country it reports in, determined directly by the national minimum wage law or through a collective bargaining agreement.	p. 123	
		b) The undertaking shall disclose the percentage gap in pay between its female and male employees.	p. 122	
		c) The undertaking shall disclose the percentage of employees covered by collective bargaining agreements.	p. 120	
		d) The undertaking shall disclose the average number of annual training hours per employee, broken down by gender.	p. 124	
B11 Convictions and fines for corruption and bribery	**B11-43**	In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-corruption and anti-bribery laws.	p. 143	
		Comprehensive Module		
C1 Strategy: business model and sustainability-related initiatives	**C1-47**	a) The undertaking shall disclose the key elements of its business model and strategy, including a description of significant groups of products and/or services offered.	p. 15-17	
		b) The undertaking shall disclose the key elements of its business model and strategy, including a description of significant market(s) the undertaking operates in (such as B2B, wholesale, retail, countries).	p. 15-17	
		c) The undertaking shall disclose the key elements of its business model and strategy, including a description of main business relationships (such as key suppliers, customers, distribution channels).	p. 16-17, 145-147	
		d) The undertaking shall disclose the key elements of its business model and strategy, including if the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.	p. 15, 70-71, 82-83	
C2 Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	**C2-48**	If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, which it has already reported under disclosure B2 in the Basic Module, it shall briefly describe them.	p. 7, 12, 18-19, 84-85, 90-92, 97, 98, 100-101, 102-105, 108-110, 112-115, 120, 122, 125-127, 128-131, 133, 134-136, 138-141, 142-143, 144-145, 147-149	

VSME standard		Disclosure	Location	Notes
Consideration when reporting on GHG emissions under B3 (Basic Module)	**50**	Depending on the type of activities carried out by the undertaking, disclosing a quantification of its Scope 3 GHG emissions can be appropriate to yield relevant information on the undertaking's value chain impacts on climate change.	p. 95	
	52	If the undertaking decides to provide this metric, it should refer to the 15 types of Scope 3 GHG emissions identified by the GHG Protocol Corporate Standard and detailed by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. When it reports on Scope 3 GHG emissions, the undertaking shall include significant Scope 3 categories (as per the Corporate Value Chain (Scope 3) Accounting and Reporting Standard) based on its own assessment of relevant Scope 3 categories.	p. 94-95	
C3 GHG reduction targets and climate transition	**C3-56**	In case the undertaking operates in high-climate impact sectors and does not have a transition plan for climate change mitigation in place, it shall indicate whether and, if so, when it will adopt such a transition plan.	p. 86	
C4 Climate risks	**C4-57**	a) If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall briefly describe such climate-related hazards and climate-related transition events.	p. 72, 80-81	
		b) If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall disclose how it has assessed the exposure and sensitivity of its assets, activities and value chain to these hazards and transition events.	p. 69, 80-81	
		c) If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall disclose the time horizons of any climate-related hazards and transition events identified.	p. 72, 75	
		d) If the undertaking has identified climate-related hazards and climate-related transition events, creating gross climate-related risks for the undertaking, it shall disclose whether it has undertaken climate change adaptation actions for any climate-related hazards and transition events.	p. 90-92, 97, 100-101, 108-109	
	C4-58	The undertaking may disclose the potential adverse effects of climate risks that may affect its financial results or business operations in the short-, medium- or long-term, indicating whether it assesses the risks to be high, medium, low.	p. 90-92, 97, 100-101, 108-109	
C5 Additional (general) workforce characteristics	**C5-59**	If the undertaking employs 50 or more employees, it may disclose the female-to-male ratio at management level for the reporting period.	p. 120	
	C5-60	If the undertaking employs 50 or more employees, it may disclose the number of those self-employed without personnel who are working exclusively for the undertaking, and temporary workers provided by undertakings primarily engaged in 'employment activities'.	p. 116	

VSME standard		Disclosure	Location	Notes
C6 Additional own workforce information – Human rights policies and processes	**C6-61**	a) Does the undertaking have a code of conduct or human rights policy for its own workforce? (yes/no)	p. 84-85	
		b) If yes, does this cover: i. Child labour (yes/no); ii. Forced labour: (yes/no); iii. Human trafficking: (yes/no); iv. Discrimination (yes/no); v. Accident prevention (yes/no); vi. Other (yes/no – if yes, specify)	p. 84-85	
		c) Does the undertaking have a complaints-handling mechanism for its own workforce? (yes/no)	p. 120, 143	
C7 Severe negative human rights incidents	**C7-62**	a) Does the undertaking have confirmed incidents in its own workforce related to: i. Child labour (yes/no); ii. Forced labour (yes/no); iii. Human trafficking (yes/no); iv. Discrimination (yes/no); v. Other (yes/no – if yes, specify)	p. 143	
		b) If yes, the undertaking may describe the actions being taken to address the incidents described above.	p. 143	
		c) Is the undertaking aware of any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users? If yes, specify.	p. 143	
C9 Gender diversity ratio in the governance body	**C9-65**	If the undertaking has a governance body in place, the undertaking shall disclose the related gender diversity ratio.	p. 27	

Content Index: Other Standards – ESRS, GRI, SASB

Standard		Disclosure	Location	Notes
Energy consumption and mix	**ESRS E1-5 para. 37**	The total energy consumption in MWh related to own operations, disaggregated by: a) total energy consumption from fossil sources; b) total energy consumption from nuclear sources; c) total energy consumption from renewable sources, disaggregated by: i. fuel consumption from renewable sources including biomass (also comprising industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.; ii. consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources; iii. consumption of self-generated non-fuel renewable energy.	p. 93	
	ESRS E1-5 para. 38	The undertaking with operations in high climate impact sectors shall further disaggregate their total energy consumption from fossil sources by: a) fuel consumption from coal and coal products; b) fuel consumption from crude oil and petroleum products; c) fuel consumption from natural gas; d) fuel consumption from other fossil sources; e) consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources.	p. 93	
	ESRS E1-5 para. 39	In addition, where applicable, the undertaking shall disaggregate and disclose separately its non-renewable energy production and renewable energy production in MWh.	p. 93	
	ESRS E1-5 para. 40	The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.	p. 93	
	GRI 302-3	Energy intensity (per tonne of paper).	p. 93	
	SASB RR-PP 130a.1.	1) Total energy consumed; 2) percentage grid electricity; 3) percentage from biomass; 4) percentage from other renewable energy; 5) total self-generated energy.	p. 93	
GHG emissions	**ESRS E1-6 para. 48**	a) the gross Scope 1 GHG emissions in metric tonnes of CO2eq; b) the percentage of Scope 1 GHG emissions from regulated emission trading schemes.	p. 95	
	ESRS E1-6 para. 49	a) the gross location-based Scope 2 GHG emissions in metric tonnes of CO_2eq; b) the gross market-based Scope 2 GHG emissions in metric tonnes of CO_2eq.	p. 95	
	ESRS E1-6 para. 51	The gross Scope 3 GHG emissions in metric tonnes of CO_2eq, from each significant Scope 3 category.	p. 95	
	ESRS E1-6 para. 52	Total GHG emissions, the sum of Scope 1, 2 and 3 GHG emissions. The total GHG emissions shall be disclosed with a disaggregation that makes a distinction of: a) the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the location-based method; and b) the total GHG emissions derived from the underlying Scope 2 GHG emissions being measured using the market-based method.	p. 95	

Standard		Disclosure	Location	Notes
GHG emissions	ESRS E1-6 para. 53	The undertaking shall disclose its GHG emissions intensity in metric tonnes of CO_2eq per net revenue.	p. 96	
	GRI 305-4	GHG emissions intensity (per tonne of paper).	p. 96	
	SASB RR-PP-110a.1	Gross global Scope 1 emissions	p. 96	
	SASB RR-PP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and an analysis of performance against those targets.	p. 86, 94	
Pollution	SASB RR-PP-120a.1	Air emissions of the following pollutants: 1) NOx (excluding N_2O); 2) SO2; 3) volatile organic compounds (VOCs); 4) particulate matter (PM); and 5) hazardous air pollutants (HAPs).	p. 98	
Water	ESRS E3-4 para. 28	a) total water consumption in m3; b) total water consumption in m3 in areas at water risk, including areas of high water stress.	p. 101	
	SASB RR-PP-140a.1	1) Total water withdrawn: 2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	p. 101	
	SASB RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	p. 100-101	
Biodiversity and forests	SASB RR-PP-430a.1	Percentage of wood fibre sourced from: 1) third-party certified forestlands and percentage to each standard; and 2) meeting other fibre sourcing standards and percentage to each standard.	p. 103	
	SASB RR-PP-430a.2	Amount of recycled and recovered fibre procured.	p. 103	
Resource use and the circular economy	ESRS E5-5 para. 37	The undertaking shall disclose the following information on its total amount of waste from its own operations, in tonnes or kilograms: a) the total amount of waste generated; b) the total amount by weight of waste diverted from disposal, with a break-down between hazardous waste and non-hazardous waste and a breakdown by the following recovery operation types: i. preparation for reuse; ii. recycling; and iii. other recovery operations;. c) the amount by weight directed to disposal by waste treatment type and the total amount summing all three types, with a breakdown between hazardous waste and non-hazardous waste. The waste treatment types to be disclosed are: i. incineration; ii. landfill; and iii. other disposal operations.	p. 111	
	ESRS E5-5 para. 38	When disclosing the composition of the waste, the undertaking shall specify: a) the waste streams relevant to its sector or activities (e.g. tailings for the undertaking in the mining sector, electronic waste for the undertaking in the consumer electronics sector, or food waste for the undertaking in the agricul-ture or in the hospitality sector); and b) the materials that are present in the waste (e.g. biomass, metals, non-me-tallic minerals, plastics, textiles, critical raw materials and rare earths).	p. 110-111	

Standard		Disclosure	Location	Notes
Working conditions	ESRS S1-6 para. 50	The undertaking shall disclose: a) the total number of employees by headcount or full-time equivalent (FTE) of: i. permanent employees, and breakdown by gender; ii. temporary employees, and breakdown by gender; and iii. non-guaranteed hours employees, and breakdown by gender; b) the total number of employees who have left the undertaking during the reporting period and the rate of employee turnover in the reporting period; c) a description of the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in headcount or full-time equivalent (FTE) (including an explanation of how FTE is defined); and ii. at the end of the reference period, as an average across the reporting period, or using another methodology; d) where applicable, a provision of contextual information necessary to understand the data (for example, to understand fluctuations in number of employees during the reporting period).	p. 116, 118, 119	
	ESRS S1-7 para. 55	a) A disclosure of the total number of non-employees in the undertaking's own workforce, i.e. either people with contracts with the undertaking to supply labour ('self-employed people') or people provided by undertakings primarily engaged in 'employment activities' (NACE Code N78); b) an explanation of the methodologies and assumptions used to compile the data, including whether the number of non-employees is reported: i. in headcount or full-time equivalent (FTE) (including a definition of how FTE is defined); and ii. ii. at the end of the reporting period, as an average across the reporting period, or using another methodology. c) where applicable, a provision of contextual information necessary to under-stand the data (for example, significant fluctuations in the number of non-em-ployees in the undertaking's own workforce during the reporting period and between the current and the previous reporting period).	p. 116	
	ESRS S1-14 para. 88	a) The percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal require-ments and/or recognised standards or guidelines; b) the number of fatalities as a result of work-related injuries and work-related ill health; c) the number and rate of recordable work-related accidents; d) with regard to the undertaking's employees, the number of cases of re-cordable work-related ill health, subject to legal restrictions on the collection of data; and e) with regard to the undertaking's employees, the number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and deaths from ill health.	p. 128, 132	
	ESRS S1-14 para. 90	In addition, the undertaking may include the following additional informa-tion on the health and safety coverage: the percentage of its own workers covered by a health and safety management system which is based on legal requirements and/or recognised standards or guidelines and which has been internally audited and/or audited or certified by an external party.	p. 128	
	ESRS S1-15 para. 93	a) the percentage of employees entitled to take family-related leave; and b) the percentage of entitled employees that took family-related leave, and a breakdown by gender.	p. 120	

Standard		Disclosure	Location	Notes
Equal treatment and opportunities	**ESRS S 1-9 para. 66**	The undertaking shall disclose: a) the gender distribution in number and percentage at top management level; and b) the distribution of employees by age group: under 30 years old; 30-50 years old; over 50 years old.	p. 120-121	
	ESRS S1-10 para. 67	The undertaking shall disclose whether or not its employees are paid an adequate wage, and if they are not all paid an adequate wage, the countries and percentage of employees concerned.	p. 123	
	ESRS S 1-12 para. 79	The undertaking shall disclose the percentage of persons with disabilities amongst its employees subject to legal restrictions on the collection of data.	p. 120	
	ESRS S1-13 para. 83	a) The percentage of employees that participated in regular performance and career development reviews; such information shall be broken down by gender; b) the average number of training hours per employee and by gender.	p. 124, 127	
	ESRS S1-13 para. 84	The undertaking may disclose breakdowns by employee category for the percentage of employees that participated in regular performance and career development and for the average number of training hours per employee.	p. 124, 127	
	ESRS S1-16 para. 97	a) The gender pay gap, defined as the difference of average pay levels between female and male employees, expressed as percentage of the average pay level of male employees; b) the annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual); and c) where applicable, any contextual information necessary to understand the data and how the data has been compiled and other changes to the underlying data that are to be considered.	p. 122	
	ESRS S1-16 para. 98	The undertaking may disclose a breakdown of the gender pay gap as defined in paragraph 97(a) by employee category and/or by country/segment. The undertaking may also disclose the gender pay gap between employees by categories of employees broken down by ordinary basic salary and complementary or variable components.	p. 122	
Affected Communities	**GRI 201-1**	Direct economic value generated and distributed.	p. 137	
Product health and safety	**GRI 416-1**	Assessment of impacts on health and safety of product and service categories.	p. 140	
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	p. 140	

Disclaimer

This Integrated Annual Report contains forward-looking statements, particularly regarding future operational performance, growth objectives, and project implementation.

By their nature, forward-looking statements involve a degree of risk and uncertainty, as they depend on the occurrence of future events and developments.

Actual results may differ, even materially, from those indicated due to a variety of factors, including, in particular: general macroeconomic conditions and related policies; changes in the economic and regulatory environment in many of the countries in which the Group operates; future developments in demand, supply and prices of raw materials (pulp and energy); changes in stakeholder expectations and other business conditions; competitive pressures; and actual operating performance.

Thank you for your continued trust.

Porcari, 6 March 2026

For the Board of Directors
The CEO

Dr. Luigi Lazzareschi

Indipendent auditors' report

EY
Shape the future
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Independent Audit Firm's Report on the data and information included in the Sustainability Statement contained in the Management Report to the 2025 Consolidated Financial Statements of the Sofidel Group, as referenced in the 'VSME Standard Content Index'

(Translation from the original Italian text)

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

We were engaged to perform a limited assurance engagement on the data and information included in the sustainability section of the Management Report to the 2025 Consolidated Financial Statements of the Sofidel Group (hereinafter also the 'Sustainability Statement'), as referenced in the 'VSME Standard Content Index', for the year ended December 31st 2025 (hereinafter also the 'VSME Information of the Sustainability Statement').

Responsibilities of the Directors for the VSME Information of the 2025 Sustainability Statement

The Directors of Sofidel S.p.A. are responsible for the preparation of the VSME Information of the Sustainability Statement in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs issued by EFRAG – European Financial Reporting Advisory Group ('VSME Standards'), as described in the 'Basis for preparation' section of the 2025 Sustainability Statement.

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

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

Auditors' independence and quality control

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

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

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Auditor's Responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the VSME Information of the Sustainability Statement is prepared in compliance with the requirements of the VSME Standards. Our work was performed in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and performance of procedures designed to obtain a limited level of assurance that the VSME Information of the Sustainability Statement does not contain material misstatements.

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

The procedures performed on the VSME Information of the Sustainability Statement were based on our professional judgement and included inquiries, primarily of the Company's personnel responsible for the preparation of the information presented in the VSME Information of the Sustainability Statement, as well as analysis of documents, recalculations and other procedures aimed at obtaining evidence considered appropriate.

In particular, we have performed the following procedures:

1. comparison of the economic and financial data and information included in the VSME Information of the Sustainability Statement with the data and information included in the Sofidel Group consolidated financial statements;
2. understanding of the processes underlying the generation, identification, recording and management of significant qualitative and quantitative information included in the VSME Information of the Sustainability Statement.

   In particular, we conducted interviews and discussions with Sofidel S.p.A. management personnel and performed limited documentary testing in order to obtain an understanding of the processes and procedures supporting the collection, aggregation, processing and transmission of non-financial data and information to the function responsible for the preparation of the consolidated financial statements.

   Furthermore, with respect to significant information, taking into account the activities and characteristics of the Sofidel Group:

   - at Group level:
     a) with regard to the qualitative information included in the VSME Information of the Sustainability Statement, we conducted interviews and obtained supporting documentation to assess consistency with the available evidence;
     b) with regard to quantitative information, we performed analytical procedures as well as limited testing, on a sample basis, to verify the correct aggregation of data.
   - for Sofidel America Corp (Inola site), which we selected based on its activities, contribution to consolidated key performance indicators and geographic location, we performed an on-site visit during which we held discussions with responsible personnel

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and obtained documentary evidence, on a sample basis, regarding the correct application of procedures and calculation methodologies used with respect to the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the VSME Information of the Sustainability Statement of the Sofidel Group for the year ended December 31st 2025 has not been prepared, in all material respects, in accordance with the VSME Standards as described in the 'Basis for preparation' section of the 2025 Sustainability Statement.

Florence, March 11, 2026

EY S.p.A.
Signed by: Andrea Eronidi (Auditor)

This report has been translated into the English language solely for the convenience of international readers.

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Independent Auditor's Limited Assurance Report on the Greenhouse Gas Emissions Inventory for the year ended December 31st, 2025

(Translation from the original Italian text)

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

We were engaged to perform a limited assurance engagement on the Greenhouse Gas emissions inventory of Sofidel Group (hereinafter, the "Group") for the year ended December 31st 2025 (hereinafter also referred to as the "GHG Statement"), including the section "Methodological Approach" and the GHG Emissions Inventory.

Criteria applied by the Group

In preparing the GHG Statement, the Group applied the criteria described in the "Methodological Approach" section thereof.

Responsibilities of the Group

Management of Sofidel S.p.A. is responsible for the selection of the applicable criteria and for the preparation and presentation of the GHG Statement in accordance with such criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, retaining adequate supporting documentation, and making estimates that are relevant to the preparation of the GHG Statement so that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the GHG Statement based on the evidence obtained.

Our engagement was conducted in accordance with the International Standard for Assurance Engagements on Greenhouse Gas Statements (ISAE 3410). These standards require that we plan and perform procedures to obtain a limited level of assurance on whether the GHG Statement is prepared in accordance with the applicable criteria. The nature, timing and extent of the procedures selected depend on our professional judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Independence and Quality Management

We are independent in accordance with the ethical and independence requirements of the International Code of Ethics for Professional Accountants (including the International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, and we have the competence and capabilities required to perform this assurance engagement.

Our audit firm applies International Standard on Quality Management (ISQM Italy) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of the Procedures Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less extensive than, those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Although the internal controls implemented by management were considered for their effectiveness in determining the nature and extent of our procedures, our engagement was not designed to provide an audit of internal controls. Our procedures did not include tests of controls or procedures relating to controls over the aggregation or calculation of data within IT systems.

The process of quantifying greenhouse gas emissions is subject to scientific uncertainties, which arise due to the current state of scientific knowledge regarding the measurement of greenhouse gases. In addition, quantification procedures are subject to estimation (or measurement) uncertainties resulting from the measurement and calculation processes used, within the limits of existing scientific knowledge.

The procedures performed were based on our professional judgment and included interviews, primarily with personnel responsible for the preparation of the information presented in the GHG Statement, as well as document analysis, recalculations, and other procedures aimed at obtaining evidence considered appropriate.

In particular, we performed the following procedures:

- obtaining an understanding of the Group's business model, strategies, and operating context with reference to GHG-related material matters;
- obtaining an understanding of the processes underlying the generation, recording, and management of the qualitative and quantitative information included in the GHG Statement, including an analysis of the reporting boundary;
- analyzing the methods applied by the Group to develop estimates and assessing their appropriateness and consistent application;
- identifying disclosures in which there is a likelihood of a risk of material misstatement;
- defining and performing analytical and substantive procedures, based on our professional judgment, to respond to the identified risks of material misstatement, including:
  - conducting interviews and document analysis with respect to qualitative information relevant to the GHG Statement, in order to verify consistency with the evidence obtained;
  - performing analytical procedures and limited sample-based testing with respect to quantitative information.
- obtaining the representation letter.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the GHG Statement for the year ended December 31st 2025 has not been prepared, in all material respects, in accordance with the criteria described in the "Methodological Approach" section thereof.

Florence, March 11, 2026

EY S.p.A.
Signed by: Andrea Eronidi (Auditor)

This report has been translated into the English language solely for the convenience of international readers.

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