FAVINI

SUSTAINABILITY REPORT
2025

letter FROM THE CEO

DEAR STAKEHOLDERS,

I AM PLEASED TO PRESENT FAVINI'S 2025 SUSTAINABILITY REPORT, WITH THE AIM OF RAISING AWARENESS OF OUR COMPANY AMONG ALL THOSE WHO WORK WITH US IN DIFFERENT WAYS. WE BELIEVE THIS DOCUMENT IS AN IMPORTANT TOOL FOR COMMUNICATING THE VALUES ON WHICH WE BASE OUR WAY OF DOING BUSINESS.

[GRI 2-22]

The negative signals we had seen in the first months of 2025 regarding the general economic and political context were confirmed during the rest of the year and in the first months of the current year. Unfortunately, recent months have shown a further deterioration in the context, with war scenarios expanding and impacts that risk shifting from a local to a global scale. While the issue of tariffs appears to be in a stalemate, the most worrying front is the Middle East, with very significant humanitarian and economic impacts. In all this, we are seeing a general slowdown in interest in ESG issues by governments, as well as by many companies operating globally. It goes without saying that the rearmament programmes currently being assessed by most governments around the world are about as far removed as one can imagine from the concepts of social and environmental sustainability.

Despite this worrying context, Favini intends to further confirm its commitment to strengthening long-term sustainability as a fundamental reference point for its economic activity and reaffirms its support for the goals set out by the United Nations. We firmly believe in our way of doing business, which creates commercial relationships and personal connections all over the world and draws inspiration for continuing to improve our market presence precisely from the variety of knowledge gained through an approach open to the outside world..

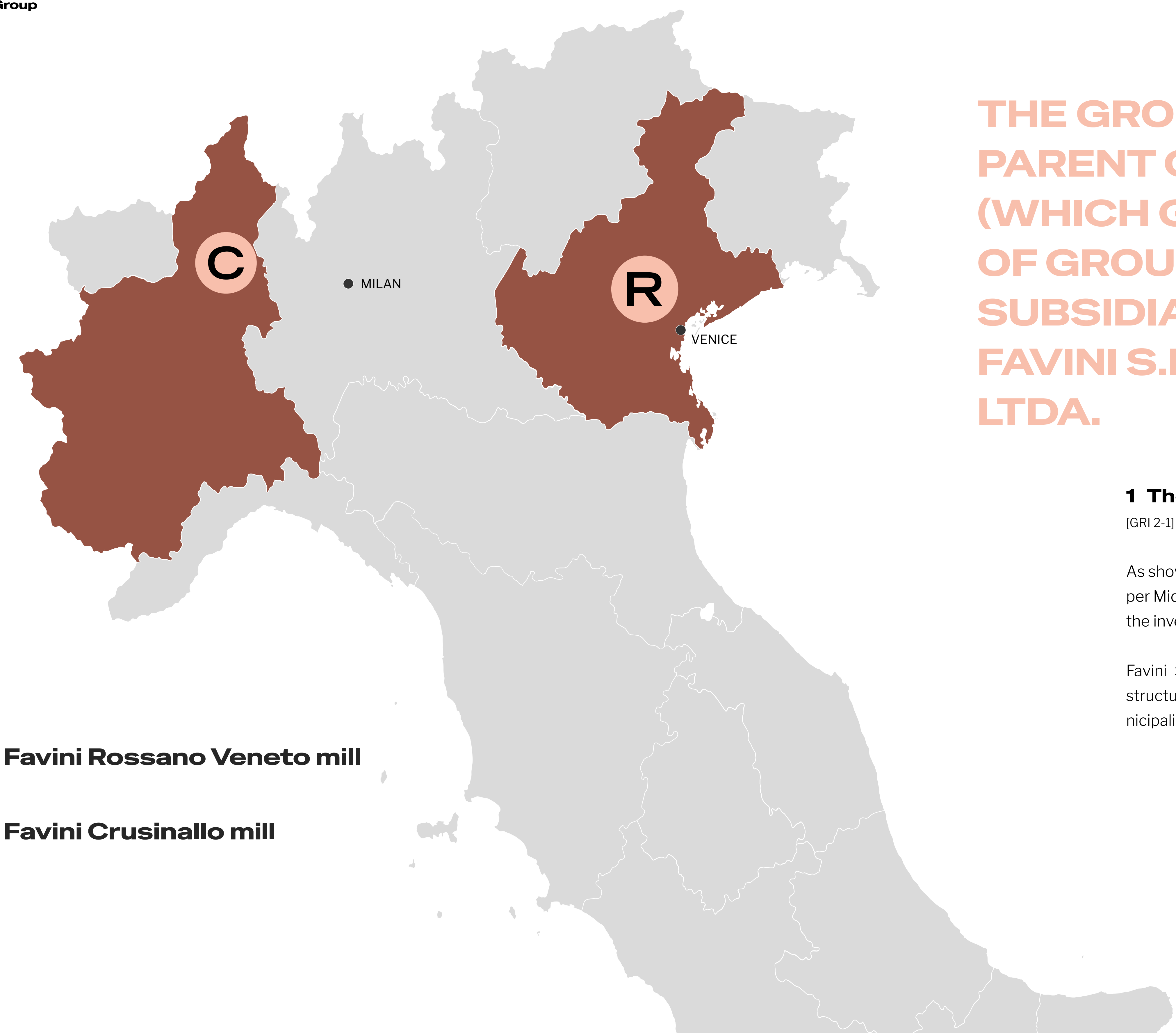
Despite the difficult international context, Favini's 2025 results were very positive, demonstrating the validity of the strategic choices made in recent years. We are confident that the Group's financial and capital strength will be a key success factor in the coming years, even if the markets in which we operate should slow down.

In this document you will find details of the sustainability objectives we set ourselves and which of them we achieved. The most significant improvement concerns the rating obtained from Ecovadis in December 2025: we reached a score of 87/100, an improvement of seven points compared with last year, enabling us to achieve the Platinum rating for the first time, reserved for the best companies in the sector. Among the objectives not achieved, we regret to report the slight decrease in demand for papers in the "Paper from our Echosystem" portfolio, characterised by the use of alternative raw materials, energy from renewable sources, CO_2 offsetting and the use of recycled fibres, attributable to the general decline in interest in the topic. This is a concrete and worrying signal of the trend described above. Among the objectives achieved, we would like to highlight the launch of a Corporate Welfare Plan, designed to formalise the efforts made to improve the internal social dimension of sustainability.

I would like to conclude this letter with a source of pride and satisfaction for all of us who work in this company: this year we celebrate 120 years of Favini's history. The wealth of experience and knowledge gathered over these many years is an asset on which we intend to base our commitment to ensuring another 120 years of success for all our stakeholders.

Eugenio Eger

THE FAVINI GROUP



R Favini Rossano Veneto mill

C Favini Crusinallo mill

THE GROUP COMPRISES THE PARENT COMPANY FAVINI S.R.L. (WHICH GENERATES ABOUT 90% OF GROUP TURNOVER) AND THE SUBSIDIARIES CARTOTECNICA FAVINI S.R.L. AND FAVINI DO BRASIL LTDA.

1 The Favini Group

[GRI 2-1] [GRI 2-2]

As shown in the following organisational chart, Favini S.r.l. is in turn controlled by Paper Midco Sarl, which acts as a holding company solely for the purpose of managing the investment in Favini.

Favini S.r.l.'s registered office is located in Rossano Veneto (VI). Its production structure is based in Italy at the Rossano Veneto (VI) and Crusinallo plants, in the municipality of Omegna (VB). In 2025, the Group generated turnover of €185.6 million.

ORGANIZATIONAL CHART

1.1. Geographical context

The Italian production sites of the Favini Group are located in Veneto and Piemonte, two areas of particular natural beauty situated along strategic road networks connecting them with the rest of Italy and Europe.

The Veneto site, Favini paper mill and the adjoining converting unit, covers an area of 78,478 sqm, of which 27,989 sqm are nature-oriented, in an industrial area in the municipality of Rossano Veneto, a small town of roughly 8,200 inhabitants in the north-east of the province of Vicenza.

The production facility is located just downstream from the line of water resurgences, in an area characterised by alluvial deposits formed by watercourses coming from mountain basins. In this context, the highly permeable soils typical of the area support significant and constant replenishment of underground aquifers, allowing the site to make effective use of the abundant water resources present in the alluvial mattress of the upper Po Valley.

Environmental protection of this area is of primary importance, in line with the guidelines of the PRGC (Piano Regolatore Generale Comunale - General Municipal Regulating Plan) and forming part of broader initiatives. These include pollution prevention activities, as well as the reclamation and redevelopment of the “drainage basin” of the Venice lagoon. This term refers to the set of areas whose surface water network permanently conveys rainwater and river water into the lagoon, together with the pollution generated by urban and industrial settlements and by agricultural and livestock activities. The municipality of Rossano Veneto forms part of this basin as a groundwater replenishment area.

The preservation of the Favini site therefore contributes both to safeguarding the lagoon’s natural heritage and to protecting groundwater, ensuring that its quality characteristics remain suitable for human use.

The socio-economic context in which the paper mill operates benefits from a network of highly specialised and competitive small and medium-sized enterprises spread throughout the region.

The Piemonte site of the Favini Group covers an area of 114,151 sqm, of which 35,762 sqm are covered by buildings, in the suburb of Crusinallo in the municipality of Omegna (with a population of 14,100 inhabitants), north of Lake Orta, in the province of Verbano Cusio Ossola. The area is an important crossroads connecting the site northwards with Swiss, French and German territories and southwards with the Piemonte and Lombardy plains.

From a geographical viewpoint, the production facility is located in an alluvial plain formed by the River Toce. Environmental protection of the site forms part of a broader project to safeguard the river and lake system, developed within the local Agenda 21 process launched in 2001 by the provincial administration of Verbano Cusio Ossola.

THE WORLDS OF FAVINI

1.2 The worlds of Favini
[GRI 2-6]

THE FAVINI GROUP OPERATES IN THREE DIFFERENT BUSINESS LINES: THE CASTING RELEASE DIVISION, THE GRAPHIC SPECIALITIES DIVISION AND THE PAPER CONVERTING DIVISION. WITHIN EACH BUSINESS SEGMENT, IT OFFERS A BROAD RANGE OF PRODUCTS AND SOLUTIONS FOR DIVERSIFIED MARKETS.

INDUSTRIES THAT CHOOSE US

- FASHION & ACCESSORIES
- DESIGN & TECH
- COSMETICS
- FOOD. WINE & SPIRITS
- PACKAGING
- HIGH-END PRINTING
- FURNITURE
- SUSTAINABILITY & LUXURY
- AUTOMOTIVE
- BRAND PROTECTION & SECURITY
- SCHOOL & OFFICE
- HOBBY & ART

THE WORLDS OF FAVVINI

CASTING RELEASE

Favini is the global leader in the design and production of release papers, namely creative and technical moulds used in the production processes of numerous materials for the fashion, design, automotive and technical-sportswear sectors. Release papers make it possible to imprint a surface texture on a wide range of products, determining the final visual effect and tactile feel.

In addition to smooth surfaces with different degrees of opacity, the Favini Release catalogue includes almost 300 different designs with leather, patterned, textile, geometric and three-dimensional effects.

GRAPHIC SPECIALITIES

Favini is an international benchmark in the field of innovative graphic specialities, made mainly from natural raw materials such as cellulose, algae, fruit and nuts, cotton and wool. The solutions developed are mainly intended for printed communication and product packaging, particularly in the luxury and fashion sectors.

The Graphic Specialities Division specifically includes the design and production of high-added-value paper solutions intended for multiple applications. These include, in particular, packaging and high-end publishing, alongside further technical and creative uses. This division stands out in the market for its strong ecological identity: since the 1990s, it has been characterised by the development of papers obtained through circular economy processes and industrial symbiosis. From this perspective, the Research and Development laboratory is constantly engaged in identifying and testing eco-innovative ingredients, including algae and by-products from agro-industrial, textile and leather supply chains.

PAPER CONVERTING

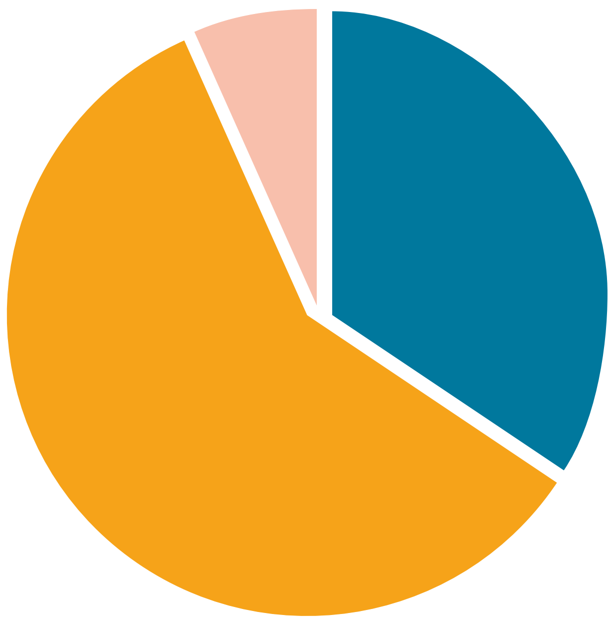
Favini also includes a Paper Converting Division, specialising in the design and production of stationery products for educational, office and creative uses.

The division's offering covers a wide range of products, including, in addition to reams of coloured paper — its flagship product — notebooks, sketchbooks, exercise books, envelopes and cards. In relation to its main areas of application, this segment is commonly identified as the School, Office and Creativity area.

To manufacture their products, both Favini and Cartotecnica Favini use fibrous raw materials (cellulose) and non-fibrous raw materials (mainly chemical products), principally sourced from the European and South American markets, as described in more detail in the sections of the report dedicated to the supply chain (1.8) and material consumption (3.1.3).

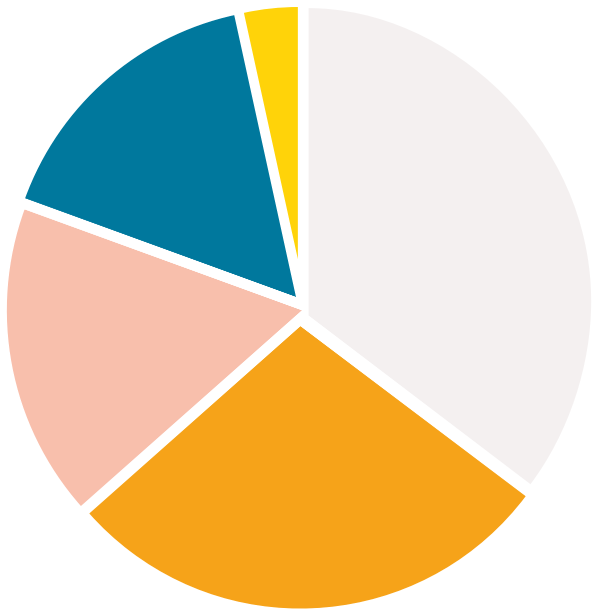
FAVINI SELLS ITS PRODUCTS IN MORE THAN 80 COUNTRIES, WITH REVENUES GENERATED OUTSIDE ITALY ACCOUNTING FOR 63% OF THE GROUP'S TOTAL REVENUES.

There are three commercial branches in Brazil, China and the United Kingdom, where resources are dedicated to marketing products in their respective target markets, as well as supporting the promotion of the Group's brand awareness and trademarks.



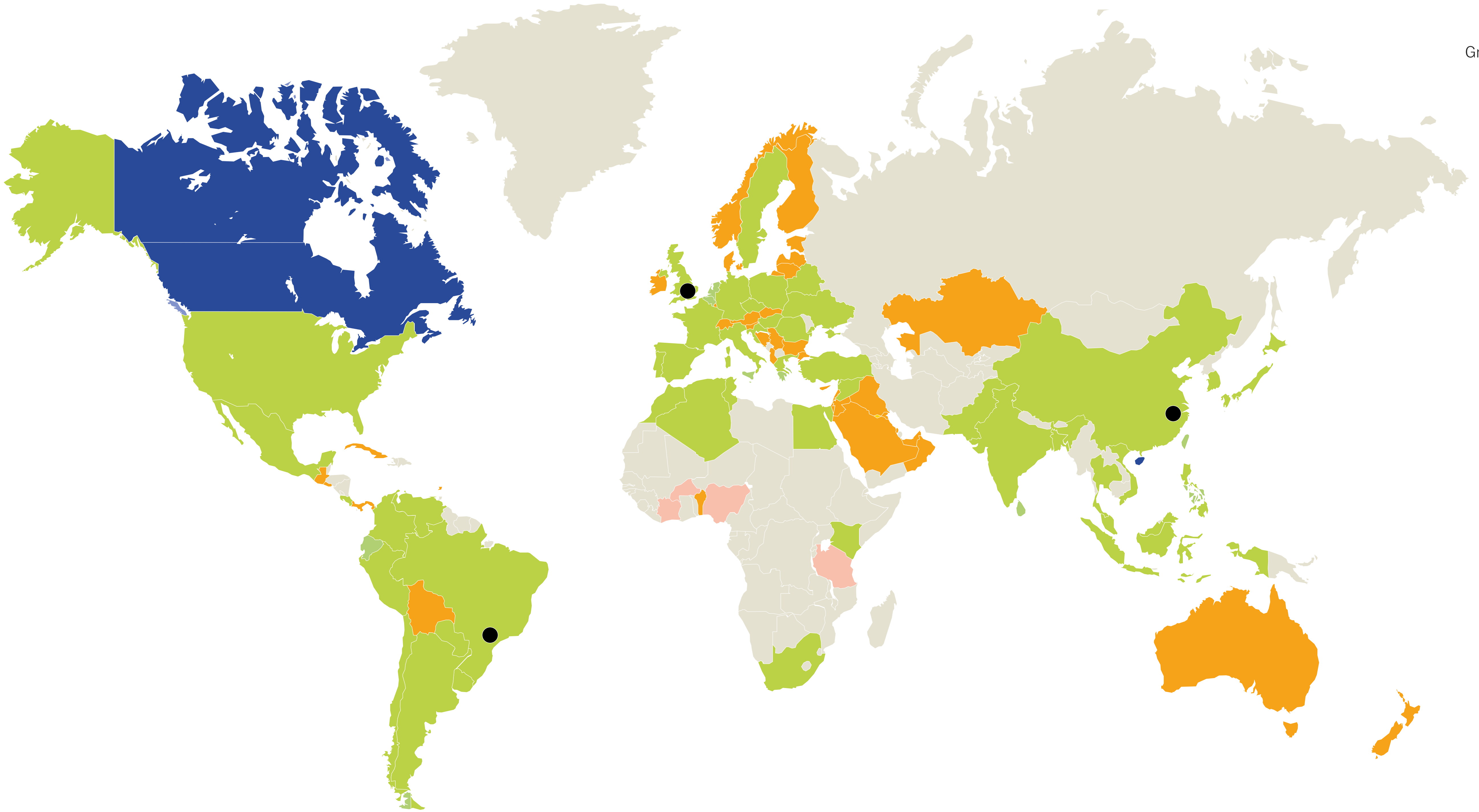
GROSS SALES 2025
€/000

Graphic Specialities **58.7%**
Casting Release **30.0%**
Paper Converting **6.9%**



GROSS SALES BY COUNTRY 2025
%

Italy **37%**
Other European countries **30.8%**
America **11.9%**
Asia **17.1%**
Other countries around the world **3.1%**



GEOGRAPHICAL SPREAD OF SALES

- Graphic Specialities & Casting Release
- Graphic Specialities
- Casting Release
- through distributors
- commercial branches

1.3 Governance

[GRI 2-9] [GRI 2-10] [GRI 2-11] [GRI 2-15] [GRI 2-17] [GRI 2-18]

1.3.1 Board of Directors

The Company's Articles of Association provide a transparent definition of the Group's governance structure.

The Company's governing body is the Board of Directors (BoD), comprising three members: the Chairman, the Chief Executive Officer (CEO) and one Director.

The BoD is responsible for the Group's strategic guidance and management powers; in particular, strategic guidelines are set by the Chairman of the Company. The Chairman of the BoD does not have an operational role within the Organisation: he liaises with the CEO in managing matters that fall outside ordinary business activities.

Ordinary management is entrusted to the Chief Executive Officer: his powers are defined in detail by the Board of Directors and are made public in the Register of Companies. The Chief Executive Officer also acts as General Manager, taking a fully operational role in managing the Organisation, including matters relating to the management of impacts on the economy, the environment and people.

In the area of sustainability, measures have not yet been adopted to increase the collective skills of the Board of Directors, except as regards the CEO, to whom the Board has delegated the development of the necessary skills.
The CEO also assumes the role of Employer with respect to worker safety and environmental protection matters. There is no predefined frequency for the CEO to inform the BoD about corporate management issues, including those relating to the Organisation's impacts on the economy, the environment and people. At Board level, management reporting takes place quarterly.

The third Director has no operational powers.
The Company's Articles of Association provide that the Shareholders' Meeting appoints a person entrusted with the statutory audit. The main duties of the statutory auditor are: 1. to express an opinion on the annual financial statements and consolidated financial statements in a specific report; 2. during the financial year, to verify that the company accounts are properly kept and that operating events are correctly recorded in the accounting records.

The Articles of Association reserve certain ordinary management matters for the decision of the Board of Directors, while other matters of particular strategic importance fall within the competence of the Shareholders' Meeting.

There are no committees within the BoD and no independent directors. Directors serve a three-year term; the current directors are all male and are, indirectly, shareholders in the Company.

The appointment of Directors is regulated by the Articles of Association, which provide that two directors are appointed by the majority shareholder and one by the minority shareholders. There are no specific criteria for selecting Directors other than the competence and experience acquired at the Company and at other high-level corporate organisations.

The BoD or, where necessary, the Shareholders' Meeting, manages any situation involving a conflict of interest, even if only potential or suspected, adopting the consequent measures required to manage the conflict.

1.3.2 The Board of Statutory Auditors

[GRI 2-11] [GRI 2-12] [GRI 2-13]

The Articles of Association provide that verification of compliance with the law and the Articles of Association is carried out by the Board of Statutory Auditors, composed of three members appointed by the Shareholders' Meeting. The legitimacy control performed by the members of the Board of Statutory Auditors consists of supervising compliance with all provisions of the Articles of Association, the laws and regulations governing the functioning of the Company's bodies and its relations with institutional bodies, the regulatory provisions governing the Company's operating sector, and the existence of the authorisations required to perform its activities.

The Italian Civil Code provides that directors must adopt adequate organisational, administrative and accounting structures and that the Board of Statutory Auditors must supervise the adequacy of the Company's organisational structure. The subject of the Board of Statutory Auditors' control consists of the processes governing executive actions, namely the adequacy of the set of directives and procedures designed to ensure an appropriate level of competence and responsibility in the allocation of functions. The requirements assessed by the Board of Statutory Auditors to verify the adequacy of a company's organisational structure include, for example, consistency with the company's size, the nature and methods of achieving the corporate purpose, the organisational chart and the documentation relating to company directives and procedures.

1.3.3 The remuneration and incentive policy

[GRI 2-18] [GRI 2-19] [GRI 2-20] [GRI 2-21]

Board members are remunerated with a fixed fee, determined with the agreement of the Shareholders. In addition to remuneration as a director, the CEO receives remuneration as General Manager. This remuneration, similarly to that of the other Group managers, consists of a fixed component and a variable component linked to annual objectives and results achieved. These objectives are mainly tied to the Group's economic performance. The fixed component, governed by Italian law and the collective agreement for managers of industrial companies, also includes severance pay and supplementary pension and health benefits. The Company has not yet developed a formal procedure for assessing the results achieved by the highest governing body and collectively evaluates its economic, environmental and social performance.

The ratio of the total annual cost of the highest-paid person in the Organisation to the median value of the total annual cost of all other employees is 8,29, with a variation in the ratio of -7,88% compared with 2024.

1.3.4 Sustainability Governance

[GRI 2-12] [GRI 2-13] [GRI 2-14]

Sustainability reporting is under the responsibility of the CEO, who is responsible for reviewing and approving the reported information, including material topics. The CEO, in turn, has delegated part of these responsibilities to a limited number of Delegated Employers, whose task is to ensure the proper management of the Organisation's impacts on occupational safety and environmental protection matters.

The CEO coordinates this working team, which collects the data and information relevant to reporting and actively participates in identifying material topics. The group meets once a year to collect proposals for objectives to be defined and actions to be undertaken to achieve them, as well as to verify the achievement of the previous year's objectives. The outcome of this work is an annual statement of ESG objectives, actions and results, which is then presented within the Sustainability Report.

The Company's streamlined structure limits the possibility of establishing Committees dedicated to examining specific issues of any kind: topics are addressed collectively or delegated to the Chairman or the Chief Executive Officer. Critical issues, objectives and actions undertaken in the area of sustainability are reported annually by the CEO to the BoD.

1.4 Business ethics and integrity

[GRI 2-23] [GRI 2-25] [GRI 2-26] [GRI 3-3] [GRI 205-3] [GRI 415-1]

Favini constantly strives to create shared value for the Group and its stakeholders and considers the respect for and development of environmental and social responsibility principles a priority in its decision-making and operational processes.

Transparency, integrity and fairness are guiding principles for long-term development, which we pursue through the adoption of the Code of Ethics, the Organisation and Management Model pursuant to Italian Legislative Decree 231, and various policies and procedures that ensure compliance with current regulations and rules, such as the Anti-Corruption Policy and the Human Rights Policy. The latter focuses on protecting workers' rights, both in terms of health and safety and with respect to individual and collective rights.

The Code of Ethics has been adopted by all Group companies, while the Organisation and Management Model pursuant to Italian Legislative Decree 231 has been adopted by the operating companies in Italy.
The BoD has appointed a Supervisory Board with the task of monitoring the correct implementation of the Model and ensuring that it is updated. The Supervisory Board meets quarterly to interview the various responsible parties, in order to verify the integrity of the Company's conduct and maintains a regular exchange of information with the BoD and the Board of Statutory Auditors.

The Code of Ethics sets out the principles of conduct for the correct and fair management of corporate activities and is integrated with the Organisation and Management Model pursuant to Italian Legislative Decree 231, with the ultimate aim of preventing and reducing offences, corruption risks and conflicts of interest. The Organisation and Management Model, pursuant to Legislative Decree 231/2001, is designed to prevent the risk of committing specific relevant offences, in particular corruption, bribery, fraud, corporate offences, receiving stolen goods, violations of accident prevention regulations, environmental offences, market abuse, anti-competitive practices, conflicts of interest and others. These documents are the main tools for developing and maintaining business conduct based on transparency and integrity, and for addressing any risks relating to the abuse of fundamental human rights and any form of corruption.

The induction programme for new employees, formalised through a dedicated procedure, includes basic training covering legal topics, anti-corruption, human rights, environmental responsibility and the Company's Code of Ethics. General staff training on the 231 Organisation Model and Code of Ethics was completed in previous reporting periods. Transparent and fair operations are also supported by the organisation of decision-making and authorisation processes, with the separation of duties and responsibilities among those who make decisions, those who carry out activities and those who monitor them.

Since 2023, Favini has joined the United Nations Global Compact, a strategic corporate citizenship pact that promotes the adoption of sustainable policies and practices, considering it a fundamental step in developing its ESG responsibility.

We also apply transparency to stakeholder participation in corporate activities: stakeholders can submit general reports by email to a dedicated institutional address. The Whistleblowing system, recently updated pursuant to Italian Legislative Decree 24/2023, follows a formal procedure and has a clearly defined reporting channel through which illegal conduct and actions prohibited by Favini's Code of Conduct and values can also be reported anonymously.

As a matter of corporate policy, Favini does not provide contributions and/or funding to organisations with which conflicts of interest may arise, or to associations carrying out activities or playing significant roles in determining national or international policy.

During 2025, one report, not relevant for the purposes of the 231 Model, was received through the Whistleblowing channel and was investigated and resolved with the support of internal functions. No other complaints or reports were recorded from stakeholders during the reporting period. As part of normal business operations, quality complaints were received from customers; however, these did not give rise to particular concerns but instead provided opportunities to improve products.

1.5 Policies and Certified Management Systems

[GRI 2-23] [GRI 2-30]

In practical implementation of the principles defined by the Organisation and Management Model pursuant to Legislative Decree 231 and by the Code of Ethics, the Company has adopted a set of policies and procedures aimed at formalising its commitments to responsible business conduct towards its main stakeholders. The documents relating to the Environmental Policy, Procurement Policy, Labour and Human Rights Policy and Anti-Corruption Policy are available for consultation and download from www.favini.com, in the "Sustainability" section.

The implementation of the Policies is the responsibility of the Chief Executive Officer, who supervises the activities of the relevant functions with regard to their effective application. Labour and human rights issues are overseen by the Human Resources Department, which liaises with workers' representatives to receive their requests and any complaints, as required by current legislation and national and company collective agreements. The quality, environment and safety systems are delegated to apply risk identification and assessment processes, monitoring possible disputes together with company management.
Worker safety and environmental protection issues are overseen by the delegated employer appointed for this purpose and by the HSOs appointed for each facility, who in turn interact with the workers' safety representatives provided for by law and collective agreements. They also engage with local authorities to define and ensure compliance with workplace safety and environmental requirements.

In the Group's companies, the National Collective Labour Agreement for companies operating in the paper and cardboard industry is applied to all employees; all managers are covered by the National Collective Labour Agreement for managers of companies producing goods and services. In addition, the Company has been certified UNI EN ISO 45001 since 2011, UNI EN ISO 14001 since 2009 and 2010, respectively for the Rossano Veneto and Crusinallo plants, and EMAS since 2015, and is subject to annual certification audits.

1.6 Stakeholder involvement

[GRI 2-29]

Favini values the opinion of its stakeholders and has developed various engagement strategies. Group employees are involved through internal organisational communications, corporate events, meetings dedicated to trade unions and safety representatives, dissemination through the company intranet, the Quality, Environment and Safety portal and the website containing guidelines, policies and procedures. The Company asks its customers and external collaborators to assess the products and services provided through periodic satisfaction surveys and participation in specific meetings; it engages with universities and local communities by taking part in fairs and events and by opening the doors of its facilities for educational visits; and it involves suppliers, customers, employees, shareholders and research bodies in identifying the most important sustainability topics in order to plan future corporate commitments. The heads of the various areas meet regularly with workers' representatives to review the situation and collect the requests they may raise.

1.7 Favini's sustainability strategy and goals

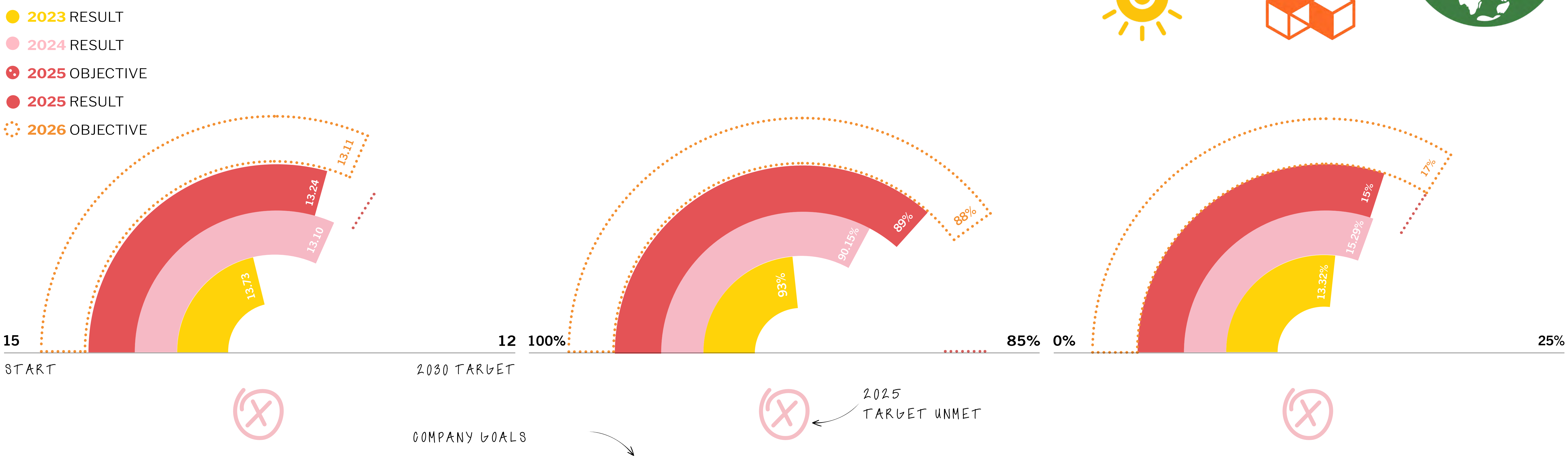
ENERGY EFFICIENCY AND EMISSIONS

RELEVANT SDGs

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

13 CLIMATE ACTION



INCREASING ENERGY EFFICIENCY

GJ/T PAPER

We focus our efforts on maximizing energy efficiency, measured in terms of tonnes of paper produced from high-efficiency cogeneration plants, waiting for more structural alternatives to gas usage.

REDUCING CARBON INTENSITY (SCOPE 1 AND 2 EMISSIONS)

%(CARBON INTENSITY 2025/CARBON INTENSITY 2009)

We consider an aspirational goal to reduce carbon intensity, TCO_2/Tpaper, but a significant emissions abatement (Scope 1) is extremely difficult in the present scientific and technical context and in our geographical position.

INCREASING THE SHARE OF REVENUES FROM CARBON NEUTRAL PRODUCTS - GRAPHIC SPECIALITIES

%

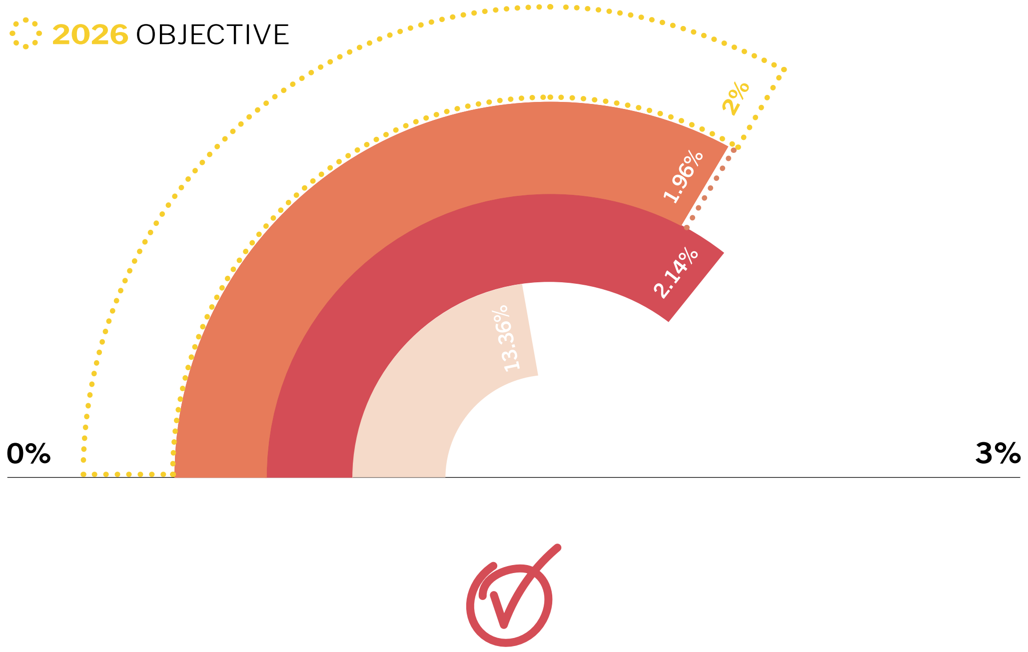
At Favini, we are committed to developing products with a low carbon impact throughout the manufacturing chain and through CO_2 offsetting projects.

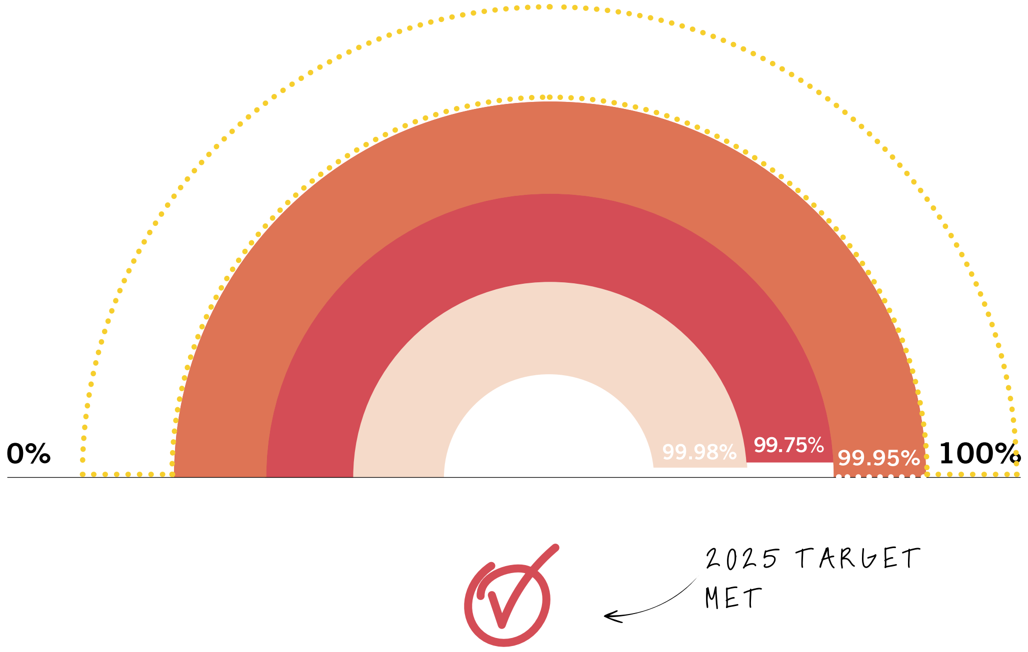
CIRCULAR ECONOMY AND RESPONSIBLE MANAGEMENT OF RESOURCES

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

2023 RESULT
2024 RESULT
2025 OBJECTIVE
2025 RESULT
2026 OBJECTIVE





INCREASING THE USE OF ALTERNATIVE FIBRES - ROSSANO VENETO MILL

%

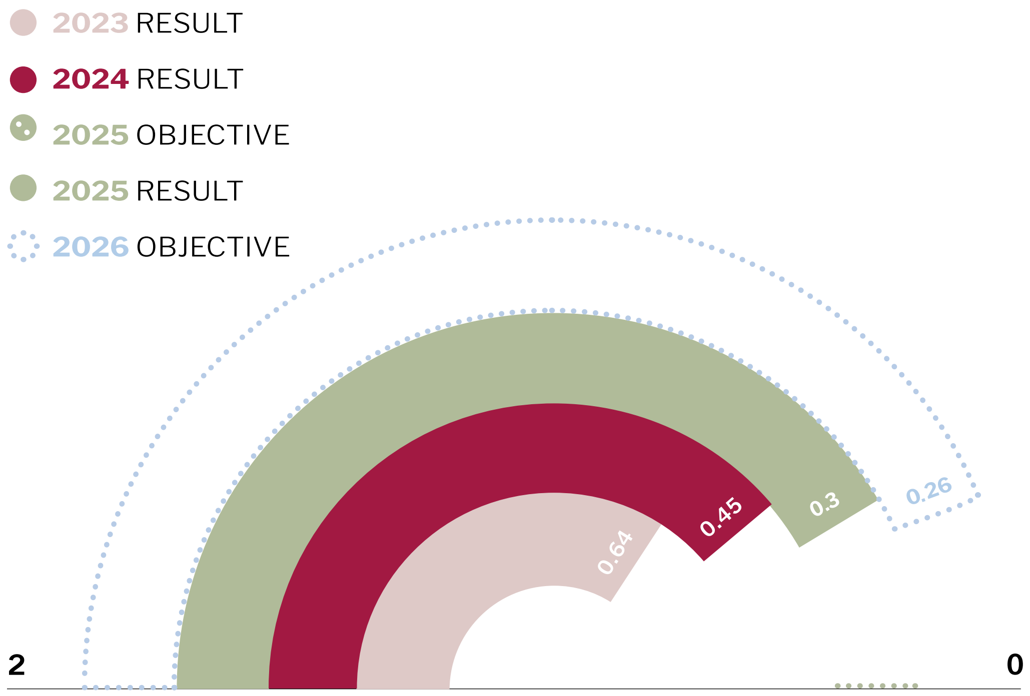
At Favini we are constantly looking for developing highly innovative products in terms of creative re-use of waste arising from other sectors and of alternative fibres.

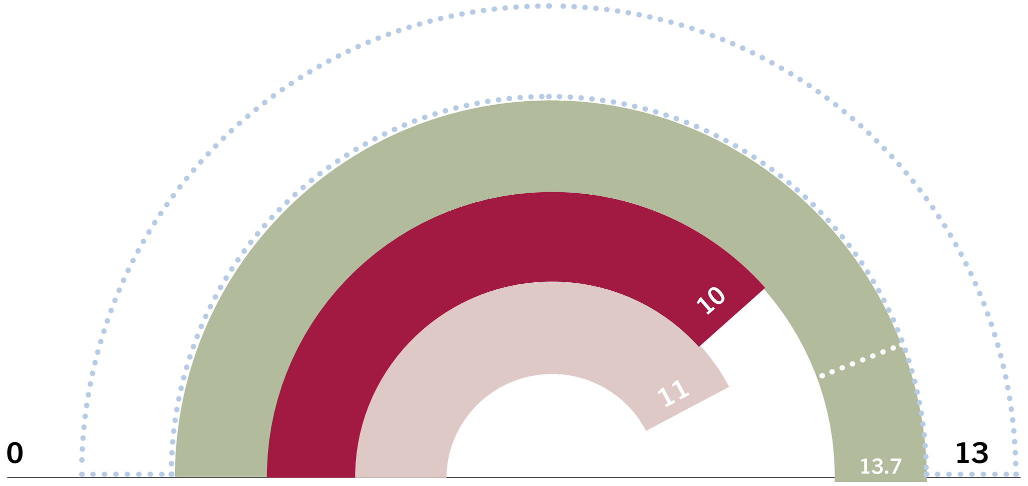
NO WASTE FOR DISPOSAL

% TO RECOVERY

Waste originating from manufacturing process is internally reused or sent for recovery. Only a minimal part related to maintenance process is destined for disposal.

STAFF HEALTH, TRAINING AND WELL-BEING





REDUCING THE ACCIDENT SEVERITY INDEX (SI)
DAYS OF ABSENCE DUE TO ACCIDENTS >3 DAYS/TOTAL HOURS WORKED X1.000

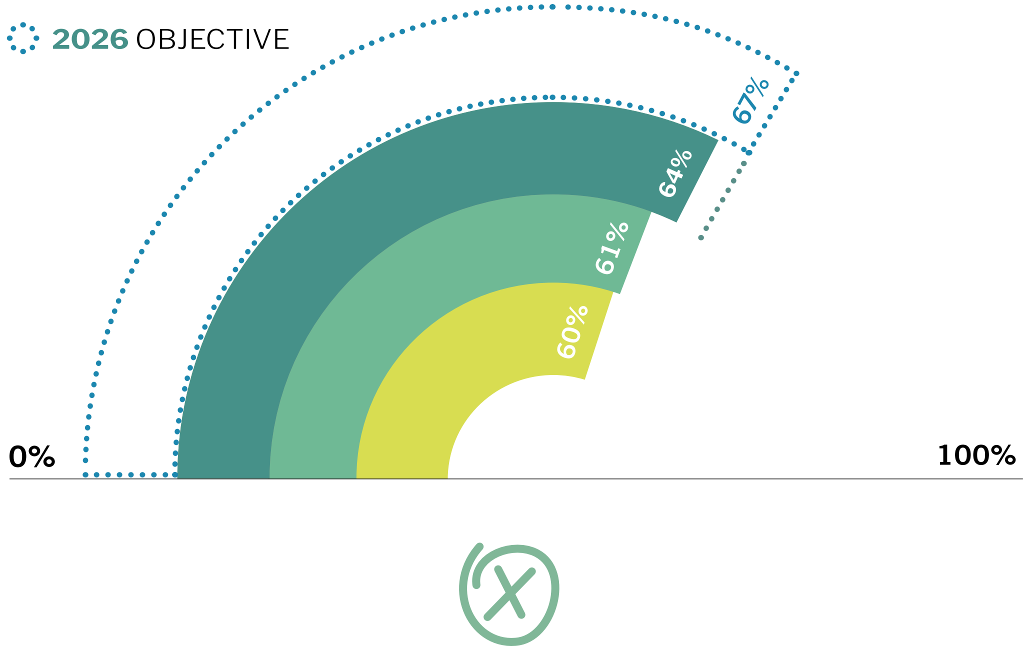
The Accident Severity Index is the most suitable tool for reporting the seriousness of injures occurring in the working environment. Despite the efforts made, we are still behind in reaching "zero accidents" objective.

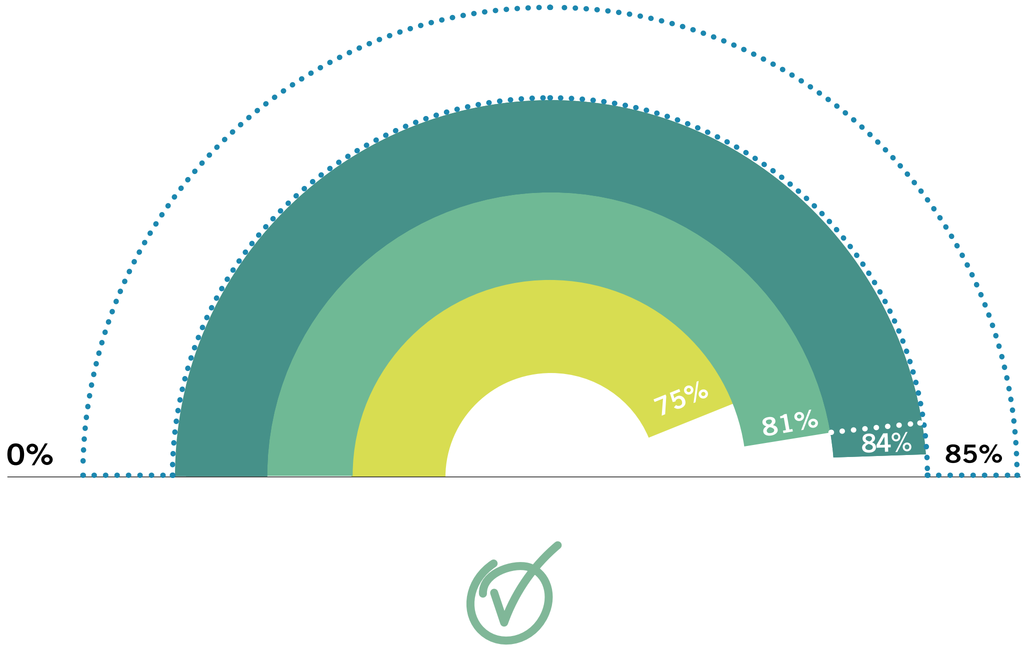
INCREASING THE PRO CAPITA HOURS OF TRAINING PROVIDED TO EMPLOYEES
H PRO CAPITA

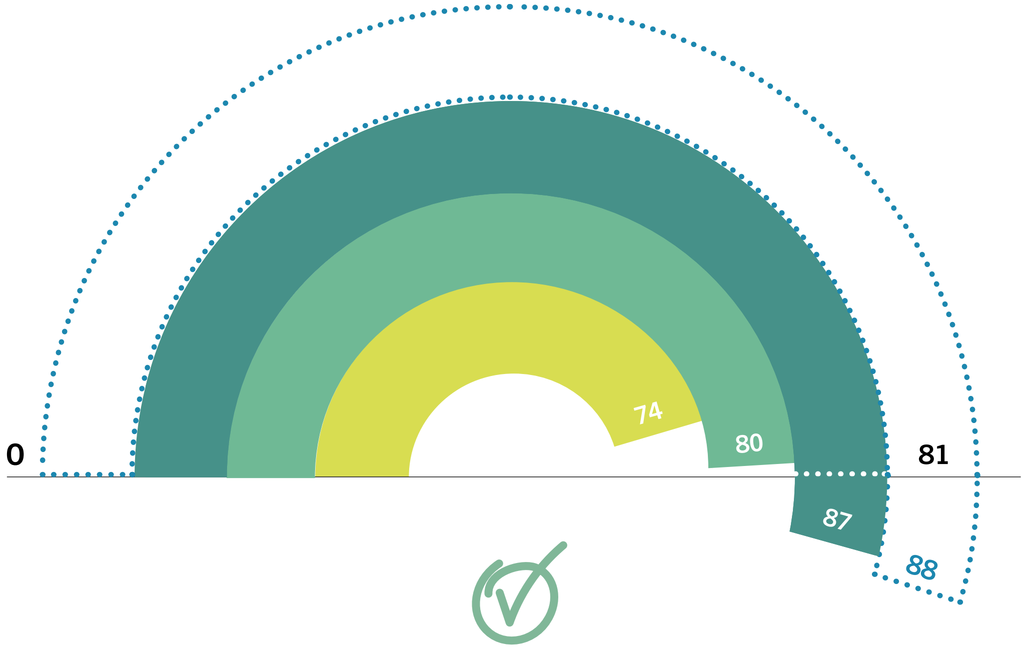
At Favini, we believe that an increased number of training hours is core to a safer and healthier workplace.

SUSTAINABLE SUPPLY CHAIN

2023 RESULT
2024 RESULT
2025 OBJECTIVE
2025 RESULT
2026 OBJECTIVE







PURCHASES OF FSC™ - COC VIRGIN FIBRE MATERIALS VS. FSC-CW FIBRE MATERIALS

%

Since many years Favini sources 100 percent of pulp from FSC certified suppliers. Our goal is to maintain such level and to achieve a higher level of FSC CoC certified pulp.

INCREASING THE VALUE OF PURCHASES FROM QUALIFIED SUPPLIERS

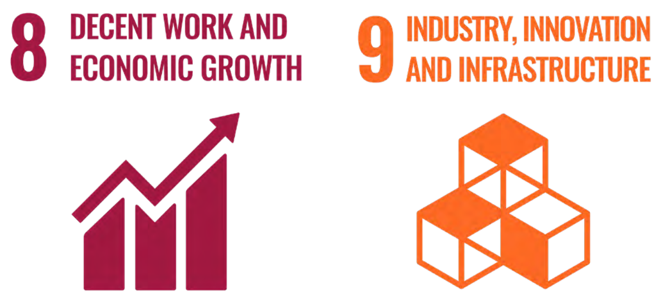
%

The ESG qualification of the production chain is one of our challenging targets and the next year's aspirational goal is to widen it to minor suppliers and to improve the performance of those certified.

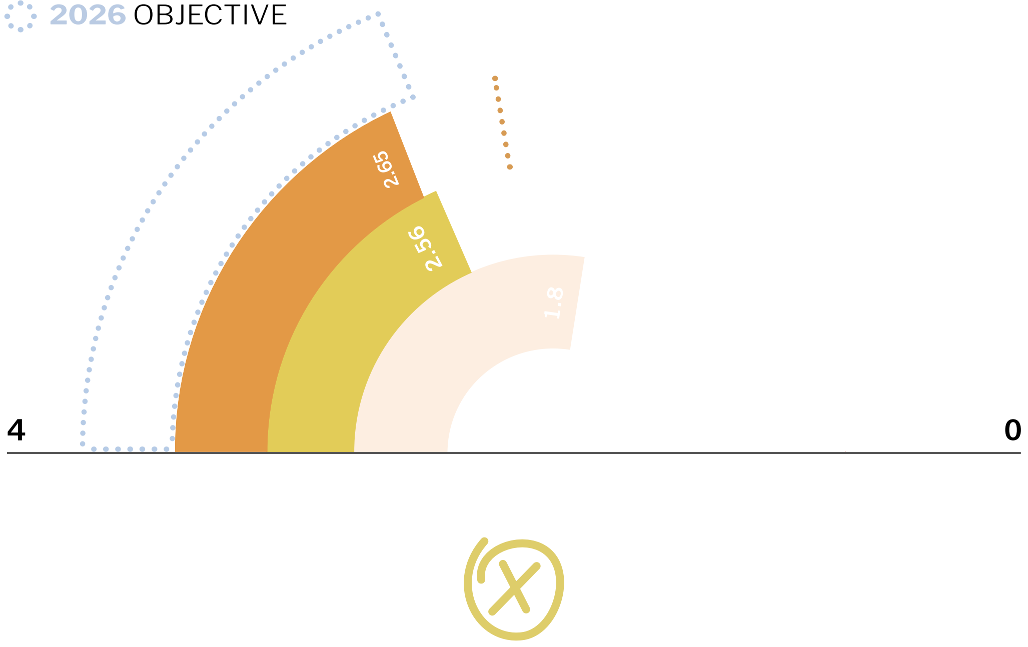
IMPROVING ECOVADIS' RATING

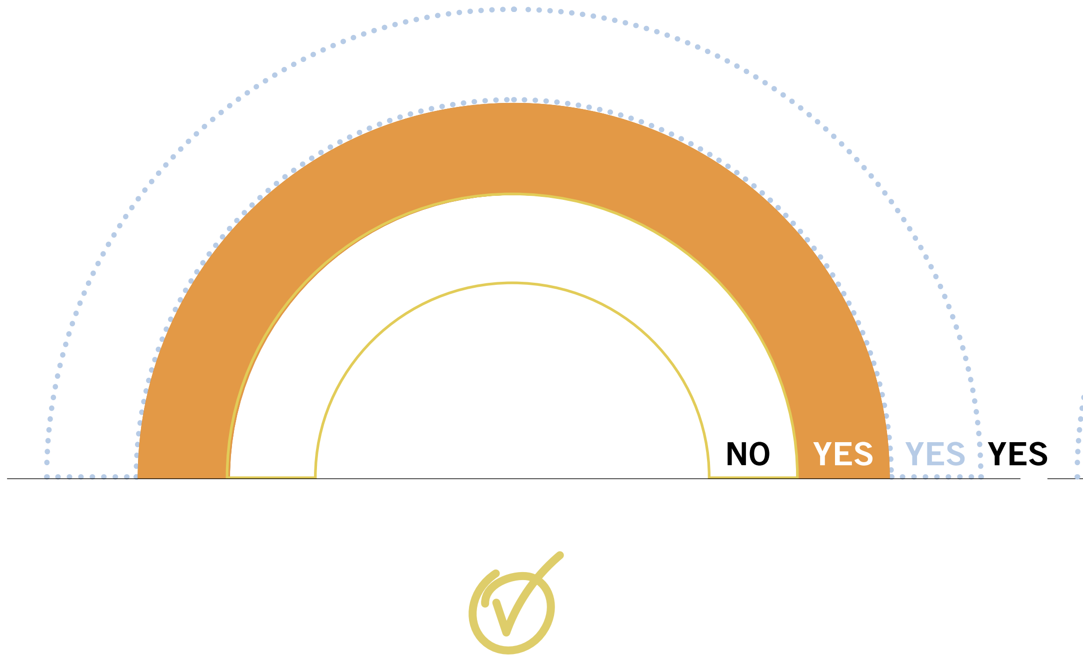
Favini is committed to improving its level of sustainability through concrete actions, the results of which are evalueted by Ecovadis (a global provider of corporate sustainability ratings).

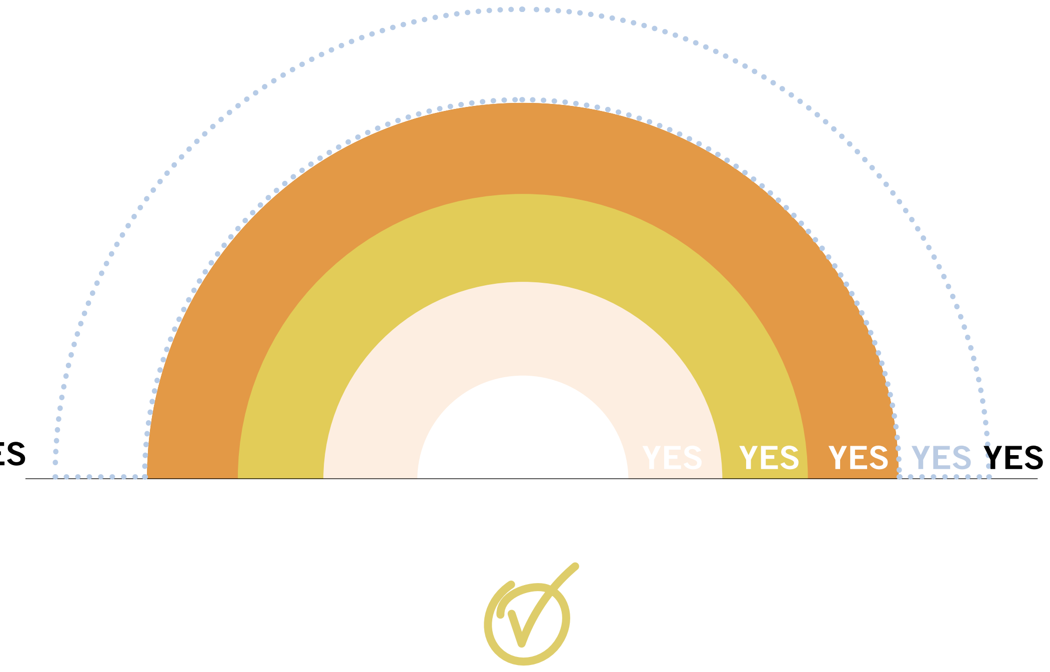
SHARED VALUE



2023 RESULT
2024 RESULT
2025 OBJECTIVE
2025 RESULT
2026 OBJECTIVE







GUARANTEEING THE FINANCIAL STRENGTH OF THE COMPANY

NET FINANCIAL DEBT / EBITDA

The Net Financial Debt/EBITDA ratio is an important parameter to assess economic and financial sustainability of a company. We at Favini are committed to progressively reduce our debts towards zero in the coming years.

INTEGRATING ESG OBJECTIVES INTO THE CORPORATE INCENTIVE SYSTEM

As of today. ESG targets are only partially included in the employees' incentive system. The 2025 goal is to integrate such targets in the variable component of the remuneration of part of the employees.

ADHERING TO THE PRINCIPLES OF THE UN GLOBAL COMPACT

Our participation in UN Global Compact emphasizes Favini's commitment to ESG issues. We joined in 2023, and we are proceeding in the adhesion process.

1.8 Responsible management of the value chain

[GRI 2-6] [GRI 416-2] [GRI 417-2] [GRI 417-3]

1.8.1 Customer relations

[GRI 2-28] [GRI 416-2] [GRI 417-2] [GRI 417-3]

The customer portfolio is a fundamental asset in Favini's generation of long-term value, and respect for our customers is an essential value in the way we operate. Favini's objective is to build lasting relationships with its customers by regularly supplying products based on the principles of fairness, loyalty and transparency. This commitment is demonstrated by the fact that more than 90% of turnover derives from customers with stable, long-term relationships. Specifically, 93% of turnover generated in the three-year period 2023-2025 comes from customers with whom we had already had business relationships in the previous three-year period, while approximately 7% comes from new customers. Conversely, 94% of turnover in the three-year period 2020-2022 was generated with customers with whom we also had relationships in the following three-year period.

Favini's facilities are certified according to the UNI EN ISO 9001:2015 standard. Our ecological and sustainable identity is reflected in the quality and innovation requirements of our product range, which is characterised by limited risks regarding potential quality issues, harmfulness and hazards in use. The internal system for collecting and managing reports from business partners is accurate and constantly evolving, with the aim of continuously improving the timeliness of interventions and positively managing any product quality issues. For the management of customer complaints, the Company has a consolidated operating procedure and technical personnel appointed to receive and handle reports.

All products are developed following careful and meticulous controls designed to ensure quality conformity, consumer health and safety and compliance with labelling, information and marketing communication requirements.

During 2025, no instances of non-compliance occurred in relation to product health and safety, nor with regard to information, labelling or breaches of customer privacy.

A Management Review is held annually, during which the results achieved are analysed against the objectives set for all relevant areas and new targets are defined for the following year.

The Group is a member of, and actively contributes to, trade associations such as Confindustria, Assocarta and Aticelca.

1.8.2 Supply chain management

[GRI 2-6] [GRI 204-1]

For Favini, integrating sustainability throughout the supply chain — the ecosystem in which it interacts with its suppliers to purchase goods and services — is fundamental.

Responsible supply chain management is based on the principles of corporate social responsibility, enabling us to obtain quality products from an economic, social and environmental perspective and to achieve the objective of creating value for the Company and its stakeholders.

In 2022, the Company defined a code of conduct for its suppliers, setting out clear standards and ethical guidelines to ensure that the entire supply chain respects the Company's fundamental values of sustainability and integrity. To date, the code of conduct has been signed by 75% of Favini suppliers out of the total distributed economic value.

In 2023, the Company adopted a sustainable sourcing policy, which details the sustainability principles and practices applied to the stages of the purchasing process, in order to communicate Favini's commitment to sustainable sourcing to all suppliers.

In 2024, an annually updated supplier qualification procedure was also developed, based on questionnaires used to assess suppliers' ESG performance.

During 2025, audit campaigns were launched for suppliers whose ESG performance had fallen below the fully sufficient level.

Supplier assessment questionnaire

[GRI 414-1] [GRI 308-1]

To assess the sustainability of its suppliers, Favini has adopted a qualification questionnaire developed and drafted internally by the Company.

The questionnaire is addressed to different categories of suppliers, including suppliers of fibrous and non-fibrous raw materials, outsourced processing, transport and services. Through this tool, it is possible to analyse supplier performance in relation to five main areas: business management, human rights and working conditions, environmental protection, business ethics and responsible supply chain management.

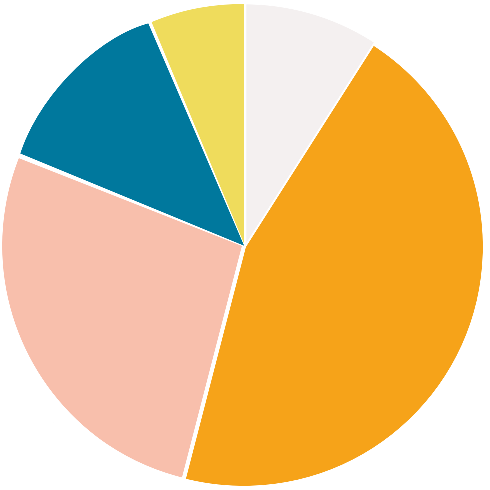
The information collected makes it possible both to monitor established suppliers and to support the selection processes for new partners, with the aim of developing and maintaining an increasingly sustainable supply chain.

After completing the questionnaire and following assessment of the responses provided, each supplier receives a score from A to E. Processing of the results made it possible to group suppliers according to their ESG performance.

SUPPLIER SUSTAINABILITY LEVEL €

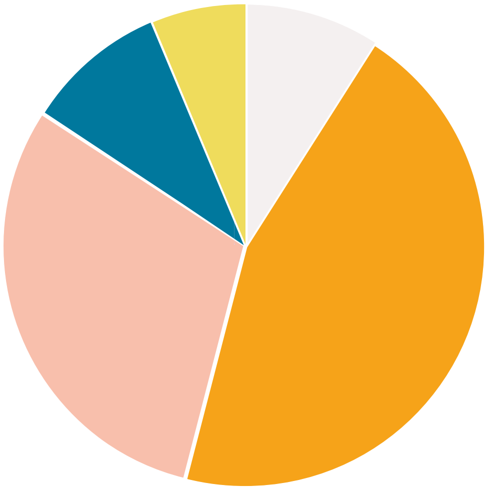
2025

A - Excellent	**9%**
B - Good	**39%**
C - Fair	**28%**
D - Sufficient	**16%**
E - Insufficient	**8%**



2024

A - Excellent	**11%**
B - Good	**41%**
C - Fair	**27%**
D - Sufficient	**14%**
E - Insufficient	**7%**



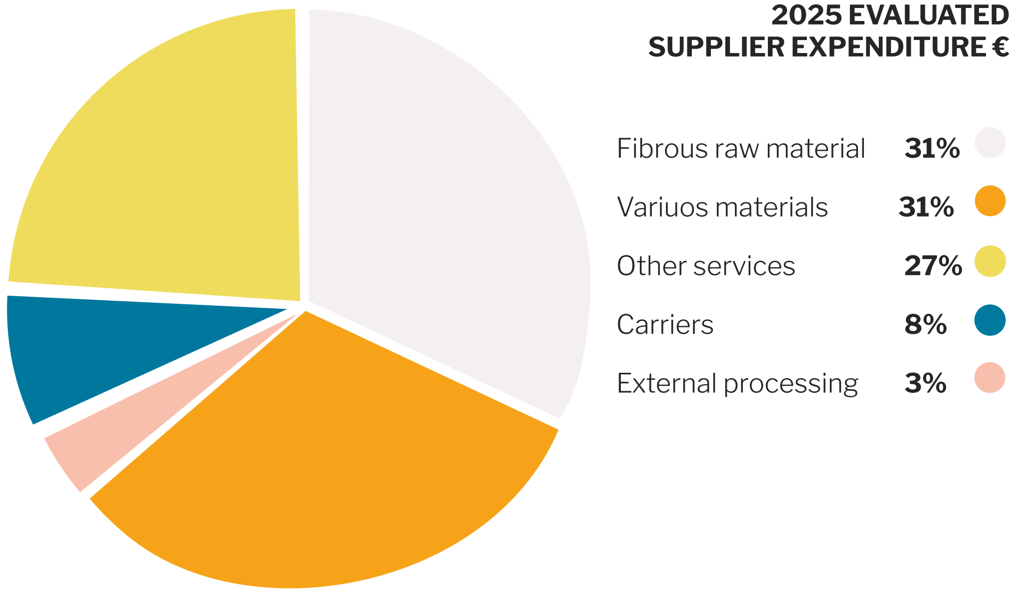
The results showed that more than two thirds of business partners demonstrated a high level of attention to ESG issues in their production activities and daily performance (A-B-C). 16% showed sufficient coverage (D), while 8% showed an almost complete absence of positive ESG practices (E).

For the latter suppliers (classified as E), Favini conducts verification campaigns (e.g. audits, collection of additional information, etc.) aimed at ensuring that it remains possible to continue the collaboration and sign a purchase contract. During 2025, three audits were conducted and completed, the outcomes of which led to an improvement in ESG performance compared with the initial baseline.

Monitoring

[GRI 308-1]

THE EFFECTIVENESS OF MONITORING IS DEMONSTRATED BY THE RATIO BETWEEN THE EXPENDITURE ASSESSED THROUGH THE QUESTIONNAIRE AND TOTAL EXPENDITURE. THROUGH THE QUESTIONNAIRE, 186 SUPPLIERS WERE ASSESSED (INCLUDING 37 NEW SUPPLIERS ASSESSED ACCORDING TO ESG CRITERIA ON ENVIRONMENTAL AND SOCIAL TOPICS IN 2025 COMPARED WITH 2024), EQUAL TO 85% OF THE SELECTED SAMPLE, COVERING 84% OF 2025 TURNOVER.

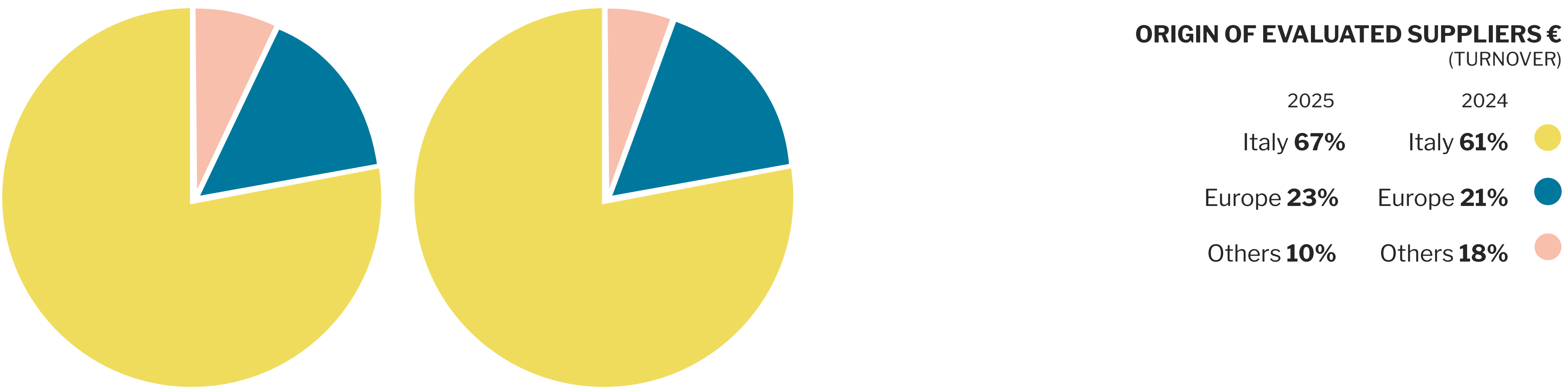


The suppliers assessed were classified according to their industrial sectors: supply of fibrous raw materials (cellulose), non-fibrous raw materials (chemicals and others), subcontracting activities, transport and other services (e.g. maintenance and energy). This breakdown made it possible to carry out more accurate analyses, such as positioning the assessed supplier compared with the average of other companies in the same sector and with the maximum achievable score.

Expenditure on local suppliers

[GRI 204-1]

Where possible, Favini establishes collaborative relationships with suppliers based in Italy and close to its production facilities, in order to support local development and create value within the national and local economy. In selecting suppliers, however, the product category, which is not always available locally, and the quality of the product purchased must also be taken into account. During 2025, the Company used 1,564 suppliers, mainly located in Italy (82%) and accounting for 66% of the distributed value.



Geographical origin of assessed Favini Group suppliers

no. of selected suppliers	Unit	2024	2025
Total no. of suppliers	N	130	157
Other	N	5	5
Europe	N	20	24
Italy	N	105	128
Grand total	€	112,557,311	108,084,761

The combined analysis of suppliers' country of origin and ESG levels achieved showed that the use of local suppliers, generally small and medium-sized enterprises, is associated with a higher incidence of assessments that are not fully satisfactory. These are companies rooted in the socio-economic fabric in which Favini operates, capable of guaranteeing high quality standards and flexibility in the services offered, but often less structured and equipped with fewer tools needed to obtain sustainability certifications.

1.8.3 Risk analysis along the value chain

[GRI 2-24] [GRI 418-1]

THE COMPANY'S ACTIVITIES ARE CHARACTERISED BY THE MANAGEMENT OF A SERIES OF RISKS OF VERY DIFFERENT NATURE, ARISING FROM THE CONTEXT IN WHICH THE ORGANISATION OPERATES, EITHER DIRECTLY OR INDIRECTLY. FAVINI HAS IDENTIFIED THE TYPES OF RISKS CONSIDERED RELEVANT FOR THE DEVELOPMENT OF ITS SUSTAINABILITY STRATEGY AND FOR THEIR IMPACT ON THE VALUE CHAIN AND HAS DEFINED THE METHODS FOR MANAGING AND MITIGATING THEM.

Risk of reduced paper consumption

Paper consumption worldwide shows a risk of structural decline due to the rise of digital media replacing paper-based media. The Group addresses this risk through a niche strategy in two paper market segments: special papers for graphic/packaging use and Casting Release special papers. These market segments show stable trends and make it possible to achieve margins higher than the paper industry average. As relatively small niches, they are also less sensitive to fluctuations in selling prices, ensuring greater stability of results.

Risk of dependence on a raw material

Paper production at the two plants is highly dependent on supplies of various types of pulp, which represent an important component of the finished product. The availability of pulp on the market may be influenced by factors that are difficult to predict in advance, such as weather conditions or demand in the various continents. These factors can significantly affect both availability and purchase prices, with potentially material effects on business profitability. The Group manages availability risk through contracts with suppliers that define annual quantities; constant and careful analysis of order margins is aimed at keeping under control the risk arising from fluctuations in purchase prices.

Risk of dependence on/fluctuations in energy resources

Paper production is commonly described as an energy-intensive process, requiring high consumption of energy resources, specifically gas and electricity. The operation of the production process therefore depends on the availability of these resources, while business profitability may also be affected by fluctuations in their cost.
The Group has equipped its plants with high-efficiency technologies which, through gas consumption, provide the electricity, steam and hot water needed for their operation. Through careful monitoring of this specific market, when considered convenient, the Company may occasionally enter into annual contracts guaranteeing both the supply and price of the resource. Particularly significant or sudden changes in prices may also be passed on to product selling prices in order to preserve business margins.

Risk of shortage of water availability

The production process at both production sites withdraws significant quantities of water from the aquifer and then discharges a slightly lower quantity into the surrounding canals once the water has been treated. During the long operating life of both sites, no shortage of water from the underlying wells has ever occurred; however, the progressive reduction in water availability resulting from lower rainfall makes it necessary to highlight the risk of possible shortages in water availability. The Group constantly monitors the situation and is committed to reducing water withdrawals in order to preserve the available reserves as far as possible.

Risk of occurrence of safety and environmental issues

The Group's activities are carried out through two production sites that are exposed to the risk of issues relating to workers' safety and the presence of products that may be potentially hazardous to the environment. The Group is strongly committed to reducing these risks through a constant policy of adapting buildings, plants and machinery to safety regulations. Both production sites have long obtained ISO 45001 certification for health and safety and are also certified EMAS and ISO 14001 for environmental management systems; they operate in accordance with the Integrated Environmental Authorisations granted by the supervisory authorities. These certifications verify the existence and appropriate implementation of procedures aimed at minimising the related risks.

Rischio di credito

The Group normally grants credit to its customers in line with the standard terms applicable in the various markets in which it operates. The risk arising from the failure to collect such receivables is managed internally through a prior customer credit approval procedure, which is constantly monitored with the support of the sales force. The existence of a customer portfolio that has remained substantially stable over time has historically limited the level of losses on receivables.

Exchange rate fluctuation risk

The Group operates in foreign currencies for significant amounts and is therefore exposed to potential exchange rate fluctuations, particularly in the USD, which could affect business profitability. The Group has adopted an appropriate exchange risk management policy defining the guidelines, operating rules, roles, responsibilities of the parties involved and the operational limits of the exchange risk management process arising from the core business of the Favini Group.
In particular, the Group minimises USD risk through the natural offsetting of sales and purchases in that currency, which substantially reduces exposure. In addition, during the year derivative contracts were entered into with leading national credit institutions to hedge transactional currency risks.

Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its commercial and financial obligations. The Group manages this risk through constant analysis of its current and prospective financial position, taking into account expected cash flows based on known receivable and payable positions, supplemented by budget forecasts.
The Group has adequate short- and long-term credit lines in place to meet reasonably foreseeable financial requirements within the current operating structure.

Interest rate fluctuation risk

The Group has significant exposure to the banking system, but the risk arising from fluctuations in interest rates is limited. The Group has hedged 70% of its long-term credit lines through “IRS” and “COLLAR” clauses, with the aim of reducing the risk of adverse effects arising from interest rate fluctuations.
The impact of short-term credit lines, whose rates are exposed to market fluctuations, on business profitability is limited by the average amount used compared with total exposure.

Cybersecurity risks

The Group makes extensive use of IT services both internally and in its relationships with external counterparties. There is a risk that external parties may access the Company’s IT systems and the information they contain, causing problems for operations or misappropriating confidential information. The Group has organised itself to prevent risks of access to its IT system and the information contained therein and constantly monitors the situation against the risk of cyberattacks.

1.8.4 Materiality analysis

[GRI 2-25] [GRI 2-26] [GRI 3-1] [GRI 3-2] [GRI 3-3]

In the context of its first Sustainability Report, Favini conducted an analysis to identify the topics most relevant, or "material", for the Group and its stakeholders across the three ESG areas (Environmental, Social and Governance), which is reviewed every year. In a first phase, an analysis of the Company's internal and external context was carried out according to a risk-based thinking approach, in order to identify and assess the factors that influence or could influence the Group in the course of its activities and business relationships. The topics were then classified according to their associated risk level, as well as through a specific benchmark with companies in the sector.

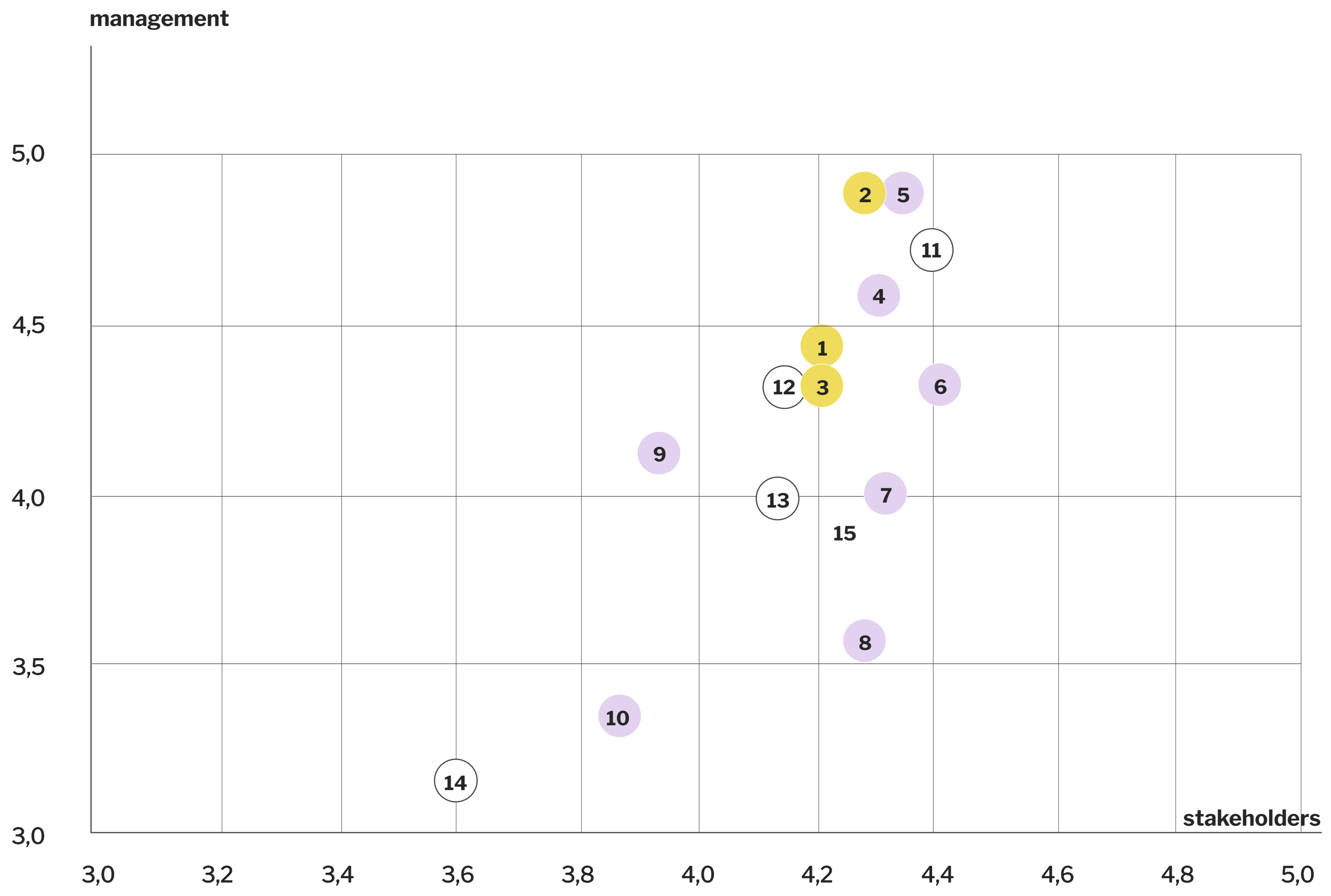
In a subsequent phase, Favini involved its stakeholders in preparing its materiality analysis. The stakeholders involved included suppliers, customers, employees, management, shareholders, the local community, universities and research centres, financial and credit institutions, and control, supervisory and certification bodies. For each category, a representative sample was selected and sent an online questionnaire in the first months of 2026. The questionnaire asked each stakeholder to assess the importance of each topic in relation to the Organisation's activities, assigning a score from one (not relevant at all) to five (extremely relevant) from the specific point of view of their category.

The same assessment was also requested from the Organisation's top management, in order to examine its strategic priorities in terms of sustainability. The results were processed through a weighted average based on the size of each stakeholder group. The data collected through this survey, together with those obtained from the update of the context analysis, made it possible to create the new materiality matrix shown below, which includes the topics with an average score above three, considering that a score of two was not considered representative on average.

In 2025, following renewed involvement of the Company's top management, it was decided that the material topics identified were still representative of the Organisation's internal and external context, with the addition of a single topic, "Human rights in the supply chain", underlining the importance of the social aspect already integrated into the ESG criteria-based assessment submitted to suppliers. Compared with the previous analysis, greater sensitivity was in fact observed towards social topics, particularly inclusion and equal opportunity management. The environmental area, on the other hand, showed an overall lower average score than in 2023 across all topics.

For each topic identified as relevant, the impacts that the Company has or may have on the topic, the actions undertaken to mitigate negative impacts and the methods for monitoring effectiveness were reassessed. Following the analysis, the assessment carried out in 2025 and published in the 2024 report was confirmed.

Materiality matrix



1 Economic performance
2 Ethics and integrity
3 Research, development and innovation
4 Responsible sourcing and use of resources
5 Energy consumption management
6 Responsible water resource management
7 Reduction of emissions into the atmosphere
8 Management of waste generated by production
9 Circular economy
10 Biodiversity conservation
11 Workers' health and safety
12 Human capital development and training
13 Inclusion and equal opportunity management
14 Support for the local community
15 Human rights in the supply chain

1 ECONOMIC PERFORMANCE AND SHARED VALUE

Inside-out impacts

- Creation of long-term value, shared fairly and equitably with all stakeholders

Outside-in impacts

- Increase in capital and financial strength
- Guarantee of long-term economic and financial sustainability
- Improvement of the Company's overall and credit rating

Policies and actions

- Business Plan and Company Budget
- Quality and Safety Policy
- Code of Ethics
- Anti-Corruption Policy
- Adoption of Model 231
- Management of business profitability
- Investment policy

Monitoring

- Internal and external reporting
- Activities of control bodies

Associated GRIs

- 201-1: Direct economic value generated and distributed
- 204-1: Proportion of spending on local suppliers

Activities that generate or could generate impacts: all business processes and, in particular, management processes

2 ETHICS AND INTEGRITY

Inside-out impacts

- Guarantee of transparent and responsible governance through clarity in the decision-making structure, roles and activity reporting
- Protection of human and workers' rights
- Prevention of corruption and unfair practices
- Compliance with legal requirements

Outside-in impacts

- Improvement of the Company's overall and credit rating
- Reputational improvement
- Risk of incurring administrative sanctions
- Suspension and/or interruption of business continuity

Policies and actions

- Anti-Corruption Policy
- Code of Ethics
- Adoption of Model 231
- Labour and Human Rights Policy
- Anti-Corruption Policy
- UNGC membership

Monitoring

- Activities of control bodies

Associated GRIs

- 205-3: Confirmed incidents of corruption and actions taken
- 415-1: Political contributions

Activities that generate or could generate impacts: all business processes and, in particular, management processes

3 RESEARCH, DEVELOPMENT AND INNOVATION

Inside-out impacts

- Creation of new products with eco-friendly characteristics and implemetation of innovative processes, also benefiting workers
- Reduction in the consumption of polluting raw materials

Outside-in impacts

- Increase in corporate know-how
- Increase in the Company's intangible value
- Reduction in procurement costs

Policies and actions

- Investment Plan
- Quality and Safety Policy
- Environmental Policy
- Collaboration with external organisations and internal processes for building and transferring know-how
- Replacement of polluting/hazardous raw materials with lower-impact alternatives

Monitoring

- Investment monitoring
- Analysis of the results of product innovation processes

Activities that generate or could generate impacts: research and development activities, collaborations with universities and research bodies, procurement

4 SOURCING AND USE OF RAW MATERIALS

Inside-out impacts	Outside-in impacts	Policies and actions	Monitoring
• Increaseduse of renewable resources and reduction in non-renewable raw materials	• Dependence of business results on fluctuations in the price of the resource	• Procurement policy • FSC certification • ISO 14001 certification • Consumption of FSC CoC certified cellulose • Replacement of cellulose with alternative raw materials • Supplier ESG assessment	• Monitoring of sales of FSC-certified items and/or items containing non-virgin fibrous raw materials • Ongoing monitoring of pulp and other material consumption **Associated GRIs** • 301-1 Materials used by weight or volume

Activities that generate or could generate impacts: paper production

5 ENERGY CONSUMPTION MANAGEMENT

Inside-out impacts	Impatti outside-in	Policies and actions	Monitoring
• Consumption of non-renewable fuels and electricity during the production process • Fuel consumption for transport activities	• Dependence of business results on fluctuations in the price of energy and fuels	• Environmental Policy • ISO 14001 certification • Use of new high-efficiency energy generation plants • Installation of renewable energy production plants • Plant revamping to increase energy efficiency • Supplier assessment with ESG requirements requested from suppliers	• Periodic monitoring of consumption **Associated GRIs** • 302: Energy

Activities that generate or could generate impacts: paper production, inbound and outbound logistics

6 WATER CONSUMPTION MANAGEMENT

Inside-out impacts	Outside-in impacts	Policies and actions	Monitoring
• Withdrawal of water from water bodies available in the area • Discharge of water into water bodies	• Risk of suspension in the event of drought • Risk of incurring administrative sanctions for non-compliance with requirements	• Environmental Policy • ISO 14001 certification • Reduction of water consumption in relation to production through water recirculation in the production process • Increase in the efficiency of purification processes	• Periodic monitoring of water withdrawals from wells • Monitoring of wastewater analysis results **Associated GRIs** • 303: Water and effluents

Activities that generate or could generate impacts: paper production

7 EMISSIONS INTO THE ATMOSPHERE

Inside-out impacts

• Emission of pollutants into the atmosphere
• Production of CO_2 emissions

Outside-in impacts

• Costs of purchasing CO_2 allowances
• Risk of administrative penalties due to failure to comply with requirements

Policies and actions

• Environmental Policy
• ISO 14001 certification
• Technological investments to optimise processes and reduce greenhouse gas emissions

Monitoring

• Continuous monitoring of emissions into the atmosphere

Associated GRIs

• 305 - Emissions

Activities that generate or may generate impacts: paper production

8 9 WASTE MANAGEMENT AND CIRCULAR ECONOMY

Inside-out impacts

• Soil/subsoil pollution from non-recoverable waste
• Contribution to creating new recycling opportunities for materials from other supply chains

Outside-in impacts

• Risk of incurring administrative sanctions for non-compliance with requirements
• Reputational improvement
• Opportunity to generate positive customer perception and increase orders

Policies and actions

• Environmental Policy
• ISO 14001 certification
• Constant focus on reducing waste sent for disposal
• Collaborations to develop bio-based and upcycled products
• Increase the use of waste from other production supply chains
• LCA analyses on new ecological products

Monitoring

• Monitoring of the quantities of waste sent for disposal in relation to paper produced
• Monitoring of collaborations for refit/remake products
• Monitoring of recovered material consumption
• LCA analyses on new products

Associated GRIs

• 306 - Waste

Activities that generate or may generate impacts: paper production

10 BIODIVERSITY

Inside-out impacts

• The significant use of water could influence ecosystem balances
• Pulp sourcing, if not carefully managed, could contribute to the depletion of forests and relevant ecosystems

Outside-in impacts

• Possible reputational harm and consequent damage to business stability

Policies and actions

• Environmental Policy
• ISO 14001
• EMAS
• FSC certification

Monitoring

• Monitoring of the ratio between FSC-certified pulp consumption and total pulp consumption

Associated GRIs

• 304-1: Operational sites located in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Activities that generate or may generate impacts: paper production

11 WORKER HEALTH AND SAFETY

Inside-out impacts

- Harm to workers' safety, both employees and subcontracted suppliers
- Possibility of accidents occurring and occupational diseases arising

Outside-in impacts

- Risk of incurring administrative sanctions for non-compliance with requirements
- Possible reputational harm and consequent damage to business stability
- Loss of supply due to business interruption and production delays
- Loss of business profitability

Policies and actions

Policies and actions
- Quality and Safety Policy
- ISO 45001 certification
- Code of Ethics, Model 231
- Whistleblowing
- Procurement Policy
- Supplier Code of Conduct
- Investments to eliminate or reduce safety risks
- Training and information campaigns for employees
- Sharing of the Code of Ethics and Code of Conduct
- Audits of suppliers and subcontractors
- Development of new soft skills training projects

Monitoring

- Monitoring of health and safety system indicators
- Monitoring of suppliers' adherence to the Code of Conduct
- Monitoring and analysis of non-conformities identified during audits
- Hours of non-mandatory training during the year

Associated GRIs

- 403: Occupational health and safety

Activities that generate or may generate impacts: all business processes

12 HUMAN CAPITAL

Inside-out impacts

- Maintenance and development of skills
- Protection and creation of jobs
- Attention to workers' physical and mental health

Outside-in impacts

- Loss of business profitability
- Risk of incurring administrative sanctions

Policies and actions

- Labour and Human Rights Policy
- Development of new soft skills training projects
- Engagement with schools
- Implementation of corporate welfare

Monitoring

- Hours of non-mandatory training during the year
- Number of school visits during the year

Associated GRIs

- 401-1: New employee hires and employee turnover
- 401-3: Parental leave
- 404-1: Average hours of training per year per employee
- 404-2: Programmes for upgrading employee skills and transition assistance programmes

Activities that generate or may generate impacts: all business processes

13 INCLUSION AND EQUAL OPPORTUNITIES MANAGEMENT

Inside-out impacts

• Potential contribution to pay discrimination across diversity dimensions

Outside-in impacts

• Possible reputational harm and consequent damage to business stability
• Loss of supply due to business interruption and production delays

Policies and actions

• Labour and Human Rights Policy
• FSC certification
• Completion of the Model 231 training project
• Corporate values definition project
• Sharing of the Code of Ethics and Code of Conduct
• Participation in the Voiala project

Monitoring

• Monitoring of the number of reports per year
• Monitoring of adherence to the Code of Conduct
• Monitoring of the progress status of the Voiala project

Associated GRIs

• 405-1: Diversity of governance bodies and employees
• 405-2: Ratio of basic salary and remuneration of women to men

Activities that generate or may generate impacts: all business processes

14 SUPPORT FOR LOCAL COMMUNITIES

Inside-out impacts

• Support for communities in the FSC/CW forestry supply chain
• Development of the local supply chain, including small and medium-sized artisans
• Hiring workers from the local community

Outside-in impacts

• Continuity of fibrous raw material supply
• Reduction in supply chain costs and delivery times
• Greater loyalty

Policies and actions

• FSC certification
• Procurement Policy
• Labour and Human Rights Policy
• Participation in the Voiala project

Monitoring

• Monitoring of the progress status of the Voiala project
• Supplier portfolio analysis

Associated GRIs

• 413-1: Operations with local community engagement, impact assessments, and development programmes

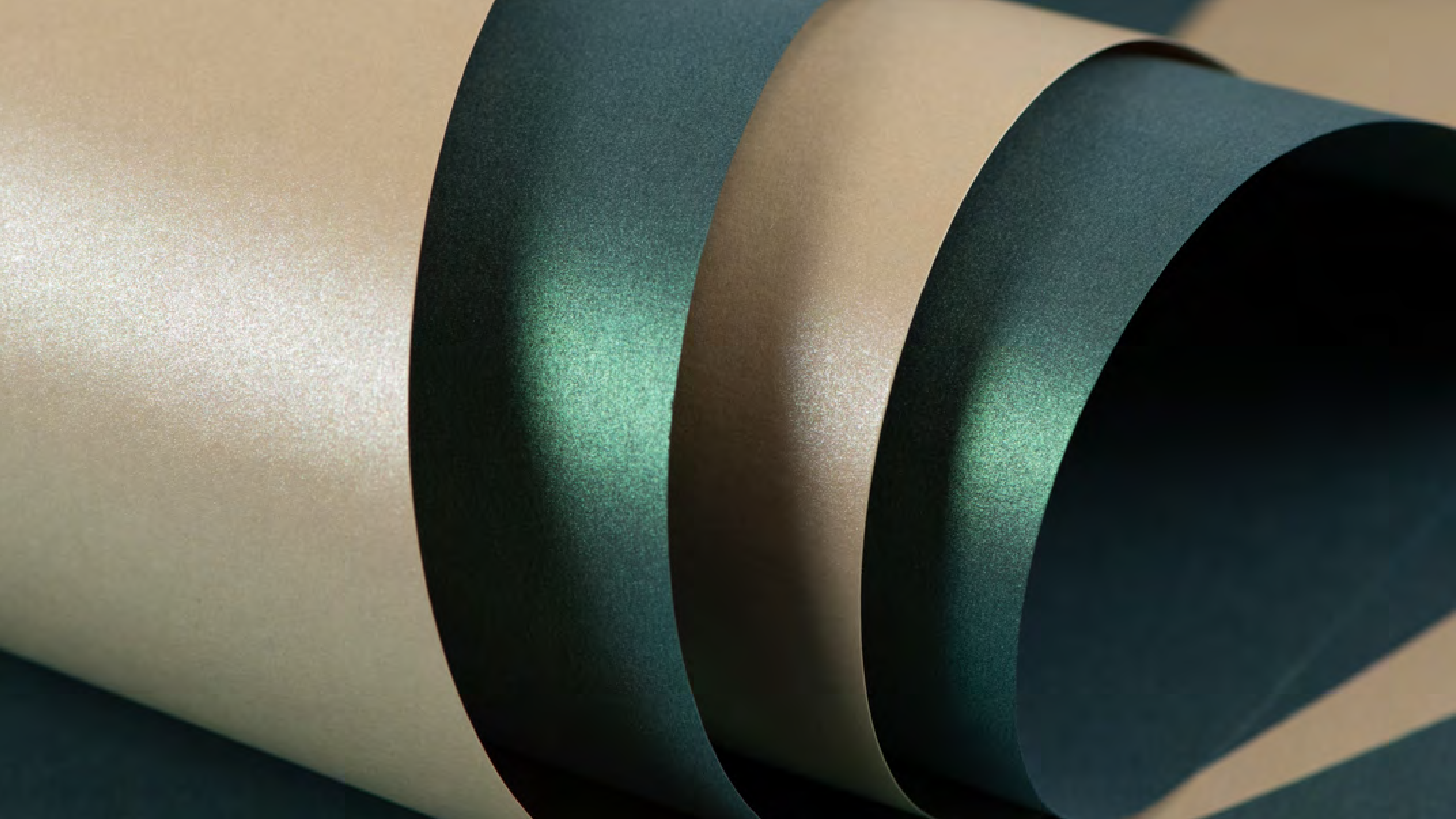
Activities that generate or may generate impacts: all business processes

15 HUMAN RIGHTS IN THE SUPPLY CHAIN

Inside-out impacts	Outside-in impacts	Policies and actions	Monitoring
• Support for communities in the FSC/CW forestry supply chain • Development of a supply chain with clear human rights, health and safety policies	• Possible reputational harm and consequent damage to business stability • Increase in costs to favour more structured suppliers	• FSC certification • Procurement Policy • Labour and Human Rights Policy • ESG supplier assessment	• Monitoring of the progress status of the Voiala project • Supplier portfolio analysis • Monitoring of adherence to the Code of Conduct **Associated GRIs** • GRI 2-6: Activities, value chain and other business relationships • GRI 414-1: New suppliers that were screened using social criteria

Activities that generate or may generate impacts: all business processes

ECONOMIC RESPONSIBILITY



2. Economic responsibility

2.1 Income Statement

€/000	2023	2024	2025
Gross sales	188,554	194,240	185,612
Variable cost of goods sold	-113,800	-119,198	-107,124
Industrial added value	74,754	75,042	-78,488
Total fixed costs	-45,938	-49,885	-51,543
Gross operating margin (EBITDA)	28,816	25,157	26,945
Operating profit from ordinary operations	19,506	17,308	18,697
Net profit	12,084	8,214	10,045

The two-year data represent Favini's soundness in generating value for its shareholders.

2.2 Generating value over time

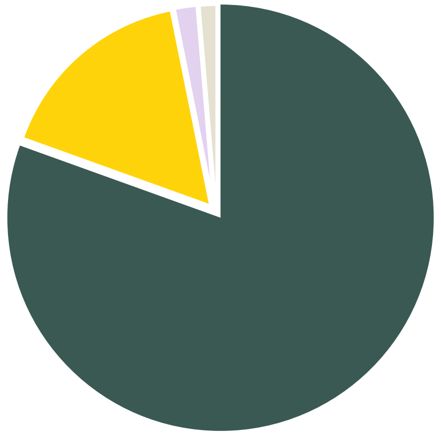
In order to preserve and increase value generation over time, Favini dedicates a significant portion of its financial and organisational resources to renewing and improving its production structure. It pursues this goal by allocating appropriate resources to ordinary and extraordinary maintenance, together with measures aimed at increasing plant productivity and efficiency. Each year, part of the investment is also dedicated to improving workplace safety conditions.

Overall, the resources dedicated to the above objectives averaged 5.71% of turnover over the three-year period.

2.3 Statement of distributed value

[GRI 3-3] [GRI 201-1]

The distributed economic value, comprising the sum of operating costs, employee wages and benefits, contributions to capital providers, contributions to the government and community investments, amounted to €171.334 million in the reporting period.



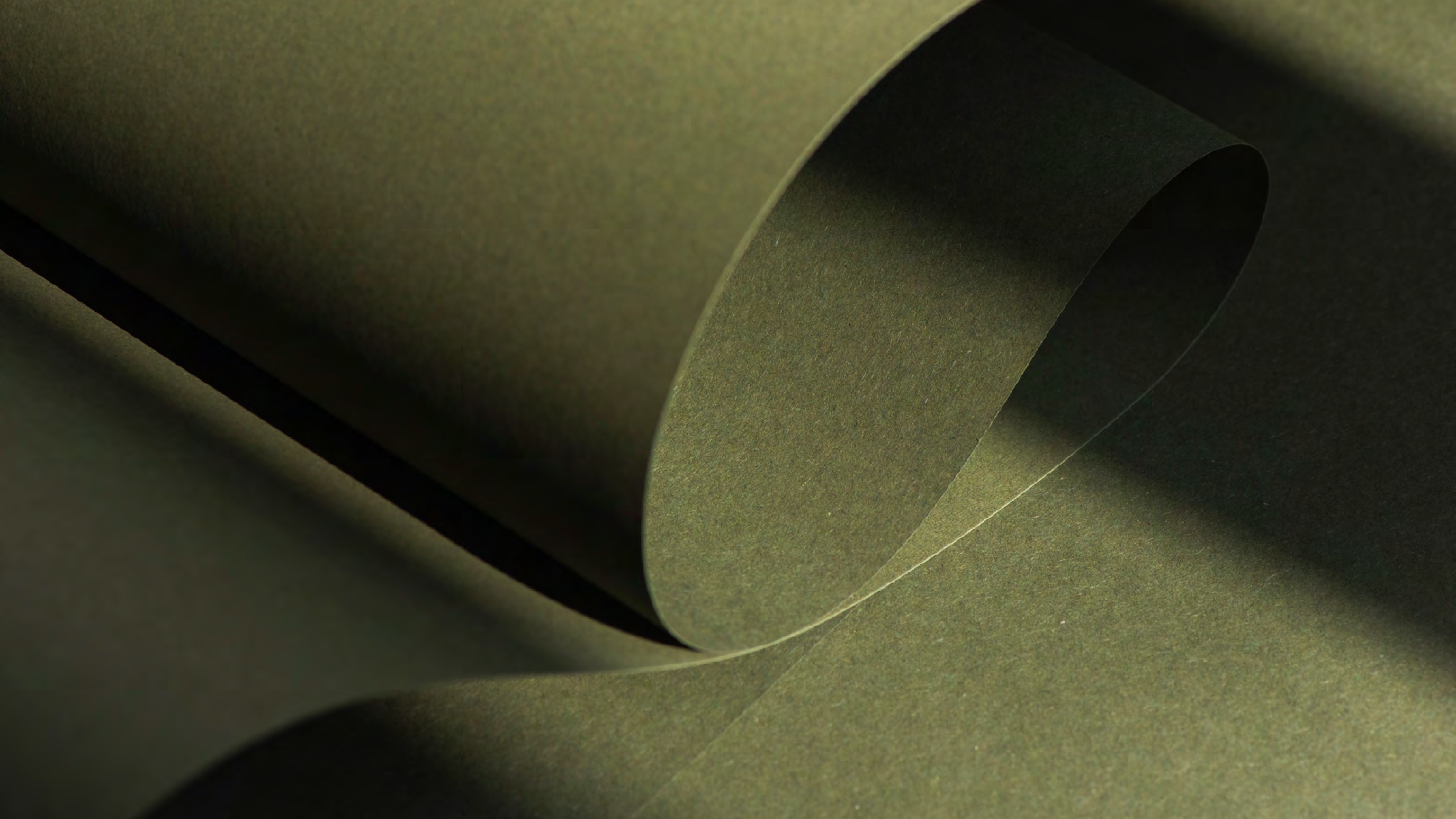
ECONOMIC VALUE DISTRIBUTED
180 MLN €

	2024	2025
Suppliers of goods and services	**74.56%**	**73.58%**
Employees	**19.42%**	**21.33%**
Banking system	**3.71%**	**2.75%**
Public administration	**2.31%**	**2.31%**

Favini did not distribute any dividends to its shareholders during the reporting period.
The distribution of the value generated among the various stakeholders did not change significantly over the two-year period 2024-2025.

€/000	2023	2024	2025
Economic value generated	193,363	195,584	189,718
Economic value distributed	172,127	180,132	171,334
Operating costs (suppliers)	130,556	134,302	126,066
Value distributed among employees	32,920	34,983	36,543
Value distributed among capital suppliers (banks and shareholders)	4,163	6,688	4,711
Value distributed to the Public Administration	4,461	4,132	3,959
Value distributed to the community	27	27	55
Economic value retained	21,236	15,453	18,383

ENVIRONMENTAL RESPONSIBILITY



3. Environmental responsibility

3.1 Materials

[GRI 3-3] [GRI 301-1]

Favini's commitment to saving natural resources is an integral part of its environmental strategy. The production process requires the use of both fibrous raw materials and non-fibrous components. Fibrous raw materials represent the largest share from a quantitative perspective, accounting for around 70% of the inputs used, including virgin fibre, recycled material, production and converting cut-offs and waste.
Non-fibrous raw materials, such as colours, mineral fillers, retention agents and chemical additives, play a complementary role, helping to give the finished product the required technical characteristics, including weight, thickness, smoothness, permeability, colour, gloss and printability.

3.1.1 Cellulose procurement

Forests are home to a significant share of the Earth's biodiversity, generally estimated at up to 80%, from small insect species to large predators; they provide oxygen and contribute to climate change mitigation by absorbing greenhouse gases. They are also a fundamental habitat and source of livelihood for many Indigenous peoples.

In line with its principles of sustainability and ethics, Favini has chosen to contribute to preserving the planet's green areas by selecting and using only cellulose from properly managed forestry plantations.

By using 100% FSC™ (Forest Stewardship Council), CoC (Chain of Custody) or CW (Controlled Wood) certified cellulose in its papers (certificate number: FSC-C001810), Favini categorically rejects the use of raw materials sourced from illegally harvested forests or from areas where human or workers' rights have been violated and where the principles established by the ILO (International Labour Organization) have not been respected.

FIBRE CERTIFICATE 2025

The main areas of origin of the cellulose used by Favini are Europe and Latin America.

ORIGIN OF CELLULOSE 2025

3.1.2 Alternatives to virgin cellulose

TO STRENGTHEN ITS ENVIRONMENTAL COMMITMENT, FAVINI ENHANCES THE VALUE OF PRE-CONSUMER WASTE GENERATED DURING THE PRODUCTION PROCESS WITHIN ITS PRODUCT LINES.
AMONG ITS LEADING ECOLOGICAL SOLUTIONS, THE SHIRO ECHO RANGE STANDS OUT: A PAPER MADE WITH 100% RECYCLED FIBRES AND FSC™ RECYCLED CERTIFIED.
PARTICULARLY STRONG ATTENTION IS ALSO PAID TO THE USE OF ALTERNATIVE RAW MATERIALS. OVER THE YEARS, THE FOCUS ON CIRCULAR ECONOMY AND UPCYCLING HAS LED THE COMPANY TO DEVELOP INNOVATIVE SOLUTIONS BASED ON THE USE OF BY-PRODUCTS AS PRODUCTION INPUTS, CONTRIBUTING TO THE CREATION OF PAPERS WITH A REDUCED ENVIRONMENTAL IMPACT. THIS INCLUDES THE ALGA CARTA, CRUSH, REFIT AND REMAKE RANGES.

Specifically, Alga Carta integrates fibres derived from algae; Crush uses by-products from agro-industrial processing; Refit uses residues from the textile supply chain, particularly wool and cotton; and Remake enhances waste from leather and leather goods processing. These are complemented by the Tree Free range, made entirely from alternative fibres from annual plants, and Sparto paper, also produced exclusively with alternative fibres, including esparto grass.

All these ranges, which share strong environmental credentials, are grouped under the “Paper from our Echosystem” brand and meet specific sustainability requirements:

· UPCYCLED OR RECYCLED FIBRES
As an alternative or in addition to recycled fibre content, they are made with upcycled materials such as textile or agro-industrial waste, as well as alternative annual fibres such as bamboo.

· PCW AND/OR PRE-CONSUMED FIBRE
Using 40% to 100% PCW (post-consumer recycled material) and/or pre-consumer fibre.

· RENEWABLE ENERGY
They are produced exclusively with 100% renewable energy, such as EKOenergy-certified and self-generated hydroelectric energy or energy from renewable sources such as water, sunlight, wind and heat from the earth, covered by the supplier’s Guarantees of Origin.

· NEUTRALISED EMISSIONS
Unavoidable CO_2 emissions are fully offset through the purchase of carbon credits and participation in specific environmental projects.

· BIODEGRADABILITY AND RECYCLABILITY
They are recyclable and also biodegradable. This means they do not damage the environment if accidentally dispersed.

· SUSTAINABLE PRODUCTION
They are FSC™ certified and are manufactured in plants where the production process is monitored to reduce water and energy consumption and CO_2 emissions. This ensures a focus on continuous improvement and an ever-decreasing environmental impact.

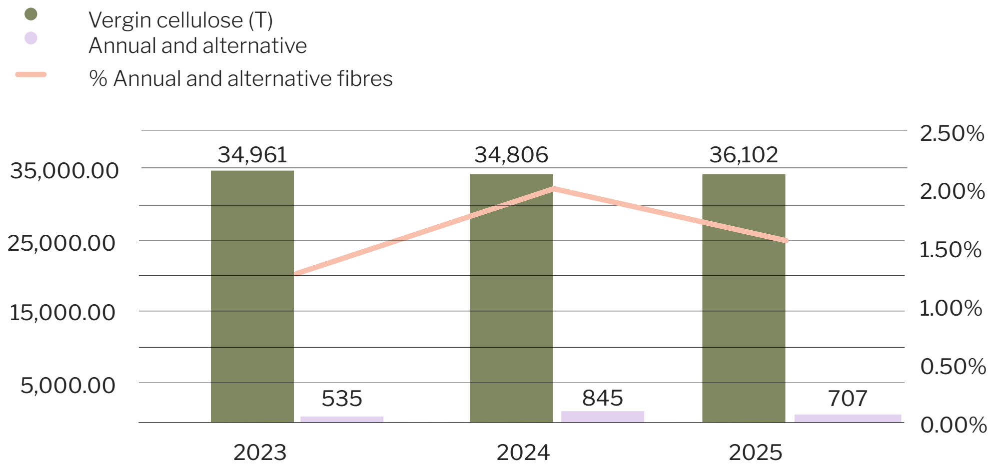
3.1.3 Consumption of materials

[GRI 3-3] [GRI 301-1]

Favini uses different types of materials in its production processes, which can be classified into two groups:

• Renewable material: material derived from abundant resources that are rapidly replenished through ecological cycles or agricultural processes.
• Non-renewable material: material that does not regenerate over short periods of time.

The table shows the quantities used for each type of raw material. All quantities are expressed in tonnes.
The quantity of annual and alternative fibres used in the process, excluding packaging, is detailed below for the Rossano Veneto site only, compared with the quantity of virgin raw material used.



During the year, there was a reduction in the use of alternative raw materials, also attributable to the global macroeconomic and geopolitical context, characterised by high uncertainty and international tensions. This scenario affected market dynamics, leading in some sectors to lower demand for products with high ESG content, often perceived as less of a priority during periods of economic contraction.

In this context, Favini nevertheless continues to pursue its sustainability objectives with determination, maintaining a constant commitment to developing lower environmental impact solutions and enhancing the value of alternative raw materials.

	2023		2024		2025	
	Renewable	**Non-renewable**	**Renewable**	**Non-renewable**	**Renewable**	**Non-renewable**
Virgin cellulose	53,734	-	56,954	-	56,228	-
Recycled cellulose	3,180	-	2,964	-	2,976	-
Fibres from annual plants	328	-	458	-	361	-
Alternative fibres	207	-	387	-	346	-
Paper*	1,026	-	575	-	438	-
Cardboard*	79	-	94	-	80	-
Starches	4,231	-	4,990	-	4,711	-
Kaolin	-	1,396	-	1,838	-	1,951
Carbonates	-	13,391	-	13,214	-	12,204
Chemicals	-	6,257	-	6,332	-	6,496
Other materials	-	37	-	95	-	84
Paper and cardboard**	595	-	634	-	435	-
Steel**	-	1	-	17	2	-
Wood**	1,510	-	1,585	-	1,643	-
Plastic**	-	365	-	405	352	-
Total by category	**64,889**	**20,447**	**68,643**	**22,285**	**67,571**	**20,735**
Total	**85,336**		**90,920**		**88,306**	
Percentage of total	76.04%	23.96%	75.49%	24.51%	76.52%	23.48%

* Materials consumed by the Paper Converting Division, which purchases part of its consumables from third parties.
** Materials used for packaging.

3.2 Water resources

[GRI 3-3] [GRI 303-1] [GRI 303-2]

Water conservation is a goal that Favini pursues with conviction. Water is an important resource for the production cycle of paper mills. It enables the movement and distribution of the fibres that will form the structure of the paper sheet. Subsequently, it is also used in a number of operations, such as coating, which aims to modify the surface appearance and printing qualities of paper. Water can therefore be considered one of the main raw materials in a paper mill's production process, and its correct and responsible management is essential. Favini has been investing for years in policies to reduce water consumption, working to ensure the proper management of water withdrawals and discharges[1].

[1] The areas affected by water withdrawal, discharge and consumption show medium-low water stress levels (Crusinallo production facility) and medium-high water stress levels (Rossano Veneto production facility), according to the Aqueduct Water Risk Atlas. Water stress is calculated as the ratio between water demand (industrial, domestic, agricultural and livestock uses) and the availability of groundwater resources. High values indicate greater competition among users for the available water resources.
Source: Aqueduct Water Risk Atlas.

3.2.1 Water Withdrawals

[GRI 303-3]

To reduce water consumption and improve plant efficiency, Favini first distinguished the source of the resource according to its uses: for plant processing it mainly uses well water; only for the processing activities of the Converting 2 department is mains water used. Consumption related to this latter use is minimal, as it is only connected to the washing of ink stations. Mains water is also used for all sanitary facilities and personal uses.
The table below shows the quantities of water withdrawn by the Group, broken down according to withdrawal source. Only water withdrawn from the aqueduct is fresh water (≤1,000 mg/L of total dissolved solids).

	UdM	2023	2024	2025
Surface water	ML	-	-	-
Groundwater (from wells)	ML	2,268.67	2,376.92	2,497.30
Seawater	ML	-	-	-
Produced water	ML	-	-	-
Third-party water (from aqueduct)	ML	6.56	6.58	6.93
Total water withdrawals	**ML**	**2,275.23**	**2,383.49**	**2,504.22**
T production from continuous machine after rewinding and Paper Converting	T	72,593	77,174	73,644
Water withdrawal intensity	ML/T	0.0313	0.0309	0.0340

It should be noted that water withdrawal intensity differs significantly between the two production plants; in particular, the Crusinallo plant, which alongside paper production makes extensive use of water for coating activities, records higher withdrawals than Rossano Veneto. Cartotecnica Favini does not use well water for its production, but only mains water, mainly for sanitary facilities or for washing the ruling rollers of the notebook machine. Although the specific consumption levels achieved are good compared with industry averages, the result achieved in 2025 can still be improved in order to return to the excellent levels recorded in previous years.

3.2.2 Water discharges

[GRI 303-4]

As regards water discharges, all water leaving the process is conveyed to efficient purification plants within the facilities. This makes it possible to restore optimal water quality in compliance with legal parameters, thereby safeguarding the ecosystem of the watercourses into which it is released.

Favini has also implemented a closed water cycle system that, whenever possible, enables the recovery and reuse of process and cooling water after suitable treatment.

The main water flows leaving the plant derive from:

- the production processes of both Favini and Cartotecnica;
- cooling water from the thermoelectric power plant;
- stormwater;
- water deriving from civil discharges and fed into the collector connected to the public sewerage network or to sub-irrigation.

The table below shows the total volumes of water discharged into the water body, including the volumes of dirty water from Cartotecnica, after appropriate purification treatment. All discharged water is not fresh water (>1,000 mg/L of total dissolved solids).

	Unit of measurement	2023	2024	2025
Total water discharges	ML	1,860.21	2,031.62	1,937.21

3.2.3 Water discharges

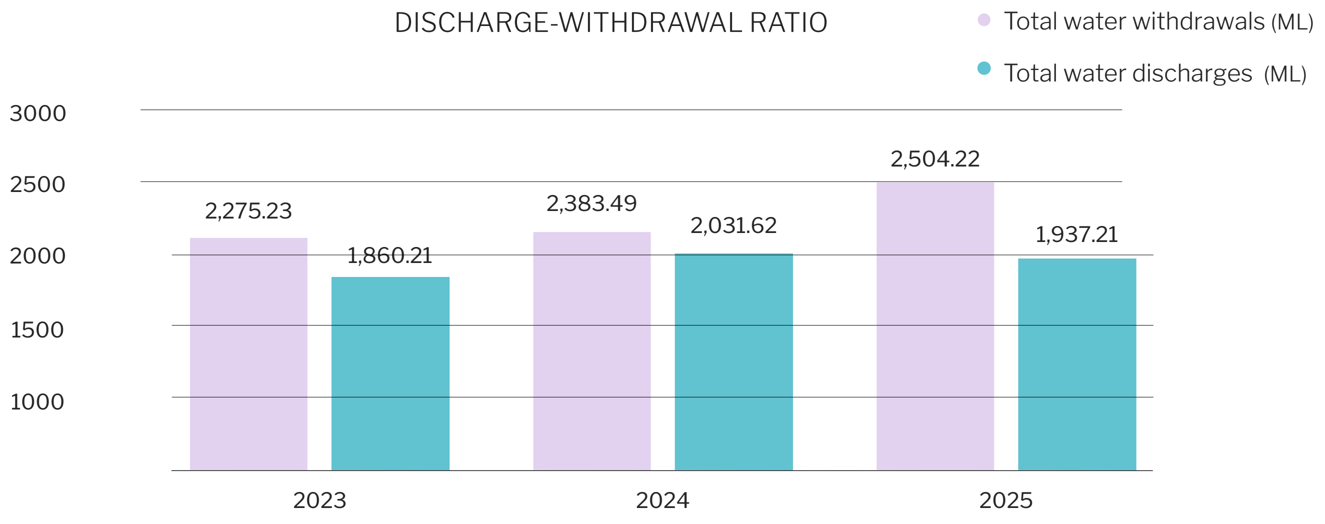
[GRI 303-5]

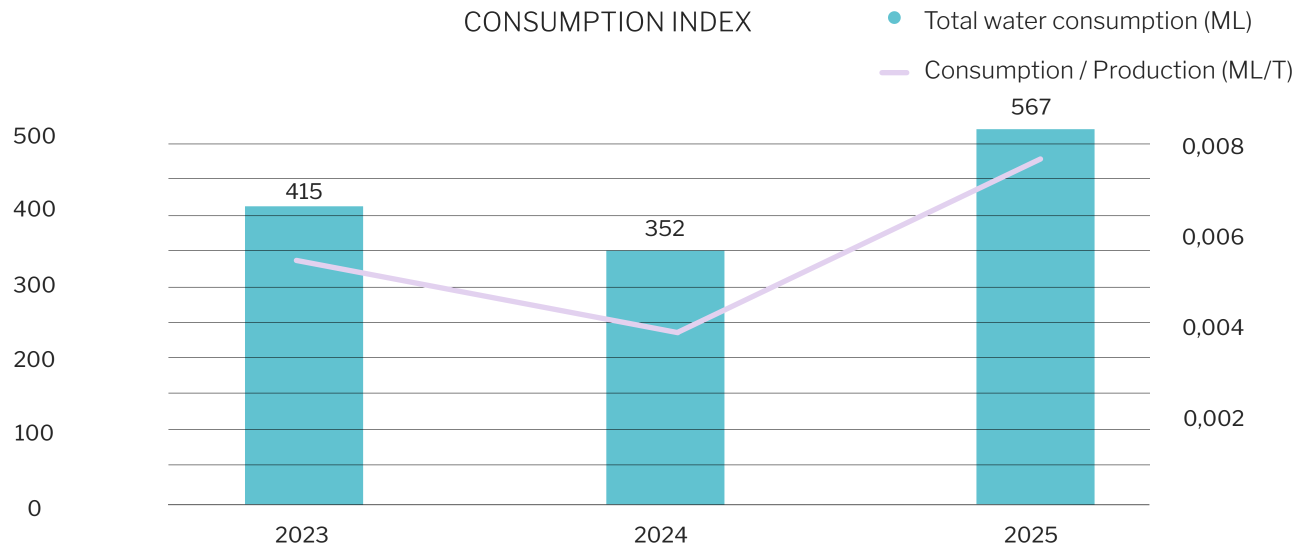
The Company is aware that it uses a resource that is precious to the entire community and has intensified its efforts in recent years to minimise the quantity of water used in relation to paper produced and to reduce the water consumption index.

The increase in water withdrawals is attributable to specific production dynamics at the Crusinallo plant during the year under review. In particular, the decline in production volumes and the resulting increased use of temporary lay-off schemes led to lower operating continuity of the plants.

This was compounded by a reduction in production batch size, which increased the frequency of plant start-up and shutdown phases, resulting in higher water consumption for washing activities and for restoring operating conditions. Finally, the change in the production mix, with a decrease in release papers in favour of graphic papers — which are characterised by smaller batches — further contributed to increasing water requirements, as these products require more frequent washing operations between one production run and another.

	Unit of measurement	2023	2024	2025
Total water withdrawals	ML	2,275.23	2,383.49	2,504.22
Total water discharges	ML	1,860.21	2,031.62	1,937.21
Total water consumption	**ML**	**415.02**	**351.88**	**567.01**
Water consumption intensity	**ML/T**	**0.0057**	**0.0047**	**0.0077**





3.2.4 Wastewater analysis

[GRI 303-2]

To prevent potential negative impacts on the ecosystem, it is essential to ensure that treated wastewater has optimal quality levels and complies with the applicable regulatory limits. To this end, discharge quality is monitored through the systematic control of specific parameters, carried out at different time intervals, which may be continuous, daily or weekly.

The table below lists the values of certain pollutants assessed as significant and obtained as the average of the analyses carried out on wastewater samples by internal and external laboratories.
All values fully comply with legal limits and no non-compliance events have ever been recorded.

	U. of measurement	2023	2024	2025
COD	T	60.47	90.38	95.09
Suspended solids	T	20.74	19.47	14.16
Total nitrogen	T	19.78	13.82	13.69
Total phosphorus	T	0.59	0.67	0.68

The pollutants are reported below in relation to production (tonnes of continuous machine production after rewinding), together with the relevant BAT-AEL[2] reference values, showing full compliance with the prescribed limit.

[2] (Best Available Techniques (BAT) Reference Document for the Production of Pulp, Paper and Board - Industrial Emissions Directive 2010/75/EU (Integrated Pollution Prevention and Control)

	U.of measurement	2023	2024	Reference values BAT-AEL	Valori di riferimento BAT-AEL
COD	Kg/T	0.8330	1.1711	1.3086	0.3 - 5
Suspended solids	Kg/T	0.2857	0.2523	0.1948	0.10 - 1
Total nitrogen	Kg/T	0.2725	0.1790	0.1883	0.015 - 0.4
Total phosphorus	Kg/T	0.0081	0.0087	0.0093	0.002 - 0.04

3.3 Energy

[GRI 3-3] [GRI 302-1] [GRI 302-2] [GRI 302-3] [GRI 302-4]

Energy consumption is one of the most significant and impactful aspects of paper production and represents a critical factor from the perspective of paper mills' environmental performance, both overall and in terms of efficiency. Paper mill processing activities in fact require large amounts of energy, in the form of electricity and heat.
Since 2009, Favini has implemented a structured system for analysing and monitoring energy efficiency, accompanied by a constant commitment to reducing consumption through an ongoing investment programme.

Favini's plants are equipped with internal cogeneration plants that make it possible to obtain both types of energy required, with lower greenhouse gas emissions into the atmosphere compared with the separate production of electricity and heat. These plants also make it possible, with the same natural gas consumption, to produce 30% more energy than conventional power plants.

The Group's energy efficiency improvement programme focuses on measures involving the replacement of obsolete or inefficient devices and technical equipment with higher energy performance alternatives.
Continuous investments in energy efficiency have enabled Favini to obtain White Certificates (or Energy Efficiency Certificates), which have then been fully reinvested in new energy efficiency projects. In 2025, the EECs accrued amounted to 8,299.

During 2025, at the Rossano Veneto plant, the cogeneration plant was replaced using the same technology installed at Crusinallo, namely a gas turbine with a heat recovery steam generator. The project, supported by the ESCo (Energy Service Company) Getec, made it possible to optimise the paper mill's electrical independence, virtually eliminating withdrawals from the grid. The contract with Getec provides for a ten-year supply of electricity, produced by the gas turbine, and thermal energy in the form of steam, produced by the heat recovery boiler.

It should be noted that the new energy configuration at Rossano began to deliver its benefits from the second quarter of 2025; therefore, the annual values reported in the following tables include one quarter under the previous configuration.
At Group level, full self-production of steam through cogeneration therefore remains in place and, compared with previous years, dependence on the electricity grid has decreased; residual electricity procurement is also covered in 2025 by purchase contracts for 100% renewable energy.

3.3.1 Total energy consumption

[GRI 302-1] [GRI 302-2] [GRI 302-3]

The table below shows total consumption of purchased and self-produced energy for the period under review. Data were recorded monthly by meter readings.

Total energy consumption is calculated as the sum of energy consumption from non-renewable sources and renewable sources, less the electricity fed into the grid.

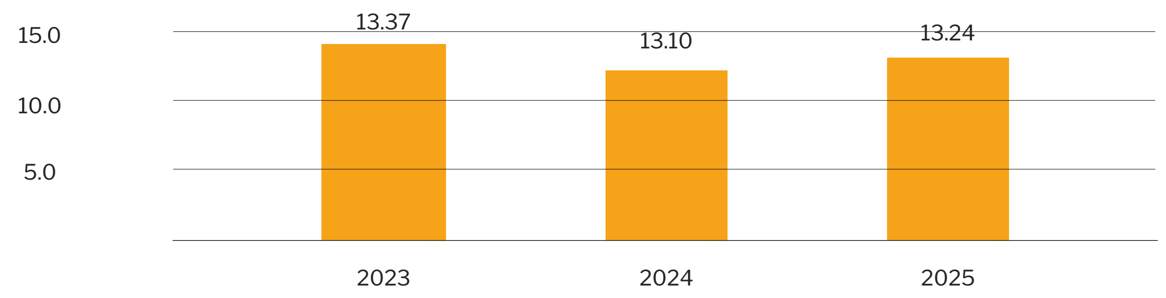
Favini has been signing contracts for the purchase of electricity from renewable sources since 2021. In 2024, the purchase of green energy covered by Guarantees of Origin accounted for 88% of the purchased resource; in 2025, it accounted for 100%.

Energy consumption (GJ)			
Sources	**2023**	**2024**	**2025**
Methane	1,002,864.19	991,011.47	978,308.79
Fuel for the company fleet	1,596.60	1,943.21	2,151.56
EE purchased from non-renewable sources	13,770.56	5,905.27	-
Total energy consumed from non-renewable sources	**1,018,231.35**	**998,859.95**	**978,308.79**
Percentage of energy consumed from non-renewable sources	99%	96%	97%
Hydroelectric energy self produced and consumed	1,242.00	946.88	2,683.52
EE purchased from renewable sources (GO)	10,383.49	45,093.60	23,322.18
Total energy consumed from renewable sources	**11,625.49**	**46,040.48**	**26,005.70**
Percentage of energy consumed from renewable sources	1%	4%	3%
Electricity transferred to the grid (from natural gas)	-11,189.37	-11,405.17	-29,125.37
TOTAL ENERGY CONSUMPTION	**1,018,667.47**	**1,033,495.26**	**975,189.12**

	2023	2024	2025
Energy intensity (GJ/T)			
Energy intensity (total energy consumption / paper production)	13.73	13.10	13.24
Self-produced energy (GJ)			
Hydroelectric energy self-produced and consumed	1,242	956	2,684
Electricity from non-renewable sources transferred to the grid	-10,291	-11,762	-29,125
Electricity from renewable sources transferred to the grid	-1,732	-4,723	-2,358

The Group's energy intensity, calculated as the ratio between total energy consumption within the organisation and the net production of Favini paper and finished products from Cartotecnica, recorded a slight deterioration, mainly due to the new energy configuration of the Rossano plant. As shown in the table, with the same amount of gas withdrawn, the new setup makes it possible to feed a larger quantity of electricity into the grid — more than doubled in 2025 — thanks to the new, more efficient technology used.

ENERGY INTENSITY (GJ/t)



Favini's company fleet is limited to cars used for employee mobility and two trucks dedicated to short-distance goods handling. The Group does not use owned transport vehicles to ship finished products to customers. In 2022, 38% of company vehicles were converted to hybrid power, reaching 45% in 2025. The active company fleet as of 31st December 2025 is shown below, broken down by fuel type.

TYPE OF FUEL	NO. OF VEHICLES	
Petrol	1	1
Diesel	20	20
Hybrid/Petrol	2	10
Hybrid/Diesel	6	7
Grand Total	34	38

3.3.2 Hydroelectric energy

In addition to using cogeneration plants, Favini can rely on the self-production of renewable energy through two hydroelectric plants that harness the power of watercourses near its facilities (Maglio and Mulino plants).

In 2025, the two hydroelectric plants produced 5,041 GJ of hydroelectric energy; part of this amount is used internally, while the remainder is sold directly to the grid.

3.4 Emissions

[GRI 3-3] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5] [GRI 305-7]

For the monitoring of GHG emissions, Favini follows the classification proposed by the GHG Protocol standard:

- Scope 1: direct emissions generated by the company, owned or controlled by the company;
- Scope 2: indirect emissions generated by energy purchased and used by the company;
- Scope 3: emissions that are not under Favini's operational control (for example, those related to the production of raw materials, production auxiliaries and transport).

To date, Favini monitors direct Scope 1 emissions and indirect Scope 2 emissions. With regard to Scope 1, the Group produces CO_2 emissions mainly linked to fuel consumption for the company fleet and methane gas for industrial uses; the latter are calculated in accordance with ETS Directive 2018/410/EU. Other direct combustion emissions are NOx, while those linked to the production cycle are mainly dust emissions, considered not significant given the negligible concentrations recorded over the years, and process emissions such as VOC emissions, managed in accordance with the Integrated Environmental Authorisation. All emissions fall within the limits established by current legislation. Monitoring of emission points is carried out annually by an accredited laboratory in compliance with Italian Legislative Decree 155/2010.

3.4.1 CO_2 emissions

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5]

The Group's direct and indirect CO_2 emissions are reported below. Scope 1 identifies emissions from sources owned and controlled by Favini, including the company fleet, while Scope 2 refers to emissions deriving from the production of purchased energy.

According to the accounting rules provided by the GHG Protocol, Scope 2 emissions are those attributable to the purchase of electricity, steam or other energy flows for heating or cooling. These emissions from the purchase of electricity from distribution grids can be calculated using two different approaches.

Location-based: this emissions calculation methodology uses average emission factors relating to the specific national electricity generation mixes. Market-based: this approach uses emission factors defined contractually with the electricity supplier. In the absence of specific contractual instruments, the emission factor relating to the supplier's residual electricity mix is used, after removing the component linked to energy tracking systems such as Guarantees of Origin (GO) or other renewable energy certification systems (RECS). The national average emission factors[3] used by the location-based approach are generally lower than the corresponding factors calculated on the basis of the residual mixes required by the market-based methodology.

	2023	2024	2025
GHG emissions (t CO_2 eq/t)[3]			
Scope 1	54,996.29	55,019.81	55,115.54
Scope 2 (LB)	1,721.65	3,635.09	1,369.53
Scope 2 (MB)	1,914.76	723.72	-
Total emissions (Scope 1 + Scope 2 MB)	56,911.05	55,743.54	55,115.54
Percentage of Scope 1 emissions	97%	99%	100%
Percentage of Scope 2 emissions (MB)	3%	1%	0%
Emissions intensity (t CO_2 eq/t)			
Emissions intensity (LB)	0.78	0.76	0.767
Emissions intensity (MB)	0.78	0.72	0.75

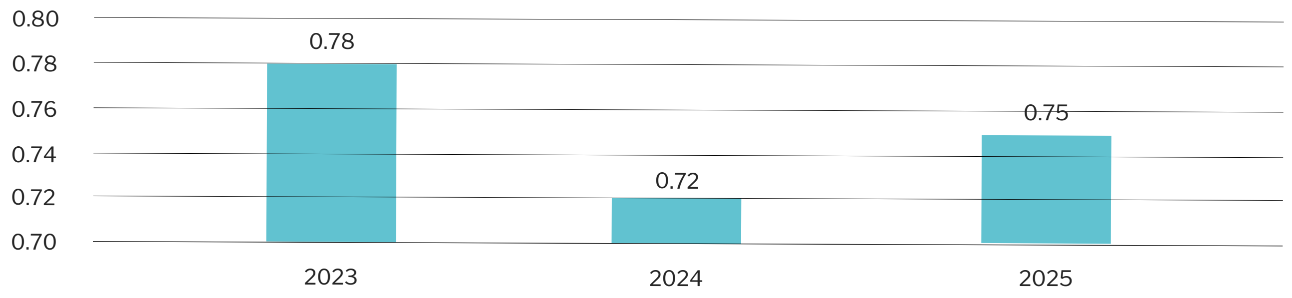
[3]The emission factors used to calculate Scope 1 tCO_2e are taken from the document UK Government GHG Conversion Factors for Company Reporting (2024 version), published by the United Kingdom Department for Energy Security and Net Zero (previously developed by DEFRA). This document is recognised for its regular updates, high quality data and broad coverage of energy sources, which is why it is widely adopted even outside of the United Kingdom to calculate energy consumption and Scope 1 emissions. The emissions factors used to calculate Scope 2 tCO_2e are taken from the following sources: Report 418/2025 pubblicato da ISPRA (2024) e "European Residual Mixes" di AIB (2025).

In order to reduce pollutant emissions from company vehicles used for business travel and commuting, Favini has for years implemented a vehicle selection project aimed at increasing the use of electric vehicles. All vehicles purchased in 2025 are hybrid.

With regard to inbound logistics, Favini is committed to pursuing a sourcing strategy that is as close as possible to its plants, in order to optimise both service levels and sustainability by reducing distances from its suppliers.

As can be seen from the table above, for 2025 the Scope 1 emissions relating to the new cogeneration plant at Rossano Veneto, managed by Getec, have been included in the calculation. The total emissions accounted for therefore also take into consideration the emissions from the new gas turbine, including the quantities of methane gas used to produce any surplus electricity (approximately 3k tonnes of CO_2). For this reason, the intensity indicator recorded a physiological increase as a result of the new cogeneration configuration at the Rossano plant.

CARBON INTENSITY (T/T)



3.4.2 NO_x emissions

[GRI 305-7]

NO_x emissions are calculated through a direct monitoring process using continuous flue gas analysers and periodic analyses carried out by authorised external laboratories. As with CO_2, the total emissions also include the share of emissions related to the Rossano plant.
A significant decrease in the indicator can be observed, both in absolute and specific terms, coinciding with the adoption in 2025 of technology falling within the BAT (Best Available Techniques), namely the new gas turbine.

	U. of measurement	2023	2024	2025
NO_x	T	39.37	38.20	19.42
Paper production	T	72,593	77,174	73,644
NO_x per tonne of paper	T/T	0.00054	0.00049	0.00026

3.4.3 Reduction of emissions

[GRI 305-5]

The Group's decision to pursue energy self-sufficiency through cogeneration has made it possible to reduce emissions related to its operations. The energy source used is natural gas, which is less polluting than other fossil fuels because, during combustion, it generates only water and carbon dioxide and no potentially carcinogenic substances, such as harmful hydrocarbons or fine particulate matter.
Looking ahead, opportunities to use renewable sources as alternatives to natural gas are being assessed, as they would make it possible to reduce emissions. However, considering the technologies currently available, the location of the plants and the energy configuration of the production process, the benefits that can be achieved are, at present, limited.

3.4.4 Environmental projects for offsetting emissions

[GRI 305-5]

Alongside structural measures, Favini has also chosen to act on unavoidable greenhouse gas emissions generated by the production of the "Paper from our Echosystem" paper ranges. These emissions are fully offset through the purchase of carbon credits allocated to certified projects for reducing emissions into the atmosphere.

To offset the residual emissions generated during 2023 and 2025, Favini joined a forest protection project in the Madre de Dios region of the Amazon. Forest conservation projects are registered according to international standards, in order to ensure the long-term safeguarding of the areas involved and to guarantee environmental value above alternative deforestation scenarios.

Amazon forests are not only one of the main carbon sinks globally, but also ecosystems of extremely high biodiversity, which are essential for the livelihoods of local communities. However, in recent decades these areas have undergone a significant reduction due to the expansion of settlements, agricultural activities, illegal logging and mining.

The area covered by the project falls within the Vilcabamba-Amboró corridor, recognised as one of the areas with the highest biodiversity in the world.

In 2025 10,187 tonnes of CO_2 equivalent were offset.

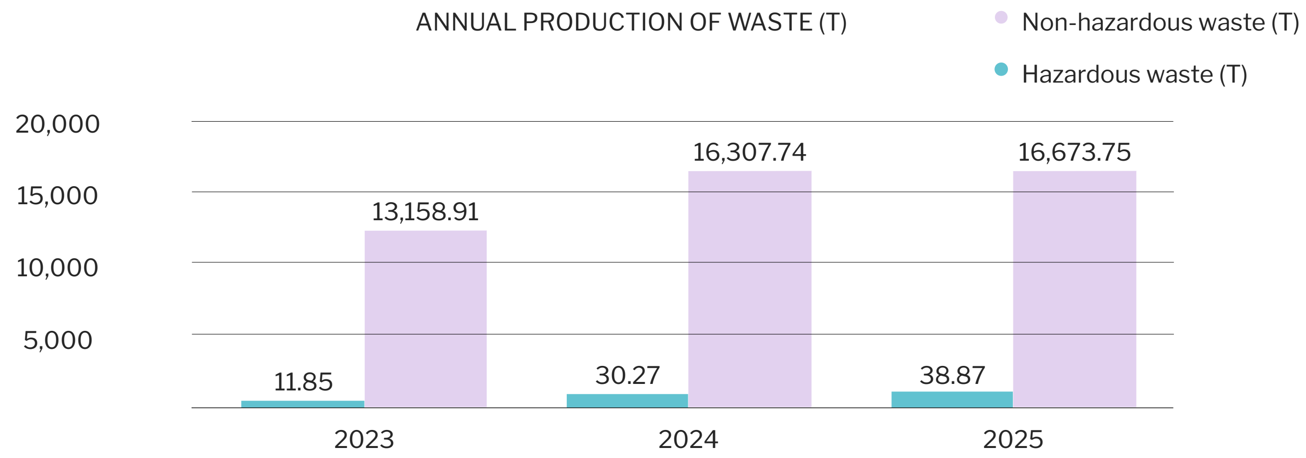
3.5 Waste

[GRI 3-3] [GRI 306-1] [GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Within the overall objective of saving resources, reducing waste sent for disposal has been one of the most important objectives achieved by the Group.

The activities of the Group's plants and related processes generate different types of waste, most of which are classified as non-hazardous.

	U. of measurement	2023	2024	2025
Non-hazardous waste	T	13,158.91	16,307.74	16,673.75
Hazardous waste	T	11.85	30.27	38.87
Total waste	**T**	**13,170.76**	**16,338.00**	**16,712.62**



The main types of non-hazardous waste generated consist of purification sludge produced by the process water treatment plant, as well as paper, cardboard and mixed packaging deriving from production, logistics and administrative activities.

Hazardous waste is mainly attributable to maintenance activities, such as waste oils, and is managed by prioritising material recovery as far as possible.

During 2025, the quantity of hazardous waste produced remained limited (approximately 0.2% of the total), broadly in line with the previous year. The increase compared with 2023 is attributable to plant modernisation and structural expansion works carried out in recent years; a gradual realignment with historical levels is therefore expected once these activities have been completed.

Within the Company, depending on destination and physical state, waste is stored in external containers or collection areas with waterproof flooring. It is then disposed of through authorised external companies. Most of it is included in a recovery cycle, directing it to other supply chains or industrial sectors, which can recycle or reuse it to produce new products. The remaining portion is sent for landfill disposal. Favini's objective is to progressively reduce the percentage of waste sent for disposal until it is eliminated.

The tables below show the quantities of hazardous and non-hazardous waste sent for recovery and disposal.

3.5.1 Waste sent for recovery and disposal

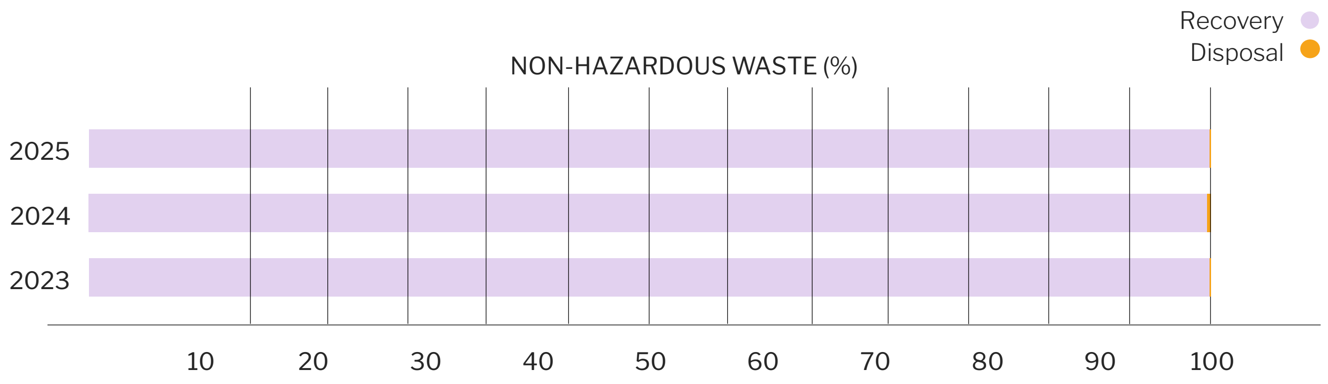
[GRI 306-1] [GRI 306-3] [GRI 306-4] [GRI 306-5]

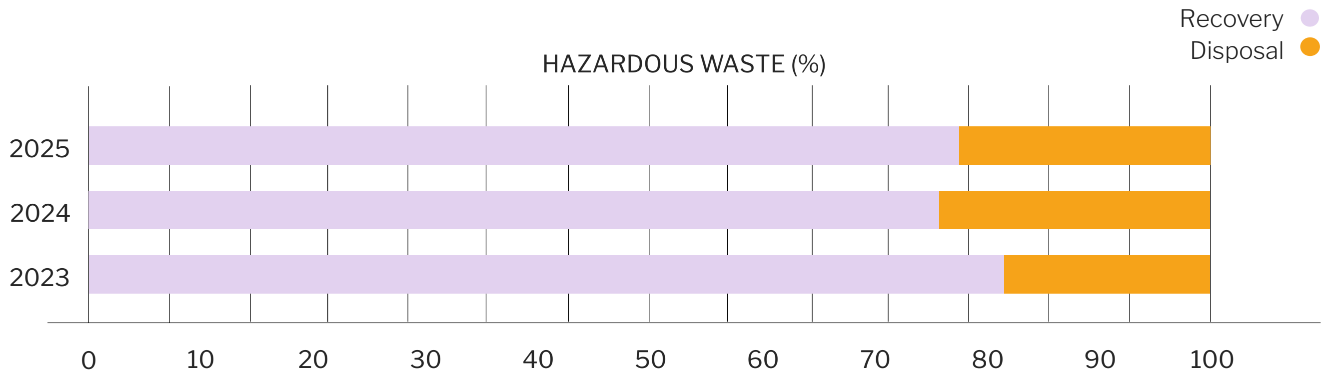
The breakdown of waste by destination is reported below, with separate indication of waste sent for recovery and waste sent for disposal.

		2023			2024			2025		
	Unit of measurement	On site	Off site	Total	On site	Off site	Total	On site	Off site	Total
Preparation for reuse (R13)	t	0	10,661	**10,661**	0	14,074	**14,074**	0	14,175	**14,175**
Recycling (R4)	t	0	343	**343**	0	334	**334**	0	199.78	**200**
Other recovery operations	t	0	2,165	**2,165**	0	1,890	**1,890**	0	2,329	**2,329**
Total	t	0	13,168	**13,168**	0	16,297	**16,297**	0	16,704	**16,704**

		2023			2024			2025		
	Unit of measurement	**On site**	**Off site**	**Total**	**On site**	**Off site**	**Total**	**On site**	**Off site**	**Total**
Incineration (with energy recovery)	T	0	0	**0**	0	0	**0**	0	-	**0**
Incineration (without energy recovery)	T	0	0	**0**	0	0	**0**	0	-	**0**
Landfilling (D01)	T	0	0	**0**	0	0	**0**	0	-	**0**
Other disposal operations (D15-D08)	T	0	2.64	**2.64**	0	40.90	**40.90**	0	8.98	**9**
Total	T	0	2.64	**2.64**	0	40.90	**40.90**	0	8.98	**9**

The analysis of the charts shows that the limited increase in hazardous waste generated was accompanied by an improvement in its management, with a higher percentage sent for recovery operations.





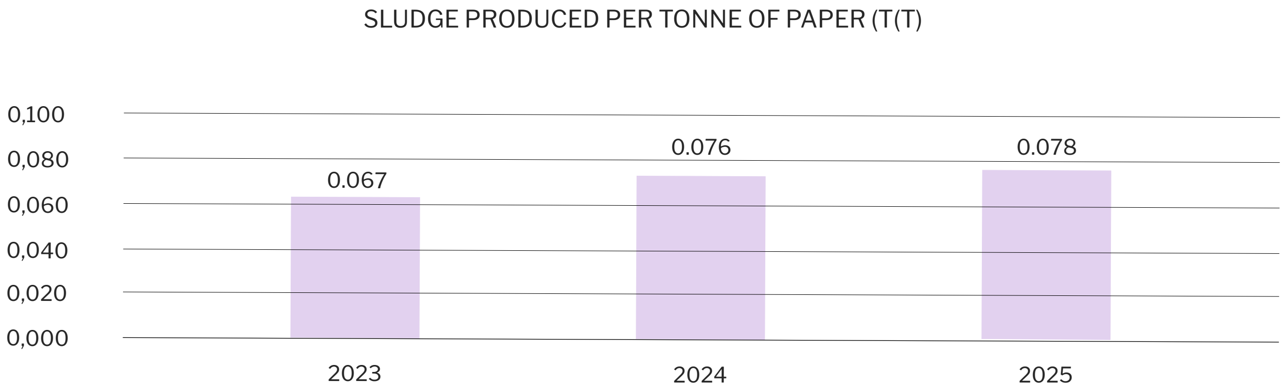
3.5.2 Sludge

[GRI 306-3]

Non-hazardous waste includes sludge from wastewater treatment. This is entirely sent for recovery, either to composting plants or through spreading in agriculture.

The table below shows the trend in sludge production in relation to the tonnes of paper produced by the paper mills, excluding Cartotecnica products, which do not generate sludge due to the type of processing carried out.

The slight increase in sludge produced per tonne of paper is mainly attributable to the increase in continuous machine stoppages recorded at the Crusinallo plant, which led to a reduction in overall production. This dynamic affects the sludge/paper ratio, increasing it. In addition, the increase in water consumption, linked to the higher frequency of washing operations and plant restoration activities, contributes to higher sludge production.



3.6 Biodiversity

[GRI 304-1]

Within the sustainability regulatory framework, the protection of biodiversity and natural ecosystems is becoming increasingly important. Favini also considers the impacts that manufacturing activities may generate on biodiversity and ecosystems, as well as the possible consequences and effects on its own operations.

Based on public databases relating to Sites of Community Importance (SCIs) and Special Protection Areas (SPAs), made available by the Ministry of the Environment and by the Veneto and Piemonte Regions, Favini verified that both the Rossano Veneto and Crusinallo production sites do not fall within areas belonging to the Natura 2000 Network, although they are located close to contexts of high natural value.

In particular, the Rossano Veneto production site, located in Veneto, is situated near the SCI/SPA areas IT3230022 Massiccio del Grappa, IT3240026 Prai di Castello di Godego and IT3260022 Palude di Onara, located respectively to the north, east and south. The Crusinallo plant, in the municipality of Omegna (Piemonte), is instead located on average approximately 5 km from the SCI/SPA areas IT1140013 - IT1140001 Lago di Mergozzo - Fondo Toce and IT1140017 Fiume Toce.

The Group has adopted a voluntary environmental management system certified according to ISO 14001 and has subjected its sites to specific environmental impact assessments, excluding significant effects on protected areas and on the characteristic habitats of local fauna. Each production site is also equipped with dedicated procedures and systems for managing any emergencies or incidents, in order to prevent and contain possible local environmental pollution events.

IN ADDITION TO THE MEASURES IMPLEMENTED AT ITS OWN SITES, FAVINI HAS ALSO TAKEN BROADER ACTION TO PROTECT BIODIVERSITY AND ECOSYSTEMS THROUGH ITS COMMITMENT TO THE VOIALA PROJECT AND REFORESTATION ACTIVITIES IN MADAGASCAR.

SOCIAL RESPONSIBILITY

4. Social responsibility

4.1 Labour and Human Rights Policy

[GRI 2-23] [GRI 2-24]

Favini considers the enhancement of work and respect for human rights to be essential principles on which its corporate culture and strategy are founded. These values are a fundamental part of the Company's Code of Ethics. The Group also recognises and respects the Universal Declaration of Human Rights issued by the United Nations and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

To formalise this commitment, in 2022 Favini prepared and published a corporate Labour and Human Rights Policy, with the aim of summarising in a single document the responsibility undertaken with regard to the following topics: protection of the health and safety of personnel in the workplace, guarantee of working conditions that comply with applicable legislation and collective agreements, freedom of association and dialogue with social partners, enhancement of skills and professional development, and opposition to all forms of forced labour, child labour, discrimination and harassment in the workplace.

4.2 Human capital

[GRI 3-3] [GRI 2-7]

Human capital is the backbone of any Organisation. Every person within the Company, in addition to playing an essential role in its optimal functioning, contributes to the development of the corporate culture and is fundamental to maintaining a positive organisational and relational climate. Each person, in their diversity, brings unique skills and experience to the workplace and can contribute to innovation, creativity and progress for the Company. Favini considers the growth and well-being of its workers to be of vital importance and works every day to ensure a safe, fair, stimulating and inclusive working environment.

4.2.1 Workforce

[GRI 2-7] [GRI 2-8] [GRI 401-1] [GRI 405-1]

All information presented in this section, unless otherwise specified, refers to 31 December of the respective year.

The workforce, substantially unchanged between 2023 and 2024, increased by 25 FTEs in 2025 due to two factors: the hiring of new personnel at the Rossano Veneto plant to enable the start-up of activities in the new Converting 2 department and the stabilisation of temporary agency employment contracts at the Crusinallo plant.

Workforce by geographical area, age and gender

		2023				2024				2025			
Region	**Age (years)**	**M**	**F**	**Total**		**M**	**F**	**Total**		**M**	**F**	**Total**	
Veneto	< 30	20	5	25	8.65%	22	4	26	8.87%	35	6	41	13.18%
	between 30 and 50	119	47	166	57.44%	115	48	163	55.63%	107	47	154	49.52%
	> 50	84	14	98	33.91%	90	14	104	35.49%	100	16	116	37.30%
		223	**66**	**289**		**227**	**66**	**293**		**242**	**69**	**311**	
Piemonte	< 30	18	2	20,00	6.49%	14	2,00	16,00	5.23%	18	2	20	6.37%
	between 30 and 50	164	15	179	58.12%	151	13	164	53.59%	148	12	160	50.96%
	> 50	98	11	109	35.39%	114	12	126	41.18%	121	13	134	42.68%
		280	**28**	**308**		**279**	**27**	**306**		**287**	**27**	**314**	
Abroad	< 30	0	0	0	0.00%	0	0	0	0.00%	0	0	0	0.00%
	between 30 and 50	1	4	5	55.56%	1	4	5	55.56%	1	4	5	62.50%
	> 50	2	2	4	44.44%	2	2	4	44.44%	1	2	3	37.50%
		3	**6**	**9**		**3**	**6**	**9**		**2**	**6**	**8**	
Total	< 30	38	7	45	7.43%	36	6	42	6.91%	53	8	61	9.64%
	between 30 and 50	284	66	350	57.76%	267	65	332	54.61%	256	63	319	50.39%
	> 50	184	27	211	34.82%	206	28	234	38.49%	222	31	253	39.97%
		506	**100**	**606**		**509**	**99**	**608**		**531**	**102**	**633**	
		83.50%	16.50%			83.72%	16.28%			83.89%	16.11%		

Workforce by professional category and age.

		2023			2024			2025		
Status	**Age (years)**	**M**	**F**	**Total**	**M**	**F**	**Total**	**M**	**F**	**Total**
Executives	< 30	0	0	0	0	0	0	0	0	0
	between 30 and 50	2	0	2	2	0	2	2	0	2
	> 50	7	0	7	8	0	8	9	0	9
	Total	**9**	**0**	**9**	**10**	**0**	**10**	**11**	**0**	**11**
White collars	< 30	4	7	11	5	6	11	8	8	16
	between 30 and 50	54	58	112	55	55	110	53	53	106
	> 50	37	21	58	43	22	65	44	25	69
	Total	**95**	**86**	**181**	**103**	**83**	**186**	**105**	**86**	**191**
Blue collars	< 30	34	0	34	31	0	31	45	0	45
	between 30 and 50	228	8	236	210	10	220	201	10	211
	> 50	140	6	146	155	6	161	169	6	175
	Total	**402**	**14**	**416**	**396**	**16**	**412**	**415**	**16**	**431**
Total	< 30	38	7	45	36	6	42	53	8	61
	between 30 and 50	284	66	350	267	65	332	256	63	319
	> 50	184	27	211	206	28	234	222	31	253
	Total	**506**	**100**	**606**	**509**	**99**	**608**	**531**	**102**	**633**

Workforce by contract type and gender.

	2023			2024			2025		
	Permanent contract	**Fixed-term contract**	**Total**	**Permanent contract**	**Fixed-term contract**	**Total**	**Permanent contract**	**Fixed-term contract**	**Total**
Men	504	2	506	506	3	509	529	2	531
Women	83	17	100	83	16	99	87	15	102
Total	**587**	**19**	**606**	**589**	**19**	**608**	**616**	**17**	**633**
	96.90%	**3.1%**		**96.90%**	**3.1%**		**97.3%**	**27%**	

Workforce by employment type and gender.

	2023			2024			2025		
	Full Time	**Part Time**	**Total**	**Full Time**	**Part Time**	**Total**	**Full Time**	**Part Time**	**Total**
Men	487	19	506	492	17	509	491	40	531
Women	98	2	100	95	4	99	100	2	102
Total	**585**	**21**	**606**	**587**	**21**	**608**	**591**	**42**	**633**
	96.5%	**3.5%**		**96.5%**	**3.5%**		**93.4%**	**6,6%**	

The standard form of employment contract is permanent employment.
Fixed-term contracts may be used to replace absent workers or to structure pathways for permanent inclusion in the Company; they represent a residual share of the total (6.6%). In 2025, the percentage of fixed-term contracts increased due to the hiring of new personnel for the start-up of the Converting 2 department in Rossano Veneto, which took place under fixed-term contracts. In any case, the absolute number of permanent contracts also increased and remained well within the legal limits. [GRI 2-8]
During the same period, Favini hosted 6 interns, of whom 5 were involved in PCTO projects ("Pathways for Transversal Skills and Orientation") agreed with upper secondary schools and 1 was involved in a training and guidance project agreed with the University of Padua.
In addition, during 2025 Favini worked with 7 collaborators in advisory roles and profiles, whose relationships were governed by coordinated and continuous collaboration contracts.
The workforce includes, under employee contracts, 16 people belonging to protected categories, of whom 15 have disabilities.
A total of 145 workers are members of trade unions. Regardless of individual membership, 100% of employees are covered by the applicable national collective bargaining agreement, as the National Collective Labour Agreement is negotiated by representative trade unions and applies to the entire perimeter of the employees concerned.

4.2.2 Turnover

[GRI 401-1]

During 2025, Favini's workforce increased substantially (+25 employees, equal to +4.1%), as a result of 76 new hires (+12.5%) and 51 departures (-8.4%). Entries were concentrated mainly in the under-30 age group and in the 30-to-50 age group, while exits were distributed across the different age groups.
The increase in the total number of people under 30 is balanced against the number of people over 50. The natural ageing of the company population, combined with high company loyalty, is offset by the hiring of young personnel. As of 31 December 2025, Favini workers' average length of service was 16.3 years (+1.6 years compared with 2024) and their average age was 45.5 years (-1.4 years compared with 2024).

			New hires				Terminations				Balance			
Region	**Età**	**M**	**F**	**Total**	**%**	**M**	**F**	**Total**	**%**	**M**	**F**	**Total**	**%**	
Veneto	< 30	11.5%	18	**2**	20	48.8%	3	**0**	3	7.3%	15	**2**	**17**	**41.5%**
	between 30 and 50	2.5%	6	**1**	7	4.5%	6	**0**	6	3.9%	0	**1**	**1**	**0.6%**
	> 50	7.8%	8	**1**	9	7.8%	9	**0**	9	7.8%	-1	**1**	**0**	**0.0%**
	Total	**1.4%**	**32**	**4**	**36**	**11.6%**	**18**	**0**	**18**	**5.8%**	**14**	**4**	**18**	**5.8%**
Piemonte	< 30	-18.8%	8	**0**	8	40.0%	2	**0**	2	10.0%	6	**0**	**6**	**30.0%**
	between 30 and 50	1.8%	9	**0**	9	5.6%	2	**0**	2	1.3%	7	**0**	**7**	**4.4%**
	> 50	-1.6%	1	**0**	1	0.7%	6	**0**	6	4.5%	-5	**0**	**-5**	**-3.7%**
	Total	**-0.7%**	**18**	**0**	**18**	**5.7%**	**10**	**0**	**10**	**3.2%**	**8**	**0**	**8**	**2.5%**
Abroad	< 30	0.0%	0	**0**	0	0.0%	0	**0**	0	0.0%	0	**0**	**0**	**0.0%**
	between 30 and 50	0.0%	0	**0**	0	0.0%	0	**0**	0	0.0%	0	**0**	**0**	**0.0%**
	> 50	0.0%	0	**0**	0	0.0%	1	**0**	1	33.3%	-1	**0**	**-1**	**-33.3%**
	Total	**0.0%**	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	**-1**	**0**	**-1**	**-12.5%**
Total	< 30	0.0%	26	**2**	28	45.9%	5	**0**	5	8.2%	21	**2**	**23**	**37,7%**
	between 30 and 50	2.1%	15	**1**	16	5.0%	8	**0**	8	2.5%	7	**1**	**8**	**2.5%**
	> 50	-2.1%	9	**1**	10	4.0%	16	**0**	16	6.3%	-7	**1**	**-6**	**-2.4%**
	Total	**0.3%**	**50**	**4**	**54**	**8.5%**	**29**	**0**	**29**	**4.6%**	**21**	**4**	**25**	**3.9%**
% on staff			9.4%	**3.9%**	8.5%		5.5%	**0.0%**	4.6%		4.0%	**3.9%**	**3.9%**	

Average company seniority

		2024			2025		
Region	**Status**	**M**	**F**	**Total**	**M**	**F**	**Total**
Veneto	Blue-collar workers	12	9	12	11.4	8.5	11.2
	White-collar employees	15	14	14	16.2	13.8	15
	Managers	19	n.a.	19	17.4	n.a.	17.4
	Total	**13**	**13**	**13**	**12.7**	**12.8**	**12.7**
Piemonte	Blue-collar workers	16	24	16	15.7	24.7	15.8
	White-collar employees	17	15	17	17.2	15.8	16.7
	Managers	4	n.a.	4	4.5	n.a.	4.5
	Total	**16**	**16**	**16**	**15.9**	**16.8**	**16**
Abroad	Blue-collar workers	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	White-collar employees	14	13	13	11	14.3	13.5
	Managers	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Total	**14**	**13**	**13**	**11**	**14.3**	**13.5**
Total	Blue-collar workers	14	12	14	13.8	11.6	13.7
	White-collar employees	16	14	15	16.7	14.4	15.7
	Managers	16	n.a.	16	4.5	n.a.	4.5
	Total	**15**	**14**	**14**	**14.4**	**14**	**14.3**

Average workforce age

		2024			2025		
Region	Professional category	M	F	Total	M	F	Total
Veneto	Blue-collar workers	45.5	45.4	45.5	44.8	45.7	44.9
	White-collar employees	45,3	42,8	44	44.8	42.9	43.8
	Managers	55,1	n.a.	55,1	55.7	n.a.	55.7
	Total	**45.8**	**43.3**	**45.2**	**45.2**	**43.4**	**44.8**
Piemonte	Blue-collar workers	46.9	53	47	47	54	47.1
	White-collar employees	48.3	46.3	47.6	48.5	47.3	48.1
	Managers	46	n.a.	46	47	n.a.	47
	Total	**47.1**	**47**	**47.1**	**47.3**	**48**	**47.3**
Abroad	Blue-collar workers	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	White-collar employees	55.3	48.5	50.8	54	50.5	51.4
	Managers	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	Total	**55.3**	**48.5**	**50.8**	**54**	**50.5**	**51.4**
Total	Blue-collar workers	46.3	46.8	46.3	46.1	47.3	46.1
	White-collar employees	47	43.9	45.6	46.6	44.2	45.6
	Managers	53.3	n.a.	53.3	54.1	n.a.	54.1
	Total	**46.6**	**44.6**	**46.2**	**46.3**	**44.7**	**46.1**

The outgoing turnover figure, analysed by limiting it to voluntary resignations only (excluding retirees), is an important indicator of the Company's retention capacity. In 2025, this indicator stood at 1.1% overall, a very low value in absolute terms and below labour market averages.

Voluntary resignations

		2024				2025			
Region	Age (years)	M	F	Total	%	M	F	Total	%
Veneto	< 30	0	0	0	0.0%	0	0	0	0.0%
	between 30 and 50	5	2	7	4.3%	3	0	3	1.9%
	> 50	1	0	1	1.0%	1	0	1	0.9%
	Total	**6**	**2**	**8**	**2.7%**	**4**	**0**	**4**	**1.3%**
Piemonte	< 30	5	0	5	31.3%	0	0	0	0.0%
	between 30 and 50	1	2	3	1.8%	2	0	2	1.3%
	> 50	0	0	0	0.0%	1	0	1	0.7%
	Total	**6**	**2**	**8**	**2.6%**	**3**	**0**	**3**	**1.0%**
Abroad	< 30	0	0	0	0.0%	0	0	0	0.0%
	between 30 and 50	0	0	0	0.0%	0	0	0	0.0%
	> 50	0	0	0	0.0%	0	0	0	0.0%
	Total	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**
Total	< 30	5	0	5	11.9%	0	0	0	0.0%
	between 30 and 50	6	4	10	3.0%	5	0	5	1.6%
	> 50	1	0	1	0.4%	2	0	2	0.8%
	Total	**12**	**4**	**16**	**2.6%**	**7**	**0**	**7**	**1.1%**
% of workforce		**2.36%**	**4.04%**	**2.63%**		**1.3%**	**0.0%**	**1.1%**	

At Favini, we believe that low voluntary turnover is not only an indicator of a positive internal climate and the degree of employee loyalty, but also a key factor in the Company's competitiveness: it ensures that the specialist skills developed by people within the Company remain in-house and are not lost or transferred to competitors. The historical figure, both in absolute terms and in terms of its stability over time, highlights an excellent result.

	2023	2024	2025
Turnover due to voluntary resignations	2.15%	2.63%	1.11%

4.2.3 Training

[GRI 403-5] [GRI 403-6] [GRI 404-1] [GRI 404-2]

Employee training is essential to the success and growth of any Organisation. By investing in training, companies can ensure that they have the skills and knowledge needed to meet the constantly evolving needs of the sector and, ultimately, to perform their roles with greater awareness and effectiveness.

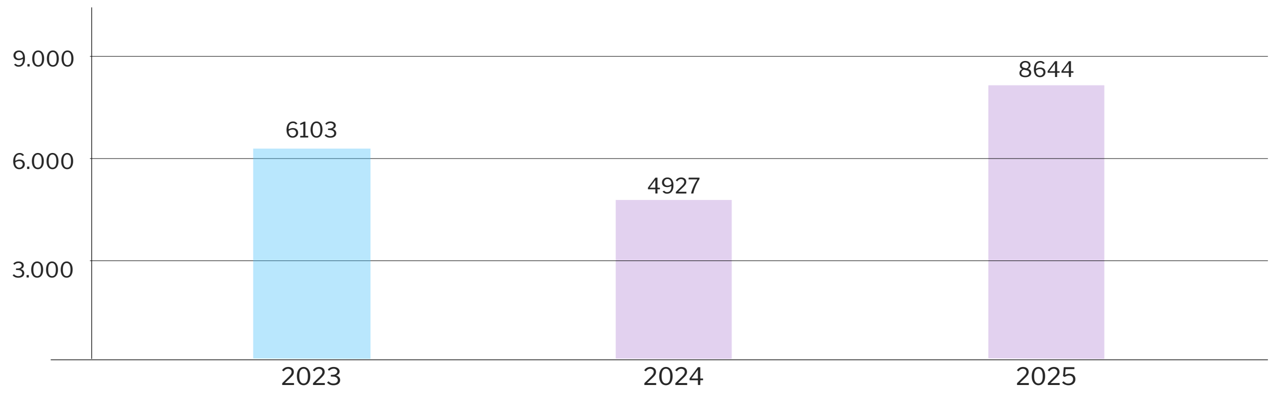
Training also represents an important sign of attention towards people and therefore contributes to improving their satisfaction. From this perspective, it is an important lever for the attraction and retention of human resources.

For Favini, investment in training on technical and professional topics (know-how) and in the acquisition of soft or relational skills (behavioural skills) is important and takes shape through the development of numerous training activities.

It is also important to offer training opportunities to all employees, regardless of their role, in order to promote a culture of continuous learning, ongoing improvement and openness to change at all levels.

It should be noted that, since 2021, there has been a significant increase in the number of training hours delivered to employees, a tangible sign of the Company's willingness to invest in human capital. Training activity in 2024 saw a temporary decline, mainly due to organisational reasons, and resumed with a strong increase in 2025.

TRAINING HOURS PROVIDED PER YEAR



By geographical area, age and gender

		PARTICIPANTS				HOURS OF TRAINING			AVERAGE HOURS PER CAPITA		
Regione	**Età**	**M**	**F**	**Total**	**%**	**M**	**F**	**Total**	**M**	**F**	**Total**
Veneto	< 30	32	7	39	95.1%	1,588	123	1,711	45.4	20.5	41.7
	between 30 and 50	85	45	130	84.4%	1,170	1,072	2,242	10.9	22.8	14.6
	> 50	88	15	103	88.8%	937	237	1,174	9.4	14.8	10.1
	Total	**205**	**67**	**272**	**87.5%**	**3,695**	**1,432**	**5,127**	**15.3**	**20.8**	**16.5**
Piemonte	< 30	17	2	19	95.0%	228	75	303	12,7	37,5	15,2
	between 30 and 50	133	11	144	90.0%	1,906	217	2,123	12.9	18.1	13.3
	> 50	87	12	99	73.9%	919	172	1,091	7.6	13.2	8.1
	Total	**237**	**25**	**262**	**83.4%**	**3,053**	**464**	**3,517**	**10.6**	**17.2**	**11.2**
Abroad	< 30	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	between 30 and 50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	> 50	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Total	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Total	< 30	49	9	58	95.1%	1,816	198	2,014	34.3	24.8	33.0
	between 30 and 50	218	56	274	85.9%	3,076	1,289	4,365	12.0	20.5	13.7
	> 50	175	27	202	79.8%	1,856	409	2,265	8.4	13.2	9.0
	Total	442	92	534	84.4%	6,748	1,896	8,644	12.7	18.6	13.7
% of workforce		83.2%	90.2%	84.4%							

	2023			2024			2025		
Professional category	**Workforce**	**Training hours**	**Average hours per capita**	**Workforce**	**Training hours**	**Average hours per capita**	**Workforce**	**Training hours**	**Average hours per capita**
Managers	9	81	9.0	10	107	10.7	11	160	14.5
White-collar employees	181	3,480	19.2	186	2,359	12.7	191	4718	24.7
Blue-collar workers	416	2,542	6.1	412	2,461	6.0	431	3766	8.7
Total	**606**	**6,103**	**10.1**	**608**	**4,927**	**8.1**	**633**	**8,644**	**13.7**

The data presented here demonstrate Favini's commitment to providing training and development opportunities for all employees: the main beneficiaries are white-collar employees, while the continuous-cycle organisation of production work limits the wider delivery of training to blue-collar workers.

During 2025, 84.4% of the company population had the opportunity to take part in training activities and, on average, each Favini employee benefited from 13.7 hours of training per capita.

The analysis by gender shows that the share of female personnel trained is higher than the company average (90.2% compared with 84.4%).

It is also clear that Favini invested particularly in the training of young people, with 95.1% of people trained and an average of 33 hours per capita.

Topics	**2023**	**2024**	**2025**
Safety	2,975	2,888	4,139
Environment	154	146	343
Quality	7	133	35
Technical/professional	2,151	1,224	2,811
Soft skills	164	344	752
Well-being	652	192	564
Total	**6,103**	**4,927**	**8,644**

The analysis of training hours broken down by topic shows that safety is certainly an important area in which Favini consistently invests significant resources.
Non-mandatory training activities are equally important for the development of personnel, accounting on average for 51%.

Topics	**2023**		**2024**		**2025**		**Average**	
	Hours	**%**	**Hours**	**%**	**Hours**	**%**	**Hours**	**%**
Mandatory training	2,975	49%	2,514	51%	4,176	48%	3,222	49%
Voluntary training	3,128	51%	2,413	49%	4,468	52%	3,336	51%
Total	**6,103**	**100%**	**4,927**	**100%**	**8,644**	**100%**	**6,558**	**100%**

The training project linked to employee well-being, addressed to all employees at both plants, deserves special mention. During this initiative, launched in 2023 and continued in 2024-2025, several important topics were addressed:

- Healthy and mindful eating
- Safe driving principles
- Basic life support for non-first-aid personnel
- Health at work
- Cancer prevention
- Digital well-being
- Financial education
- Self-defence

4.2.4. Parental Leave

[GRI 401-3]

Favini guarantees all its employees the use of parental leave provided for by law.
In 2025, 24 employees took parental leave and their return-to-work rate at the end of the leave was 100%.

By category	**2024**			**2025**		
Category	**Employees taking parental leave**	**Returns at the end of parental leave**	**Return-to-work rate**	**Employees taking parental leave**	**Returns at the end of parental leave**	**Return-to-work rate**
Men	7	7	100%	15	15	100%
Women	9	9	100%	9	9	100%
Total	**16**	**16**	**100%**	**24**	**24**	**100%**

The retention rate over the last three years, equal to 100%, provides a positive measure of Favini's ability to support employees in taking parental leave.

Still employed after 12 months				
	2023	**2024**	**2025**	**Retention rate**
Men	3	1	7	100%
Women	7	3	9	100%
Total	**10**	**4**	**16**	**100%**

4.2.5 Gender Pay Gap

[GRI 405-2]

For 2025, we calculated the Gender Pay Gap for employees at the Italian sites with reference to 2025 gross base pay. The data were broken down by professional category and age group.

Category	**2024** **Base pay**	**2025** **Base pay**
Blue-collar workers	-8%	-8%
White-collar employees	-16%	-16%
Middle managers	-8%	-13%
Managers	n.a.	n.a.
Total	**5%**	**7%**

The total figure relating to base pay shows a Gender Pay Gap in favour of the female population (7%). There are no female managers..

Gender Pay Gap by age (years)	**2024**	**2025**
< 30	3%	14%
between 30 and 50	5%	7%
> 50	8%	13%
Total	**5%**	**7%**

4.2.6 Workplace Safety

[GRI 3-3] [GRI 403-1] [GRI 403-2/a] [GRI 403-3] [GRI 403-4] [GRI 403-5] [GRI 403-6] [GRI 403-7] [GRI 403-8] [GRI 403-9] [GRI 403-10]

Occupational health and safety have always been a fundamental pillar for Favini.

This commitment translates into the adoption of an Occupational Health and Safety Management System certified according to ISO 45001, in full compliance with Italian Legislative Decree no. 81 of 9 April 2008, which establishes the regulatory framework for the occupational health and safety of all Favini workers.

The Management System extends to all persons who access the company for guided visits (schools and local organisations), business relations (customers, suppliers) and contractors, ensuring the uniform application of the same prevention and risk-control rules throughout the entire supply chain.

The system is based on a solid internal structure, which also provides, through the use of specific software, for:

- the identification of hazards;
- risk assessment;
- the identification, appointment and training of the figures required by Italian Legislative Decree no. 81 of 9 April 2008, such as the Head of the Prevention and Protection Service (RSPP), the Occupational Physician (MC), the Workers' Safety Representatives (RLS) and emergency response personnel;
- the adoption of appropriate PPE, the application of specific procedures and the proposal of targeted investments in line with the "best available techniques".

With the aim of minimising the possibility of accidents and injuries, making the working environment as safe as possible and improving workers' participation by sharing safety information, Favini adopts concrete actions such as:

- the structured management of injuries, incidents and near misses, with analysis of causes, identification of any necessary actions or precautionary advice and, where appropriate, posting on noticeboards or publication on internal monitors available in break areas;
- constant monitoring of safety indicators to identify any need to update or amend procedures or, during budgeting, to identify proposed changes to company systems, machinery or equipment;
- health surveillance, with the occupational physician present weekly or fortnightly at company sites and periodic visits scheduled according to a health protocol developed on the basis of the specific risk exposures of the various roles; each worker is informed of their health status by the Occupational Physician, who ensures that the employee's health record is kept confidentially (in paper format in a locked cabinet in the plant infirmary and digitally on a PC subject to regular antivirus checks and backups);
- the preparation and digital distribution of operating information for higher-risk activities, integrating the requirements of Legislative Decree 81/08 on work at height, manual handling of loads and use of hazardous chemicals.

In order to ensure that the company takes charge of all reports and to guarantee workers' anonymity where they fear possible personal repercussions, Favini provides a web platform through which observations or complaints can be submitted without fear of exposure to possible retaliation.

As also shown in the tables in section 4.2.3, safety represents the greatest commitment in the area of personnel training. Training activities, calibrated according to the level of risk associated with each role, focus on:

- specific training for new hires, delivered by internal personnel fully aware of the hazards, risks and specific characteristics of the working environment, machinery and substances used in the processes;
- specialist training for high-risk activities (e.g. electrical work, work at height, use of forklifts) or for emergency response personnel (first aid, fire prevention), delivered by qualified trainers with practical exercises and periodic updates.

As preventive measures to protect long-term health and minimise the possible development of occupational diseases related to noise, vibration, exposure to chemicals and manual handling of loads, Favini pays particular attention to:

- the selection and testing of high-performance and highly wearable personal protective equipment (PPE), to ensure comfort and protection throughout the working day, such as the production of customised hearing protectors modelled on the anatomical characteristics of each worker for more effective noise attenuation;
- periodic updating of lifting and transport equipment in order to maintain high standards of safety, reliability and vibration minimisation;
- the use of air extraction and reintroduction systems to control airborne pollutants, recirculate clean air in working environments and control microclimatic conditions;
- process automation, where possible, to reduce manual handling of loads and strain on the upper limbs.

ISO 45001 and Legislative Decree 81/08 also promote a participatory approach. In addition to the customary annual meeting required by Legislative Decree no. 81 of 9 April 2008, periodic meetings with key safety figures (RSPP, RLS, occupational physician) and workplace visits are organised to encourage workers' active involvement, during which proposals and observations are collected and translated into concrete improvements.

The significant participation of employees in emergency teams testifies to a high level of awareness and a strong sense of shared responsibility, in line with the principle of "prevention" established by the Consolidated Act.

Number of injuries, injury indices and types of injuries
[GRI 403-9] [GRI 403-10]

The following table shows the number of injuries and injury indicators. Specifically, it reports the Frequency Index (FI) 1 and the Severity Index (SI)2 with reference to injury events involving more than three days of absence.

No cases of occupational disease or deaths following workplace injuries were recorded during the three-year period.

Number of injuries, injury indices and types of injuries	2023	2024	2025
Commuting injuries	0	0	2
Injuries ≤3 days	3	1	3
Injuries >3 days	19	13	16
of which serious injuries	0	0	0
Total injuries	22	14	19
Total hours lost due to injury	4,616	3,424	2,424
Total hours worked	894,791	952,384	983,314
FI[4]	21.23	13.65	16.27
SI[5]	0.63	0.45	0.30

The constant reduction in the Severity Index over the last three years confirms the positive trend, further supported by the fact that Favini's 2025 injury indices were lower than the reference values for the paper sector.
The main types of injuries in the company were contusions/sprains due to impacts or slips, cuts, fractures and crushing injuries.

[4]Frequency Index (FI): Number of accidents >3 days/Total hours worked x 1.000.000.
[5]Severity Index (SI): Days of absence due to accidents >3 days/Total hours worked x 1.000.

4.3 Collaborations with the External Context

[GRI 3-3] [GRI 413-1]

Our Rossano and Crusinallo plants have welcomed students of various ages for many years. With the utmost attention to the safety of visitor routes and careful organisation involving more than 30 employees across the two plants, we welcome pupils from schools that request visits every one to two weeks. In 2025, almost 1,500 students and their accompanying teachers visited our paper mills, an increase of more than 7% compared with the previous year. The doors of our plants are also open to frequent customer visits, as customers appreciate the opportunity to see first-hand how their products are created and to discuss them with our technicians. We also welcomed delegations from various associations, including COMIECO, Veteran Car Club and Associazione Artigiani Trentino.

The company has strong ties with the local social fabric and maintains a positive cultural exchange with various local associations: Radici Future and the festival dedicated to sustainability, circular economy and business ethics; Win-Win, an annual sports tournament involving many local companies with the participation of employees and their families, aimed at raising funds for non-profit associations; primary and secondary schools in the areas surrounding the two sites receive free paper materials for teaching activities; and our technicians and experts are invited to give presentations on circular economy and sustainability and to run workshops on paper production, inspiring and contributing to the education of future generations on sustainability and the circular economy.

Favini supported an important project organised for the 2024-2025 school year by ITIS Fermi in Bassano del Grappa (VI), called "Fermi… let's sort waste properly", with the aim of involving students in the circular economy through concrete daily actions applied to certain types of waste and allowing them to "measure" the results of these actions in terms of positive environmental impact.

Favini's contribution to the development of an industrial culture focused on environmental respect is ongoing: support for the Salesian Institute San Zeno, a historic paper training institution in Verona, with the participation of our technicians in its courses; support for the Salesian Institute San Marco, with which we collaborated on the Creative Hero 2025 competition for future graphic designers; and collaboration with Aticelca, the Italian network of technicians and experts in paper production, to contribute to the development of an industrial culture oriented towards the circular economy and recycling applied to paper production.

Over the years, Favini has established and maintained various collaborations with research institutes and universities, such as the CNR in Milan, the CNR Water Research Institute in Taranto, the University of Milan, the University of Padua, Ca' Foscari University of Venice and the University of Cambridge. The company also maintains an ongoing dialogue with companies and brand owners seeking new uses for their by-products and collaborates in studying how bio-based and upcycled products react in the paper coating process, with the aim of replacing fossil-based resins and plastics in the textile and leather goods industries.

Favini has renewed its support for the Voiala project for the next three years, contributing to a reforestation initiative in Madagascar aimed at restoring part of a forest that had been destroyed, resulting in soil degradation and loss of flora and fauna. We support a local community in the Androy district, in the north-east of the island, by raising environmental awareness and providing training to residents, contributing to sustainable agriculture and promoting planting strategies and ecotourism in the area. To date, 75 hectares have been planted with around 150,000 trees, all native species suitable for supporting the restoration of the local ecosystem.

4.3.1. Posterheroes

Our contribution to Posterheroes, the international competition for graphic design, illustration and social communication, continues. The 2025 edition, entitled "Seeds of kindness", promoted discussion on a world centred on performance, where bullying and aggression are widespread and empathy is diminishing. In this context, kindness is the gesture that turns empathy into action. A selection of the best works made it possible to create a special calendar with pages printed using different techniques and on particular types of paper produced by Favini. During 2025, seven exhibitions of Posterheroes works and discussion opportunities were organised to encourage reflection on social issues; particular mention should be made of the event held as part of Torino Design Week, which included an exhibition open to the public throughout the "Month of Kindness".

4.4 Research, Development and Innovation

[GRI 3-3]

Environmental content has represented a constant point of reference in product policies: all Favini papers and paperboards are made from selected cellulose-based pulps, free from elemental chlorine (ECF) and not sourced from virgin forests. This proactive approach has positively guided internal environmental research towards innovative models of eco-compatible industrial development: rather than focusing on remediation, which in paper-making terms is represented by recycling, Favini has preferred prevention, researching surplus materials and agro-industrial pollutants from other industrial sectors as alternative raw materials to the use of cellulose from trees.

The results of environmental research have taken shape through:

- the filing of a patent for the production of paper from leather residues;
- the recovery of wool and cotton textile waste, reviving an ancient method of papermaking;
- the identification of the explicit and implicit needs of the target market;
- market analysis that may lead to the feasibility assessment for the development of a new product;
- the creation of new paper variants within the “Paper from our Echosystem” range;
- the optimisation of production processes by reducing energy consumption, water consumption and raw material waste;
- the signing of new agreements for the use of industrial by-products.

The Group’s contribution to scientific promotion and dissemination is demonstrated by numerous participations in conferences, workshops, trade fairs, round tables and seminars.

The Favini Group’s commitment to technological innovation and scientific dissemination has encouraged the development and consolidation of collaborative relationships, at various levels, with universities, schools and other bodies and institutions active in research and education, both nationally and internationally.

Methodological Note

GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-4] [GRI 2-5]

This Favini Group Report responds to the need to provide all stakeholders with clear and transparent reporting on its performance relating to environmental and social matters.

As at the date of preparation of this document, the Favini Group is not subject to sustainability reporting obligations in accordance with the European Sustainability Reporting Standards (ESRS) provided for by Italian Legislative Decree 125 of 6 September 2024, which transposed EU Directive 2022/2464 (Corporate Sustainability Reporting Directive or CSRD) into Italian law. The Sustainability Report is prepared annually on a voluntary basis, adopting the Standards published by the Global Reporting Initiative (GRI) in the updated 2021 version according to the "in accordance with GRI Standards" option. The list of standards included in the document is summarised in a GRI Content Index, prepared to facilitate the search for and understanding of the reported information.

In addition, where relevant, the information contained in the document has been associated with the Sustainable Development Goals (hereinafter also SDGs) developed under the UN 2030 Agenda.

The reporting scope, detailed in Chapter 1, covers the entire Favini Group, including the companies it controls and which are included in the consolidated financial statements, with the exception of environmental performance and injury data within the Social chapter (section 4.2.6), which does not include the disclosures of the subsidiary Favini do Brasil Ltd. This scope limitation was considered in view of its limited relevance with respect to its social and environmental performance. References in this document to "Company", "Group", "Favini" or "Organisation" therefore refer to all the companies, while it is highlighted when a data item does not refer to the entire Group but to a subsidiary or to a specific plant.

The reporting period is the same as that of the Group's consolidated financial statements and covers the period from 1 January 2025 to 31 December 2025. The indicators representing the results reflect the measurement of performance, regardless of whether the trend is positive or negative. The data included in the document were also processed and provided by the function managers. In addition, data relating to the two years preceding the reporting year are reported, allowing stakeholders to compare Favini's performance across different years and assess the trend of its activities over time.

The Report presents qualitative and quantitative information relating to the topics considered "material" for the Group and its stakeholders. These topics were identified through the materiality analysis process, described in the dedicated section.

The process of collecting and processing data and information was managed by creating a working group composed of the managers of all areas involved and falling within the reference scope. The process that led to the preparation of the document involved all areas of the Group. The data included in the Report were collected by representatives of the various company functions and subsequently reprocessed in accordance with the guidance provided by the GRI Standards. The indicators were calculated accurately and precisely on the basis of data obtained from general accounting, internal data collection and the other available information systems. No estimates were used in calculating the indicators.

At every stage of the process, the reporting principles set out in the GRI Standards were also followed in order to obtain high-quality sustainability reporting: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

It should be noted that, following the refinement of data collection methodologies, it was necessary to revise certain environmental indicators compared with what was published in the previous Sustainability Report. Specifically:

• Compared with the 2024 Report, the overall energy values were recalculated and revised to ensure an assessment that is more representative of the structure of the two plants. In particular, the conversion into GJ of natural gas withdrawn from the grid was refined using the same calorific value used in the calculations for the ETS (Emission Trading Scheme), which are also verified annually by a third-party certification body;

• the quantification of energy consumption was enriched by the use of national standards for the 2025 calculation of fuel consumed by the company fleet (table of national standard parameters, also related to the ETS). It was not possible to update the 2024 value with the available data;

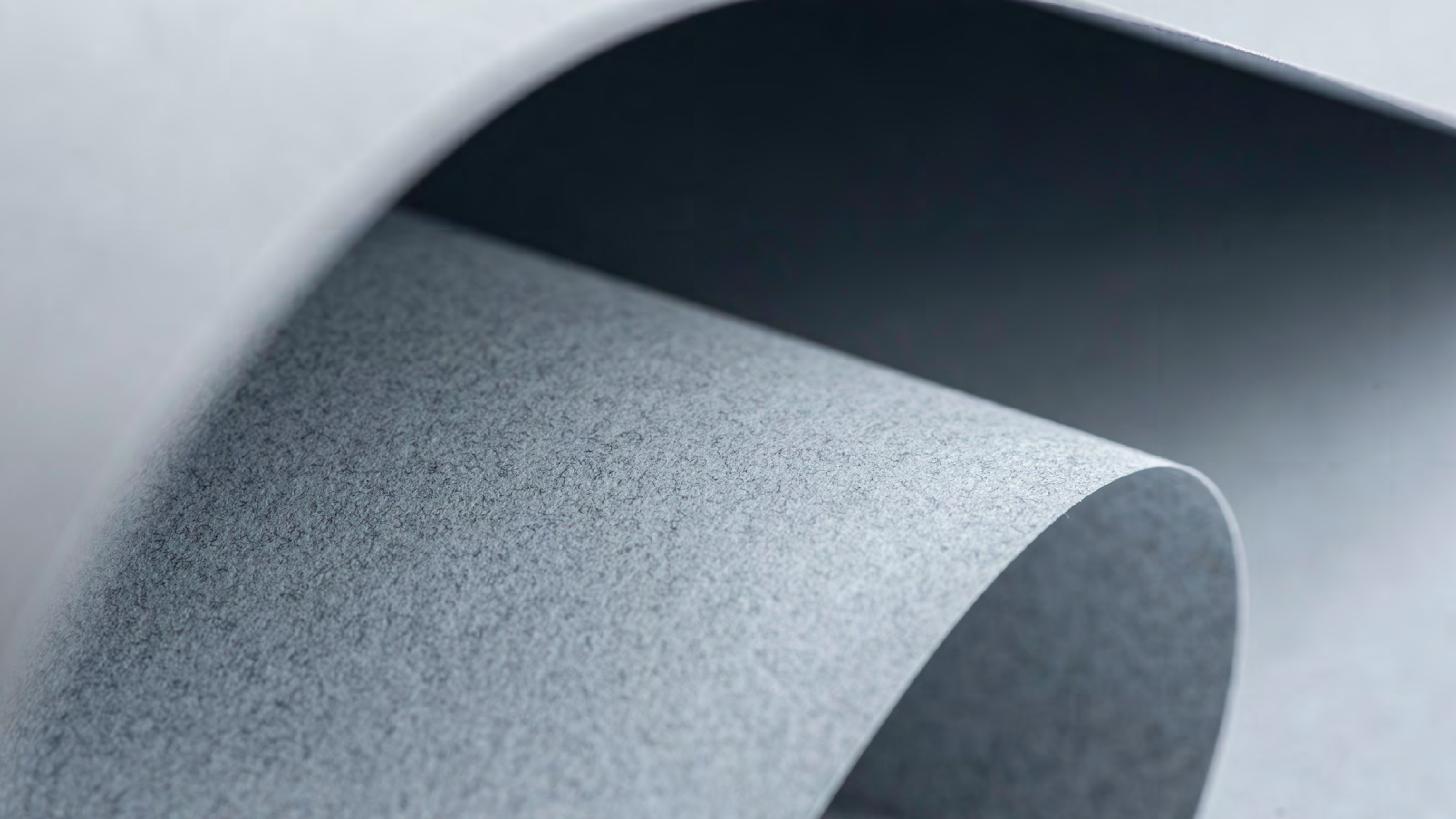
• the tonnes of CO_2 equivalent falling within Scope 2 were recalculated using the updated emission factors published by ISPRA and AIB;

• the "intensity" indicators (energy consumption intensity, emissions intensity, etc.) were recalculated using, as the denominator, the quantity of net paper produced by the three production lines (previously, the tonnes of paper transferred to the warehouse had been used). This makes it possible to provide a more accurate and realistic figure;

Finally, it should be noted that the Group has integrated the presentation of its environmental, social and governance sustainability objectives, providing an update on the status of each of them as at 2025.

This Sustainability Report, signed by the Group CEO, was submitted for approval by Favini's Board of Directors on 3 July 2026 and is subject to external assurance by BDO S.p.A., as independent auditor.

For further information, please write to:
cristina.massignan@favini.com



GRI Index

STATEMENT OF USE The Favini Group has prepared this non-financial disclosure in accordance with the GRI Standards for the period 01/01/2025-31/12/2025.
GRI 1 GRI 1: Foundation 2021

GRI SUSTAINABILITY REPORTING STANDARD			REFERENCE / NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
GRI 2 GENERAL DISCLOSURE 2021	2-1	Organizational details	Methodological Note Chapter 1, The Favini Group			
	2-2	Entities included in the organization's sustainability reporting	Methodological Note Chapter 1, The Favini Group			
	2-3	Reporting period, frequency and contact point	Methodological Note			
	2-4	Restatements of information	Methodological Note			
	2-5	External assurance	Methodological Note			
	2-6	Activities, value chain and other business relationships	1.2 Favini's Worlds 1.8 Responsible value chain management 1.8.2 Supply chain management			
	2-7	Employees	4.2 Human capital 4.2.1 Workforce			
	2-8	Workers who are not employees	4.2.1 Workforce			
	2-9	Governance structure and composition	1.3 Governance			
	2-10	Nomination and selection of the highest governance body	1.3.1 Board of Directors			
	2-11	Chair of the highest governance body	1.3.1 Board of Directors 1.3.2 Board of Statutory Auditors			
	2-12	Role of the highest governance body in overseeing impacts	1.3.2 Board of Statutory Auditors 1.3.4 Sustainability Governance			
	2-13	Delegation of responsibility for managing impacts	1.3.2 Board of Statutory Auditors 1.3.4 Sustainability Governance			
	2-14	Role of the highest governance body in sustainability reporting	1.3.4 Sustainability Governance			
	2-15	Conflicts of interest	1.3.1 Board of Directors 1.4 Business Ethics and Integrity			
	2-16	Communication of critical concerns	1.4 Business Ethics and Integrity			
	2-17	Collective knowledge of the highest governance body	1.3.1 Board of Directors			
	2-18	Evaluation of the performance of the highest governance body	1.3.1 Board of Directors 1.3.3 Remuneration and incentive policy			
	2-19	Remuneration policies	1.3.3 Remuneration and incentive policy			
	2-20	Process to determine remuneration	1.3.3 Remuneration and incentive policy			
	2-21	Annual total compensation ratio	1.3.3 Remuneration and incentive policy			
	2-22	Statement on sustainable development strategy	CEO Letter			

GRI SUSTAINABILITY REPORTING STANDARD			REFERENCE / NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
	2-23	Policy commitments	1.4 Business Ethics and Integrity 1.5 Certified policies and management systems 4.1 Labour and Human Rights Policy			
	2-24	Embedding policy commitments	1.8.3 Risk analysis along the value chain 4.1 Labour and Human Rights Policy			
	2-25	Processes to remediate negative impacts	1.4 Business Ethics and Integrity 1.8.4 Materiality analysis			
	2-26	Mechanisms for seeking advice and raising concerns	1.4 Business Ethics and Integrity 1.8.4 Materiality analysis			
	2-27	Compliance with laws and regulations	No cases of non-compliance with laws and regulations occurred during the reporting period.			
	2-28	Associations	1.8.1 Customer relations			
	2-29	Approach to stakeholder engagement	1.6 Stakeholder engagement			
	2-30	Collective bargaining agreements	1.5 Certified policies and management systems			
GRI 3: MATERIAL TOPICS 2021	3-1	Process to determine material topics	1.8.4 Materiality analysis			
	3-2	List of material topics	1.8.4 Materiality analysis			
	3-3	Management of material topics	1.8.4 Materiality analysis			
MATERIAL TOPIC: ECONOMIC PERFORMANCE AND SHARED VALUE						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 2.2 Statement of distributed value			
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	Direct economic value generated and distributed	2.2 Statement of distributed value			
GRI 204: PROCUREMENT PRACTICES 2016	204-1	Proportion of spending on local suppliers	1.8.2 Supply chain management			
MATERIAL TOPIC: ETHICS AND INTEGRITY						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 1.4 Business Ethics and Integrity			
GRI 205: ANTI-CORRUPTION 2016	205-3	Confirmed incidents of corruption and actions taken	No cases of corruption were recorded during 2025.			
GRI 415: PUBLIC POLICY 2016	415-1	Political contributions	No political contributions were made during 2025.			
MATERIAL TOPIC: PROCUREMENT AND USE OF RAW MATERIALS, CIRCULAR ECONOMY						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.1 Materials 3.1.3 Material consumption			
GRI 301: MATERIALS 2016	301-1	Materials used by weight or volume	3.1 Materials 3.1.3 Material consumption			
MATERIAL TOPIC: ENERGY CONSUMPTION MANAGEMENT						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.3 Energy			

GRI SUSTAINABILITY REPORTING STANDARD			REFERENCE / NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
GRI 302: ENERGY 2016	302-1	Energy consumption within the organization	3.3 Energy 3.3.1 Total energy consumption			
	302-2	Energy consumption outside of the organization	3.3 Energy 3.3.1 Total energy consumption			
	302-3	Energy intensity	3.3 Energy 3.3.1 Total energy consumption			
	302-4	Reduction of energy consumption	3.3.3 Reductions in consumption and energy efficiency No significant reductions in energy consumption were recorded in 2025.			
MATERIAL TOPIC: WATER CONSUMPTION MANAGEMENT						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.2 Water resources			
GRI 303: WATER AND EFFLUENTS 2018	303-1	Interactions with water as a shared resource	3.2 Water resources			
	303-2	Management of water discharge-related impacts	3.2 Water resources 3.2.4 Wastewater analysis			
	303-3	Water withdrawal	3.2 Water resources 3.2.1 Water withdrawals			
	303-4	Water discharge	3.2.2 Water discharges			
		Water consumption	3.2.3 Water consumption			
MATERIAL TOPIC: BIODIVERSITY						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.5.3 Biodiversity			
GRI 304: BIODIVERSITY 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.5.3 Biodiversity			
MATERIAL TOPIC: ATMOSPHERIC EMISSIONS						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.4 Emissions			
GRI 305: EMISSIONS 2016	305-1	Direct GHG emissions (Scope 1)	3.4.1 CO_2 emissions			
	305-2	Energy indirect GHG emissions (Scope 2)	3.4.1 CO_2 emissions			
	305-3	Other indirect GHG emissions (Scope 3)	3.4.1 CO_2 emissions			
	305-4	GHG emissions intensity	3.4.1 CO_2 emissions			
	305-5	Reduction of GHG emissions	3.4.1 CO_2 emissions 3.4.3 Emissions reduction 3.4.4 Environmental projects for emissions offsetting			
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4.2 NOx emissions			
MATERIAL TOPIC: WASTE MANAGEMENT						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 3.5 Waste			

GRI SUSTAINABILITY REPORTING STANDARD			REFERENCE / NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
GRI 306: WASTE 2020	306-1	Waste generation and significant waste-related impacts	3.5 Waste 3.5.1 Waste sent for recovery and disposal			
	306-2	Management of significant waste-related impacts	3.5 Waste			
	306-3	Waste generated	3.5 Waste 3.5.1 Waste sent for recovery and disposal 3.5.2 Sludge			
	306-4	Waste diverted from disposal	3.5 Waste 3.5.1 Waste sent for recovery and disposal			
	306-5	Waste directed to disposal	3.5 Waste 3.5.1 Waste sent for recovery and disposal			
MATERIAL TOPIC: HUMAN CAPITAL						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis Chapter 4.2 Human capital			
GRI 401: EMPLOYMENT 2016	401-1	New employee hires and employee turnover	4.2.1 Workforce 4.2.2 Turnover			
	401-3	Parental leave	4.2.4 Parental leave			
GRI 404: TRAINING AND EDUCATION 2016	404-1	Average hours of training per year per employee	4.2.3 Training The training hours delivered refer only to the Italian perimeter			
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2.3 Training			
MATERIAL TOPIC: WORKERS' HEALTH AND SAFETY						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis Chapter 4.2 Human capital			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1	Occupational health and safety management system	4.2.6 Workplace safety			
	403-2	Hazard identification, risk assessment, and incident investigation	4.2.6 Workplace safety			
	403-3	Occupational health services	4.2.6 Workplace safety			
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.6 Workplace safety			
	403-5	Worker training on occupational health and safety	4.2.3 Training 4.2.6 Workplace safety			
	403-6	Promotion of worker health	4.2.3 Training 4.2.6 Workplace safety			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.6 Workplace safety			
	403-8	Workers covered by an occupational health and safety management system	4.2.6 Workplace safety			
	403-9	Work-related injuries	4.2.6 Workplace safety			
	403-10	Work-related ill health	4.2.6 Workplace safety			
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2.3 Training			

GRI SUSTAINABILITY REPORTING STANDARD			REFERENCE / NOTES	OMISSION		
				REQUIREMENTS OMITTED	REASON	EXPLANATION
MATERIAL TOPIC: INCLUSION AND EQUAL OPPORTUNITIES MANAGEMENT						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis Chapter 4.2 Human capital			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	Diversity of governance bodies and employees	4.2.1 Workforce			
	405-2	Ratio of basic salary and remuneration of women to men	4.2.5 Gender Pay Gap			
MATERIAL TOPIC: SUPPORT FOR LOCAL COMMUNITIES						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	4.3 Collaborations with the external context			
GRI 413: LOCAL COMMUNITIES 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.3 Collaborations with the external context			
MATERIAL TOPIC: SUPPORT FOR LOCAL COMMUNITIES						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis			
GRI 413: LOCAL COMMUNITIES 2016	414-1	New suppliers that were screened using social criteria	1.8.2 Supply chain management			
MATERIAL TOPIC: RESEARCH, DEVELOPMENT AND INNOVATION						
GRI 3: MATERIAL TOPICS 2021	3-3	Management of material topics	1.8.4 Materiality analysis 4.4 Research, development and innovation			
ADDITIONAL KPIS REPORTED THAT ARE NOT ASSOCIATED WITH MATERIAL TOPICS						
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1	New suppliers that were screened using environmental criteria	1.8.2 Supply chain management			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.8 Responsible value chain management 1.8.1 Customer relations No incidents of non-compliance concerning product health and safety occurred during 2025.			
GRI 417: MARKETING AND LABELING 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	1.8 Responsible value chain management 1.8.1 Customer relations No incidents of non-compliance concerning product health and safety occurred during 2025.			
	417-3	Incidents of non-compliance concerning marketing communications	1.8 Responsible value chain management			
GRI 418: CUSTOMER PRIVACY 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.8.3 Risk analysis along the value chain No incidents of customer privacy breaches or losses of customer data occurred during 2025.			

VSME TO GRI INDEX			
	BASIC MODULE		GRI
GENERAL INFORMATION	B1 Criteria for preparation	24 25	2-1; 2-2; 2-4 2-23 (Ecovadis)
	B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	26 27 28	2-22 2-22 NO
ENVIRONMENTAL METRICS	B3 – Energy and greenhouse gas emissions	29 30 31	302-1; 302-2 305-1; 305-2; 305-3 302-3
	B4 – Pollution of air, water and soil	32	303-2; 305-7
	B5 – Biodiversity	33 34	304-2 1.1 Territorial context
	B7 – Resource use, circular economy and waste management	37 38	301-2; 306-1 306-3; 306-4; 306-5; 301-1
SOCIAL METRICS	B8 – Workforce – General characteristics	39 40	2-7; 405-1b 401-1
	B9 – Workforce – Health and safety	41	403-9; 403-10
	B10 – Workforce – Remuneration, collective bargaining and training	42	2-30; 405-2; 2-30; 404-1
GOVERNANCE METRICS	B11 – Convictions and fines for active and passive corruption	43	205-3
	COMPREHENSIVE MODULE		
GENERAL INFORMATION	C1 – Strategy: business model and sustainability-related initiatives	47	2-6
	C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	48 49	2-22 NO
ENVIRONMENTAL METRICS	B3 bis – Aspects to consider when reporting greenhouse gas emissions under section B3	50 51 52 53	NO NO NO NO
	C3 – Greenhouse gas emission reduction targets and climate transition	54 55 56	305-5 305-5 NO
	C4 – Climate risks	57 58	2-24 1.8.3 Risk analysis along the value chain NO
SOCIAL METRICS	C5 – Additional general workforce characteristics	59 60	2-7 2-7
	C6 – Additional information on own workforce – Human rights policies and procedures	61	2-23; 2-26 2-23
	C7 – Serious human rights incidents	62	2-25
	C8 – Revenues from certain activities and exclusion from EU reference ben-chmarks	63 64	NO NO
GOVERNANCE METRICS	C9 – Gender diversity in the governance body	65	2-10; 405-1

Tel: +39 049 78.00.999
www.bdo.it

Piazza G. Zanellato, 5
35131 Padova

Independent Auditors' Report on the Sustainability Report 2025

To the Board of Directors of
Favini Srl

We have been engaged to perform a limited assurance engagement on the Sustainability Report of Favini Group for the year ended on 31 December 2025.

Responsibilities of the Directors for the Sustainability Report

The Directors of Favini Srl are responsible for the preparation of the Sustainability Report in accordance with the "GRI Sustainability Reporting Standards (GRI Standards)" issued by the GRI – Global Reporting Initiative, as described in the "Methodologycal Note" of the Sustainability Report identified by them as reporting standards.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatements, whether due to frauds or errors.

The Directors are also responsible for the definition of the objectives regarding the sustainability performance and the reporting of the achieved results, as well as for the identification of the stakeholders and the significant matters to report.

Auditors' independence and quality control

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

Our firm applies International Standard on Quality Management 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.

Auditors' responsibility

Our responsibility is to express, based on the procedures performed, our conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established in the *International Standard on Assurance Engagements 3000 (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) for limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the

preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

Specifically, we carried out the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholder categories and to the internal validation of the process results;
2. comparison of economic and financial data included in the specific paragraph of the Sustainability Report with those included in the Financial Statements of Favini Srl;
3. analysis of processes that support the generation, collection and management of data and information to the department responsible for the preparation of the Sustainability Report.

In particular, we have performed interviews and discussions with the management of Favini Srl to gather information about the accounting and reporting systems used in preparing the Integrated Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, taken into consideration the activities and the characteristics of the Company:

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

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Favini Group for the period ended on 31 December 2025 is not prepared, in all material respects, in accordance with the "GRI Sustainability Reporting Standards (GRI Standards)" issued by the GRI – Global Reporting Initiative, as described in the "Methodology" of the Sustainability Report.

Other matters

This report has not been issued in accordance with the Italian law, as the Company is not required to prepare a sustainability report.

As indicated by the Directors in the "Methodological Notes", the comparative figures for the 2024 financial year have been restated following the restatement of the scope of consolidation in the 2025 financial statements and have not been reviewed by us.

Padua, 3 July 2026

BDO Italia S.p.A.

Signed in the original by
Stefano Bianchi
Partner

This report has been translated into English language from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

FAVINI

FAVINI HEAD OFFICE

Via Alcide De Gasperi, 26
36028 Rossano Veneto VI (Italy)
+39 0424 547711
rossano@favini.com

CRUSINALLO MILL

Via IV Novembre, 276
28887 Crusinallo VB (Italy)
+39 0323 882300
crusinallo@favini.com