Aquafil Report ESG

2025

Index

Introduction:
Sustainability in our DNA

At Aquafil, **sustainability** and **circularity** are more than commitments, they define who we are. They shape the way we innovate, guide the decisions we make every day and drive our long-term growth.

We believe that conscious innovation can create better products while using resources more responsibly. Our ambition is to help build a more circular future, one product at a time.

1.1 CEO LETTER

Giulio Bonazzi
CEO of Aquafil

Looking ahead has always been part of Aquafil's identity.
We invested in technology, innovation and circularity long before they became industry priorities. We began measuring and reporting our environmental impact before regulations required it. These choices were never driven by trends, but by a simple belief: lasting value is built over time.

2025 was a challenging year. Geopolitical uncertainty, volatile markets and increasing competitive pressure required us to make rapid—and sometimes difficult—decisions.

By maintaining a long-term perspective, we chose to simplify, focus and strengthen the Group's foundations, investing in our ability to adapt and grow even in uncertain times.

Throughout this changing landscape, our commitment to environmental and social responsibility never wavered. Instead, it continued to guide both strategic and operational decisions, remaining a central part of our business model. The achievements of the past year reflect that commitment.

One of the most significant milestones was earning the **EcoVadis Platinum Medal**, placing Aquafil among the top 1% of more than 150,000 companies assessed worldwide. This recognition reflects our continued efforts to strengthen responsible practices and transparency across our entire value chain.

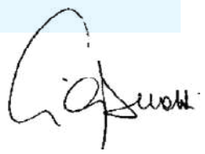
Innovation and circularity also continued to move forward. After years of research, we reached a milestone once considered impossible: separating elastic fiber from nylon. This breakthrough opens new opportunities for textile recycling and earned Aquafil the **2025 Sustainable Development Award** for Circular Economy.

Today, **ECONYL® regenerated nylon** represents an increasingly important share of our fiber business, demonstrating that circular innovation can also drive growth and competitiveness beyond the textile industry. During the year, we strengthened collaborations with customers and partners to develop circular value chains across sectors ranging from aquaculture and automotive to the cruise industry.

Through the **ECONYL® Academy**, we continued investing in knowledge sharing by creating opportunities for discussion and bringing together an international community around the key challenges shaping the future of industry.

None of these achievements would have been possible without the dedication of our people and the strength of the partnerships we have built throughout our value chain. Together, these skills, relationships and shared responsibilities allow us to turn vision into measurable results.

In a world increasingly focused on short-term outcomes, we continue to invest in what lasts. That is how we believe the future is built: through consistency, patience and a shared vision of progress.



1.2 WHO WE ARE: FROM FAMILY BUSINESS TO GLOBAL LEADER

Aquafil is a global leader in circular innovation.
We are the world's leading producer of nylon yarn for carpets and one of Europe's leading suppliers of synthetic yarns, fibres and polymers for the fashion, interior design and engineering plastics industries.

Our Story

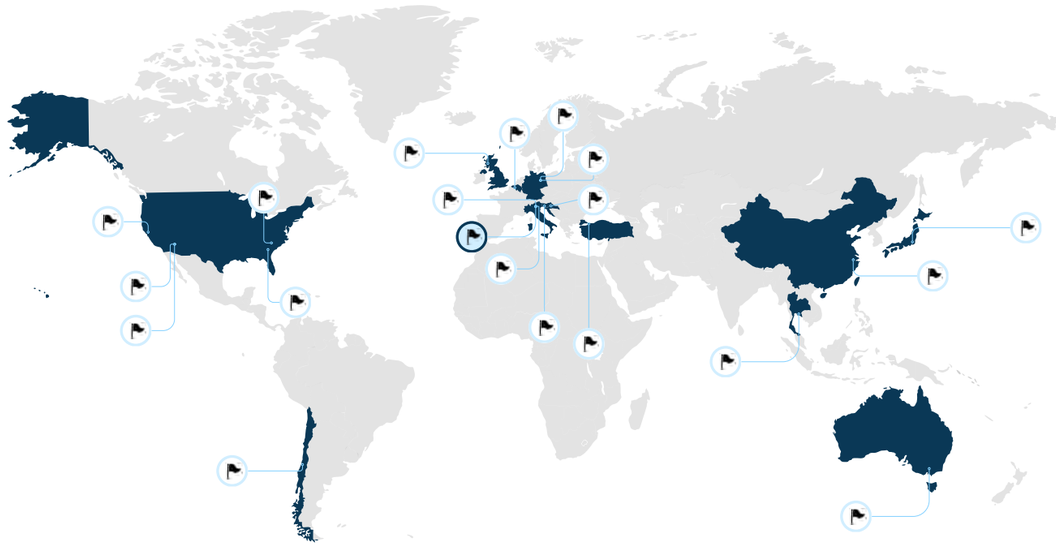
Aquafil was founded in 1965 in Arco, Northern Italy, when the Bonazzi family opened its first nylon yarn manufacturing plant.

In the 1990s, the company began investing heavily in research and development focused on circular solutions. This journey led to one of the most important milestones in our history: the launch of the **ECONYL® Regeneration System** in 2011, an innovative technology that makes it possible to produce regenerated nylon entirely from waste.

Today, more than sixty years later, Aquafil has grown from a family business into an international Group with **2,227 employees** operating across **13 countries** on **4 continents**, generating **€520.8 million in revenue in 2025**.

Aquafil is listed on the **Euronext STAR Milan** market of Borsa Italiana and on the **OTCQX® Best Market** in the United States.

FIGURE 1.1 – AQUAFIL NEL MONDO



20 Companies **13** Countries **4** Continents

WHAT WE DO

Our business is built around three main product areas:

Our core business is the production of nylon yarn for carpets used in automotive, marine, residential and commercial applications.

We supply synthetic yarns and fibers to leading international brands producing apparel, swimwear and sportswear.

We develop polymers and compounds for injection moulding applications across a wide range of industries, including automotive, electrical, construction, furniture, design and fashion accessories.

1.3 ECONYL®: DRIVING CIRCULAR INNOVATION

We believe business can create value while helping reshape the way materials are used.

Like many manufacturers, we once relied entirely on fossil-based raw materials to produce nylon for the fashion, carpet and engineering plastics industries. During the 1990s, however, we recognised the need for a different approach.

Instead of following the traditional linear model of **produce, use and dispose**, we chose to invest in circular solutions based on **redesign, recycling and regeneration**.
Our journey began by adopting a **Life Cycle Thinking** approach, assessing the environmental impact of our products throughout their entire life cycle. The findings were clear: the greatest impact came from extracting and processing fossil-based raw materials.

That insight led us to focus our innovation efforts on developing a more circular alternative.
After years of research, in 2011 we introduced the **ECONYL® Regeneration System**, an innovative technology that transforms waste into regenerated nylon.

What makes ECONYL® Regenerated nylon different?

- Made entirely from waste;
- Delivers the same quality and performance as conventional nylon;
- Can be regenerated again and again thanks to nylon›s intrinsic chemical properties.

The introduction of ECONYL® marked an important step forward for circularity in the textile industry. By transforming waste into high-quality raw material, the ECONYL® Regeneration System reduces the need for virgin fossil resources while helping make circular production models possible.

Today, Aquafil works with more than **1,900 brands and manufacturers**, including MCM, Object Carpet, FULI and Circuform, to develop products made with ECONYL® regenerated nylon.
ECONYL® is not only one of Aquafil's greatest innovations, but also one of our strongest competitive advantages.

Products made with ECONYL® now account for **60.4% of the Group's fiber revenue** (Figure 1.2), achieving the target set for 2025. Between 2020 and 2025, revenue from ECONYL® products grew at a **14% compound annual growth rate (CAGR)**, while revenue from other fibre products declined by **6%** (Figure 1.3).

FIGURE 1.2 – SHARE OF ECONYL® PRODUCT SALES IN TOTAL FIBER REVENUE

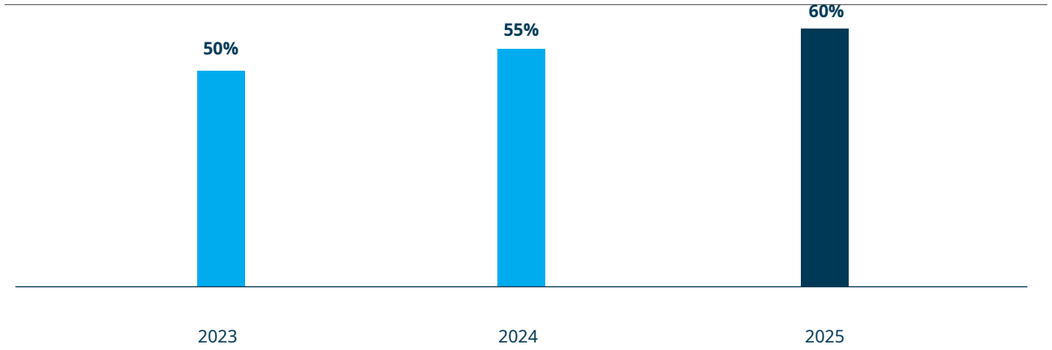
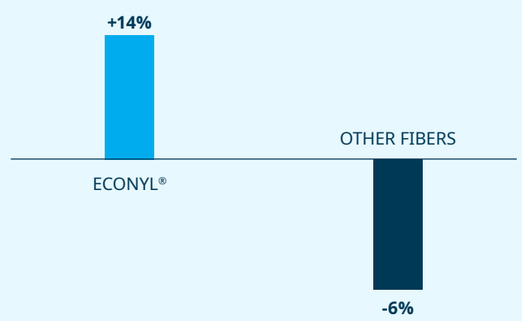


FIGURE 1.3 – ECONYL® REVENUE GROWTH VS. OTHER FIBERS (2020–2025 CAGR)



1.4 THE ECO PLEDGE®: OUR SUSTAINABILITY STRATEGY

Since 2008, **The ECO PLEDGE®** has guided the way we do business.

For Aquafil, ESG is not a standalone corporate responsibility program. It is fully integrated into our business strategy and decision-making.

Our sustainability strategy is built around five pillars that shape our approach to environmental, social and governance topics.

"THE ECO PLEDGE®" PILLARS

1

DESIGNING PRODUCTS FOR CIRCULARITY

We promote **conscious innovation** by investing in **research and development** and by **working closely with customers** to accelerate the transition towards a more circular textile industry.

2

PROTECTING THE ENVIRONMENT

We continuously work **to reduce the environmental impact** of our operations by **lowering emissions**, reducing **waste**, increasing the use of renewable energy and protecting **natural resources**.

3

SHARING RESPONSIBILITY ACROSS THE VALUE CHAIN

We collaborate with partners who share our values and our commitment to **responsible business practices**. Together, we work to strengthen environmental and social standards throughout the supply chain while respecting human rights.

4

SUPPORTING PEOPLE'S WELLBEING

People are at the centre of our strategy. We are committed to creating a workplace where employees can work **safely, grow professionally and feel included and respected**.

5

SUPPORTING LOCAL COMMUNITIES

We build **long-term relationships** with the communities where we operate through **volunteering, educational programs, partnerships and initiatives** that create shared value.

Turning commitments into action

For each of these five pillars, we have defined clear objectives, measurable targets and concrete initiatives that guide our sustainability journey and help us monitor our progress over time (Figure 1.4).

TABLE 1.1 – GOALS AND TARGETS OF AQUAFIL'S ESG STRATEGY, 2025

Sustainability pillars	Strategic Objective	Target	Baseline	Deadline	Status	Progress 31/12/2025	Notes
Designing products for circularity	E Strengthen existing circular value chain	Generate **60% of fiber revenue** from **ECONYL® and/or regenerated products** (same reporting perimeter). (Waste hierarchy: c. recycling)	37% (2021)	2025	Achieved	60.4%	Target achieved
		Engage **60% of EMEA BCF customers** in the post-industrial Take-Back program. (Waste hierarchy: a. prevention; c. recycling)	n/a (2021)	2025	Achieved	55%	Although some customers already had established recovery systems and administrative challenges slowed implementation, the result is considered in line with the target.
	E Develop new circular value chains	Collect **35,000 tonnes** of post-consumer waste for recycling into new materials. (Waste hierarchy: a. prevention; c. recycling)	n/a (2021)	2025	On hold	15,961t	Following the Group's strategic reorganisation, this target will be reassessed as part of the next sustainability plan.
	E Implement eco-design principles	Launch **13 projects** with brands focused on eco-design and end-of-life garment recycling.	n/a (2021)	2025	Rescheduled	9 projects launched	The slowdown in the textile market has led to the temporary suspension of some projects, while other initiatives have already been completed but cannot yet be communicated publicly. These factors have affected progress towards the target. We have therefore extended the deadline to 2027, allowing more time to recognize the work carried out with customers to develop more circular and lower-impact products.
		Born R2R® (Born Regenerated to be Regenerable by Aquafil): first step sign Memorandum of Understanding with **50% of selected carpet manufacturers** to develop products designed for circularity. (Waste hierarchy: a. prevention)	0% (2022)	2025	Achieved	50%	Out of 30, signed 15 MoUs. Additional 5 MoUs have been included, although not part of the original selection.
Environmental protection	E Increase renewable energy use	Purchase **100% renewable electricity** across the Group	100% (2022)	Annual	Achieved	99.6%	The target is considered achieved, as the sustainability reporting boundary was expanded in line with the CSRD and now matches the Group's consolidated reporting boundary. Consequently, commercial offices that were initially excluded when the target was established are now included within the scope of this target.
	E Mitigate the environmental impact of operations	Certify all production sites to **ISO 14001**.	9 (2021)	2025	Revised	11 of 13 sites certified	Aquafil O'Mara certification planned by 2028.[1]
		Certify all production sites to **ISO 50001**.	5 (2021)	2028	Revised	8 of 13 sites certified	The certification covers the majority of the Group's production sites. The target has been revised for the remaining uncertified sites: Tessilquattro (Rovereto and Cares) and Aquafil USA by 2028, and Aquafil O'Mara by 2030.[2]
		Join the **Science Based Targets initiative (SBTi)** and define science-based GHG reduction targets.	ND (2021)	2025	On hold		Following recent SBTi updates, the initiative has been postponed until publication of the Group's Climate Transition Plan (2027). The Plan will define the Group's commitment to reducing Scope 1, 2 and 3 emissions, as well as the targets to be included in the new 2026–2030 Sustainability Plan.
	E Reduce waste through packaging reuse	Reuse **50% of pallets** in the EMEA BCF business. (Waste hierarchy: c. recycling)	0% (2021)	2025	Achieved	48%	Performance is considered in line with the target and has generated savings of more than €300,000 over the last three years. In addition, the project was also implemented in the United States, where it achieved an even higher pallet reuse rate of 52%.

1 The revised target excludes Aquafil Carpet Recycling #1, which is currently undergoing reorganization

2 The revised target excludes Aquafil Carpet Recycling #1, which is currently undergoing reorganization

Sustainability pillars	Strategic Objective	Target	Baseline	Deadline	Status	Progress 31/12/2025	Notes
Supporting people's wellbeing 	S Improve workplace safety	Certify all production sites to **ISO 45001**.	6 (2021)	2025	Revised	10 of 13 sites certified.	Remaining certifications planned by 2030: Aquafil USA within 2026 and Aquafil O'Mara within 2030.[3]
	S Support employee development	Implement talent development programmes across the Group.	ND (2022)	2025	Achieved	Development programmes launched	Global talent identification completed and development plans initiated. Each company will provide directly.
	S Promote gender balance	Train at least **50% of employees** on diversity and inclusion.	0% (2023)	2025	Achieved	56.6%	Training delivered across Italy, China and the United States.
		Reach **20% women** in top and senior management.[4]	0% (2023)	2026	On hold	0%	Target removed following organisational restructuring. Female executives increased from **6% (2019)** to **22% (2025)**.
	S Protect human rights	Certify Aquafil Asia Pacific and Aquafil China to **SA8000**.	0 (2023)	2028	Removed	-	The Group decided not to renew its SA8000 certifications, while maintaining all the measures and controls already in place to ensure the effective management of social responsibility-related risks and impacts.
Sharing responsibility across the value chain 	E S Monitor supplier ESG performance	Assess key suppliers through audits and/or due diligence in line with the **Corporate Sustainability Due Diligence Directive (CSDDD)**.	ND (2022)	2026	Achieved	First supplier assessment campaign completed.	In 2024, 100% of suppliers were mapped for ESG risk. By 2025, **61%** had undergone a more detailed assessment through EcoVadis or EcoVadis Vitals.
Cross-cutting objective	S G Strengthen corporate governance	Develop a succession plan for top management.	ND (2022)	2025	Achieved	Completed	Succession plan finalised in 2024

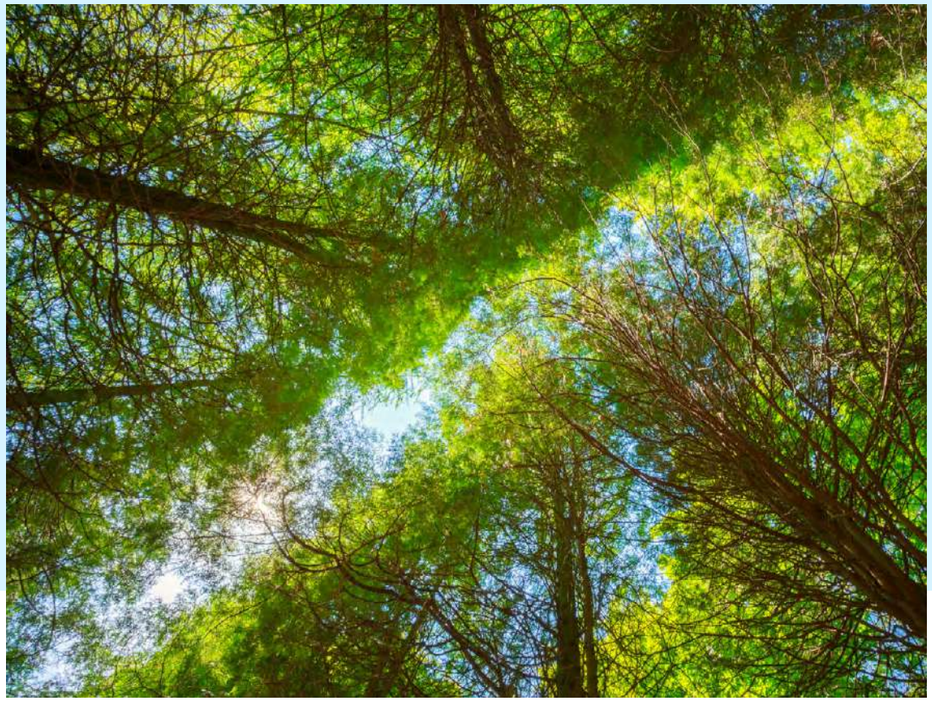
3 The revised target excludes Aquafil Carpet Recycling #1, which is currently undergoing reorganization

4 The top and senior management scope includes the CEO (and any Managing Directors), the other Executive Directors, Key Management Personnel, and other individuals holding strategic roles within the Group

1.5 2025 ESG HIGHLIGHTS

The progress we made in 2025 shows how our commitment is translated into concrete results.

Throughout the year, we continued investing in innovation, strengthening our ESG governance and supporting the communities where we operate.



Received the **2025 Sustainable Development Award** for the first demonstration plant capable of separating nylon from elastic fibers.

Built the **Aquafil Carpet Separation (ACS)** pilot plant to separate and recycle multi-layer carpets.

Extended our **Climate Risk and Vulnerability Assessment (CRVA), Biodiversity Impact Assessment (BIA) and Business Risk Assessment (BRA)** across the entire Group.

Developed Aquafil's first **Climate Adaptation Plan focused on physical climate risks**.

Employees dedicated **600 hours to corporate volunteering initiatives** in Italy.

Continued supporting **Alba Chiara and its Punto e a Capo program** for women who have experienced domestic violence.

Awarded **the EcoVadis Platinum Medal**, placing Aquafil among **the top 1% of more than 150,000 companies assessed worldwide**.

Strengthened ESG monitoring across the supply chain, **with 61% of the Group's total procurement** spend covered by EcoVadis assessments.

Environment:
Our commitment to the planet

Natural resources are finite. Using them responsibly is one of the greatest challenges facing industry today.

At Aquafil, we believe circularity starts long before a product reaches the end of its life. It begins at the design stage, influences the way materials are sourced and processed, and shapes every decision throughout the value chain.

Our ambition is to create value while helping preserve natural ecosystems and supporting the communities where we operate.

Through innovation, responsible resource management and continuous improvement, we are working to build an industrial model that looks to the future without compromising it.

This chapter explores how we put that commitment into practice: by investing in circular innovation, improving our environmental performance and strengthening our ability to understand and manage environmental risks.

2.1 INNOVATION AND CIRCULARITY: A NEW WAY OF DOING BUSINESS

Innovation has always been one of Aquafil's greatest strengths. Today, it is also one of the main drivers of our circular transition.

We invest in research and development to help reshape the textile industry through solutions that combine circularity, innovation and eco-design principles.

Modern industry still relies largely on a linear model: finite resources are extracted to create products that are often used for only a short time before becoming waste. The **textile sector** clearly illustrates this challenge. Every European citizen generates around **12 kg of textile waste each year** — **more than 12.6 million tonnes** across Europe — yet less than 1% is recycled into new garments[5]. Most is either incinerated or sent to landfill. This imbalance highlights the need to rethink not only materials, but also the way products are designed, produced and recovered at the end of their life.

At Aquafil, circularity means redesigning the entire system rather than improving individual steps. Our approach combines technology, collaboration and knowledge sharing to help keep valuable materials in use for longer and reduce dependence on virgin fossil resources.

This section explores the key elements of our **circular innovation strategy**:

- **the ECONYL® Regeneration System**, which forms the foundation of our circular business model;
- **partnerships** that help develop **new circular value chains** and **products designed** according to **eco-design** principles;
- **research and development** projects that address some of the industry's most complex technical challenges;
- **educational initiatives** that promote greater awareness of circularity and support the transition towards more responsible production and consumption models.

2.1.1 ECONYL®: Reimagining Waste as a Resource

Where the traditional linear economy sees waste, we see opportunity. **ECONYL® regenerated nylon** is created by giving new life to materials that would otherwise be discarded, including fishing nets, end-of-life carpets, textile scraps and industrial plastic waste. The regenerated material delivers the **same quality and technical performance** as conventional fossil-based nylon, while offering a substantially **lower environmental impact**[6] and the ability to be regenerated again and again through chemical recycling.

5 European Parliament, 2025

6 According to a third-party verified Life Cycle Assessment (LCA) compliant with ISO 14040/44 standards, ECONYL® polymer generates 74% fewer CO_{2eq} emissions (GWP) than Aquafil's standard nylon. (Source: Aquafil S.p.A., available online)

Where ECONYL® Comes From

The raw materials used in the ECONYL® Regeneration System come from a variety of post-consumer and pre-consumer waste streams, including:

End-of-life carpets, mainly collected and processed through **recycling facilities** in the United States

Abandoned fishing nets, recovered in collaboration with the **aquaculture industry** and organizations such as **Healthy Seas**

Industrial waste, including textile scraps and plastic components generated during **manufacturing processes**

The ECONYL® Regeneration System

Once collected, these materials enter the **ECONYL® Regeneration System**.
Through a chemical regeneration process, nylon is broken down into its original building blocks before being transformed into new polymer and then into yarn or engineering plastics compounds. This process reduces the need for **virgin fossil-based raw materials** while enabling nylon to remain in **continuous circulation**.

The value of the **ECONYL® Regeneration System** extends beyond material recovery.
It also creates **new opportunities for the textile industry** by supporting products that are designed with circularity in mind from the very beginning. Materials can be developed for multiple life cycles, production models can become increasingly circular, and product design becomes a key enabler of regeneration.

If materials can be regenerated without losing their quality, the greatest opportunity lies not only in technology, but also in rethinking how products are conceived from the start.

FIGURE 2.1 - THE ECONYL® REGENERATION SYSTEM

_01 **RESCUE**

The ECONYL® Regeneration System starts with rescuing waste otherwise polluting the Earth, like fishing nets, fabric scraps, carpet flooring and industrial plastic all over the world. That waste is then sorted and cleaned to recover all of the nylon possible.

_02 **REGENERATE**

Through a radical regeneration and purification process, the nylon waste is recycled right back to its original purity. That means ECONYL® regenerated nylon is exactly the same as fossil-based nylon.

_03 **REMAKE**

ECONYL® regeneration nylon is processed into yarns and polymers for the fashion and interior industries.

_04 **REIMAGINE**

Fashion brands and carpet producers use ECONYL® regenerated nylon to create brand new products. And that nylon has the potential to be recycled infinitely, without ever losing its quality. The goal is that once all products containing ECONYL® are no longer useful to customers, they can go back into step one of the Regeneration System.

2.1.2 Designing Circularity Together: Partnerships That Build New Value Chains

The transition to a circular economy begins long before a product reaches the end of its life. It starts at the **design stage**.

For several years, we have been working alongside customers and partners to develop products based on eco-design principles, making them easier to disassemble, recover and regenerate at the end of their life.

R2R® 2.0

Our commitment to circular design has taken shape through **R2R® (Born Regenerated to be Regenerable)**, a program that reimagines the future of textile flooring.
Its goal is simple: create carpets that can be fully disassembled, are made from materials compatible with the ECONYL® Regeneration System and can be regenerated into new raw material at the end of their life. Products developed through the program are identified with a dedicated logo to improve recognition across the value chain.
Since its launch, the initiative has continued to evolve. Today, R2R® 2.0 extends beyond carpets to include applications such as carpet tiles and automotive components. During 2025, the program attracted an increasing number of partners, enabling us to achieve our target of signing **15 Memoranda of Understanding (MoUs)** with selected customers.

R2R® SPOTLIGHT: PROJECTS AND COLLABORATIONS

OBJECT CARPET

We supported Object Carpet with the development of **DUO**, an innovative circular carpet presented at the Berlinale 2024.
Unlike conventional carpets, which often combine more than thirty different materials, DUO is made using only ECONYL® regenerated nylon and polyester. Its patented **CLICK/UNCLICK** system allows the two materials to be easily separated at the end of the product's life, significantly improving recycling efficiency. The manufacturing process also reduces energy consumption by approximately **95%**, eliminates water use and produces a carpet that is around **50% lighter**, simplifying transport and installation.[1,2]

1 https://www.object-carpet.com/en/company/press/press-releases/duo
2 https://econyl.aquafil.com/eco-design-magazine/revolutionizing-carpet-recycling-the-duo-carpet-by-object-carpet/

RADICI MARINE

Our collaboration with **Radici Marine**, a leading supplier of textile flooring for the marine industry, resulted in the development of the **Bloom Black** carpet collection, presented at the Cruise Ship Interiors Expo in Hamburg. Flooring developed together with Radici Marine and Oceancircle as part of the AIDA Evolution program has already been installed aboard the AIDAdiva, demonstrating how circular materials can also meet the demanding requirements of the cruise industry.

EGE CARPETS

Another example of the R2R® approach will be showcased at **BRAFA 2026** in Brussels, where EGE Carpets will install more than **15,000 m²** of R2R® carpet—an area equivalent to more than two football pitches.

The project demonstrates how large-scale flooring can be installed, used and then fully regenerated through the **ECONYL® Regeneration System**, bringing circularity into real-world applications.

Carpet created by Ege for the Brafa Fair

Our **partnerships** extend well beyond the R2R® program. Across different industries, we continue working with organizations that share our ambition to design products, materials and value chains with circularity in mind.

Voith Paper

Working with **Voith Paper**, a global supplier to the paper industry, we developed a closed-loop solution for nylon felts used in paper manufacturing.

These components experience significant wear and must be replaced regularly, generating substantial textile waste. By combining ECONYL® regenerated nylon with felts designed for regeneration at the end of their service life, the partnership reduces the carbon footprint of these products by around **80%**. The project was recognized with the **German Sustainability Award 2025**.

Circular Fishing Nets

In 2024 thanks to the collaboration with **Diopas** and **Philosofish**, Aquafil contributed to developing the first fishing net made entirely from ECONYL® regenerated nylon.

The project continued in 2025 through a consortium involving **Nofir**, **Egersund** (Norway) and **Hampidjan** (Iceland), with field testing carried out under real operating conditions in the North Sea. The aim is to demonstrate that circular materials can also deliver the durability required for demanding industrial applications.

CISUFLO

2025 also marked the completion of **CISUFLO**, a European collaborative project involving more than thirty partners across the textile flooring value chain.

Aquafil contributed by developing mono-material carpet solutions together with **Edel Carpets (Condor Group)** while also testing new technologies for separating multilayer flooring systems, helping create products that are easier to recycle at the end of their life.

2.1.3 Pushing Innovation Beyond Today's Limits

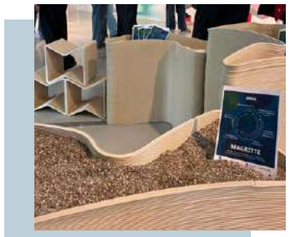
Research and development are central to Aquafil's strategy. They help us remain competitive, develop new technologies and accelerate the transition towards more circular materials and manufacturing processes.

In 2025, we invested **€7.2 million**, representing **1.4% of Group revenue**, in research and innovation. Alongside the continuous evolution of the ECONYL® Regeneration System, we advanced several strategic projects that are already opening new opportunities for the future.

Separating Nylon from Elastic Fibres

One of the biggest challenges in textile recycling is **mixed-fiber fabrics**, commonly used in sportswear and swimwear, where nylon is combined with elastane or other elastic fibers. After years of research, Aquafil developed an **innovative technology capable of separating nylon from elastic fibers**, allowing the nylon to be recovered and regenerated into new ECONYL® raw material.

In 2025, we inaugurated our first demonstration plant in Slovenia, marking an important milestone for textile recycling. The achievement was recognized with the **2025 Sustainable Development Award for Circular Economy**, promoted by the Foundation for Sustainable Development and Italian Exhibition Group under the patronage of the Italian Ministry for the Environment and Energy Security.



MAGRITTE: Circular Additive Manufacturing

MAGRITTE is a project co-funded by the Autonomous Province of Trento that explores the potential of **large-scale 3D printing** for furniture and interior applications.

The project focuses on developing a new ECONYL®-based material that is fully regenerable and does not require glass fiber, which currently limits recyclability in many products. During 2025, we developed and tested several new compounds to identify the most promising solutions for future industrial scale-up. Working alongside **ProM Facility, Caracol AM, the University of Trento and Indiveni.re**, we are laying the foundations for regenerative solutions across sectors including furniture, interior design, automotive, marine and lightweight construction.

2.1.4 Driving Cultural Change

Technology alone cannot enable a circular economy.

The transition also depends on knowledge, awareness and the willingness to rethink everyday choices.

Through the **ECONYL® brand**, Aquafil has created a growing ecosystem of educational initiatives that help customers, partners and consumers better understand circularity and make more informed decisions.

This ecosystem includes:

ECONYL® Blog
which explores key topics related to circularity and innovation

ECONYL® Academy
offers expert-led webinars on the major trends shaping sustainability across industries

The Future is Circular
the podcast dedicated to the ideas and people driving the circular transition

ECONYL® On Air
an immersive digital experience that explains how the ECONYL® Regeneration System works

ECONYL® E-Shop
showcasing products made with ECONYL® regenerated nylon across multiple sectors

In 2025, the Academy continued to expand its program, welcoming internationally recognized speakers including European Commission Policy Officer **Vincenzo Gente** and Professor **Ada Ferri** from the Polytechnic University of Turin.

Participation in webinars increased by approximately **43%** compared with 2024, while the average satisfaction score reached **8.04 out of 10**. At the same time, The Future is Circular podcast continued to grow its audience across all major platforms, strengthening its role as a channel for discussing the opportunities and challenges of the circular economy.

The effectiveness of the ECONYL® digital communication strategy was recognised with the **26th Interactive Key Award 2025** in the Fashion & Luxury category, acknowledging the brand's ability to communicate innovation and circularity through engaging digital storytelling.

2.2 Environmental Performance: Limited Resources, Shared Responsibility

Measuring our environmental performance is essential to understanding where we can improve and how we can make a meaningful difference.

For Aquafil, environmental responsibility is not measured by intentions, but by the ability to monitor impacts, evaluate progress and continuously improve. Reliable data helps us make informed decisions, optimize production processes and identify new opportunities to reduce our environmental footprint.
This section presents the **Group's environmental performance** across four key areas: energy, greenhouse gas emissions, water resources and waste management.

Energy

Energy has become an essential part of everyday life. Behind even the simplest actions—switching on a light or charging a phone—lies a complex global energy system that still relies heavily on **fossil fuels**, which currently supply around **80% of the world's energy demand**[7]. This dependence creates both environmental challenges, through greenhouse gas emissions, and strategic risks linked to energy security and price volatility.
Against this backdrop, we continue to focus on two priorities:

- improving the efficiency of our production processes to reduce energy consumption;
- increasing the use of renewable energy and expanding on-site energy generation.

In 2025, the Group consumed **687,578 MWh** of energy, broadly in line with the previous year (+0.7%).
Behind this apparent stability lies an important shift in our energy mix. Renewable sources now account for **34.3%** of total energy consumption, an increase of approximately two percentage points compared with 2024. At the same time, **99.6%** of the electricity purchased across the Group came from renewable sources, reflecting an increase of almost eight percentage points year on year.
Energy self-generation also continues to play an important role.
Almost two-thirds of the energy we use is produced directly at our manufacturing sites. Cogeneration plants in Italy and Slovenia generate both electricity and thermal energy, while photovoltaic systems installed at facilities in the United States, China, Italy, Slovenia and Croatia contribute to increasing the share of renewable electricity generated on site.

7 https://www.eesi.org/topics/fossil-fuels/description

Greenhouse Gas Emissions

Reducing greenhouse gas emissions remains one of the key priorities of our environmental strategy.
We continue to monitor emissions across our operations and value chain while investing in initiatives that improve energy efficiency and increase the use of renewable energy.

In 2025, **Scope 1 emissions** remained broadly stable, reflecting the gradual improvement in operational efficiency.
The most significant progress was achieved in Scope 2 (market-based) emissions, which decreased by 75% compared with 2024. This reduction was primarily driven by the purchase of renewable electricity for our Croatian production site.

The largest share of our carbon footprint, however, continues to lie beyond our direct operations. **Scope 3 emissions account for approximately 93% of the Group's total greenhouse gas emissions**, highlighting the importance of engaging suppliers and partners across the value chain. This is one of the reasons why strengthening supply chain monitoring through the EcoVadis program remains a strategic priority (see Section 4.3).

Our science-based emission reduction targets are currently being defined as part of the Group's Climate Transition Plan, scheduled for publication in 2027. The Plan will establish our long-term commitment to reducing Scope 1, 2 and 3 emissions while setting the objectives for the 2026–2030 Sustainability Plan.

TABLE 2.1 – OVERVIEW OF AQUAFIL GROUP EMISSIONS (2025)

	Total emissions* 1,022,386 tCO_{2eq}	
Scope 1 Direct emissions mainly related to combustion processes taking place at the Group's production plants.	**Scope 2** Indirect emissions associated with the production of electricity and heat purchased from external suppliers.	**Scope 3** Other indirect emissions related to Aquafil's value chain, such as those from raw material consumption and transportation.
9.0% 91,542 tCO_{2eq} +0.21% vs. 2024	**0.3%** 3,326 tCO_{2eq} (market-based) -75.1% vs. 2024	**90.7%** 927,518 tCO_{2eq} -0.53% vs. 2024

* *The Scope 3 emissions metric was used to assess the actual materiality of upstream and downstream emissions, with reference to the related IROs. The Scope 1 emissions metric was used to assess the actual materiality of the direct emissions-related IRO, while the Scope 2 emissions metric was used to assess the materiality of the risk associated with rising ETS allowance and Guarantee of Origin (GO) prices.*

Water Resources

Water is one of the planet's most valuable natural resources.
It supports ecosystems, helps regulate the climate and is essential for countless industrial processes. For Aquafil, water also plays a critical role in nylon production, where it is used to dissipate heat generated during chemical reactions, polymer processing and spinning operations.

To improve water management, the Group introduced a **Water Policy** in 2024 and confirmed the activities of the **Aquafil**

Global Water Team (A.G.W.T.) throughout 2025.
The team analyses water consumption across production sites, shares best practices and identifies opportunities to improve efficiency.

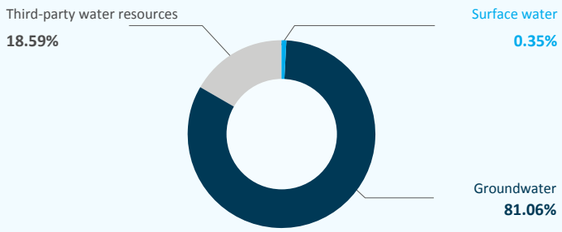
These initiatives contributed to a **1.8% reduction in water consumption** compared with 2024.
Most of our water withdrawals (**96%**) take place in areas classified as having **low water stress** according to the WWF Water Risk Filter. Groundwater remains our primary water source, accounting for **81%** of total withdrawals, while rivers, lakes and other surface waters represent less than **1%**.

Water management also extends beyond consumption. During 2025, total wastewater discharges decreased by **3.2%**.
Approximately **60%** of treated water was safely returned to rivers and other surface water bodies after undergoing rigorous quality controls, while the remaining volume was treated through local wastewater treatment facilities before being discharged.

TABLE 2.2 – WATER CONSUMPTION AND DISCHARGES: WATER VOLUMES (2024 VS 2025)

	UoM	2024	2025
Water consumption	m^3	1,876,848	1,843,470
Water discharges	m^3	1,347,898	1,304,584

FIGURE 2.2 – WATER WITHDRAWALS BY SOURCE, PERCENTAGE OF TOTAL (2025)



What happens to water after it leaves our operations?
In 2025, total wastewater discharges fell by **3.2%**. Around **60%** of treated water was returned to rivers and other surface water bodies after meeting strict quality standards designed to protect local ecosystems. The remainder was treated by local wastewater treatment facilities before being safely discharged.

Waste

Waste does not disappear once it leaves our facilities.
It either becomes a resource that can re-enter production cycles or requires appropriate disposal. Increasing the proportion of materials that can be recovered is therefore an essential part of our circular approach.

In 2025, the Group generated **16.5 million kilograms of waste**, slightly less than in the previous year.

More importantly, over **9.7 million kilograms**—more than half of the total—were recovered through reuse, recycling or other recovery operations, helping keep valuable materials in circulation.
One of the most significant achievements during the year was not reflected in the figures alone.

We worked closely with our waste management partners to improve the traceability of waste streams and gain a better understanding of their final destination. This has significantly increased the visibility of our waste management processes and strengthened our ability to monitor resource recovery across the value chain.

TABLE 2.3 – WASTE BY END-OF-LIFE DESTINATION, KG (2024 VS 2025)

	2024	2025
DIVERTED FROM DISPOSAL	**10,878,878**	**9,719,794**
Recycling	9,827,501	9,685,952
Preparation for reuse	60,766	33,842
Other recovery operations	990,612	
DIRECTED TO DISPOSAL	**5,869,322**	**6,831,699**
Landfill	4,058,610	3,888,322
Incineration with energy recovery	1,220,713	1,985,473
Incineration without energy recovery	427,769	610,060
Other disposal operations	162,231	347,845
RADIOACTIVE WASTE	**80**	**0**
TOTAL WASTE	**16,748,281**	**16,551,493**

2.3 ENVIRONMENTAL RISK MANAGEMENT: BUILDING RESILIENCE IN A CHANGING CLIMATE

Climate change and biodiversity loss are reshaping the way businesses operate.

Climate change is no longer just visible in data; it is increasingly evident in our daily lives. We see it in longer-lasting heatwaves, sudden intense rainfall, and prolonged droughts that strain regions, communities, and businesses. Yet it also manifests in quieter transformations: altered ecosystems, increasingly scarce natural resources, and the progressive loss of biodiversity.

Managing environmental risks therefore means not only reducing our impact on the environment but also strengthening the resilience of our operations against increasingly complex external challenges.

At Aquafil, environmental risk management combines scientific assessment, long-term planning and continuous monitoring to better understand how climate-related events and ecosystem degradation could affect our business.

This section focuses on two key areas:
- physical climate risks;
- biodiversity impacts and biodiversity-related business risks.

2.3.1 Understanding Physical Climate Risks

Climate change is no longer a distant scenario. Rising temperatures, prolonged heatwaves, water scarcity, flooding and extreme weather events are already affecting communities, infrastructure and industrial operations around the world.

To better understand these challenges, Aquafil conducts a Climate Risk and Vulnerability Assessment (CRVA) across the Group. By 2025, the assessment had been extended to 100% of Aquafil sites, including non-manufacturing locations, providing a comprehensive view of the Group's exposure to physical climate risks.
The assessment considers a broad range of climate hazards, including:
- rising temperatures;
- sea level rise;
- drought and water scarcity;
- extreme rainfall and flooding;
- wildfires;
- heatwaves.

These risks are evaluated under two climate scenarios developed by the **Intergovernmental Panel on Climate Change (IPCC)**. Under the lower warming scenario, physical risks remain generally low to moderate. Under the higher warming scenario, the

likelihood and severity of climate impacts increase significantly across all areas assessed.
Among the most significant risks identified are rising temperatures and more frequent heatwaves, which could directly affect employees working in manufacturing environments where production processes already generate substantial heat. Water scarcity also represents an increasingly important consideration, particularly in Europe, where prolonged droughts could reduce the availability of water resources for industrial use.

Understanding risks is only the first step.

To strengthen resilience, Aquafil has developed a **Climate Adaptation Plan** that combines immediate actions for the most exposed facilities with longer-term measures designed to improve the Group's preparedness.

A key element of the Plan is a new monitoring system through which each site records climate-related events and shares information across the organization, creating a common knowledge base that supports continuous learning and more effective response planning.

2.3.2 Protecting Biodiversity

Biodiversity is often associated with tropical forests, coral reefs or remote natural landscapes. In reality, it supports many of the systems on which everyday life and economic activity depend.

It allows rainwater to filter naturally into the soil, helps maintain soil fertility and enables pollinators to support food production. When biodiversity declines, these natural systems become weaker.

The consequences may include reduced water availability, greater vulnerability of local areas and disruption across supply chains. Biodiversity loss is therefore not only an environmental issue, but also an economic and social one.

Our approach considers two closely connected dimensions:
- the potential impact of our activities on ecosystems;
- the risks that biodiversity loss may create for the continuity and resilience of our business.

Biodiversity Impact Assessment

The relationship between industrial activity and nature cannot be measured only through emissions or resource consumption.

Buildings, infrastructure and everyday operations can also affect the ecological balance of surrounding areas.

Artificial lighting at night, for example, may disturb the natural activity and rest cycles of wildlife. Buildings and concrete infrastructure may fragment habitats and make it more difficult for species to move, feed and reproduce.

Glass surfaces can become almost invisible obstacles for birds, increasing the risk of collisions. Continuous industrial noise may also interfere with the sounds many species use to communicate and navigate.

To identify and address these and other potential impacts, Aquafil conducts a **Biodiversity Impact Assessment** across all Group sites.

Particular attention is given to facilities located near environmentally sensitive areas, including parks and protected areas.

In 2025, the assessment was expanded to include the development of an **impact mitigation plan**, defining practical actions to progressively reduce potential effects on local ecosystems.

Biodiversity Risk Assessment

On 20 April 2010, the explosion of the Deepwater Horizon oil rig in the Gulf of Mexico caused the deaths of 11 workers and released approximately 780 million litres of oil into the sea[8]. It became one of the most serious environmental disasters in US history, severely damaging coastal ecosystems and affecting cetaceans, sea turtles and hundreds of thousands of other animals. For the multinational company involved, the consequences extended beyond the environmental tragedy and the resulting penalties, leading to a major reputational crisis.

This event clearly shows how closely biodiversity is connected to both a company's operations and its reputation. Biodiversity loss can create two main types of risk. The first is physical risk, linked to the deterioration of ecosystems on which raw materials, natural resources, climate stability and business continuity depend. The second is reputational risk, which arises when a company's negative environmental impacts undermine the trust of stakeholders, communities, customers, investors and institutions.

Our Biodiversity Risk Assessment is designed to understand how, and to what extent, biodiversity loss could affect the resilience of our business model. The analysis enables us to identify the most exposed areas, assess potential impacts and strengthen our ability to prevent, manage and mitigate risks related to natural ecosystems.
The assessment covered all our production sites, as well as nine strategic partners involved in the supply of caprolactam, our main raw material. The key physical risks identified include pollution, landslide exposure and water quality. These are generally context-related risks, meaning that they are primarily linked to the environments in which the company operates rather than to direct impacts caused by our production processes.

From a reputational perspective, the most relevant factors are media attention and the proximity of certain sites to protected areas. Although these factors are not always fully within the company's control, robust environmental management and transparent communication can help mitigate their potential effects.

8 https://www.theguardian.com/news/2022/jan/06/life-after-deepwater-horizon-the-hidden-toll-of-surviving-disaster-on-an-oil-rig

Social:
Supporting people and local communities

3.1 PEOPLE AT THE HEART OF PROGRESS

Every business is ultimately built by people.

Technology, facilities and investments create opportunities, but it is people who transform ideas into products, solve complex challenges and drive innovation forward every day.

Creating long-term value therefore also means creating the conditions for people to thrive. It means providing a safe and inclusive workplace, supporting professional development and contributing to the wellbeing of the communities where we operate.

At Aquafil, people are at the centre of our sustainability strategy. By the end of 2025, the Group employed 2,227 people across 13 countries and 4 continents, with more than 92% of our workforce based in Italy, Slovenia, the United States and China. This international presence brings together different skills, experiences and perspectives that strengthen our ability to innovate and grow.

Supporting our people remains one of the five pillars of The ECO PLEDGE®. Throughout 2025, our efforts continued to focus on three priorities:

1. Fostering an equitable and inclusive workplace;
2. Promoting health, safety and wellbeing;
3. Supporting personal and professional development.

TABLE 3.1 – GEOGRAPHIC DISTRIBUTION OF THE WORKFORCE (2025)

	TOT
Italy	657
Slovenia	673
USA	453
China	282
Croatia	132
Thailand	15
Germany	10
Turkey	0
Australia	2
Belgium	3
UK	0
Japan	0
Chile	0

3.1.1 Fostering an Equitable and Inclusive Workplace

An inclusive workplace is one where people can contribute at their best because they feel respected, valued and treated fairly. Creating this environment is not only a matter of individual wellbeing. It also enables organizations to attract talent, encourage innovation and build stronger, more resilient teams.

Human Rights: Respecting Every Individual

More than two centuries ago, the philosopher **Immanuel Kant** argued that every person possesses inherent dignity and should always be treated as an end in themselves, never merely as a means to an end.

This principle continues to guide our approach today.

Aquafil promotes respect for human rights throughout its operations and does not tolerate discrimination, harassment or any form of unequal treatment. Our **Code of Ethics** and **Human Rights Policy** establish the principles that safeguard every individual, regardless of ethnicity, gender, age, culture, religion, political beliefs or sexual orientation.

Protecting people also means giving them the confidence to speak up.

For this reason, employees and stakeholders have access to a secure and anonymous whistleblowing system that allows potential violations to be reported without fear of retaliation, as described in Section 4.2.

Diversity, Equity and Inclusion

"We need diversity of thought in the world to face the new challenges." *Tim Berners-Lee*

who invented the **World Wide Web** (as known as internet) whose belief we share.

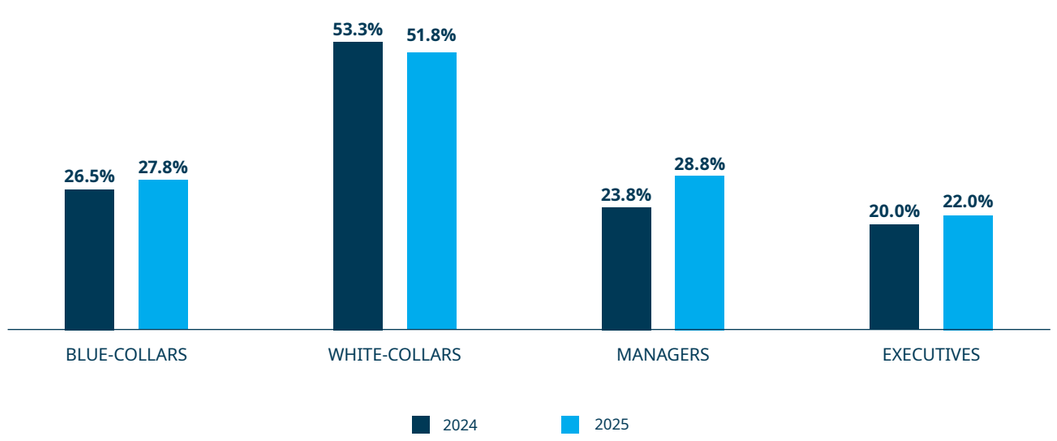
As a Group, we firmly believe that bringing together people with different backgrounds, genders and generations—each contributing unique perspectives—is one of the key drivers of innovation. For this diversity to reach its full potential, however, it must be supported by a genuine commitment to equity.

Through our **DE&I Policy**, we are committed not only to embracing diversity but also to protecting it by ensuring fair conditions and equal opportunities for everyone. This includes transparent recruitment processes, equal access to learning and career development opportunities, and communication that actively promotes diversity and inclusion.

In 2024, we launched a Group-wide program with an ambitious objective: to provide diversity and inclusion training to at least **50% of our employees** by the end of 2025. The target was successfully achieved, with **56.6%** of employees participating in dedicated training during the year. We also renewed the **UNI/PdR 125 Gender Equality Certification** for Aquafil S.p.A., Tessilquattro Cares and Tessilquattro Rovereto.

Women continue to represent around **31%** of the Group's workforce, while female representation in leadership positions has grown significantly, reaching **22%** among executives (see Figure 3.1).

FIGURE 3.1 – SHARE OF WOMEN IN THE WORKFORCE, BY ROLE



Attracting the Next Generation of Talent

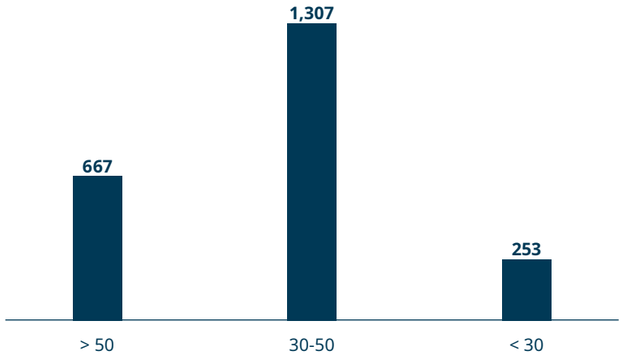
Innovation also depends on bringing new perspectives into the organization.

For this reason, Aquafil works closely with schools and universities, organizing company visits, career events and networking initiatives that connect students, graduates and researchers with the business.

These collaborations help young people better understand the opportunities offered by manufacturing, innovation and the circular economy, while enabling Aquafil to engage with future talent at an early stage.

In 2025, employees under the age of 30 represented 11% of the Group's workforce. We also continued supporting research through scholarships, university partnerships and doctoral programs.

FIGURE 3.2 – WORKFORCE BY AGE GROUP – HEADCOUNT (2025)



3.1.2 Promoting Health, Safety and Wellbeing

Supporting people's wellbeing is a fundamental responsibility.
We are committed to providing working conditions that promote physical and mental health while helping employees maintain a healthy work-life balance.

Stable Employment

A strong company is built on people who can look to the future with confidence.
For us, job security is more than an employment statistic. It is about creating an environment where people can build their careers, develop their skills and feel part of a shared journey.
This is why we seek to offer stable employment wherever possible. In 2025, **94.8%** of our employees held permanent contracts and **97.4%** worked full-time. Temporary contracts were limited to **5.2%** of the workforce (see Table 3.2), reflecting our commitment to creating long-term employment opportunities.

TABLE 3.2 – CONTRACT TYPE BY GENDER – HEADCOUNT (2025)

	Male	Female	Total	%
Permanent	1,464	647	**2,111**	94.8%
Temporary	63	53	**116**	5.2%
Full-time	1,506	663	**2,169**	97.4%
Part-time	21	37	**58**	2.6%

Welfare and Work-Life Balance

During 2025, we continued to offer a comprehensive corporate welfare program combining fixed benefits—including pension, healthcare and insurance schemes—with performance-related benefits linked to company objectives.

The program is designed to attract, motivate and retain employees while supporting their physical, financial and psychological wellbeing.

Our **Global Parental Policy** also guarantees paid parental leave in countries where this is not required by law, reinforcing our commitment to supporting employees and their families.

Health and Safety

Health and safety remain our highest priority.
Our manufacturing processes involve high-temperature nylon production and high-speed spinning equipment. Because we understand the risks associated with these operations, we work continuously to prevent accidents and protect everyone who works at our sites through dedicated policies, investments and preventive initiatives.
Today, **99%** of our employees are covered by our occupational health and safety management system.
In 2025, there were **no work-related fatalities** and **one serious workplace injury** across the Group.

OUR HEALTH AND SAFETY MANAGEMENT SYSTEM IS BUILT ON FIVE KEY PILLARS:

1. Comprehensive risk assessments and the provision of appropriate personal protective equipment;
2. A Health and Safety Committee operating in every Group company to monitor incidents, evaluate preventive measures and share best practices across sites;
3. Continuous training programs to strengthen safety awareness and reduce incidents related to human behavior. In 2025, **11,320 hours** of health and safety training were delivered;
4. A structured incident reporting procedure supported by a dedicated digital platform;
5. Occupational health surveillance supported by company physicians to protect employees' health.

3.1.3 Supporting Personal and Professional Development

Learning and development are essential to both individual fulfilment and long-term business success.
By investing in knowledge and skills, we help employees grow professionally while strengthening the capabilities that support the Group's future development.

Continuous Learning

Training is one of the main tools through which we invest in our people.
In 2025, employees completed almost **30,000 hours** of training across six main areas: technical skills, human rights, health and safety, languages, environmental topics and business conduct.
On average, each employee received around **13 hours** of training, with participation distributed equally between women and men.

TABLE 3.3 – TRAINING HOURS BY TOPIC (2025)

	2025
Technical	14,218
Human Rights	1,243
Safety	11,320
Language	2,440
Environment	358
Business conduct	23
Total	**29,602**

Training is delivered through both classroom sessions and **Aquapedia**, the Group's digital learning platform, which offers technical courses, soft skills content and training materials.

During 2025, new courses were introduced, with particular attention given to **cybersecurity**.

Talent Development

Identifying and developing talent is essential to ensuring business continuity and supporting long-term growth.
Since 2023, Aquafil has implemented a Group-wide **Talent Management** program based on three main steps:

1. Identifying the characteristics and capabilities that define talent;
2. Assessing employee potential at both local and global level;
3. Eveloping personalized initiatives—including training, coaching, career development plans and job rotation—to support and retain high-potential employees.

Communities of Practice: knowledge grows when it is shared

Our **Communities of Practice** bring together employees from different companies and functions across the Group to exchange experiences, share best practices and collaborate on specific areas of expertise.
By encouraging cross-functional collaboration, these communities help broaden knowledge, strengthen internal networks and accelerate the achievement of common business objectives.

3.2 Local Communities: Social Progress Creates Greater Value When It Is Shared

Creating value for the communities where we operate is an integral part of our approach to sustainable growth.

As a global company with strong local roots, we are committed to building lasting relationships with the territories in which we operate. We support social progress through volunteering, partnerships with non-profit organizations, educational initiatives, social inclusion projects and environmental programs.

Throughout 2025, our community engagement focused on three priorities:

1. Investing in future generations;
2. Supporting vulnerable people;
3. Protecting the environment.

TABELLA 3.4 – RISULTATI ANNUALI RELATIVI ALLE INIZIATIVE DI IMPATTO SULLE COMUNITÀ LOCALI

Target	Results
Educate individuals on environmental protection by supporting local cultural and sports clubs and helping to educate younger generations	25 school trips to Group plants and/or school educational activities
	15 sponsorships of local sports and cultural events/associations
Help vulnerable groups	Support for 10 organisations

Corporate Volunteering: Supporting Vulnerable People

We want to contribute to building a more inclusive society where no one is left behind. Corporate volunteering continues to be one of the main ways we create value within our local communities.

For the third consecutive year, employees at our Italian sites in Arco, Cares and Rovereto were able to dedicate approximately 600 working hours to volunteering activities supporting local non-profit organizations.

During the year, volunteers worked alongside three organizations:

- **Casa Mia** in Riva del Garda, a socio-educational centre supporting children and young people;
- **the Arco nursing home**, providing support for elderly residents;
- **Dreams**, an association promoting the employment inclusion of people with autism and Down syndrome.

In Slovenia, Aquafil continued supporting the multigenerational centre managed by the humanitarian association **Friends of the Youth Ljubljana Moste Polje (FYLMP)**, located near our Ljubljana production site. The centre provides educational programs, tutoring and workshops for children, teenagers and older people, helping prevent poverty and social exclusion.

In China, Aquafil further strengthened its social commitment through initiatives supporting older people, children and people with disabilities.

Through the **Support the Elderly** program, employees provided companionship and practical assistance to elderly people living alone. During the summer, volunteers also organized educational activities for children, including English tutoring, arts and crafts, safety education and legal awareness sessions, creating opportunities for learning and social interaction during the school holidays.

Investing in Future Generations

Supporting younger generations means investing in society's future.
Through education, collaboration with schools and universities, and research partnerships, we aim to help young people develop the knowledge and skills needed to address future environmental and industrial challenges.

In 2025, Aquafil organized **25 educational initiatives** involving secondary schools and universities in Italy and Slovenia.
Most activities took place in Italy, where **468 students** visited our facilities to learn more about the circular economy model behind **ECONYL® regenerated nylon** and our manufacturing processes.
These visits were complemented by **six university lectures** covering environmental, social and economic topics.

Aquafil also continued supporting university students in their academic research.
During the year, **25 students** from different countries received support while developing their dissertations, using Aquafil and the **ECONYL® Regeneration System** as case studies in circular economy, industrial sustainability and product innovation.

In Italy, we also launched a new collaboration with Alba Chiara to develop a six-week educational program focused on gender diversity, respect for others and the prevention of violence.

Designed jointly with participating schools, a sociologist and a psychologist, the programme adopts a highly interactive approach based on role-playing exercises and practical simulations.

In Slovenia, **AquafilSLO** continued sponsoring the **"Circularity is our Opportunity"** project for the third consecutive year as part of the **Ekošola (Eco Schools)** program, involving **64 schools** and approximately **2,300 students**.
In the United States, we strengthened our collaboration with the **Parsons School of Design** in New York through a project inviting students to reinterpret data from the Global Migration Report through artistic works created using **ECONYL® regenerated nylon**.

Protecting the Environment

Alongside initiatives to reduce emissions and the education and awareness activities on sustainability carried out through the **ECONYL®** project, Aquafil is a co-founder of the **Healthy Seas Foundation**, which was established to raise awareness of marine litter prevention through clean-up activities and the recovery of abandoned fishing nets by volunteer divers.

In 2025, these environmental initiatives expanded further. In China, Aquafil introduced a structured corporate eco-welfare program that actively engaged employees in collecting plastic bottles and aluminum cans at dedicated recycling points, helping promote responsible waste management practices in everyday life.

Supporting Recovery and Building Solidarity

During 2025, **Alba Chiara** further strengthened its role within the Alto Garda area as a point of reference for preventing and addressing gender-based violence.

Through **Bluloop by Aquafil**, our Benefit Company, we renewed our support for the organization for the fourth consecutive year, co-funding community projects with a strong social impact.

Among these is **Punto e a Capo**, a free empowerment program designed for women who have experienced abusive relationships. Supported by the Alto Garda and Ledro Community, it is the first initiative of its kind in the local area.

The program goes beyond psychological support.

Inspired by the principles of the **Istanbul Convention** on preventing violence against women, it combines educational activities and group discussions to help participants:

- process traumatic experiences;
- overcome feelings of guilt;
- recognize patterns of abuse;
- rebuild self-confidence and regain autonomy.

The first group began its activities on **30 January 2025**. During the year, **12 women** applied to join the program and **eight** participated on a regular basis.

One of the program's most significant outcomes was the support network that developed among participants. Women involved in legal proceedings found practical and emotional support from one another, including accompaniment to court hearings, opportunities to share experiences and mutual encouragement throughout the recovery process.

These new relationships helped counteract one of the most common consequences of abuse—social isolation—by fostering a renewed sense of belonging, mutual recognition and empowerment.

Healthy Seas: Protecting the Ocean Together

Every day, the equivalent of **2,000 truckloads of plastic** enters oceans, rivers and lakes around the world. Around **10%** of this waste comes from the fishing industry, including abandoned fishing gear and nets. Through our partnership with the **Healthy Seas Foundation**, we strive to be part of the solution.

Co-founded by Aquafil in **2013**, the Healthy Seas Foundation was established to help prevent marine litter through an approach built on three pillars: **clean-up, education and prevention**. Between 2013 and 2025, with the support of volunteer divers and fishing communities, the Foundation recovered **1,309,100 kilograms** of abandoned fishing nets and marine litter—equivalent to the weight of approximately **nine blue whales** or **297 orcas**.

In 2025, Healthy Seas continued to expand its activities to protect marine ecosystems. Clean-up operations included **140 diving days** and **213 field operation days**, resulting in the collection of **81,100 kilograms** of marine litter. All recovered **Nylon 6 fishing nets** were sent to Aquafil for regeneration through the **ECONYL® Regeneration System**, contributing to the production of **ECONYL® regenerated nylon**.

Particular attention was given to abandoned aquaculture sites, known as **ghost farms**, an often-overlooked source of marine pollution with significant environmental impacts.

One of the year's most significant operations took place in the **Saronic Gulf, Greece**, in collaboration with the **Athanasios C. Laskaridis Charitable Foundation**. The site contained **18 abandoned industrial fish-farming rings**, together with fishing nets, tyres, pipes and plastic waste. The operation resulted in the recovery of **40,100 kilograms** of waste, helping improve both marine biodiversity and local navigation safety.

Education and awareness remained central to Healthy Seas' activities. During the year, the Foundation organized **125 educational events** and **73 environmental education days**, engaging **13,339 students and adults** across **20 countries**. Activities ranged from school and university program to initiatives involving local communities, with the aim of increasing awareness of marine litter and the importance of prevention.

Healthy Seas also continued strengthening collaboration with the fishing sector. During 2025, the Foundation worked with **1,250 fishers and aquaculture operators**, promoting better end-of-life management of fishing nets and more responsible fishing practices. These activities were made possible thanks to the contribution of **550 volunteers**, whose commitment remains at the heart of the Foundation's work.

In addition, with the support of **DWS**, Healthy Seas launched a new research project to investigate the impact of **ghost nets** on marine ecosystems in the Mediterranean Sea. The project monitors marine habitats before and after the removal of abandoned fishing nets to assess changes in biodiversity, habitat structure and ecosystem recovery. Through underwater surveys, biological assessments and comparative analyses, researchers will be able to quantify the environmental benefits of clean-up operations.

Healthy Seas in 2025

- **More than 13,000** children and adults engaged in educational activities;
- **125** educational events;
- **353** active days across **20 countries**;
- **140** diving days;
- **550** volunteers;
- **1,250** fishers and aquaculture operators involved;
- **81,100 kg** of marine litter collected.

Governance:
Responsability and transparency
in every choice

Strong governance is essential to turning sustainability commitments into consistent actions.
At Aquafil, we promote an ethical business model supported by clear responsibilities, transparent decision-making and effective oversight at every level of the organization.
We also work to build a responsible supply chain by collaborating with business partners that share our environmental and social standards.
Through internationally recognized certifications and ESG ratings, we strengthen the integrity of our processes, products and governance practices.

4.1 SUSTAINABILITY GOVERNANCE: TURNING COMMITMENTS INTO ACTION

Our governance model provides a clear framework for ethical business management and long-term value creation.

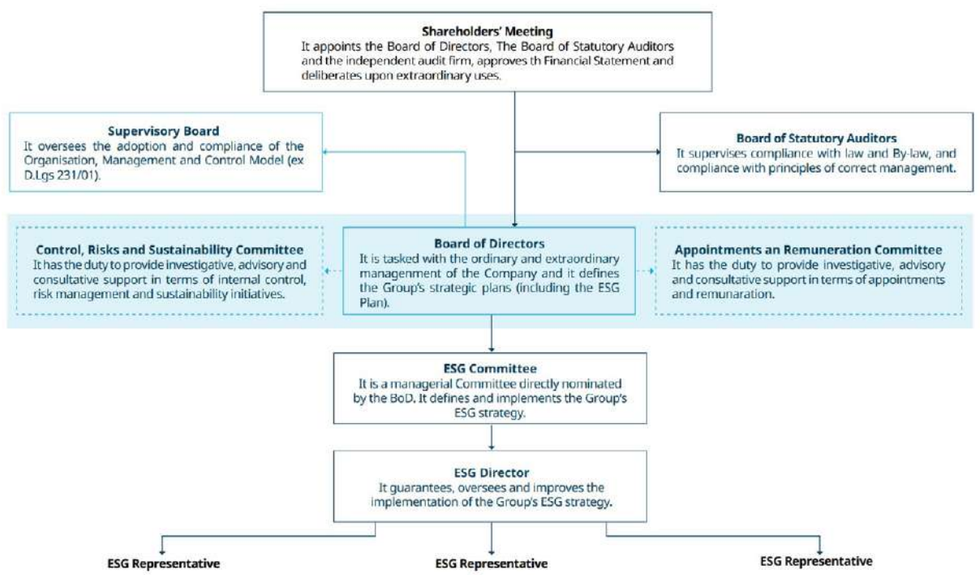
Aquafil adopts the traditional Italian system of corporate governance. Shareholders appoint the **Board of Directors**, responsible for the strategic management of the Company, and the **Board of Statutory Auditors**, which perform oversight functions. The Board of Directors also appoints the Group's Chief Executive Officer, currently **Giulio Bonazzi**. The main bodies responsible for sustainability governance are shown in **Figure 4.1**.

The Board of Directors oversees the Group's sustainability strategy through two dedicated bodies: the **Control, Risk and Sustainability Committee**, operating at Board level, and the **ESG Committee**, operating at management level. Their activities are supported by the **ESG Director** and a network of **ESG Representatives** across the Group.

Roles and responsibilities are defined in our **ESG Policy**. From strategic decision-making to day-to-day operations, every level of governance contributes to integrating sustainability into business processes and translating ESG commitments into concrete actions.

Our commitment to sustainability is also reflected in the **Remuneration Policy**. A portion of the short- and long-term variable remuneration of the Chief Executive Officer, members of the Executive Board and Top Management, is linked to the achievement of ESG-related Key Performance Indicators (KPIs).

FIGURE 4.1 – AQUAFIL'S MAIN GOVERNING BODIES



4.2 BUSINESS CONDUCT: INTEGRITY AS A STRATEGIC VALUE

Operating with integrity is not only an ethical responsibility, it is the foundation of long-term competitiveness and stakeholder trust.

Aquafil's approach to business conduct is built on three core principles: **transparency, diligence and integrity**. These principles guide our decisions and behaviors every day, strengthening relationships with all stakeholders, from institutions and customers to suppliers and business partners.

Code of Ethics

Our **Code of Ethics** sets the standards of integrity, diligence and transparency expected from everyone who works with or on behalf of Aquafil.

The Code strictly prohibits all forms of exploitation—including forced labor, child labor and slavery—as well as corruption, discrimination and any violation of internationally recognized human rights. Respect for people and their dignity is at the core of our business conduct.

The Code is shared with employees, suppliers, customers and external partners, all of whom are required to acknowledge its principles. Its implementation is overseen by the **Supervisory Body**, while any suspected violations are managed through the Group's whistleblowing system.

In 2025, **no significant violations or sanctions** relating to the Code of Ethics were recorded.

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

Anti-Corruption Policy

Aquafil has zero tolerance for corruption in any form.
Our **Anti-Corruption Policy** prohibits bribery, unauthorized benefits, collusive behavior and requests for personal or professional advantages, whether for oneself or for others.

Particular attention is given to business activities that present higher corruption risks, including interactions with public authorities, procurement processes and extraordinary corporate transactions.

The effectiveness of this approach is reflected in the results achieved: in 2025, **no sanctions or legal proceedings related to corruption** were recorded.

Whistleblowing System

Building an ethical business requires the contribution of everyone.
For this reason, Aquafil provides a dedicated **whistleblowing platform** that enables employees, suppliers and customers to report misconduct or suspected violations safely and confidentially, 24 hours a day, seven days a week.
We recognise that speaking up requires courage. Our responsibility is to ensure that this courage is protected through strict confidentiality, the possibility of anonymous reporting where permitted by law, and safeguards against any form of retaliation or discrimination.

4.3 MONITORING OUR VALUE CHAIN: THE ECOVADIS PROJECT

Understanding and managing ESG risks across the value chain has become an essential part of responsible business management.

Environmental impacts, poor working conditions and a lack of transparency among suppliers are just some of the risks that, while not under Aquafil's direct control, can still affect the Group's reputation and long-term performance. This is why assessing and monitoring ESG risks throughout our supply chain is a key element of our sustainability strategy.

In 2024, we launched a project with **EcoVadis**, a leading provider of business sustainability ratings, to strengthen the mapping and management of ESG risks across our upstream supply chain. During the first phase, **100% of our 3,767 direct suppliers** were screened through the **EcoVadis IQ Plus** platform.

The automated assessment considered three main factors: country risk, sector-specific risk and the strategic importance of each supplier for Aquafil. None of the suppliers assessed were classified as **"very high risk"**, while **99%** fell within the **very low, low or medium-low risk** categories.

In 2025, the project entered its second phase, focusing on a more in-depth assessment of the suppliers considered most strategic.

A total of **55 key suppliers** were invited to complete a full **EcoVadis ESG Risk Rating**. To date, around **40%** have successfully completed the assessment and obtained an EcoVadis medal, achieving an average score of **64.4/100**, **15.4 points above** the relevant benchmark.

At the same time, a further **389 suppliers**, considered less strategic but representing significant procurement expenditure, were or will be invited to complete the **EcoVadis Vitals** questionnaire during 2026. This assessment verifies compliance with sustainability-related standards, certifications and regulatory requirements.

Participation has been particularly strong: **95%** of the suppliers contacted have already completed the questionnaire.

The results confirmed that none of the suppliers assessed currently fall within the **"very high risk"** category.

These achievements bring us closer to one of the project's main objectives: ensuring that at least **70% of the Group's procurement spend** is covered by EcoVadis assessments, either through the **Vitals questionnaire** or the **ESG Risk Rating**.

Based on 2025 procurement expenditure, coverage has already reached **61%**, representing significant progress and leading EcoVadis to nominate the initiative as the **best project among newly participating companies**.

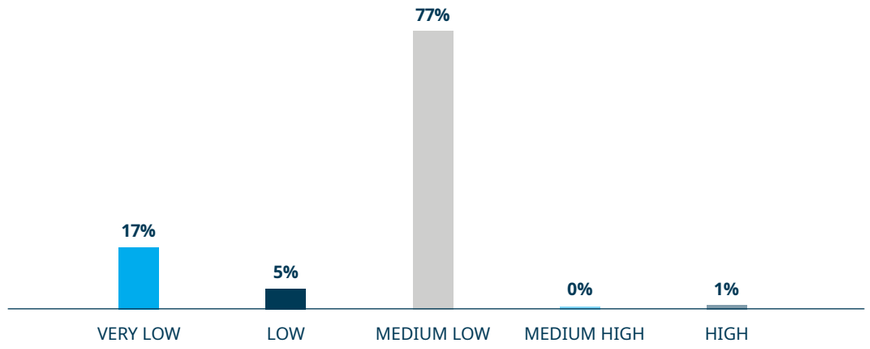
An equally important outcome has been the development of internal expertise.

During the initial phase of the program, **100%** of employees directly involved—from the **ESG, Communications and Procurement** teams—completed dedicated training on sustainable procurement and the use of EcoVadis tools.

In 2025, the program was extended to additional business functions, involving managers and middle management from the Italian commercial organization and colleagues based in China, with a further **38 employees** completing the training.

Training activities will continue to expand throughout 2026, with the aim of strengthening internal awareness and embedding responsible procurement practices across all Group operations.

FIGURE 4.2 – RISK DISTRIBUTION ACROSS AQUAFIL'S BUSINESS PARTNERS (BASED ON TURNOVER)



4.4 CERTIFICATIONS: DEMONSTRATING OUR COMMITMENT TO HIGH STANDARDS

Our certifications demonstrate alignment with internationally recognised environmental, social and quality standards.

Aquafil's voluntary certifications provide independent verification of our management systems, products and processes. Together, they demonstrate our commitment to quality, environmental protection, energy efficiency, occupational health and safety, social responsibility and gender equality.

These certifications are supported by the Group's **Integrated Management System**, which provides a structured framework for managing these topics consistently across our operations.

In 2025, **Tessilquattro** obtained **ISO 45001 certification** for its **Rovereto** and **Cares** sites, while the Group continued progressing towards the certification targets established for **2026, 2028 and 2030**.

All current certifications are available on the Company's website.

In 2025, the Group maintained broad coverage of its main management system certifications across its production sites.

TABLE 4.1 – GROUP CERTIFICATION AND TARGETS (2025)

GROUP CERTIFICATIONS (2025)	ISO 14001	ISO 50001	SA 8000*	ISO 45001	ISO 9001
Aquafil Arco	✓	✓	✓	✓	✓
Aquafil Cina	✓	✓	-	✓	✓
Aquafil USA-Cartersville	✓	within 2028	-	within 2026	✓
AquafilCRO	✓	✓	✓	✓	✓
AquafilSLO - Ljubljana	✓	✓	✓	✓	✓
AquafilSLO - Ajdovščina	✓	✓	✓	✓	✓
AquafilSLO - Senožeče	✓	✓	✓	✓	✓
AquafilSLO - Celje	✓	✓	✓	✓	✓
Asia Pacific	✓	✓	-	✓	✓
Tessilquattro	✓	within 2028	✓	✓	✓
Tessilquattro - Rovereto	✓	within 2028	✓	✓	✓
Aquafil O'Mara	within 2028	within 2030	-	within 2030	-

* *From 2026 onwards, the Group will no longer renew its* **SA8000** *certifications. However, we remain committed to maintaining all the measures and controls already in place to ensure the effective management of social responsibility-related risks and impacts.*

Product certifications

Aquafil has obtained a wide range of product certifications for **ECONYL®** materials to provide transparent and independently verified information on recycled content, environmental performance and chemical safety.

RECYCLED CONTENT

Specific certifications verify the recycled content of **ECONYL® caprolactam, polymers and yarns**, providing customers with independent assurance of the recycled material contained in our products.

ENVIRONMENTAL PERFORMANCE

Environmental Product Declarations (**EPDs**) for **ECONYL® polymers and yarns** communicate the environmental performance of our products through Life Cycle Assessment (**LCA**) studies conducted in accordance with **ISO 14025**.

HEALTH AND CHEMICAL SAFETY

All European operations comply with the **REACH Regulation** of the European Union.
The Group also holds additional certifications covering chemical safety, including **OEKO-TEX®, Cradle to Cradle Certified® Material Health Gold and Silver** for ECONYL® carpet yarn, and **ECO PASSPORT by OEKO-TEX®** for fourteen materials produced by **AquafilSLO** as part of the **Zero Discharge of Hazardous Chemicals (ZDHC)** initiative.

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