FEDRIGONI

2024 Annual Report

(extended version)

1888

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CEO'S LETTER

Dear Stakeholders,
as we reflect on the past year, we recognize the significant challenges and achievements that have shaped our 2024. Despite a complex and volatile global environment, Fedrigoni has proved remarkable resilience and adaptability. Our commitment to our long-term strategy and our ability to navigate through uncertainty have been key.
2024 saw a first half of the year with a good recovery and a second half with renewed volatility, due to the combination of an unfavourable macroeconomic environment and a slowdown in the end markets we serve, such as luxury and wine. Nonetheless, our team's discipline and agility allowed us to move forward in the execution of our strategic plan while safeguarding our short-term economic performance, and this led us to end the year with adjusted sales revenues of 2.076 billion euros (+14.8% over 2023) and pro-forma adjusted EBITDA of 380 million euros (+12.5% over 2023) also thanks to the acquisitions completed during the year.
In fact on the M&A front, we closed four deals aimed at expanding our product portfolio and strengthening our global footprint in strategic markets: acquisition of a specialty papers plant in China, formerly part of the Arjowiggins Group; minority stake in the start-up SharpEnd as part of the company's focus on digitized product offerings; acquisition of certain assets of Mohawk, the second largest specialty papers player in North America; and acquisition of Poli-Tape, a producer of graphic materials for visual communication. We also finalized the exit from the office paper business to focus Fabriano on value-added markets, such as art & drawing, stationery and security papers, while minimizing the impact on the people involved thanks to the cooperation with the Ministry of Enterprises and Made in Italy, the Marche Region and the trade unions.
Looking ahead to 2025, the first quarter was marked by soft demand due to the ongoing global macroeconomic instability. Regarding US Administration announcement on the import-export tariffs, fortunately the core of Fedrigoni's activities in North America is largely supported by U.S. manufacturing operations: we can count on a self-adhesive site in North Carolina (from Acucote's acquisition in 2021), an RFID manufacturing facility in North Carolina (built greenfield in 2024), and a specialty paper manufacturing plant in New York State (from the acquisition of certain assets of Mohawk). We are evaluating potential actions to reduce the impact of tariffs on finished goods from Europe. Finally, a volume impact could come, largely symmetric among market players, from a generalized recession that a persistent trade conflict may cause. This is something very difficult to estimate at this stage which we will keep monitoring very closely. In this context of high volatility, we are implementing countermeasures on volumes and cost's structure to ensure some growth both on top and bottom line.
Although the general uncertainty, Fedrigoni pursues its path of transformation and innovation to provide customers with increasingly sustainable and high-performing solutions. Within this framework is the latest investment announced at the end of February as part of our corporate venture capital program. We invested a minority stake in Papkot, a start-up which developed the first large-scale paper coating technology that provide high-barrier, fully recyclable and biodegradable fiber-based solutions eliminating plastic from single-use packaging.
This investment is part of our Sustainability journey which continues to permeate Fedrigoni's entire strategy. Our ESG agenda towards 2030 is especially focused on reducing greenhouse gas emissions, optimizing our products according to eco-design and a circular approach, sustainable sourcing, and responsible management of natural resources to improve biodiversity. Our fact-based approach is third-party certified: in 2024 we achieved a 10-point improvement in the S&P Global Corporate Sustainability Assessment, EcoVadis Platinum Rating, and CDP recognition for our environmental stewardship. Furthermore, the Science Based Targets initiative (SBTi) approved our new emission reduction targets.
To conclude, I want to express my deepest gratitude to our incredible team of over 6,000 people worldwide. Their passion and dedication have been the driving force behind Fedrigoni's ability to overcome challenges and achieve remarkable progress. I would also like to thank our strategic

suppliers, who stand by us in our journey of continuous improvement and innovation. And, most importantly, I am profoundly grateful to our customers across all continents. Your trust and constant feedback are invaluable to us, and we will continue to cherish and build upon them to remain your partner of choice
everywhere in the world.

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Marco Nespolo
CEO Fedrigoni Group

OUR GROUP

Founded in 1888 in Verona, Italy, Fedrigoni has become synonymous with excellence in the world of labels and self-adhesive materials, premium papers for luxury packaging, and other creative solutions, RFID/NFC technology. With approximately 6,000 employees across 28 countries and a portfolio of 25,000 products, Fedrigoni operates in 132 countries worldwide. At the heart of the ongoing Elevating Creativity purpose is a commitment to sustainability on a global scale. “Making Progress” is the company approach, grounded in transparency, objective data, and third-party certified results. Fedrigoni goal is to continuously progress across the entire value chain by setting high standards for collective, responsible growth while ensuring that business benefits both people and the planet.

In 2024, Fedrigoni executed strategic acquisitions, including Politape and Mohawk. Since the acquisition of Tageos in 2022, we have experienced remarkable growth, with sales quadrupling compared to 2022. This expansion has underlined the synergies between our diverse business units, with Tageos now emerging as one of the key growth drivers within the Group. We are continuing to invest in enhancing capacity, reinforcing our strong position in both the RFID and specialty papers sectors.

As part of our ongoing strategic refinement, Fedrigoni has exited the office paper business in 2024 to focus Fabriano on value-added markets (art & drawing, stationery and security papers), as outlined in our industrial plan.

In 2024, Fedrigoni closed the year with **Pro Forma Sales Revenues** of euros 2.076 billion and pro-forma adjusted EBITDA of 380 million euros (+12.5% over 2023).

Despite a tumultuous global environment marked by geopolitical tensions, energy and raw material price hikes, and unstable market conditions, Fedrigoni demonstrated remarkable resilience. The global market in 2024 remained volatile, with the ongoing Russia-Ukraine conflict, unrest in the Middle East, and economic uncertainties exacerbating challenges. Rising tariffs and unfavorable macroeconomic conditions, especially in Latin America, have added to the turbulence. Additionally, despite a resilient luxury sector, consumer demand softened across several regions, and our customers have faced difficulties forecasting and adapting to unpredictable market conditions.

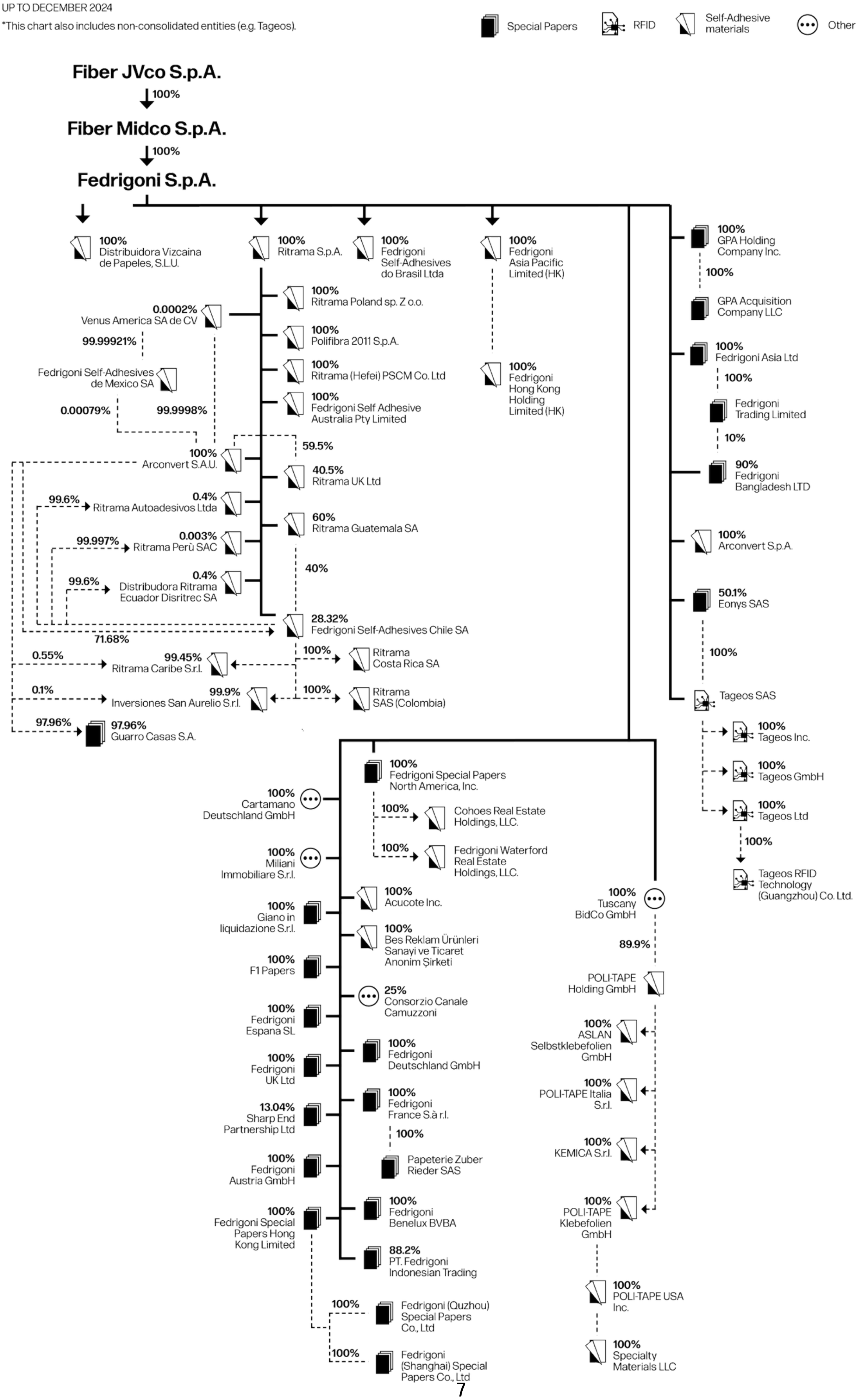
Fedrigoni’s approach to these challenges is one of agility and discipline. The key to success is maximizing every opportunity with flawless execution while staying committed to rigorous financial management. As we move forward, our aim is to strengthen our position as a sustainable leader in the industry, working with stakeholders who share our vision for creating a positive impact on people, businesses, and the environment.

Our future growth is anchored in adaptability, disciplined financial management, and a commitment to sustainability, ensuring continued success for our customers, partners, and employees worldwide.

THE GROUP STRUCTURE

UP TO DECEMBER 2024

*This chart also includes non-consolidated entities (e.g. Tageos).



SUSTAINABILITY STATEMENT

Sustainability Governance

Fedrigoni Group consists of Fedrigoni S.p.A and its subsidiaries and is indirectly controlled by Fiber JVCo S.p.A.

The Fedrigoni governance model is based on the traditional model consisting of the following corporate bodies: the Board of Directors and the Board of Statutory Auditors. Following the entry of the new shareholder BC Partners, the new Board of Directors of Fedrigoni was appointed on November 30, 2022, and subsequently integrated on June 23 with Marco Nespolo as Chief Executive Officer:

Member	Gender	Age category	Executive	Non-Executive	Independent[1]	Member from
Sessa Ivano*	M	30-50		X	X	30 Nov 2022
Nespolo Marco	M	>50	X			30 Nov 2022
Pichler Falco Sebastian	M	30-50		X	X	30 Nov 2022
Massetti Giacomo	M	30-50		X	X	30 Nov 2022
Leporelli Piero	M	30-50		X	X	30 Nov 2022
Ferraresi Stefano	M	>50		X	X	30 Nov 2022
Mussi Maurizio	M	30-50		X	X	30 Nov 2022
Michaela Castelli	F	>50		X	X	24 Jul 2023
Andrea Bertoni	M	30-50		X	X	24 Jul 2023

*Chairman of the Board of Directors.

The Board of Directors of Fiber JVCo S.p.A,, holding company of Fedrigoni S.p.A, is the highest governance body. All Board members have 4 or less other mandates. All Board members have practical work

[1] Independence criteria according to S&P CSA: Independent directors are non-executive directors that are independent by meeting at least 4 of the 9 criteria (of which at least 2 of the 3 first criteria) listed here:

1. The director must not have been employed by the company in an executive capacity within the last year.
2. The director must not accept or have a "Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of $60,000 during the current fiscal year", other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.
3. The director must not be a "Family Member of an individual who is […] employed by the company or by any parent or subsidiary of the company as an executive officer."
4. The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company's senior management.
5. The director must not be affiliated with a significant customer or supplier of the company.
6. The director must have no personal services contract(s) with the company or be a member of the company's senior management.
7. The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
8. The director must not have been a partner or employee of the company's outside auditor during the past year.
9. The director must not have any other conflict of interest that the board itself determines to not be considered independent.

experience, by way of been part of functions in the management or consulting in financial and industrial sectors.

The Board of Directors is the governing body that ensures the strategic guidance of our Group, including the sustainability strategy, exercising the powers of ordinary and extraordinary administration of the Group for the achievement of corporate purposes.

The members of the Board of Directors are elected individually. Each mandate lasts three years and each member can be reappointed. In 2024, the Board of Directors met 5 times with an attendance rate of 84%. All board members are selected for their skills and experience, including risk management.

Regarding remuneration, the CEO's compensation is composed of a fixed and a variable component. The variable compensation, being as high as 100% of fixed compensation, is based on the following metrics: Group EBITDA, Group Cash, Flow and ESG targets. To ensure long term performance alignment, the CEO has been given access to a significant co-investment program within the company, represented by shares he/she can purchase at the outset of his/her mandate. There are no share ownership requirements for our CEO and other members of the Executive Committee. The management team of Fedrigoni owns 6.34% of Fedrigoni Group shares. The Audit & Risk Committee coordinates the development of the Internal Control System, the Compliance Program and promotes integrated management of company risks at Group level.

From May 2024, the newly nominated Executive Vice President RFID & Innovation and Chief Sustainability Officer, reporting directly to the CEO, oversees our strategy acceleration. Since May 2024, a new function "ESG & INNOVATION" was launched with a governance based on three Committees:

- the 'Group ESG Executive Committee', meeting quarterly with Group's Executive Committee.
- two additional committees, meeting alternately bimonthly, the 'Energy & Governance Committee' and the 'Group Innovation and ESG Product Development Committee'. These two Committees involve the CEO, business units' Leadership Teams and Project's team members.

The objective of these Committees is to accelerate our sustainability & innovation strategy, focusing on 12 streams of action and more than 100 projects.

Enterprise Risk Management

Enterprise Risk Management (ERM) is a core element of the Group's corporate governance and ensures a defined and proactive approach to managing strategic, operational, financial and compliance risks. Our ERM policy determines a framework for identifying, assessing and mitigating and reporting key risks in line with international best practice. It also strengthens governance by defining clear roles, responsibilities and oversight mechanisms that ensure transparency and accountability in risk management.

As the Group adopted a new Strategic Plan 2025-2027, the IARC Function conducted a comprehensive risk assessment to identify the main challenges in achieving the Plan's objectives. This process aimed to ensure that the Group's risk profile remains aligned with evolving macroeconomic, competitive, and regulatory dynamics. The risk assessment was carried out with the direct and active involvement of the Leadership Team, who participated in nine dedicated workshops to analyze and evaluate the key risks that could impact the successful execution of the strategic roadmap.

The analysis revealed the emergence of new risks, the intensification of certain existing risks and a broader evolution of the Group's risk profile, reflecting significant changes in the external landscape. A total of 26 risks were mapped, 9 of which were identified as "top risks" based on a rigorous assessment that considered the likelihood of occurrence within the strategic plan horizon, the impact and the maturity of the existing risk management framework.

The risk assessment activity highlighted that the main challenges the Group will face in executing the Strategic Plan include:

- Cash and capital structure
- Group's leading position in core markets
- Evolution of ESG frameworks
- Cyber security

In accordance with our ERM Policy, the results of the risk assessment were reviewed and approved by the CEO following an in-depth evaluation by the Audit & Risk Committee. This process provided a comprehensive and forward-looking perspective on the Group's challenges, supporting proactive risk management and mitigation planning. By integrating risk assessment into strategic decision-making, this approach reinforces the Group's ability to anticipate and mitigate risks effectively, embedding a strong risk culture within governance, operational processes, and corporate decision-making.

Alongside risks, new and emerging risks that could generate from geopolitical, technological, economical, social or environmental areas are monitored. The following are two examples of risks that could emerge in the next future and affect our Company:

- A potential emerging regulatory risk is related to increasing restrictions on the use of PFAs (per- and polyfluoroalkyl substances) and microplastics in industrial processes and finished products. Stricter regulations could require significant adjustments in our supply chain and product formulations, leading to increased compliance costs or the need for alternative materials. If not properly managed, this could impact our operational efficiency and profitability. While this risk is not currently part of our top risks, it has been identified as an arising risk and is being closely monitored.
- An emerging environmental risk is related to the loss of biodiversity that in the long term could generate severe consequences for the environment, humankind and economic activity due to destruction of natural capital. In such a case we could incur in higher costs or in the reduction of the supply of key raw materials for our products. At the moment this risk is not included in our ERM system due to low probability and impact but is monitored at sustainability and procurement level.

These and other emerging risks are being gradually integrated within our current risk management activities.

Cyber security

Cybersecurity is a risk element that companies in all sectors face. Our focus on this issue has intensified in recent years, partly in response to the increasing complexity and frequency with which cyberattacks are being waged against national and international companies.
We have established a cybersecurity strategy with the following aims:

- Creating organizational-wide cybersecurity awareness through communication campaigns on the main corporate channels (Workplace, email, monitors at plants).
- Identifying the main cybersecurity risks for the business.
- Assessing the maturity level of the cybersecurity control system in relation to the international framework (NIST).

- Identifying the areas of intervention and mitigation actions to reduce the risks of cyberattacks, drawing up a multi-year cybersecurity transformation plan.

At Fedrigoni, the Group IT Security Manager reports directly to the Group Chief Information Officer (who is a member of the Executive Committee). Cybersecurity issues are periodically shared with the Board of Directors. Moreover, in 2024 we established a cybersecurity risk committee at board level to increase the oversight of this topic. Cybersecurity, given its increasing relevance, it is also discussed during risk committee meetings.
In order to cope with ever-increasing cyber risks, the actions of our cybersecurity reinforcement program are reviewed and adapted annually, and focus on four main areas of action:

- Culture: multi-channel awareness and training to all employees; with mandatory cyber courses (pe: Phishing, Vishing, CEO Fraud, escalation/notification process, etc.) and phishing simulations to all employees with IT equipment. The level of cyber awareness for each employee (based on the results of phishing and training) is periodically surveyed and evaluated. Additionally in order to increase security culture of executive members and other key area manager on main cybersecurity trends a Table Top Exercise was put in place.
- Organization: consolidated the supervision of cybersecurity issues from the point of view of the number of dedicated resources and skills required; there is a specific team (consisting of internal and dedicated external consultants) in addition to external services dedicated to 24x7 threat monitoring and response.
- Processes: defining and structuring the governance of activities, processes, and procedures in the cyber sphere; Our Information Security Policy shared to all employees, as well as processes (tested periodically) for vulnerability management (involving Vulnerability Assessment and Penetration Testing), security incident management, and digital identity management.
- Technologies: adopting integrated technological security solutions (examples: SIEM, Extended Detection and Response, WAF) and improving the effectiveness of existing ones. Our infrastructure is in part internally managed and in part externally outsourced. Overall considering all elements that constitute our infrastructure, around 15% is part of a management system with ISO 27001 certification.

Sustainable procurement

We manage our supply chain based on collaboration and partnership.

In 2024, we collaborated with 843 suppliers, with total expenditures on direct materials amounting to €979 million. Regarding sustainability, 93.6% of these expenditures were associated with suppliers holding a valid sustainability score within the last 24 months (target of 95% by 2030). The following tables show the expenditure trends for direct materials by type of supply and geographical area:

Expenditure by type of supply	2024	2023	2022
Chemicals	22%	22%	24%
Pulp	22%	20%	22%
Paper (face and liner)	32%	36%	33%
Film (face and liner)	15%	15%	15%
Packaging	5%	4%	5%
Other	4%	3%	2%
Total	**100%**	**100%**	**100%**

Expenditure by geographical area (plant of consumption)	2024	2023	2022
Europe	81%	82%	82%
South America	12%	11%	9%
North America	5%	5%	7%
Asia	2%	2%	2%
Total	**100%**	**100%**	**100%**

Supplier code of conduct

All our suppliers are required to adhere to our Supplier Code of Conduct.

In 2025, the activity will be extended to the suppliers of companies acquired in 2024.

The Supplier Code of Conduct includes specific requirements regarding Environmental, Social and Governance topics.

Our aim is to keep it updated and consistent based on the evolution of external and internal factors.

Sourcing Policy

Our sourcing policy outlines key aspects such as the implementation of a periodic review mechanism for supplier performance, an overview of our supplier screening approach, the presentation of our ESG KPIs, and the definition of high-risk suppliers along with their improvement plans.

Our General Purchasing Conditions include a direct reference to the Suppliers' Code of Conduct and sustainability principles in the execution of supply agreements. In 2024, as in 2022 and 2023, 100% of orders and purchasing contracts were governed by the General Terms and Conditions.

The General Purchasing Conditions, along with their direct reference to the Suppliers' Code of Conduct, are also incorporated into our standard contract template for all suppliers.

We have updated our sourcing processes and guidelines to enhance the importance of ESG criteria in supplier assessment, selection, and awarding processes, considering them a favorable factor in volume allocation.

Supplier's ESG risk screening

We define supplier ESG risk screening as a systematic desk analysis assessing the potential negative impact of suppliers on environmental, social, and governance (ESG) aspects. This evaluation is conducted using a dedicated tool and methodology.

We conduct a specific ESG risk screening of suppliers, considering factors such as country, industry sector, and commodity, while also assessing the supplier's business relevance to our company.

The screening covers key Environmental, Social, and Governance (ESG) areas, including: Forced Labour, Freedom of Association, Health, Safety & Hygiene, Child and Young Workers, Regular Employment, Wages, Working Hours, Discrimination, Gender, Business Ethics, Biodiversity, Energy & Emissions, Water, and Waste & Pollution.

Supplier Assessment and development

Our Board of Directors oversees and approves the supplier ESG program, which includes the identification, assessment, and planning of corrective measures to enhance the sustainability of our supply chain. The Executive Committee is responsible for defining the suppliers' ESG program and operational guidelines.

To support this process, we primarily use the EcoVadis platform for the following purposes:

a) Supplier desk assessment with systematic verification of evidence: the "CSR ratings" enable a third-party assessment of a supplier's "ESG merit";
b) Remote Supplier support on implementation of corrective/improvement actions and capacity building on ESG topics: this includes recommendations on specific improvement plans in order to improve their score and the access to Ecovadis academy, for supplier training purpose;
c) Supplier access to ESG benchmarks against peers.

In 2024, 93.6% of direct material expenditures were associated with suppliers holding a valid sustainability score within the last 24 months.

Additionally, we launched in-depth technical support programs to enhance suppliers' ESG capabilities and performance.

Through the EcoVadis platform, suppliers also gain access to ESG benchmarks, allowing them to compare their performance against industry peers.

On-Site Audits

Starting in 2024, we joined the Sedex platform as a tool to request suppliers to conduct and share ethical audits at their sites.

As of 2024, 14 ethical audits have been conducted at supplier sites by an independent accredited auditing body (third-party assessment), covering 36% of cumulative direct material expenditures.

When non-conformities are identified, corrective actions are promptly agreed upon and implemented in collaboration with the suppliers.

The audits cover key Environmental, Social, and Governance (ESG) topics.

Below are the results from the past three years.

	Cum FY 2024	Cum FY 2023	Cum FY 2022
N. of Suppliers assessed	14	8	4
Spend Covered	36%	31%	18%

In 2025, we will continue our ethical audit campaign of our suppliers.

The ESG requirements will influence the choice of products and services to be purchased: all things being equal, the higher the ESG rating, the more likely Fedrigoni will choose that supplier.

Suppliers rated below a minimum threshold will be classified as "high risk" and need to develop and share an improvement plan.

Suppliers that do not achieve a minimum threshold within 2 years, will be evaluated for contract excluding.

We are continuing to jointly define improvement plans with suppliers.

Our Purchasing practices are continuously and regularly reviewed and updated to ensure alignment to our supplier code of conduct and responsible sourcing policy. On average, the update take place each 2 years, or in case of relevant events.

Results

- **Spend covered by suppliers with an ESG desk assessment:** 93,6% of direct material spend in 2024.
- **Spend with suppliers classified as "high risk" according to ESG criteria**: 2,7% of direct material spend in 2024.
- **Assessed High risk spend engaged in Improvement plans:** 56% of direct material spend in 2024.

We started to put in place actions designed to advance diversity in the supply chain by collaborating with a supplier that specifically aims to give opportunities to people more at risk of marginalization and workplace discrimination in Italy.

We are part of Sedex AB membership, to endorse the community related to sustainable procurement issues and topics and to use the related tools available in the platform.

Since 2022, we are part of the Science Based Targets initiative (SBTi) and have set a specific CO_2 emissions reduction target for our suppliers. In 2024, we updated our Scope 3 supplier-related target, which has been officially approved by SBTi.

KPIs

	2024	2023	2022
Direct Material spend with an ESG assessment*	93,6%	91%	87%
Direct Material High risk spend**	2,7%	6%	6%
Assessed High risk spend engaged in Improvement plans ***	56%	25%	0%
Average Score	67	65	64

*Valid in the last 24 months

**Includes all non-respondent and suppliers with low score

*** refers only to suppliers with low ESG score.

Others KPIs and results:

Supplier Screening	2024	2023
Total number of Tier-1 suppliers	843	837
Total number of significant suppliers in Tier-1	175	172
% of total spend on significant suppliers in Tier-1	95	95
Total number of significant suppliers in non-Tier-1	0	0
Total number of significant suppliers (Tier-1 and non-Tier-1)	175	172

Supplier Assessment	2024	2023
Total number of suppliers assessed via desk assessments/on-site assessments	192	173
of which significant *	155	143
Number of suppliers assessed with substantial actual/potential negative impacts *	9	13
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan *	56%	31%
Number of suppliers with substantial actual/potential negative impacts that were terminated	0	0

Corrective action plan and support	2024	2023
Total number of suppliers supported in corrective action plan implementation *	9	13
% of the suppliers assessed with substantial actual /potential negative impacts supported in corrective action plan implementation	100%	100%

Capacity Building programs	2024	2023
Total number of suppliers in capacity building programs *	9	13
% of significant suppliers in capacity building programs	6%	8%

*Data refers to 95% of direct material spend

Training & workshops

We continue to organize roundtables with suppliers to promote their participation in our Sustainability Program, highlighting the benefits of the initiative. As part of our regular engagements with strategic suppliers, ESG topics are systematically included in meeting agendas.

In 2024, a key focus was the European Deforestation-Free Products Regulation (EUDR), while energy transition has been a recurring topic in our joint action plans since 2022.

To strengthen ESG expertise, the entire procurement team participated in the EcoVadis Academy, receiving training on both general ESG topics and sustainable procurement practices. In 2024, the Procurement team completed 414 courses, totaling 281 hours of ESG training. This training will continue in 2025.

Additionally, in 2024, we introduced a Management by Objectives (MBO) incentive, linking 5% of MBO for the entire Procurement Team to the achievement of specific sustainability targets, in addition to the Group's broader ESG targets.

Supplier Classification

Fedrigoni Group suppliers are classified into 3 categories: Strategic, Preferred and Commercial Supplier. This classification provides visibility into the type of business relevance and its subsequent evolution. We apply different approach based on the different level of business relevance of the supplier.

In 2024, we started to evaluate different initiatives to monitor the risk management for tier-2 suppliers.

Third-Party verification

Sustainable procurement related data included in this section have been third-party verified in the most recent financial year reported.

Our stakeholders

Below is described how we engage with each category of stakeholders on a regular basis.

Internal	Employees	Employee satisfaction surveys; Bi-annual update by our CEO on Workplace, the collaborative platform for internal communication; Second edition of NEXT, development program for young talents; Sustainability breakfasts, informal meetings to promote the ESG strategy and action plan towards 2030 (reaching 488 people in 2023, ~10% of our global population); Open Days with families and friends in plants; Initiatives on biodiversity at site (paper mills); Daily updates on Workplace, our collaborative communication platform.
	Shareholders and the Board	Quarterly disclosure of key ESG performance; Involvement in updating the materiality matrix.
External	Customers	Regular meetings to boost our customers' creativity; Net Promoter Score Luxury Packaging and Creative Solutions (hereafter also Special Papers) customers of 53 in 2024 (66 in 2023 and 63 in 2022), third-party verified; Net Promoter Score Self-Adhesives customers of 32 in 2024 (54 in 2023 and 51 in 2022), third-party verified; Fedrigoni Top Award, since 2005 our biggest celebration of craftsmanship and creativity. This is the only award in the world dedicated to graphic designers, printers, and brands who win as members of a single project team.
	Financial Community	Quarterly disclosure of our key ESG performance; engagement in updating the materiality matrix.
	Suppliers	Weekly dialogue to boost suppliers' creativity and accelerate innovation, to lower the environmental impacts (in particular, energy transition and No Deforestation)
	Business partners	Quarterly dialogue to boost converters' creativity and accelerate innovation, to lower the environmental impacts with Life Cycle Assessment approach
	Authorities, associations and memberships	Active engagement with local and national authorities to comply with current regulations and anticipate future requirements; Bi-annual meeting at the Ellen MacArthur Foundation promoting circular economy and responsible production.
	Local communities	Annual Festival del Disegno (Drawing Festival); Bi-annual Fedrigoni Fabriano Foundation's activities.

Human rights

In our People and Nature Commitment: "make business work for people and nature", we describe our approach to Human Rights, our targets and actions.

In 2022, Fedrigoni carried out our first human rights assessment to verify the level of human rights protection in the Group's production plants. The due diligence process is being implemented according to following steps, defined by the UN Guiding Principles on Human Rights (UNGP):

- Risk Mapping,
- Prevention and mitigation
- Monitoring and communication

This initial risk mapping included 100% of our production sites. The list of human rights considered in this first analysis includes forced and child labor, modern slavery and human trafficking, discrimination, freedom of association and collective bargaining, occupational health and safety, working conditions and hours, equal remuneration, vocational training, privacy, right to disconnect, impacts on biodiversity and the local community. Given that many of the human rights in question are linked to workers' rights, particular attention has been paid to employees and seasonal workers. In addition, other vulnerable groups have been considered, including women, children, people with disabilities and local communities.
The analysis revealed no human rights violations in the plants analyzed. In some plants, which account for 21% of the total employees of the Group, potential points of improvement emerged to further protect certain issues. The risk mapping and identification is carried out also in new acquisitions and yearly reviewed.

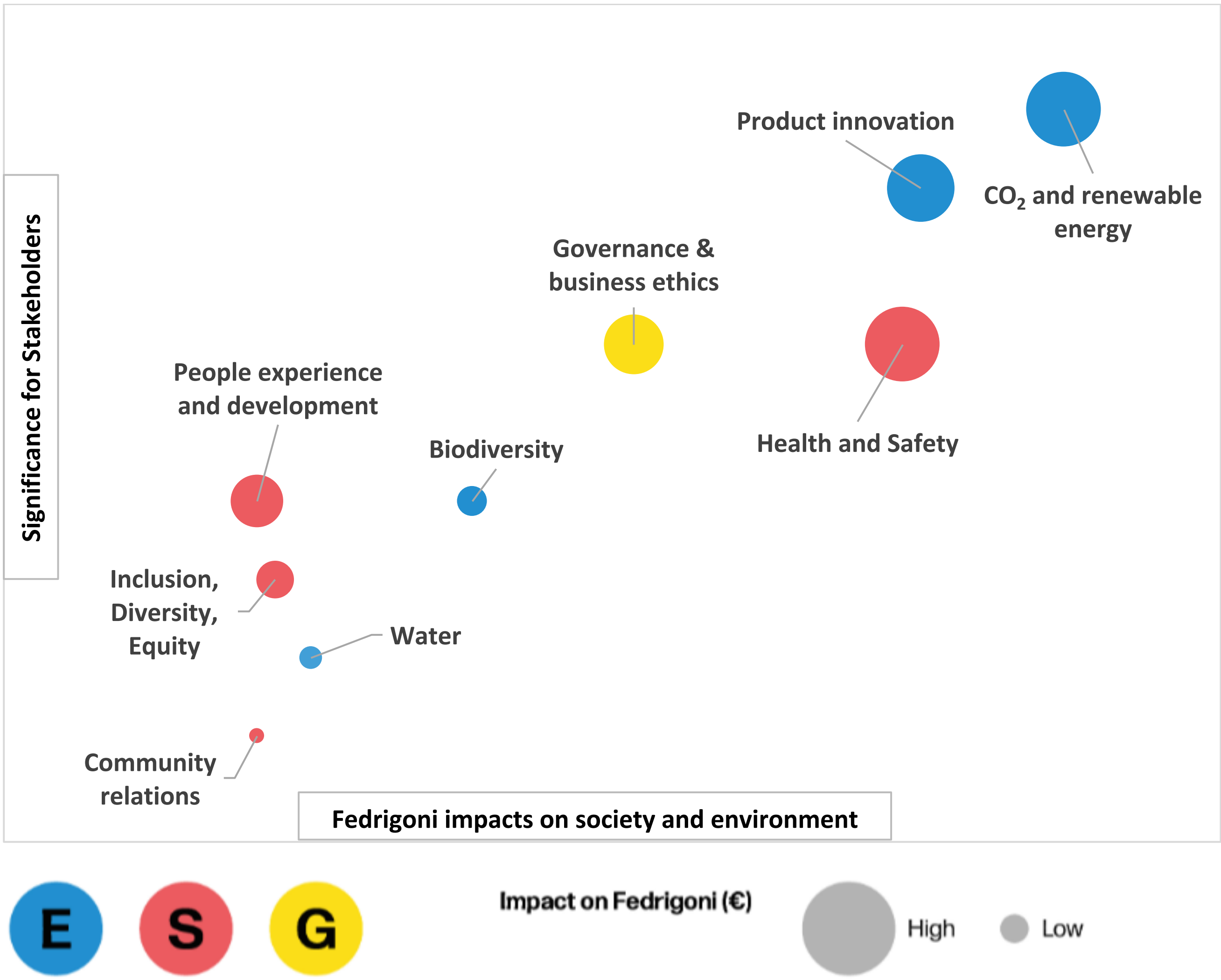
Fedrigoni developed a mitigation and remediation procedure, applied to all sites, which defines the guidelines and timeline for all the activities concerning the assessment, prevention and remediation actions on human rights. Regarding the assessment, every 3 years a full assessment covering all sites and all the list of human rights is carried out, while on a yearly basis *ad hoc* activities, like internal audits are carried out on specific sites and on specific topics. Other mitigation activities also include the dissemination of our Code of Conducts, and specific training sessions also on our grievance mechanisms. In case of a violation of Human Rights we defined a set of remediation actions, that include financial or non-financial compensation and punitive sanctions. In 2024, there were no violations of Human Rights directly caused by Fedrigoni.

Materiality analysis

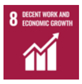
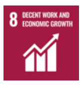
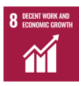
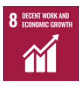
Since 2022, our materiality analysis has integrated the requirements of the GRI Standards with some of the Double Materiality framework included in the CSRD. The analysis encompasses:

- An **"inside-out"** assessment of the impacts generated by the Group's activities and value chains on society and the environment, evaluating each impact based on severity and likelihood.
- An **"outside-in"** analysis of each topic, considering both actual and potential financial risks and opportunities. For the risk assessment, we relied on our Enterprise Risk Management framework.
- **Stakeholder perspectives**, ranking each topic based on its relevance to our stakeholders' business decisions.

In 2024, we updated the analysis, and the results reaffirmed our 2030 ESG priorities. The materiality analysis is first approved by the Executive Committee and then by the Board of Directors, third-party verified, and reviewed annually.



The Materiality analysis, in combination with the SDG Action Manager tool by UN Global Compact allowed us to identify Sustainable Development Goals (SDGs) on which we want to make the difference:

Material topic	SDGs
CO_2 and renewable energies	
Excellence in product eco-design and quality	
Biodiversity	
Water	
Governance and business ethics	
Health and safety	
Inclusion Diversity and Equity	
People experience and development	
Community relations	

2030 ESG Targets

By 2030 we want to be the reference for sustainability in our sector, and beyond.

Here are our 2030 ESG targets and 2024 results:

Pillar	Topic	2030 ESG targets	Baseline	2024 result
Environment	CO_2 and renewable energies	-47.1% of absolute scope 1 and 2 GHG emissions	395 (Kt CO_2e, 2019)[2]	325 (Kt CO_2e)[3]
		-27.5% of absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities and end of life treatment of sold products	1,481 (Kt CO_2e, 2019)[2]	1,224 (Kt CO_2e)[3]
		-10% of nitrogen oxides (NOx)	99.7 (t) (2021)	150.9 (t)
	Product innovation	100% of products designed for optimal end-of-life recycling and recovery: - Special Papers: 100% of recyclable products with a third-party recyclability certification - Self-Adhesive: 100% of our standard product portfolio available in a solution enabling recyclability or reuse of packaging (recyclable, compostable, wash-off)[4]	Special Papers 17%, Self-Adhesives 24% (2023)	Special Papers 95%, Self-Adhesives 30%
		100% of waste sent for recovery instead of landfill	80% (2019)	92.4%
	Biodiversity	100% of pulp purchased with FSC certification	94% (2019)	95.5%
		No net deforestation in our operations and our supply chain	-	TBD

[2] 2019 Baseline of emission reduction targets has been recalculated to include acquisition occurred between 2019 and 2024 in accordance with SBT methodology and therefore it differs from data reported in “CO_2 & Renewable energy”.
[3] Data do not include Fedrigoni Special Papers Hong Kong Limited and its subsidiaries (together the "Arjowiggins Group") and Tuscany BidCo GmbH and its subsidiaries (together the "Poli-Tape Group") that will be included in the next reporting.
[4] Excluding pharma, graphics and technical materials.

		Implementing initiatives to improve and restore biodiversity in our sites	6 initiatives (2023)	6 initiatives
	Water	10% reduction in water withdrawals by 2030	16,500 (Ml, 2022)	16,953 Ml
		Return 95% of annual water withdrawn to the environment in environmentally appropriate condition	92% (2020)	94.2%
		Zero cases of water pollution	0 (2020)	0
Social	Health and safety	-85% of injury frequency rate	21.1 (2020)	10.2
	Inclusion Diversity and Equity	35% of managerial positions held by women	22% (2020)	28%
	People experience and development	Top 5% for employee NPS (eNPS) compared to other manufacturing companies	8.2 (2020, top 25%)	7.7 In top 10% manufacturing
		100% of people involved in performance conversation	9% (2020)	30%
	Community relations	One activity per year in each country where we operate	1 (2023)	Projects ongoing
Governance	Governance and business ethics	100% of people trained on our Code of Ethics	1% (2021)	56%
		95% of supplier spending base qualified also according to ESG criteria	50% (2020)	93.6%

Our certifications, ratings, endorsements and memberships

CERTIFICATIONS

FSC® - For the protection and preservation of forest heritage
The Forest Stewardship Council (FSC®) created the most internationally recognized forestry certification system to ensure proper forest management and traceability of forest products. 100% of our paper mills are managed under FSC CoC certification and in 2024 95.5% of the pulp purchased was FSC certified and 4.5% FSC Controlled Wood.

EU Ecolabel - European Union Ecolabel
This label stands for products and services with high performance standards and low environmental impact throughout their life cycle. We have Ecolabel certification for 15% of our Special Papers sites.

Re-made in Italy
Certification verifying the recycled and by-product content in a material or product (even multi-material) is a traceability system compliant with the Procurement Code and CAM (Minimum Environmental Criteria). We have one site certified (8% of the total paper sites).

Food safety certifications – BRCGs and UNI EN 15993
Arco (Italy) paper mill is certified according to UNI EN 15593, ensuring the compliance with the applicable legal requirements for packaging material intended for food industries. Cordenons (Italy) paper mill is certified also according to BRCGs.

ISO 9001 - Quality Management Systems
92% of the Special Papers sites are ISO 9001 certified. 100% of the Self-Adhesives sites are ISO 9001 certified.

ISO 14001 - Environmental Management Systems
92% of the Special Papers sites and 75% of the Self-Adhesives production sites are ISO 14001 certified.

ISO 45001 - Occupational Health and Safety Management Systems
77% of the Special Papers sites and 69% of the Self-Adhesives production sites are ISO 45001 certified.

ISO 50001 - Energy Management Systems
23% of the Special Papers sites are ISO 50001 certified. 100% of the Self-Adhesives sites have energy management procedures that are aligned with ISO 50001 principles, without external certification.

ISO 22000 for the quality of products for food use
Self-adhesives site of Girona is certified ISO 22000, for the conformity of the Food Safety Management System standard.

ASSOCIATIONS AND ENDORSMENTS

UN Global compact: since 2021 Fedrigoni is part of the United Nation Global Compact, whose mission is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the SDGs through accountable companies and ecosystems that enable change.

Ellen Mac Arthur Foundation: since 2022, we are member of Ellen Mac Arthur Foundation, a non-profit organisation whose mission is to accelerate the transition to a circular economy.

CELAB: since 2020, we are founding member of CELAB; it includes approximately 35 industry-leading companies representing the entire value chain that have come together to create a sustainable pressure sensitive labeling industry by offering solutions and providing education to enable matrix and liner recycling.

RECYCLASS: we are member of RECYCLASS, a non-profit, cross-industry initiative advancing recyclability, bringing transparency to the origin of plastic waste and establishing a harmonized approach toward recycled plastic calculation & traceability in Europe. RecyClass established Recyclability Certifications for plastic packaging, Recycling Process Certification and Recycled Plastics Traceability Certification for plastic products.

Assocarta: we are member of Assocarta, the trade organisation regrouping and working on behalf of the Italian Paper Industry representing pulp, paper and board manufacturing companies in Italy. Assocarta is a member of Confindustria and is the effective voice of the Italian paper industry towards the leading political and administrative institutions, including parliament, the Government, trade unions and other social partners. Under the umbrella of the Confederation of European Paper Industries (CEPI) Assocarta ensures a constant monitoring of EU policies and actions affecting the paper industry.

Aticelca: we are member of Aticelca, the Association of technicians and experts working in the paper industry. Established in 1967, Aticelca aims to provide its members with technical and scientific know-how to enhance methods for papermaking and raw materials for paper industry. In particular Aticelca has developed the ATICELCA® 501 UNI 11743 Method which, through an analysis that simulates in the laboratory the conditions under which paper is recycled in paper mills, allows the level of recyclabilitỳ of any product made of paper and cardboard to be measured, including printed, glued, laminated or laminated products.

ESG RATINGS

S&P GLOBAL – In 2024 we improved our Score by 10 points, reaching 71 in the S&P Global Corporate Sustainability Assessment (CSA) and a Global ESG score of 74.

ECOVADIS – In 2024 EcoVadis awarded us the Platinum Medal for the third consecutive year, placing us in the top 1% of the best companies in our industry worldwide, with a score 90/100.

Moreover, since 2023 we became Leader in the Carbon category, awarded as a company with the best-in-class GHG management system and strong decarbonization ambition with approved science-based targets.

CDP - In 2024 we participated for the first time in the CDP questionnaire as a public discloser, obtaining B rating in the Climate, Forests and Water security questionnaires.

ENVIRONMENT

CO_2 & Renewable energy

Why the topic is material	**Impact on society and environment**: climate is the most pressing environmental issue at global level, affecting all current and future generations. As science tells us, reversing climate change if we overcome some threshold of temperature increase will not be reversible. **Financial impact on Fedrigoni**: Climate change presents both financial risks and opportunities. Risks include possible damage to the plants due to extreme weather events to transitional risks related to the adoption of new technology for the energy transition, market risks related to customer purchase decision, regulatory current and upcoming legislation. The main opportunities are related to anticipating competition in finding solution to offer low carbon products to the market. **Significance for stakeholders**: Especially for our customers and investor climate change is usually the most important topic: For our customer the engagement of their suppliers is fundamental to meet their emission reduction targets and meet the expectations of their final customers, in particular of younger generations that are placing more importance to environmental topic in their purchasing decisions. For investors, climate change has established as an investment risk so having transparency in data and information is paramount in order to manage this risk.
Targets by 2030	• -47.1% of absolute scope 1 and 2 GHG emissions • -27.5% of absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities and end of life treatment of sold products
SDG and targets where we want to make the difference	8 DECENT WORK AND ECONOMIC GROWTH 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high value added and labour-intensive sectors; 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead. 13 CLIMATE ACTION 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries; 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.
Business case:	An example of impact on revenues can be referred to the ability to offer to our customers low-carbon products: Many customers, especially from younger generations are placing more importance to GHG emission of the products during their purchasing decision: If we are able to meet their expectations our revenues would be positively impacted, otherwise if we are not we will suffer a decrease in revenues.

Climate change is one of the most pressing challenges of our time, driven by rising levels of greenhouse gases like CO_2, primarily generated by the combustion of fossil fuels, deforestation, and industrial activities. As of early December 2024, atmospheric CO_2 levels have reached approximately 424 parts per million (ppm), an increase of over 52% compared to preindustrial levels, underscoring the urgency of global action. The 2015 Paris Agreement marked a global commitment to limit global warming to well below 2°C, striving for 1.5°C, by reducing emissions. In alignment with this, the European Union has pledged to cut emissions by 55% by 2030 and achieve climate neutrality by 2050. Without immediate and ambitious action, the risks are profound: rising sea levels, extreme weather events, biodiversity loss, and severe socio-economic impacts.

In 2024, we developed our Group Decarbonization Plan, reinforcing our commitment to mitigating climate change and aligning with the Paris Agreement's goal of limiting global warming to 1.5°C. The plan was built upon the results of our scenario analysis, with a particular focus on transition risks, ensuring a strategic and forward-looking approach and it was developed through active engagement with stakeholders across our value chain, particularly our suppliers. The plan includes a new target, approved by SBTi, to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 47.11% by 2030 compared to 2019, encompassing all new acquisitions. The plan was formally approved by the Board of Directors of Fedrigoni.

For the FSP Business Unit, the most emission-intensive within the Group, we conducted a plant-by-plant analysis to identify potential levers for replacing natural gas. Two key actions were identified to achieve significant emissions reductions in two production plants:

1. A partnership with a supplier to purchase biomethane, replacing a portion of the natural gas used.
2. A project to enhance renewable energy generation from a hydroelectric power plant.

These two actions will require an investment of over 9 million € and will contribute significantly to our decarbonization targets.

For the FSA Business Unit, the primary objective is to increase the percentage of renewable energy purchased from the grid.

Regarding Scope 3 emissions, a new target—approved by SBTi—has been set to achieve a 30% reduction in emissions from category 3.1 (purchased goods and services), 3.3 (fuel and energy-related activities) and 3.12 (end-of-life of products) by 2030. In 2024 we conducted a more accurate mapping of our Scope 3 emissions and received several primary data from our suppliers, which enabled us to identify key areas for intervention. This detailed analysis provided the foundation for setting the new target.

Regarding climate change adaptation, we developed in 2023 a Climate Change Risk Assessment (CCRA), aiming at evaluating the resilience of the business and its financial exposure over different timeframes, encompassing both the potential consequences of climate-related threats and the strategies for adaptation or mitigation. This analysis has been based on two different climate change scenarios with three distinct time horizons: predictions out from 2023 to 2026, 2030 and 2050 to comprehensively evaluating the company's exposure to physical risks and identifying the potential risks and opportunities derived from the transition to a low-carbon economy. The scenario adopted to assess the physical risks follows the Representative Concentration Pathway (RCP) 8.5 of the International Panel on Climate Change (IPCC). The transitional risks and opportunities followed the Net Zero Emissions (NZE) 2050 of the International Energy Agency (IEA). The results obtained from the analysis of physical and transitional risks played a crucial role in the identification of potential adaptation strategies, which have been developed in response to the risks that have been deemed as most critical. These scenarios laid the groundwork, offering an indispensable comprehension of prospective trajectories within energy markets, climate dynamics, and social transformations. The list of topics encompassed an extensive spectrum, including Market Dynamics, Policy & Legal Frameworks, Technological Advancements, and Reputational Factors.

In 2024 we updated and published our Environmental Policy, that includes actions related to climate change and it defines roles and responsibilities about it. The Environmental Policy was approved by the Board of Directors.

Scope 3 category (t CO_2e)	2024	2023*
Cat 1: Purchased goods and services	797,504	676,686
Cat 2: Capital goods	14,196	19,182
Cat 3: Fuel- and Energy-Related Activities	58,182	51,724
Cat 4: Upstream transport**	71,434	61,055
Cat 5: Waste generated in operations	5,744	4,787
Cat 6: Business travel	5,371	5,362
Cat 7: Employee commuting	8,723	7,710
Cat 8: Upstream leased assets	0	0
Cat 9: Downstream transport	51,864	45,775
Cat 10: Processing of sold products	32,023	26,032
Cat 11: Use of sold products	0	0
Cat 12: EoL of sold products	368,432	323,410
Cat 13: Downstream leased assets	0	0
Cat 14: Franchises	0	0
Cat 15: Investments	3	2
Total Scope 3	**1,413,476**	**1,221,725**

* Please note that 2023 cat.1 cat 12 and Cat 15 emissions have been recalculated due to a methodological improvement.

**2024 cat. 4 has been estimated based on 2023 emissions.

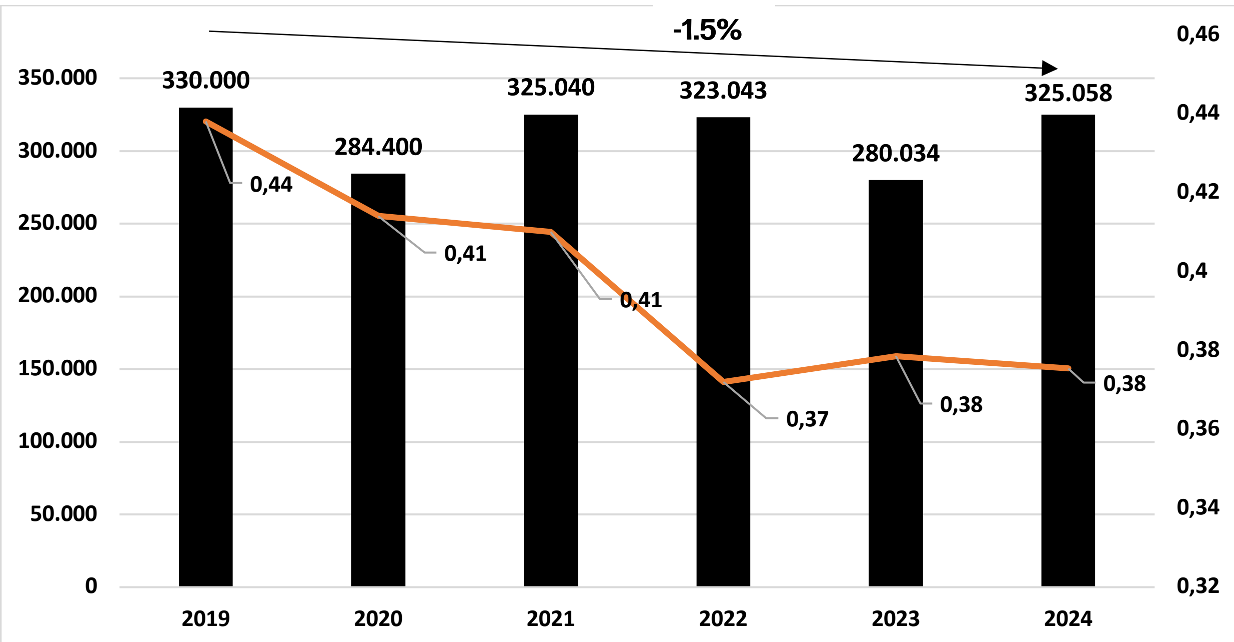
The percentage of Scope 1 GHG emissions from regulated emission trading schemes was 84% in 2024.

No GHG removals and GHG mitigation projects financed through carbon credits were carried out in 2024.

The table below shows the absolute and specific CO_2 emissions at Group level and by Paper and Self-Adhesives division.

CO_2 emissions (t CO_2e)*	2024	2023	2022
Special Papers			
Scope 1	284,064	240,715	286,453
Scope 2 market based	1,658	3,696	426
Total Paper (scope 1 + scope 2 market based)	285,722	244,411	286,880
Emission ratio Paper (t of CO_2 on t of production)	0,6	0.60	0.57
Self-Adhesives			
Scope 1	33,350	29,909	31,160
Scope 2 market based	5,986	5,714	5,000
Total Self-Adhesives (scope 1 + scope 2 market based)	39,336	35,623	36,160
Emission ratio Self-Adhesives (t of CO_2 on t of production)	0.10	0.11	0.10
Total Group Scope 1 emissions	317,414	270,623	317,616
Total Group Scope 2 emissions	7,644	9,410	5,427
Total emissions Group (scope 1 + scope 2 market based)	325,058	280,034	323,043

*Total Scope 2 location-based emissions in 2024 30,344 t CO_2e: (23,184 t CO_2e in 2023 and 20,052 t CO_2e in 2022).
Scope 1 emission were calculated using emission factors indicated in "Ministero dell'ambiente - tabella parametri standard nazionali 2024". Market-based Scope 2 emissions, measured in tons of CO2eq, were calculated using the Residual Mix emission factors indicated in "2023 European Residual Mixes, V.1.0", published by AIB in 2024. Location-based Scope 2 emissions were calculated using the emission factor indicated in "Confronti internazionali; 2020", published by Terna.



Absolute CO_2 Scope 1+2 emissions decreased by 1.5% versus the 2019 baseline against an increase in volumes of approximately 14.8%, mainly thanks to energy efficiency and purchase of electricity from renewable sources. Moreover, our CO_2 intensity rate, calculated as absolute CO_2 emissions per tons produced, decreased by 14.7% from 2019 at Group level.

Energy

The table below shows the consumption of energy needed for our production, which is mainly obtained using natural gas in our cogenerators and electricity purchased form the grid or self-produced through solar or hydropower plants:

(GJ)	2024	2023	2022
Special Papers			
Natural Gas	5,006,501	4,258,992	5,096,496
Electric energy purchased	176,619	120,596	28,806
Of which from renewable sources (%)	91%	46%	88%
Electricity self-produced for consumption (hydroelectric and solar)	52,738	71,160	57,191
Energy sold (from cogenerator)	186,234	207,164	238,701
Total Paper	5,049,624	4,243,584	4,943,792
Index energy consumption Paper (GJ/ton paper)	10.7	10.4	9.9
Self-Adhesives			
Natural Gas	587,789	529,179	554,385
Electric energy purchased	205,587	191,611	210,294
Of which from renewable sources (%)	71%	71%	77%
Electricity self-produced for consumption (Hydroelectric and solar)	24,386	23,726	24,478
Energy sold (from cogenerator)	45	63	32
Total Self-Adhesives	817,711	744,453	789,125
Index energy consumption Self-Adhesives (GJ/ton adhesive material)	2.1	2.2	2.2
Total Group energy consumption	5,867,335	4,988,039	5,732,917
Of which from renewable sources (%)	6.6%	5.7%	4.7%

The Group's total energy consumption in 2024 was 5,867,335GJ, up by 17.6% compared to the previous year.
Use of electricity from renewable sources rose to 6.6% of the overall consumption (5.7% in 2023), thanks to two levels of action:

- Electricity purchased through certificates of origin (GO).
- Electricity self-produced by hydroelectric plants for internal consumption in Fabriano, Pioraco Scurelle and Varone and self-produced by a photovoltaic plant in Verona.

As part of our energy management system, we carried out regular energy audits to identify potential savings, we set internal targets for energy savings and provide trainings to employees on energy efficiency related topics.

Air emission

In addition to carbon dioxide (CO_2) emissions, we monitor other atmospheric emissions, including nitrogen oxides (NOx), particulate matter (PM) and volatile organic compounds (VOCs). The quantity and quality of the NOx mixture varies depending on the substance being burned and the conditions under which combustion takes place. To limit and control these emissions, it is important that combustion takes place uniformly, avoiding temperature peaks. The table below shows NOx emissions for the Special Papers division over the two-year period for.

Emissions (tons)	2024	2023	2022
NOx *	150.9	109.5	90.2
PM	5.2	4.8	2.6
VOC	23.9	20.4	11.0

*in 2023, there was an improvement in the data collection process

No other significant types of polluting emissions into the atmosphere are recorded.
We conduct at least annual monitoring of these parameters, following the timelines and procedures set forth by the relevant authority. We adopt various technologies such as filters and capture systems in order to minimize these emissions into the atmosphere.

In 2024, no cases of violations of regulations related to air emissions were recorded in our production plants.

Product innovation

Why the topic is material	**Impact on society and environment**: the choice of raw materials we use as input in our products can generate different impact not only on the environment (e.g. deforestation) but also on society (e.g. human rights). During the production phase the impact is connected to the waste generated and their method of disposal. In the end of life of our products the positive impact related to the possibility of recovering and reusing the raw materials while the negative impacts are generated if our product ends to landfill or worst directly in the environment. **Financial impact on Fedrigoni**: Regarding the end of life of our products we are receiving increasing scrutiny both from our customer and from the legislators. If we are able to provide the market with products with an optimal end of life it would have hugely financial benefit, otherwise it could create financial risks. **Significance for stakeholders**: For our client having the possibility to offer their final customers a product with an optimal end of life is of increasing importance. For local communities the impact is relate to the decrease in the amount of waste going to landfill and increasing their recycling rates.
Target by 2030	100% of our products designed for optimal end-of-life recycling and recovery
SDG and targets where we want to make the difference	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors; 8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.
Business case:	An example of impact on revenues can be referred to the ability to offer to our customers products with lower environmental impacts. Many customers, especially from younger generations are placing more importance to the environmental footprint of the products during their purchasing decision: If we are able to meet their expectations our revenues would be positively impacted, otherwise if we are not we could suffer a decrease in revenues.

Raw materials

Pulp

The main types, used in different mixes based on the final features of the paper, are softwoods such as European softwoods, hardwoods (eucalyptus and mixed hardwoods), and BCTMP. The raw materials also include a small percentage of cotton used for art paper. Fedrigoni owns no forests and has no direct access to pulp but buys from controlled and certified plantations, and our procurement system is only through qualified, verified suppliers. For many years, the use of timber from forests has been subject to regulations and involves the reforestation of areas used for production. The production of paper is subject to certification showing that it comes from sources that are managed sustainably for the entire ecosystem, including animals and local communities. One of the most important certification systems is FSC® (Forest Stewardship Council). Since 2014, we set the target of having 100% of our pulp certified by FSC® according to two different standards:

- Chain of Custody (COC) is the certification that guarantees the traceability of materials from FSC® certified forests and is essential for applying FSC® labels on products.
- Controlled Wood (CW) is a material classified as Controlled Wood, which can be mixed with certified wood when making products labelled as FSC® Mixed.

In 2024 *95.5% of the pulp purchased was FSC certified and 4.5% FSC Controlled Wood*. Our pulp comes from Brazil (about 45%) and the rest from Uruguay, Sweden, Finland, Estonia, Spain, France, Canada, Chile, Austria and Croatia.

Cotton: for some special papers we use cotton. The cotton used is a by-product of the textile industry (second cut linters: fibers too short to be used for textile production, which remain attached to the seed after ginning).

Chemicals

- Vegetable starches: These are used both in the pulp and on the surface as binders to make paper and surface coatings, mainly obtained from maize and potatoes;
- Dyes and pigments: These are used both in the pulp (the main body of the paper) and on the surface for specialty paper coatings. They are one of the characteristic elements of specialty papers and are used to give the various color and pearlescent effects to the paper;
- Carbonates and kaolins: These are used for coatings. They are one of the key components to ensure the correct application of the coating on the paper. Carbonates come from Italy and Austria when needed (due to plant downtime). Kaolins come from Germany and the US.

Self-Adhesives products are composed of a top coat, a face material, an adhesive, a silicon and a liner:

Top Coat

It's a layer applied on top of the face material in order to provide better printability of the filmic label with various printing techniques and to increase its durability enabling a wider range of applications.

Face Material

- Face films: These are the plastic-based film faces used as the "front faces" to make the self-adhesive labels; it is the part that is later printed and used by the end-customer. They are mainly made of polypropylene, polyethylene, PET and PVC, with different surface finishes (matt, glossy, metallic). Our product range also offers solutions with recycled solutions.

- Face papers: These are the paper-based facings used as the “front faces” to make the self-adhesive label material. It is the part that is subsequently printed and used by the end-user. There are different types of face papers such as coated papers, thermal papers, and specialty papers which are used for high value-added labels in the wine industry (these are purchased from Fedrigoni Paper).

Adhesives

Adhesives represent the key know-how of the Self-Adhesives Business Unit. They can belong to different families (acrylic, hotmelt, solvent and UV-crosslinked) and be of different types (permanent, semi-permanent, removable and ultra-removable, including wash-off). They can be bought ‘ready-to-use’ or as raw materials to be ‘formulated’ at the Group’s plants according to specific coating technologies and product quality requirements.

Silicones

Silicones are inorganic polymers that can be from different families (solvent-free, water-based solvents and UV-crosslinked) and, depending on the latter, undergo the “curing” process (polymerisation). They are used to make the backing non-stick, thus allowing the label to be dispensed. In our plants the silicon is mainly applied in line in order to have to complete control of the process.

Liners

Glassine liners: These are the paper-based backings used as the backs to make the self-adhesive label material. It is the non-functional part that is subsequently removed and discarded by the end user. We developed our **Re-play™** program to address this waste generating issue (more on End-of-life of our products and circular economy” paragraph)

Liner films: These are the plastic-based liners used as the backs to make the self-adhesive material for labels, which is the non-functional part that is later removed and discarded by the end-user. It is usually either new or recycled PET;

Clay Coated Kraft Papers: it is an adaptable released base paper with an efficient converting performance. It is used for reel and sheet, fanfolding and other applications. It displays high lay-flatness and dimensional stability.

Other

These are the different minor categories used by both the Paper and the Self-Adhesives Business Unit, the main sub-categories are:

- Security elements: These are the raw materials used to create the security features (both for paper and self-adhesive material), among the most relevant are pigments, inks and holograms;
- Packaging: These are the elements used to package the papers and self-adhesive material, the main ones being pallets, boxes, crates and films.

End-of-life of our products and circular economy

Our 2030 target related to the end of life of our products is to have 100% of products designed for optimal end-of-life recycling and recovery (baseline 2022).

This target is built upon two sub-targets, tailored to our businesses and based on recognized external certifications:

- Special Papers: 100% of recyclable products with a third-party recyclability certification
- Self-Adhesive: 100% of our standard product portfolio available in a solution enabling recyclability or reuse of packaging (recyclable, compostable, wash-off)[5]

For paper products we are conducting recyclability assessments according to the Aticelca framework, while for Self-Adhesives we are participating in Recyclass activities to help design guidelines for the optimal recyclability of plastic containers. We are assessing all applicable products to this framework. We are assessing some solutions with a third party for the compostability of our products, dedicated mainly to food applications. Wash-off refers to the ability of a label to be easily and cleanly removed from the primary container in order to guarantee its reusability or optimal recyclability.

Currently, more than 95% of the Special Papers products have received a third-party certification of recyclability. In 2024, 30% of standard portfolio of Self-Adhesives products was available in a solution enabling recyclability or reuse of packaging.

Re-play™

Whenever a self-adhesive label is applied, glassine is usually discarded. However, it is a high-quality support, composed of very high-quality fibers with important mechanical characteristics. A waste of resources and value that prompted Fedrigoni Self-Adhesives to study solutions, which materialized with the range of **Re-play™** (launched during 2022). The siliconized glassine is, in fact, recovered and collected from the end users, thus involving the end customer in a circular process: the material re-enters the production phase as part of the composition of the paper stock, to create new high-quality face material. **A perfect example of upcycling, where material can have an enhanced second life compared to the first one.**

Life Cycle Assessment and Innovation

The Life Cycle Assessment measures the environmental footprint associated with a product throughout its life cycle. In 2024, we developed a new LCA tool that expands the range of indicators beyond energy, water, and carbon footprints. This new tool allows us to evaluate additional environmental impact categories, including Abiotic depletion, acidification, particulate matter, ecotoxicity, ozone depletion, photochemical ozone formation, Human toxicity and ionizing radiation. Moreover, it integrates primary data received from our suppliers, enabling a more accurate and comprehensive analysis of our products' environmental footprint. This methodology allows us to better understand which phases account for the most environmental impacts of our products. Both for Special Papers and Self-Adhesives products the majority of the impacts are in our supply chain for the production of raw materials and semi-finished products. That's why we are working very closely with our suppliers to receive raw materials and semi-finished goods with lower environmental impacts. In order to reduce the impact of our production process phase we are pushing energy efficiency at its maximum, assessing solutions to replace natural gas in our plants and purchasing renewable energy from the grid.

Fedrigoni makes sure that our products are manufactured in compliance with main international regulations related to dangerous substances (e.g., Regulation EC n. 1907/2006 REACH), in particular for paper products without using chlorine (using TCF and/or ECF pulp) and is committed to prevent and avoid the use of all hazardous substances from its processes and products.

[5] excluding pharma, graphics and technical materials

In the development of each product a risk analysis is carried out to assess the compliance with all applicable laws and the impacts on customers' health and safety. We intend to move away from forms of self-declaration on issues that it considers fundamental for our ESG strategy, such as the PFAS content in our products. For this reason, we want to obtain a third-party certification to confirm the eventual presence or absence of PFAS, progressively testing our products. Moreover, we decide to go beyond and to evaluate our products also from a TOF (Total Organic Fluorine) perspective, in line with the last updates of the Californian Proposition 65 and its future restrictions.

LCA methodology is also a guiding principle of our approach to innovation (daily collaboration between Innovation and Sustainability at Group level).

Innovation

In 2023 we inaugurated our new Innovation Center in Verona. A 3,000 square meter space where open innovation between companies and universities, the Customer Experience Center and the Customer Academy will give space to ideas and projects that will transform the industry landscape.

Within the innovation center there are dedicated spaces for exchanging and transfer of ideas, cross pollination, open innovation dedicated to students, academies, graphic and marketing agencies, genius etc.

A key element of the Innovation Center is its role as a hub for PhD students, where open innovation materializes through academic collaboration. We currently manage ten active PhD programs, working closely with universities to develop research projects and assess new talent. In this regard, Fedrigoni embraces an Open Innovation model, collaborating with universities and research centers to develop new products. In 2024, we strengthened these partnerships to advance key areas such as increasing recycled materials, exploring alternative fibers, and enhancing compostability.

Ongoing PhD projects with leading universities focus on innovative solutions like cellulose extraction from food waste or the use of alternative celluloses. One project specifically explores Microfibrillated Cellulose (MFC), a versatile material derived from the breakdown of wood fibers into ultra-thin filaments. MFC has applications beyond traditional papermaking, enabling the development of transparent films, high-performance coatings, and advanced composites that can serve as sustainable alternatives to plastics. Biodegradable, renewable, and recyclable, MFC aligns with Fedrigoni's commitment to sustainability and the transition towards more eco-friendly materials.

In February 2025 Fedrigoni announced the acquisition of a minority stake in Papkot, a startup that has developed large-scale technology to coat paper with plastic-like properties, converting silicone and cellulose into a nanostructured material that eliminates plastic from single-use packaging. This investment is part of Fedrigoni's corporate venture capital program aimed at identifying innovative startups to accelerate its innovation process, acquire new technologies, and assist clients in their sustainability journey. Papkot's proprietary coating platform offers high-barrier, fully recyclable, and biodegradable fiber-based solutions compatible with existing paper and packaging production processes. Papkot's advanced barrier technology ensures high resistance to water, grease, oil, and glycerol, while guaranteeing transparency and other customizable surface properties crucial for packaging applications. All solutions are fully recyclable and free from harmful chemicals (PFAS).

Fedrigoni, in collaboration with Easysnap Technology and Mars Food & Nutrition's MasterFoods, has developed **Papersnap®**, a fully recyclable, paper-based squeeze-on tomato sauce pack. This innovation aligns with the global shift from plastic to paper, reducing single-use plastics while ensuring product freshness and convenience. Papersnap® combines a high paper content with strong barrier properties and recyclability, demonstrating how advanced materials can replace plastic packaging.

In our graphics division we developed the new F-Jet Natural Fibers, our solutions to replace plastic face films from products dedicated to indoor short-term advertising. At the moment, on the market around 95% of these applications are made with monomeric PVC films and the remaining 5% are made with PO and PET films. Our product developed by our R&D team managed to find a solution with a paper face that provides a high level of printability and adhesive anchorage.

Waste

We apply the so-called "waste hierarchy": first we implement initiatives to prevent and reduce the production of waste, then we favour their recycling and recovery. In fact, we set the target of zero waste to disposal in landfills.

At the Special Papers Business Unit, the main waste is sludge from process water, which is purified through primary chemical-physical plants and secondary biological plants before being returned to the environment. In addition to this waste, there is also mixed packaging, wood, plastics, production waste containing silicones, solutions/dispersions/emulsions of substances derived from machine washing, waste oil, iron, and electrical equipment. Among these, hazardous waste represents a very small proportion of our total production, around 2%, and are all responsibly managed according to best available internationally recognized practices.

At the Self-Adhesives Business Unit, waste is the most important environmental aspect. The main waste is raw materials and semi-finished products (mixed waste) and the washing-water used to clean coating heads (both with water and solvents). All waste is collected, separated and, increasingly, sent for energy or material recovery.
As part of our environmental management system, we carried out regular audits on waste to investigate potential improvements.

The table below shows the production of waste for the two business divisions.

Waste		2024	2023	2022
Group total waste	tons	104,200	86,608	68,650
Waste recovered	%	92.4%	90.0%	88.9%
Hazardous waste	%	2%	3%	6%
Total waste	tons	60,677	48,207	33,094
Total waste/production ratio	kg / tons	128.2	118.3	66.2
Sludges	tons	21,569	18,059	17,231
Sludges percentage	%	35.5%	37.5%	52.1%
Total waste	tons	43,522	38.401	35,556
Total waste/production ratio	kg / tons	110.8	115.6	97.1
Mixed waste	tons	19,822	17,515	17,733
Liquid washing waste	tons	2,966	2,836	2,955

By 2024, we achieved 92.4% recovery of our waste (90.0% in 2023) thanks to the following initiatives:

- packaging reduction;
- recovery of washing water;
- circularity of sludge from paper mills into other industrial sectors (agriculture and bio-building materials);
- recovery of solvents from washing water;
- circularity initiatives to offer customers a collection service for self-adhesive material waste with third-party support (RePlay);
- Initial efforts to also find solutions for the matrix (semi-finished waste), which is currently an unused waste in the Self-Adhesives business unit.

In 2024, no cases of violations of regulations related to waste management were recorded in our production plants.
In 2024 we updated our Environment Policy and it was approved by our Board of Directors.

Biodiversity

Why the topic is material	**Impact on society and environment**: the choice of raw materials, especially in the case of cellulose, if not accurately selected could generate negative impact on loss of biodiversity. Our direct impacts are related to the position of our sites in relation to the local biodiversity. **Financial impact on Fedrigoni**: Our key raw materials are dependent on nature and disruption in the supply chain could generate important financial risks. Brand reputation in connection with the protection of biodiversity is also of increasing importance. **Significance for stakeholders**: For our customers the possibility to protect their brand reputation by providing the full traceability of the raw materials is of vital importance.
Targets by 2030	• 100% of pulp purchased with FSC certification • No net deforestation in our operations and our supply chain • Implementing measurable initiatives to improve and restore biodiversity in our sites
SDG and targets where we want to make the difference	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Fedrigoni's journey to address biodiversity concerns started in 2022, when we did our first Biodiversity Impact Assessment. It outlined that all our paper mills are located within 5 km of an area of biodiversity interest and that four main activities are likely to cause direct impacts on biodiversity: land use of production facilities, water withdrawal, water discharge, and operational activities. We therefore implemented initiatives to restore biodiversity in 7 of our Italian paper mills, starting from Pioraco that is located inside a national park. We have started small restoration projects that include planting trees, sowing wildflowers and installation of birdhouses and bat boxes; The aim of these initiatives is to increase the well-being of the natural area and the people who enjoy it. These projects cover an overall area of 22,415 square meters (at our production site level, we have 4% of natural areas compared to the overall industrialized ones).

In 2023, we had the Board approval of our commitment "People & Nature: Make business work for people and nature". It embodies our vision of 'environment' and 'people' as deeply interconnected and inseparable concepts; and it includes all our targets and actions relating to Human Rights, Emissions, Circularity, Waste, Water, Pollution and Biodiversity, considering not only direct impact caused by our plants but also in our supply chain. Since 2024, for each topic, we have dedicated Group Policies, also approved at Board level. Also in 2023, we carried out with a third party a specific project related to the traceability of our pulp supply chain and biodiversity risks. The WWF Biodiversity Risk Filter was applied to identify and assess material risks - both physical and reputational - of the sourcing locations. This assessment revealed the following risks: deforestation, wildfire hazard, soil condition, landslides, pollination, herbicide resistance and water scarcity. Moreover, Additional dependencies with high and medium risks associated with biodiversity are related to timber and wild flora and fauna availability, water and ecosystem condition, extreme heat and impact on land use change. We adopted the "Mitigation Hierarchy" to guide our actions on biodiversity: the first step is to avoid any unnecessary negative impact. For example, we avoid converting green areas in our plants or we avoid buying pulp with no certification related to forest management. We then aim to reduce our impacts of those actions that cannot be entirely avoided. For example, we reduce the amount of water withdrawal by adopting water treatment technologies that allow us to use the same water for longer cycles reducing the amount of freshwater needed in our production plants. As we do not own any forest, regenerative actions will take place in our pulp supply chain. We have started engaging our suppliers on their biodiversity strategy to work together on projects related to nature regeneration. Both the results of Biodiversity Impact Assessment of our plants and of the Biodiversity Risk assessment in our supply chain are now integrated into our Group Risk Management activities and included in the update of our materiality analysis.

2024 was the second year dedicated to engaging our pulp suppliers to assess their zero-deforestation, traceability and biodiversity efforts. This assessment revealed that around 55% of our current pulp suppliers have already established a clear commitment to zero deforestation and biodiversity. The remaining part, have all already started specific project on these topics.

In 2024 we focused on understanding how to anticipate requirements by the upcoming European legislation on zero deforestation (EUDR). The EUDR is the new EU rules to guarantee that the products EU citizens consume do not contribute to deforestation or forest degradation worldwide. Commodities like cattle, wood and paper products, cocoa, soy, palm oil, coffee, rubber, and some of their derived products, such as leather, chocolate, tyres, or furniture are in scope. Under this upcoming Regulation, any operator or trader who places these commodities on the EU market, or exports from it, must be able to prove that the products do not originate from recently deforested land or have contributed to forest degradation.
100% of our strategic pulp suppliers are equipping themselves to prove traceability of their supplies, as requested by EUDR. This will lead Fedrigoni to proof that all its production is deforestation free.

100% of our paper mills are managed under FSC CoC certification and in 2024 95.5% of the pulp purchased was FSC certified and 4.5% FSC Controlled Wood.

	2024	2023	2022
Pulp certification	*95.5% FSC certified, 4.5% CW*	*96.5% FSC certified, 3.5% CW*	*96% FSC certified, 4% CW*

Water

Why the topic is material	**Impact on society and environment**: Paper production requires a relevant amount of freshwater of high quality. At the end of the production process water is discharged into the environment and without proper treatment it could cause damage in the receiving body. The level of impact of water withdrawals can vary depending on the season and location. **Financial impact on Fedrigoni**: without water paper production is not possible today. Any difficulty in the amount and quality of water withdrawals could cause an interruption in the production process. **Significance for stakeholders**: Especially for local communities and activities dependent on water, the reliability and quality of water availability is of high importance.
Targets by 2030	• 10% reduction in water withdrawals by 2030 • Return 95% of annual water withdrawn to the environment in environmentally appropriate condition • Zero cases of water pollution
SDG and targets where we want to make the difference	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally;

Water is a fundamental element in the production of paper. At the end of the production cycle, around 95% of the water is returned to the environment after being recycled several times in the process and purified of the organic and inorganic substances it contains (that are necessary for the process). A small percentage of water remains in the sheet, about 6 % of the total weight of the main body, and another small part evaporates.

Water consumption in the Self-Adhesives sector is far less important in terms of impact than in paper production. Water is mainly used in the washing stages of the cycles.

We set targets both on water withdrawals and water discharges**.** To achieve our targets, we:

- streamline fiber recovery treatments to maximize water reuse in the production cycle.
- monitor consumption and take action to prevent waste.
- apply processes such as filtration, sedimentation and flotation to treat water.
- manage risks related to regulatory changes (water rates, extraction restrictions, discharge standards and fees).

100% of our mills have chemical and physical water treatment plants and 70% also have biological treatment plants.

Zero cases of water pollution were detected in 2024 and there were no conflicts with local communities. In addition, there have been no water-related incidents with substantial impacts in the last four years (over € 10,000).

The table below shows the water withdrawal by Group and Business Units:

	2024		2023		2022	
Million Liters	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*
Special Papers						
Surface water body	1,217.7	5,873.3	1,276.6	4,445.0	1,612.4	5,166.1
Groundwater	2,007.1	10,260.8	1,977.7	9,445.9	2,236.3	10,563.5
Third-party water	6.3	11.3	6.3	10.1	7.3	13.0
Total Paper	**3,231.0**	**16,145.4**	**3,260.6**	**13,901.0**	**3,856.1**	**15,742.5**
Self-Adhesives						
Surface water body	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0
Third-party water	32.5	807.5	41.7	711.0	543.2	804.6
Total Self-Adhesives	32.5	807.5	41.7	711.0	543.2	804.6
Total Group withdrawal	**3,263.5**	**16,953.0**	**3,302.3**	**14,612.1**	**4,399.3**	**16,547.2**

*Including water stress areas. Source for water stress: WRI, aqueduct. All data refers to freshwater.

In 2024, water withdrawal increased by 16%, mainly due to production increase.

The index that compares the water withdrawal of the paper division compared to the tons of paper produced is 31.1 m^3/t (up by 0.7% compared to 2023).

The table below shows the water discharges for the Group:

	2024		2023		2022		2021	
	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*
Special Papers								
Surface water	2,683.1	15,167.0	2,559.4	12,857.2	3,293.4	14,804.9	3,214.1	14,691.3
Groundwater	0	0	0	0	0	0	0	0
Third-party water	0	0	0	0	0	4,0	0	0
Total Special Papers	**2,683.1**	**15,167**	**2,559.4**	**12,857.2**	**3,293.4**	**14,808.9**	**3,214.1**	**14,691.3**
Self-Adhesives								
Surface water	0	0	0	0	0	0	0	0
Groundwater	0	0	0	0	0	0	0	0
Third-party water	32.5	807.5	41.7	711.0	543.2	804.6	28.4	249.7
Total Self-Adhesives	**32.5**	**807.5**	**41.7**	**711.0**	**543.2**	**804.6**	**28.4**	**249.7**
Total Group water discharge	**2,715.5**	**15,974.5**	**2,601.1**	**13,568.3**	**3,836.6**	**15,613.5**	**3,242.5**	**14,941.0**

* Including water stress areas. Source for water stress: WRI, aqueduct. All data refers to freshwater.

In 2024, we returned 94.2% of the water withdrawn.

The table below shows the water consumption for the Group:

	2024		2023		2022		2021	
	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*	Water stress areas	All areas*
Special Papers consumption	548.0	978.5	701.2	1043.8	562.6	933.7	650.6	919.6
Self-Adhesives consumption	0	0	0	0	0	0	0	0
Group total water consumption	**548.0**	**978.5**	**701.2**	**1,043.8**	**562.6**	**933.7**	**650.6**	**919.6**

*Including water stress areas

The table below shows the average value of the quality of water discharges* from the Paper Business Unit in the last three years. Figures are in line with the values indicated by the Best Available Techniques (BAT):

COD**	mg/l	kg/ton $_{gross\ weight}$	Reference value (BAT n.50)
2022	43.2	1.3	0.15-1.5 kg/ton $_{gross\ weight}$
2023	43.4	1.4	
2024	45.4	1.5	

* No absorbable organic halides (AOX) are generated or added via chemical additives and/or raw materials.
** Chemical Oxygen Demand represents the amount of oxygen required for the complete chemical oxidation of organic and inorganic compounds in a water sample; the absolute COD figure in 2024 was 689.0 t (588.9 t in 2023 and 670.3 t in 2022).

Our water-related Risks Management activities include addressing regulatory changes and potential shifts in pricing structures. At site level, we maintain a keen awareness of evolving regulations governing water usage, withdrawal restrictions, discharge standards, and associated tariffs. Through ongoing monitoring and engagement with regulatory bodies, we assess the potential impacts of future changes, in order to anticipate shifts in policies and pricing models. Our approach includes conducting scenario analyses to assess the potential implications of regulatory or tariff adjustments on our operations at the local level.

SOCIAL

Health and Safety

Why the topic is material	**Impact on society and environment**: every accident determines negative direct consequence on the person involved and potential negatives impacts on the family and close ones. **Financial impact on Fedrigoni**: a high injury frequency rate could pose a risk of production continuity and to people attraction and retention. Moreover, if a severe case happen, the authority could impose the suspension of the production activity of the plant. **Significance for stakeholders**: Being a manufacturing company, health and safety is the most relevant topic for our employees.
Targets by 2030	8 DECENT WORK AND ECONOMIC GROWTH • -85% of accident frequency index
SDG and targets where we want to make the difference	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

In 2024 we updated our Health and Safety Policy and it was approved by our Board of Directors. It promotes leadership as a powerful factor to rapidly share a safety culture and to support team members to work safely and return home healthy.

Our Sustainability Decalogue helps us in maintaining the daily level of care and safety and housekeeping at our sites according to our quality standards.

All our plants have a Health and Safety management system that is based on risk and hazard identification and assessment. Each site has a specific action plan dedicated to minimize risks and achieve the targets to limit injuries occurrence. All plans include internal inspections as well as third party audits. 77% of the Special Papers sites and 69% of the Self-Adhesives sites are ISO 45001 certified, the internationally recognized standard for occupational health and safety management systems.

In the FSA Business Unit we continued the "Gemba walks" project, an internal inspection with a specific checklist and engagement with employees.

Regular meetings with H&S representatives of all sites are carried out to share best practice among different plants.

Each Operational committee and all monthly update meetings with top management start with a safety review.

Thanks to the Near Misses procedure, each employee can report an unplanned event that has the potential to cause, but does not actually result in human injury, environmental or equipment damage, or an interruption to normal operation.

The Safety Alerts procedure allows employees to make suggestions to prevent accidents.

All events – injuries, safety reports and near misses – are analyzed on a regular basis to:

a) ascertain the primary cause of the incident with a root cause analysis adopting the 5 WHYs approach
b) identify and implement subsequent actions to prevent those events from reoccurring
c) provide evidence to our people that reports have been addressed by site management.

In 2024, we recorded zero fatalities at employees and contractors' levels.

The table below shows trends of our data and indicators over the last four years.

Employees safety data		**2024**	**2023**	**2022**
Hours of training	number	25,732	27,819	21,899
Hours of training/ number of workers involved	Ratio	6.3	6.8	5.8
Near misses	Number	386	479	630
Of which resolved	*Ratio*	*98%*	*88%*	*87%*
Safety reports	number	7,996	7,630	5,569
Of which resolved	*Ratio*	*88%*	*86%*	*87%*
Total Recordable Injury [1]	number	82	81	83
Total Recordable Injury frequency rate[2]	**Ratio**	**10.2**	**11.0**	**13.3**
Loss time injuries [3]	number	81	79	61
Lost-time injury frequency rate	Ratio	10.1	10.7	9.8
Severity rate[4]	Ratio	0.36	0.35	0.2
Fatalities employees	Number	0	0	0

1 Any work-related injury or non-work-related that occur in the company premises that results in the employee not being able to return to work the next scheduled work shift. In 2024 no injuries are considered "high-consequence work-related injuries" according to GRI definition.

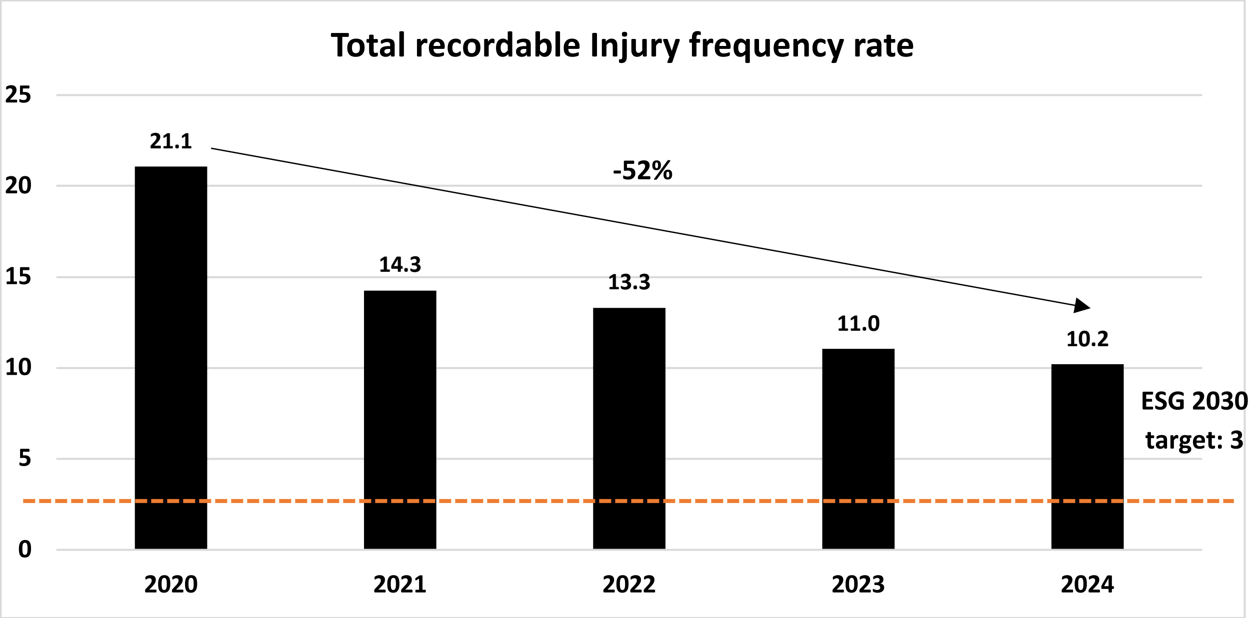
2 Frequency rate calculated as the number of injuries divided by the hours worked and multiplied by one million. The hours worked in 2022, 2023 and 2024 were respectively:6,232,694, 7,336,579 and 8,031,099.

3 Any work-related injury that occurs in the company premises that results in the employee not being able to return to work the next scheduled work shift.

4 Severity rate calculated as the number of days lost divided by the hours worked and multiplied by one thousand

Contractors' safety data		**2024**	**2023**	**2022**
Total Recordable Injury	Number	14	14	24
Loss time injuries	Number	14	14	14
Total Recordable Injury frequency rate[5]	**Ratio**	15.9	24.9	26.6
Lost-time injury frequency rate[5]	Ratio	15.9	24.9	16.6
Fatalities contractors	Number	0	0	0

[5] Frequency rate calculated as the number of injuries divided by the hours worked and multiplied by one million. The hours by external workers in 2023 and 2024 were 563,347 and 882,009 respectively.



At Group level, we decreased our frequency rate by 52% from 2020 (baseline of our 2030 target).

People experience & development

Why the topic is material	**Impact on society and environment**: A workforce that is continuously learning and growing is better equipped to adapt to changing market dynamics and technological advancements. People who are encouraged to think creatively and share ideas contribute to a culture of innovation. **Financial impact on Fedrigoni**: people experience and development directly impacts the ability to attract talent, engage employees, foster innovation, and maintain a competitive edge in the market. Engaged people experiences lower absenteeism, higher job satisfaction, lower turnover and better overall performance. A positive reputation as an employer of choice can attract also resources from investors, contributing to long-term success. **Significance for stakeholders**: For Fedrigoni People the possibility to experience a meaningful, growing and satisfactory working environment is of paramount importance. For our investor as well, the ability to attract and retain talents has a high importance in their investment decision.
Targets by 2030	• Being in the top 5% for employee NPS (eNPS) compared to other manufacturing companies
SDG and targets where we want to make the difference	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Engaging our people from the moment they sign with us

Improving employees' engagement and productivity in a positive, hybrid work environment, supporting a shared sense of purpose is one of the HR imperatives of our people strategy. We are proud to present our key initiatives, designed with the aim of fostering and amplifying engagement among our team members and rooted in the principle of continuous, open dialogue with every individual in our organization.

- The fifth edition of our annual companywide engagement survey.
- The onboarding experience for new joiners in our offices that starts even before their first day at work and a pilot project for workers in our Verona plant to be rolled out in other locations in 2025.

Proactively Monitoring and Responding to Our People's Engagement through our annual companywide engagement survey

People Engagement (measured through Fedrigoni Survey)

Year	*Participation Rate*	*Engagement Score**	*eNPS (employee internal NPS)**	*Distribution compared to True Benchmark*
2024	**63%**	**7.6/10**	**30**	In top 10% manufacturing true benchmark (+2 points)
2023	69%	7.7 / 10	34	High middle range (-1 from Top 25%)
2022	73%	7.7 / 10	32	Middle Range

* The measurement of engagement follows the methodology of the specialized partner Peakon, with an engagement score (average of the answers to the questions of engagement from 0 to 10) and internal NPS or employee NPS, a measure which follows the standard calculation of the NPS (difference between % promoters and % detractors, expressed on a scale from -100 to +100).

At Fedrigoni we promote an open and ongoing dialogue. In September 2024, we launched the fifth edition of our annual engagement survey, involving all our employees, including those from our recently integrated company in the US. Our mission is to monitor and assess the employee experience and engagement levels within our organization. We achieve this through a platform that fosters open dialogue and encourages feedback, creating a culture of continuous listening, learning and acting on the answers collected. This invaluable feedback allows us to pinpoint our strengths and areas of growth each year, enabling us to craft a robust and tailored action plan at both the group and local levels.

Since mental wellbeing and health emerged as key focus areas in 2023 survey, we introduced for 2024 a new dedicated section –Health and Wellbeing– to gain deeper insights into our people's needs in this area and identify a roadmap to support them effectively.

Follow up actions on our 2023 Engagement Survey Results

Throughout 2024, we have taken a proactive approach to enhance our work environment and employee well-being, guided by the valuable feedback from our 2023 survey. Our actions have been implemented at both global and local levels to ensure comprehensive improvements.

Global Initiatives:

- We conducted a deep dive into specific misconduct alerts identified through the survey by launching a targeted follow-up survey at the relevant plants. Based on the findings, we took immediate action to address and prevent further misbehavior, ensuring improvement in workplace conduct.
- We have acted on feedback highlighting the need for more effective and widespread communication by organizing town hall meetings for FSA, plant meetings for FSP, and revamping the 'Being a Team Leader' program to strengthen the importance of fostering a culture of dialogue.
- To keep building on our strengths, we launched a global training initiative called 'Week Up,' featuring over 30 online events and more than 30 local events. This initiative aims to help

employees worldwide gain a deeper understanding of the learning resources and tools available to enhance their daily performance, while also fostering a mindset of continuous growth and development.

- We have started working on a wellbeing strategy and roadmap, driven by the Talent Team at Group Level and with the support of external experts and research. The strategy was tested with a group of company leaders through focus groups and then presented to the whole Leadership Team during two offsite throughout the year. A reliable and trusted provider for mental wellbeing support was identified and tested with a small pilot involving volunteers among employees of different levels to prepare a wider launch for 2025.

Local Initiatives:

To truly make a difference, we worked locally to drive initiatives that effectively addressed actual needs. To achieve this, each manager was supported by their HRBP to share data with their team and develop tailored initiatives that directly responded to the identified needs.

2024 Engagement Survey Launch Campaign

In continuity with last year, to enhance the understanding of the importance of the survey as a platform to share open and relevant feedback that will be listened to and acted upon, we branded it with the "It all starts with YOU" tagline. We encourage our people to participate in the survey and express candidly their thoughts, needs, and aspirations. The campaign was socialized via our internal digital channel, Workplace, and through flyers distributed globally in every office and plant, translated into the local language to ensure message clarity.

As part of the communication campaign, the CHRO posted directly on Workplace to emphasize the importance of survey participation. This year again, throughout the communication we highlighted the demographic section, as its completion can assist the company in defining and pursuing more targeted initiatives aimed at fostering a more inclusive environment.

2024 Engagement Survey targets and results

Our aim is to achieve an Employee Net Promoter Score (eNPS) that ranks in the top 5% of manufacturing companies and the top 10% across all sectors. This year, we are proud to report an eNPS of 30, which, despite a 4-point decrease compared to last year, positions us within the top 10% of the Manufacturing True Benchmark (28 points).

Across our organization, we achieved a 63% participation rate, encompassing both office and plant colleagues. We also collected an impressive 19,110 comments, showcasing strong employee engagement and offering valuable insights to drive improvement.

The insights gathered from the 2024 survey reveal that, across the organization, employees feel free to express their opinions within their teams, feel supported by their managers, and are comfortable having open discussions with them about compensation.

For the first time, when analyzing strengths separately for office colleagues and plant workers, we identified a shared strength driving engagement: learning. This highlights that employees across both groups are aware of the learning opportunities available and feel they are growing in their roles.

Additionally, the areas for improvement identified this year are more closely aligned between the two groups compared to last year. This alignment enables us to adopt a more comprehensive approach to addressing their needs effectively.

The results were then shared at a high level on Workplace with the entire company, and the CEO addressed them during a live chat with all employees, answering their questions directly. The results have since been segmented and analyzed to prepare a concrete action plan, which has been cascaded by business leaders to their respective teams. The cascading process happens both top down and bottom up: every people manager with more than 5 resources has access to the results of the team, empowering them to focus the conversation based on these results, facilitating the planning of actions at local and team level while protecting and ensuring privacy and anonymity as results are analyzed at aggregate level.

An onboarding experience to empower care for our new joiners in our offices.

At Fedrigoni, we believe that a warm welcome begins the moment a new colleague signs their engagement letter. To ensure this, in 2023, we have designed and launched a comprehensive onboarding process at group level, focusing primarily on colleagues based in offices. In 2024, we have kept working to ensure hiring managers have the time, tools and guidance in setting the stage for the new team member by preparing a comprehensive list of stakeholders the person should meet and a list of activities in which they will be directly involved in. At the same time, with a bottom-up approach a new pilot onboarding program was designed and implemented by local HR Business Partners in our Verona plant.

Onboarding is the first impression a new employee has of Fedrigoni. Our objectives are clear:

- **Reinforce the Decision**: We aim to reaffirm the new colleague's decision to join Fedrigoni.
- **Create a Wow Factor:** We strive to amaze the new colleague, making Fedrigoni an irresistible place to work.
- **Smooth Transition:** We ensure a seamless transition into Fedrigoni.
- **Empowerment**: We equip the new joiner with all the necessary tools and information to be an active part of the team and the company.
- **Accelerate Performance and Growth**: We aim to fast-track the performance and growth of our new colleagues.

The comprehensive journey that accompanies our new office colleagues from the moment they sign up to their first year at the company includes an automatic email campaign and a welcome kit for New Joiners, a guide for Hiring Managers, and a Buddy Program to aid new joiners' transition, to reaffirm the decision to join Fedrigoni, create a wow factor, ensure a smooth transition, empower new joiners, and accelerate their performance and growth. The effectiveness of this process is evaluated based also on the new joiners' engagement survey responses.

In 2024, we launched an onboarding pilot program at our Verona plant, specifically designed for our contracted workers. Over the course of two weeks, participants dive into an immersive 80-hour training program, covering a wide range of essential topics.

During the first week, the focus is on mandatory health and safety training, delivered by both our internal team and experienced external facilitators. This ensures that everyone is well-prepared and informed about the critical safety protocols.

The second week is all about getting to know Fedrigoni better. Colleagues and external trainers provide insights into our company's strategy, products, and unique culture. The HRBP plays a key role in introducing the Fedrigoni Behaviors, which serve as a guide to understanding our company culture and unwritten rules. Additionally, they share important information about contracts and workers' rights, ensuring everyone is well-informed.

Making our workers feel part of a greater organization by making Workplace and emails accessible for all.

In our ongoing commitment to foster a connected community among our workers, we have launched initiatives to ensure seamless access to Workplace, our dedicated platform for internal communication and social collaboration.

This platform serves as a digital window into the everyday life of our organization, offering snapshots of various work-related activities. It represents also the go-to-place for important resources, such as performance conversations guides, Fedrigoni behaviors, INK! - our internal job posting group accessible to all, our strategy and all the governance, compliance and policies related documents.

Several initiatives have been designed and launched to ensure all workers have access to Workplace, our internal communication platform. As of December 2024, 69% of our employees and workers have activated their Workplace accounts, accessible via mobile devices, company laptops or plant terminals, with around 1500 colleagues active on the platform at least on a weekly basis (2000+ monthly).

Elevating our people competencies and skills across the organization

Year	Average training hours per learner	Number of employees who completed min. 1 course	% on total Employees	Number of completed courses	Total training hours
2024	11.3	2,013	39%	6,455	22,697
2023	13.9	2,584	57%	9,421	35,948
2022	14.1	2,065	50%	7,959	29,055

Our commitment to fostering a culture of continuous learning is unwavering, and we aim to make it universally accessible, bridging the gap across roles, functions, or locations, ensuring inclusivity beyond leadership tiers.

This year we kept working on continuing strengthening the competencies of our plant colleagues, aiming to progress further our cultural transformation. Our focus has been on enhancing the key managerial capabilities to truly make the difference in reaching our ambitions and standards in terms of people engagement, operational efficacy, product and service quality, and health and safety. In 2024 we completed the roll-out of the pilot edition of "*Being a Team Leader – Assistenti*" program kicked off in 2023, with training sessions targeted at team leaders and supervisors from both business units from Italy and Spain. Further geographical reach is planned for 2025. Additionally, we strengthen our commitment to boost an open and effective dialogue and communication within our plants by designing and delivering a specific training for plant leaders aimed at enhancing their communication skills and embedding of people engagement culture. In 2024 we also worked to extend the reach of our "Safety behaviors" educational pills (accessible on Fedrigoni UP) to a geographically broader audience inside our Plants. We focused our effort to onboard FSA plant's colleagues in Italy and Spain on our digital learning platform, through ad hoc events at our plants. This comprehensive and far-reaching initiative continues to represent a distinctive approach within the manufacturing industry, setting us apart in fostering continuous learning and development among our plant colleagues.

We aim to strengthen our company's collective intelligence by utilizing the diverse experiences, skills and knowledge already present within our team, directly contributing to business agility and responsiveness. One example of this approach is our mentorship program, an initiative that leverages internal expertise shared across businesses, geographies and levels.

Throughout 2024, we kept investing in learning and development**, training more than 1700 colleagues** and **delivering more than 21.000 hours of non-mandatory instruction.**

Our Group invested **over 1.8 million euros** in non-mandatory learning and development initiatives in 2024, an increase of approximately 100k euros from the previous year.

We provided a broader range of non-mandatory training and development experiences for our employees, combining online, in-person, and on-the-job formats. Accessible to all employees, whether in offices or plants**, Fedrigoni UP is our self-learning platform** that provides a wide range of online courses in all the languages spoken by our global workforce. This enables everyone to engage in lifelong learning, focusing on skills that align with their career stage. The platform covers a variety of areas, including productivity, collaboration tools, language learning, the Ethical Code, company strategy, sustainability, inclusion, health and safety, cybersecurity, and both soft and hard skills. It also offers targeted training for our Business Units, ensuring our employees have the knowledge and skills to grow professionally and personally. Fedrigoni UP recorded the completion **of 1747 digital courses by 1254 employees worldwide.**

In the dynamic environment we operate in, we are continually faced with new challenges. This reality drives our approach to learning and development at Fedrigoni, specifically designed to support individual needs and foster personal growth. Recognizing that targeted growth drives our collective success, we have launched several initiatives, including:

- **WeekUP:** we designed and deployed a comprehensive initiative designed to foster learning, development, and growth among employees. It consists of a full week of events, including 33 digital sessions and 38 local sessions, aimed at enhancing the skills and knowledge of office colleagues worldwide. The initiative is not mandatory but strongly encouraged, with participants advised to attend 3 to 4 events. WeekUp emphasizes a growth mindset, leveraging existing resources creatively to ensure cost-efficient learning. We implemented a "train the trainer" program for our global HR community. This program equipped participants with the skills to effectively design training sessions and facilitate both online and in-person workshops, ensuring they can deliver impactful learning experiences across the organization.

- **Leadership Development in Plants**: we completed our managerial program by delivering a module on operational excellence and efficiency. Additionally, we provided training to plant managers to strengthen the effectiveness of their communication skills.
- **Individualized Language Learning**: we continued to offer one-on-one and self-paced training in a variety of languages to strengthen global communication capabilities in 5 languages to foster accessibility to information and increase the sense of belonging and the opportunity for meaningful connections among colleagues.
- **Team-Specific Workshops**: we accelerated the embedding of the new global Special Papers commercial organization, operating model and leadership, by boosting Sales Lead team dynamic effectiveness, alignment and empowerment through dedicated workshops. Additionally, we delivered training for Customer Service employees to support them in adapting to change, particularly considering the numerous technological improvements implemented in their daily tasks.
- **Functional upskilling programs:** we strengthened our teams functionals capabilities through the design and offer of capabilities academy, self-development initiatives, access to dedicated learning resources and ad hoc training programs.
- **Coaching:** at Fedrigoni coaching is defined as a partnership between a coach and a coachee who supports the achievement of challenging results, focusing on the skills and actions needed for excellence in performance and leadership. The coaching objectives are co-created by the coach, the coachee and the manager.
- **Mentoring:** following a successful pilot in 2022 and expansion in 2023, we continued to grow the scope of our Mentorship program, which has become an integral part of our talent acceleration initiatives. In 2024, 14 individuals at various levels within the organization participated as Mentees. The experience was highly appreciated by both the Mentees and the Mentors, and we are actively building on their feedback to add more structure to the program. Looking ahead to 2025, we plan to scale the initiative further, involving more Mentees and new Mentors, with the goal of making the Mentorship program a key resource for internal development and networking.
- **Support and cultural onboarding for newly acquired companies**: over the course of 2024, Fedrigoni activated ad-hoc initiatives to support the successful adoption of Group processes, participation in development initiatives and enhanced managerial and team effectiveness in recently acquired companies. In particular, to respond to local needs, tailored sessions on effective and regular feedback sharing and performance discussions were held in France and in Turkey, In Fedrigoni Special Papers North America and in Poli-Tape Group, a series of initiatives took place in order to favor mutual understanding and positive collaboration, i.e. access to the Group internal communication platform Wokrplace, set up of dedicated digital space and community, local townhall sessions and get-to-know meetings.
- **GenAI and Microsoft Copilot Adoption**: In 2024, Fedrigoni implemented Microsoft Copilot Chat for all employees, offering a secure and reliable platform to integrate GenAI into our workflows. Additionally, a pilot program for Microsoft 365 Copilot was initiated for approximately 300 selected colleagues from various countries, departments, and levels within the organization who were provided with access to AI-enhanced versions of Microsoft applications (Outlook, Teams, Word, PowerPoint, Excel, and more), tailored to our business content and context.

The pilot was supported by comprehensive communication and training activities, including the creation of a dedicated “Fedrigoni Copiloters” community to share support and best practices, as well as a series of webinars and training sessions to maximize the tool's benefits. The objective is to enhance digital skills and foster a mindset that supports responsible AI usage, ultimately boosting productivity.

Throughout the pilot, participants engaged with the tool over 5000 times, particularly in Outlook and Teams, reporting significant time savings, especially in summarizing meetings, refining email and communication tone and effectiveness, optimizing information research, and supporting content generation. Consequently, the pilot will be extended into 2025, accompanied by a new wave of training and the continued evolution of the Fedrigoni Copiloters community to stay up-to-date with new functionalities and further elevate Fedrigoni Copilot capabilities.

- **Supply Chain Upskilling and MAD Graduate Program:** In 2024, we launched the MAD (Make a Difference) Graduate Program - Supply Chain Edition, aimed at elevating Fedrigoni's sustainable supply chain teams' skills. This comprehensive 15-month program was designed in collaboration with SDA Bocconi and included a mix of in-person and online modules. Participants, including 7 recent graduates and 26 selected existing colleagues from two different countries and both Business Units, engaged in subjects such as strategy formulation and execution, demand planning and forecasting, supply chain and financial KPIs. In 2025 they will focus also on sustainable supply chain management and digitalizing processes. The program features simulations, case studies, and lectures, providing hands-on experience and exposure to industry leaders. By the end of 2025, participants will be well-equipped to drive operational excellence and foster superior customer intimacy.

In June 2024, we launched **WeekUP**, a week-long initiative designed to foster a growth-oriented mindset and enhance learning and development within the organization. Over five days, 71 workshops took place, with 33 conducted online via Teams in Italian, Spanish, and English, and 38 organized locally in offices and plants. Training was facilitated by local HR Business Partners who had undergone a train-the-trainer program to ensure engaging and effective sessions.

More than **900 colleagues from 15 countries** participated in WeekUP, attending an average of 3.4 sessions each, totaling over 3000 hours of learning. The online workshops featured over 260 breakout rooms, allowing colleagues from different teams and locations to exchange views and discuss specific topics. The overall feedback for the initiative was an impressive 4.7 out of 5.

WeekUP covered a range of topics, including *performance conversations, acceleration actions, skills of the future, the Fedrigoni learning landscape, and updating operational systems*. The initiative aimed to shift traditional perceptions of development towards a more learner-centric experience, empowering individuals to take charge of their own growth.

Key aspects of WeekUP included:

Empowering Beliefs: Encouraging the belief that every day presents new learning opportunities and emphasizing resourcefulness and diverse ways to learn. Managers were seen as catalysts for their team's development, and individuals were encouraged to take charge of their own growth.

Learner-Centric Experience: Tailoring learning to individual styles and needs for maximum engagement, offering different formats, multi-lingual sessions, and schedule flexibility. The WeekUP Navigator helped participants select events based on their experience and needs.

Enabling Ecosystem: Providing the best conditions and support for self-driven growth, including manager commitment, follow-up resources, and a digital platform for easy booking.

Events and Workshops: Featuring various events and workshops, including speeches, manager activation sessions, and local events, designed to provide valuable insights and facilitate learning and growth.

WeekUP was promoted through internal digital channels and on-site posters in three languages, with active involvement from ExCo members and Leadership Team members as participants and guest speakers. The initiative concluded with a closing event featuring insights from the CHRO and HR Directors, celebrating progress and charting the future with renewed energy and clarity.

At Fedrigoni, every day presents an opportunity for growth, regardless of one's role or function. This is what fuels our daily inspiration to work in a challenging, demanding, and meaningful environment. We actualize this through the tool of performance conversations, to enable tailor-made development plans for all our employees, regular manager check-ins, and a keen focus on the employee's future career path. A performance conversation is a structured discussion between a manager and an employee aimed at evaluating and improving the employee's performance. These conversations are not just about reviewing past performance but also about planning for the future, setting goals, and identifying areas for development and learning.

Recognizing our people for their contribution

At Fedrigoni, we cultivate a culture that acknowledges and rewards outstanding performance, fueled by transparent communication. This is made possible by our Fedrigoni Behaviors, which are more than mere words on paper. They serve as our guiding light, informing every decision we make. They serve as daily reminders of how Fedrigoni conducts business, how our leaders guide, and how we place our people, partners, and customers at the heart of our decisions.

Depending on the role and the position, we are committed to providing fair and equitable compensation, based on external local pay benchmarking and internal equity.

This is enabled by a highly and flexible job architecture system that allows the comparison between different roles on an international level. In alignment with our commitment to gender equality, our salary review process ensures a balanced approach between man and women, fostering a fair and inclusive work environment.

Our Flexible Benefits System ensures that the drive, passion and dedication of our people is recognized and rewarded, and that each person is empowered to be at their best. That is why we choose to view our compensation and benefits holistically. These benefits reflect our culture and the way we work with each other. No matter the role, seniority or location of our people, we strive to provide global benefits that are adaptable to the local area our people live and work in.

As in the past few years, the company has confirmed the possibility to convert part of the salary (in Spain) or part of the profit share (PDR in Italy) into welfare to increase the spending power of the employees, within personal and family services, ludic-recreational fields, public transport season tickets, sustainable mobility, training and development.

Currently, Fedrigoni implements an annual incentive system (MBO) for key positions, which comprises 12% of the total population and 40% of white-collar roles. This system is based on group and individual financial indicators, qualitative indicators, and group and functional ESG objectives. The ESG rating forms a crucial part of the MBO for various teams within our organization. This includes the Group Leadership Team, the Business Unit (BU) Leadership team, the Group MBO, the BU MBO, and the Sales population. The specific percentages attributed to ESG ratings in the MBO are detailed below. Functional ESG, on the other hand, is exclusively applicable to Operations and other functions that have tangible data on ESG objectives. This ensures that our commitment to ESG principles is not just theoretical, but grounded in real, measurable outcomes. Other key components of the ESG objectives are the Performance Conversation percentage completion for people managers, Employee NPS and the compliance with the Fedrigoni Behaviors.

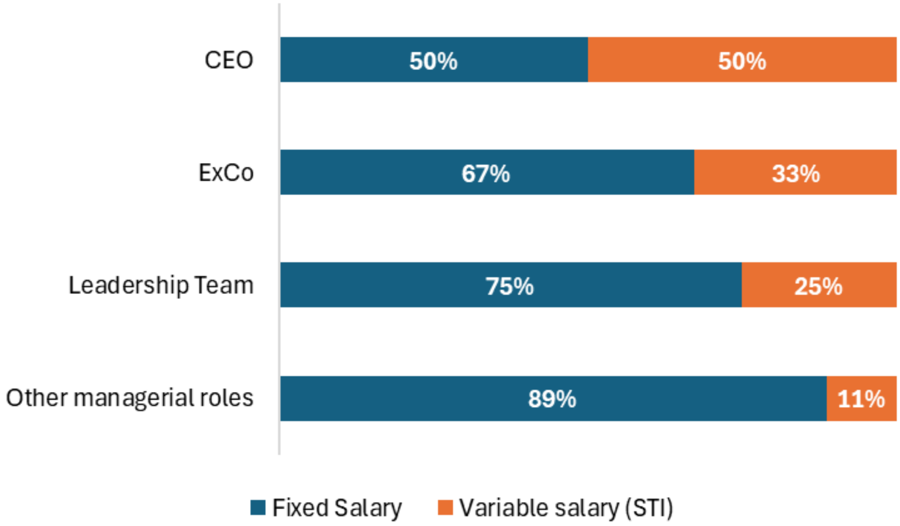
For the rest of the population not covered by MBO, performance incentives are provided through profit shares plans related to economic performance and other indicators that are in the process of being harmonized across countries. The not financial KPIs of the profit shares plans include the ESG objectives, for examples safety goals set by plants related to accidents.

MBO Objectives 2024

Role	CEO	Group Leadership Team	BU Leadership Team	Group MBO	BU MBO	Sales
Group EBITDA	45%	45%	15%	40%	15%	7.5%
Group Cash Flow	30%	30%	30%	30%	30%	17.5%
Business Unit EBITDA	-	-	30%	-	25%	15%
Individual Objectives	-	-	-	10%	10%	50%
ESG Objectives	25%	25%	25%	20%	20%	10%

*ESG 2024 targets: people-related aspects (diversity and inclusion, health and safety, compliance with Fedrigoni Behaviours, Fedrigoni Performance Conversation), CO_2 emissions, waste management, sale of products with advanced ESG characteristics, suppliers also qualified according to ESG criteria. Beyond the annual MBO target, most of these objectives have a medium-long term time perspective, tending to coincide with the 2030 horizon. This year, the weight of ESG objectives has been increased, with a greater focus on the people dimension (diversity, equity, inclusion, development and employee engagement, as measured by periodic internal listening surveys).

Fedrigoni Group performance culture is also based on a pay mix structure, whereby greater exposure to variable pay is granted to higher levels of the workforce and to roles with a strong impact on business performance.



*The 'Pay Mix' is the percentage of fixed and variable short-term incentive remuneration paid at the target level. It is essential to monitor this data to ensure an appropriate and balanced relationship between fixed and variable remuneration components at the different levels of the organization.

Boosting opportunities for everyone to collectively make a difference

For us, excellence isn't a goal. It's a state of mind. It's about striving every day to make our products and processes even better. It's about reducing our impact on the planet in every way we can. Each of us has the support and encouragement we need to excel. Together, we ensure Fedrigoni is a place where people with the best ideas can do the best work of their careers.

Outlined below are our strategic initiatives designed to amplify opportunities for our colleagues, empowering them to achieve their individual goals and contribute to our ambitious company objectives.

Fostering internal mobility by cultivating a culture of growth and leveraging the appropriate tools.
This year, leaders and managers continued the process of having meaningful discussions and conversations with the aim of identifying optimal strategies to foster the growth and development of talent across the company, via internal talent reviews across functions and levels. This initiative aligns with both the aspirations of our employees and the needs and priorities of the company. Coupled with our Internal Job Posting Platform, INK, where every new job position available is published and shared internally before being promoted externally, this initiative facilitated 172 in-house job changes, expansions, relocations and filled open positions. This marked a +24% increase versus the previous year, underscoring the tangible success of Fedrigoni's commitment to nurturing people's growth. 2024 further saw an enhancement of our platform to enable and support international relocations as a Group, posing the basis for an increase in the number, speed and effectiveness of professional experiences across countries.

Accelerating ambitious early career stage colleagues' growth by exposing them to challenging projects with a real business impact.
In June 2024, we celebrated the conclusion of the second edition of the Next program. This initiative saw 27 colleagues from 8 different countries collaborate for 9 months in multidisciplinary international teams, working on high-impact business projects. These colleagues were exposed to a diverse range of training opportunities that enriched both their personal and professional experiences. From workshops at our Innovation Centre in Verona focusing on self-awareness, to project management and inclusive leadership laboratories, to informal networking moments with colleagues in various roles from different countries - all under the guidance of our business leaders.
The NEXT projects focused on diverse areas to drive innovation and operational excellence at Fedrigoni. The "A.I.Dea project" leveraged generative AI to improve the efficiency of technical data sheet translations and product benchmarking processes. The team dealing with "Cost Deployment" created a management tool linking operational KPIs and industrial costs to identify improvement opportunities. "Elevating Creativity in Packaging" harmonized packaging processes, enhanced sustainability through pallet reuse, and established a strong foundation for future innovations. The team "Hermes" streamlined sales order management by implementing standardized processes and improving system integration for enhanced customer service. "IDEators" team developed a roadmap that promoted inclusion, diversity, and equity (IDE) across the group through training, surveys, and engagement campaigns. Finally, the "Security Paper" project explored synergies between paper-making expertise, security innovations, and RFID technologies to develop prototypes and address market opportunities in the security segment.
In July, we opened the doors for the third wave of aspiring Nexters - colleagues with three to eight years of work experience and a minimum of six months tenure in the company. We received 58 applications, conducted 51 interviews together with our leadership and talent team members, and ultimately selected a group of 28 new Nexters.
October 2024 marked the exciting kick-off of the new edition with a 4-day workshop at our Innovation Centre in Verona. The Nexters were divided into groups and worked closely with their coaches - more experienced colleagues - on the business projects assigned to them. All the projects embody real business challenges essential to Fedrigoni's strategy, spanning five key topics: AI-Powered Order entry, Car wrapping trade-marketing strategy, Marketing automation, Alternative use of paper machines, Cost mapping. By tackling these real-world business challenges, Nexters are at the heart of innovation and efficiency improvements, aligning with Fedrigoni's commitment to leading industry standards, competitive distinction, and a culture enriched by inclusivity and environmental responsibility.

Enabling growth through an open and continuous dialogue focusing on actionable areas for people's professional development.

Performance conversation

Year	Number of people with min. 1 performance conversation in the year*	% of our eligible workforce who completed min. 1 conversation in the year	% overall workforce who completed min. 1 conversation in the year
2024	1,565	85%	30%
2023	1,484	78%	33%
2022	1,328	84%	32%

*The data include performance conversation carried out during the year and registered in our system before year ending, therefore performance conversation carried out but not registered within the end of the year are not included.

At Fedrigoni, we believe that the most honest, open and authentic way to pursue continuous improvement is by letting people ask themselves how they see their personal development, what challenges they would like to tackle in the following months, their professional aspirations and interests.
To facilitate this, in 2021 we launched the 'Performance Conversations', a development tool that fosters open, meaningful, and ongoing dialogues between colleagues and their managers. These conversations, which occur once a quarter, provide a platform for both managers and employees to offer constructive feedback on successes and areas for improvement.
This system is available to all our employees; however, it has been intentionally promoted among desk workers. The process does not include yet the latest acquisitions of Fedrigoni Special Papers North America, Arjowiggins Group and Poli-Tape Group. It is instrumental in formulating and monitoring acceleration actions and personalized development plans for our employees, all of which are tracked through our HR Management System, Workday. In 2024, 30% of our workforce completed at least one conversation during the year, representing 85% of managers and white collars in integrated companies.
To mirror Fedrigoni's commitment to foster individual performance and development, the successful implementation of performance conversations continues to form an integral part of the individual MBO objectives for our people managers, which led to an increase in quality and frequency of performance conversations, from an average of 1 conversation per person in 2021 to 2,6 on in 2024.
Our 2024 engagement survey results showcase how regular performance conversations with a manager significantly enhance employee engagement, with a particularly strong impact observed in employees who have had three or more such conversations. This finding underscores the positive influence of consistent performance discussions on all key drivers of employee engagement.

Spreading performance culture and building a people growth accelerator
At Fedrigoni, we have a strong ambition to amaze the world – by transforming our industry, achieving new levels of innovation, elevating creativity, and building a sustainable future while growing rapidly. We want to reinvent the boundaries of what our industry can do.
Our strategy pillars clearly articulate this ambition, among them the fifth pillar conveys our intention to lead the industry by nurturing our most valuable asset - our **people**. We're committed to attracting, engaging, developing, recognizing, and boosting opportunities for everyone at Fedrigoni, empowering us all to collectively make a difference.
In 2024, Fedrigoni kept working on strategic initiatives to attract and inspire people who could resonate with our culture and bring to the table a unique blend of relevant skills, a spirit of collaboration, and a driven and curious attitude, both future colleagues and existing teams.
This section provides a comprehensive overview of these initiatives, covering both the talent attraction and the acquisition phase.

- Our podcast, **'Life at Fedrigoni: The Podcast'**, is a platform to showcase our culture and people. Our HR team curated a diverse group of colleagues as guests, providing a rich variety of perspectives. In 2024 we published 5 more episodes focusing on our ESG commitments through the voice of our CEO, sharing more about three of our five strategic pillars and on how we are working to embed technology in our products, processes and way of working through RFID and AI. Throughout 2024, the podcast has been listened to more than 1.800 times, gaining popularity in more than 50 countries. Our listeners are mainly from Italy, the US, Spain, France, Germany and UK.

- Spotlighting our people on **LinkedIn**, through monthly content that showcases our culture and growth. The 'Life' section of our Group profile provides insights into our purpose, leadership, goals, and sustainability commitments. As of December 2024, we have more than 68,200 followers, an increase of 9,500 over the last year (+18%). We have reached more than 470.000 LinkedIn members throughout 2024. Analysis shows that 34% of our engaged followers and 43% of our page visitors are women, surpassing peer averages. (Source: LinkedIn data). We have also added a new tab in the "Life" section to showcase our approach to sustainability, our decarbonization efforts and our focus on social responsibility.
- Our Instagram channel, @we_are_fedrigoni, **is a people-centric channel** showcasing our diverse teams and company experiences. As of December 2024, it has 2,494 followers and over 247 pieces of content.
- The creation of Fedrigoni's **"Extraordinary Stories" platform** to share narratives of our diverse team members across digital platforms. After interviewing colleagues from across the globe working in different functions, the conversations are shared on the blog on our website, celebrating their diversity and career journeys. By December 2024, we've shared eleven more narratives.
- The enhancement of our **Glassdoor presence** with the clear goal of ensuring transparency and local relevance in our communication. We're focusing on six key countries and working with local HR teams to provide a localized snapshot and an authentic image of daily life at our company.
- The establishment of **long-term partnerships with local schools and international academic institutions** to guide future generations. Our aim is to make an impact by involving colleagues directly, sharing their capabilities, stories and experiences, and welcoming students to our premises whenever possible. As of December 2024, we've partnered with several institutions including Università Commerciale Luigi Bocconi, Politecnico and Università Cattolica in Milan, Università di Verona, the CEMS International Network and IESEG in Paris. We've conducted *mock interviews, drop-in sessions,* and *company visits*, and actively participated in *guest lectures*, *in-company trainings, business projects, round table discussions* and *advisory boards* meeting more than 500 students both online and in person. Moreover, Fedrigoni contributes, through the Paper School of the San Zeno Institute of Verona and with the patronage of AFC (Association for the Professional Training of Papermakers), to organize specific training for Paper Technicians: these 720 hours of training are aimed at young people in possession of a high school diploma to obtain a certified professional education diploma, and allows them to acquire sufficient technical-practical skills to be able to quickly find employment in operational positions. The attendance to this course is also offered as a professional-growth accelerators for internal colleagues that prepare to take a Shift leader role inside our plants (5 people involved in the 2023/2024 edition, 4 people involved in the 2024/2025 edition).
- Our **career website**, launched in June 2023, to showcase our promise to our people, both present and future colleagues. It features three sections: Culture, Life at Fedrigoni, and Join Us. The Culture section presents our Employer Value Proposition (EVP), the five pillars of our people promise, Discover Extraordinary* Every Day, and our behaviors, Strive for Excellence, Foster Partnership and Embrace Transformation. It also highlights our commitment to diversity. The Life at Fedrigoni section includes a video featuring our CEO and an overview of our global flexible benefits. The Join Us section articulates the value exchange between Fedrigoni and its employees. The website also spotlights open positions and provides a clear overview of our selection process. Visitors get a numerical snapshot of Fedrigoni, understanding our scale, diversity, and global reach. "Join our Team" is the page that has registered more growth in terms of visitors throughout the year.

- The **Workday recruiting module** supports us in streamlining our recruitment process and ensuring consistency in job postings. This has increased our visibility in the job market. We've trained our HR team on using this tool effectively and set up an automatic thank-you message for applicants as well as custom feedback messages that are sent out to all not successful applicants.

Inclusion, Diversity and Equity (IDE)

Why the topic is material	**Impact on society and environment**: prioritizing IDE contribute to the promotion of social justice by creating inclusive environments where all individuals, regardless of their background, feel valued and respected. Moreover, the economic empowerment of underrepresented groups helps reduce income inequality and promotes economic growth in communities. **Financial impact on Fedrigoni**: An inclusive working environment directly impacts the ability to attract and retain talents. Diverse teams are more likely to develop innovative solutions to complex challenges. Instead, in case of discrimination it can lead to legal and reputational risks for our Company. **Significance for stakeholders**: For Fedrigoni People the possibility to experience a meaningful, growing and satisfactory working environment is of paramount importance. Customers increasingly expect the brands they support to demonstrate a commitment to diversity, equity, and inclusion.
Targets by 2030	• 35% of managerial positions held by women
SDG and targets where we want to make the difference	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Elevating diversity to reinvent extraordinary every day, together.

Here at Fedrigoni, we are on a journey to elevate inclusion, celebrate diversity and drive equity in our working environment, with our customers, our partners, our community and with our people. We believe Inclusion is what makes us learn from one another. Diversity is what brings better answers. Equity is how we make sure all our voices are heard.
Below is a comprehensive overview of the Inclusion, Diversity and Equity initiatives carried out throughout 2024.

- *Continued collecting feedback on IDE through the yearly Engagement Survey.*
  Our commitment to IDE is reflected in our annual Engagement Survey, which includes 10 dedicated questions addressing the crucial aspects of diversity, inclusiveness, belonging, and non-discrimination. The feedback collected through this survey not only helps us gauge our progress but also highlights areas that require further attention.
  For the third time, the IDE topic was included in our survey. We collected diversity and inclusion demographics information on a voluntary basis to enable positive and open change in Fedrigoni. We realized we cannot act on what we don't know so we are keen to get to know better what's important to our people, to make Fedrigoni a truly inclusive and diverse place to work as well as understand where and how best to focus our efforts.
  The growing awareness and importance of Inclusion, Diversity, and Equity (IDE) among our people is shown by the amount of qualitative data we collected around this topic. Once again, this year, we received almost 1700 comments, reaffirming the relevance of this topic. Additionally, an average of 82% of survey respondents chose to answer the self-identification demographics questions, reflecting a 7% increase compared to the previous year.

- *Assigned an IDE dedicated project to a group of early career stage colleagues.*
  Among the six high-impact projects assigned to the 2023-2024 Next cohort, our initiative designed to accelerate the development of early-career colleagues over a nine-month period, one group was entrusted with the 'IDEators' project. This project, sponsored by a member of the executive committee and a member of the leadership team, was about designing and initiating the cascading of the IDE 2024 roadmap, boosting the diffusion of IDE awareness and fostering a mindset that drives mobilization and ownership across the group, and about defining and measuring the impact of practical initiatives.

In June 2024, the IDEators project was presented to the Fedrigoni Executive Committee, showcasing a series of impactful initiatives. One of the highlights was the IDE Coffee Talks, which brought together around 200 participants across 17 sessions in 8 different countries. These sessions sparked meaningful conversations and fostered a sense of community within the company.
To ensure the global rollout of this initiative, the Nexters team launched a call for ambassadors—colleagues passionate about IDE topics and eager to actively participate in these initiatives. Five "Train the Trainer" sessions were conducted, equipping the IDEators with the essential tools and resources needed to lead these engaging talks effectively.
The project also highlighted areas for improvement and proposed initiatives, including enhancing IDE awareness, supporting family conciliation and parental support, promoting informal connections across teams and locations. The feedback received from participants and IDEators was analyzed to identify strengths and areas for further development.

- *Developing an IDE roadmap for 2025*
  The IDE roadmap the NEXTer have started working on has evolved into the comprehensive FedrigoniBE initiative, designed to promote and support the well-being, sense of belonging, and uniqueness of Fedrigoni's employees. This transformation was driven by the need to address feedback from employees on well-being, inclusion, and diversity, and to make these aspects a key part of the company's identity. To develop a series of initiatives and activities, the team conducted extensive benchmarking of other companies, analyzed survey data, and reviewed previous efforts to ensure a well-rounded and effective program.
  The FedrigoniBE program aims to foster a positive and inclusive work culture that drives diversity and supports physical, mental, emotional, and relational health. The program emphasizes the importance of self-awareness and embracing diversity, encouraging a balance between individual and collective well-being. FedrigoniBE aims to empower individuals to navigate change and challenges by becoming more aware, more connected, and a more rooted version of themselves. This holistic approach combines efforts on physical and mental health, self-development, and IDE.
  The program also seeks to increase awareness of the diverse backgrounds and characteristics of Fedrigoni's employees, creating a workplace where everyone can be their best self and leveraging differences to drive excellence and innovation. By attracting and retaining top talent, the program addresses the evolving needs and expectations of today's workforce, fostering an inclusive culture where everyone can thrive.
  Key initiatives of the FedrigoniBE program include listening to employees to build trust and support a mindset shift, empowering employees by enhancing the company culture and providing knowledge and tools and enabling employees to be their best through various initiatives and services. The program also highlights the importance of managerial training, open communication, and the role of managers in boosting employee engagement and well-being. It will be launched officially in 2025 for the entire company, for both people working in the offices and in plants.

- *Mental wellbeing program in Italy and Spain*
  The mental wellbeing program set to launch in 2025 at Fedrigoni is designed to address the mental health needs of employees comprehensively. This initiative emerged as a key focus area following the 2023 survey and again in 2024.
  The program includes the provision of psychological support services, which will be extended to all employees, starting with those in Spain and Italy. This service will offer individual sessions with dedicated psychologists, accessible via an online platform, to help employees manage both personal and work-related challenges.

- *IDE initiatives designed and developed in LATAM*
  From September 2024 to January 2025, multiple workshops were conducted in our LATAM offices and plants, including sessions in Chile for Latam leaders and people managers, and in

Brazil for people managers. These workshops covered a wide range of topics, such as the definitions and examples of diversity and inclusion, the role of leadership as a role model, and the legal implications of harassment, sexual harassment, violence, and discrimination in the workplace. The sessions also delved into the importance of recognizing biases, promoting inclusive language, and understanding new laws like Chile's Karin Law N°21.643.
The workshops were led by both external experts and internal colleagues, who provided valuable insights and facilitated discussions on topics such as fixed vs. growth mindset, the benefits of a compliance program, and case studies from other companies. Participants were encouraged to reflect on their own experiences and engage in discussions to deepen their understanding of diversity and inclusion.
Looking ahead, the program plans to expand IDE sessions and enhance communication with workers. A workshop in Mexico is also planned for Q2 2025, further extending the reach and impact of the program.

- *Involving international students to get an external perspective and insight on the Fedrigoni IDE Roadmap*
  As part of our collaboration with IESEG School of Management in France, we took part in the PPP Project. PPP stands for People, Planet and Profit and is part of the Bachelor program. The aim is for students to better understand the social, environmental and financial stakes of companies and their environment as well as learning to decide and act in a balanced and coherent way by taking these issues into account.
  We involved a group of around 30 international students divided into 6 groups from September 2024 to December 2024. The project aimed to create a three-year IDE plan for the Fedrigoni Group. They presented the identified relevant initiatives and used company data to suggest strategic programs to an audience of company representatives.

- *Making progress on women representation in managerial position.*
  One of our ESG targets as a group is the percentage of managerial positions held by women (Leadership Team and People Managers), with a target of 35% by 2030. We monitor this target monthly, with transparent sharing with the Group leaders and Executive Committee, using a solid definition in line with GRI standards.
  The trend over the course of 2024 has observed a slight but steady increase over the year. This is the result of internal efforts on inclusive attraction, recruiting, reorganization and promotion practices, while monitoring organic and inorganic workforce trends (new acquisitions, availability of diverse candidates in the market). It is interesting to note that the percentage of new women hired with managerial roles is increasing compared to previous years: 36% in 2024*.
  As for the attraction and recruiting phases, LinkedIn data show how our activity is followed by men and women almost evenly with women constituting 43% of our company page visitors, exceeding the peer median of 38%. Among job viewers on LinkedIn, women account for a remarkable 52%. Additionally, 54% of those who click on the "apply" button are women, an increase of 6% compared to last year.
  We have identified areas within the group that need more attention and targeted actions and levers to enable improvement, such as focus on inclusive attraction, recruiting and promotion practices as well as enhancing internal women role models also through internal and external social channels.

*excluding *Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

Women in managerial Positions*

Year	Women	Total Employees in managerial positions*	% women
2024	150	533**	**28%**
2023	137	529	**26%**
2022	119	467	**25%**

* Managerial position is defined as leadership position (ExCo and Leadership Team) and employees who manage teams and people. The percentage of women reflects the composition of the Fedrigoni Group at the end of the year.
** excluding *Fedrigoni Special Papers North America Inc., Poli-Tape Group, Arjowiggins Group* and Giano in liquidazione S.r.l.

- *Continued effort in designing and implementing equitable policies and processes with a worldwide impact.*
  We are continuing our effort in designing and implementing policies and processes that ensure an equitable workplace for all our people in every location they are. We have in place an Inclusion, Diversity and Equity policy. Everyone can feel relevant, respected and protected, confident that the Group will handle all reports appropriately. The reporting procedure and the handling of reports are clearly outlined in the policy. Every colleague can find on the Fedrigoni UP learning platform a training program on the Fedrigoni Code of Ethics, mandatory for everyone, it contains explanations and links of our IDE policy and the Whistleblowing procedures that company has adopted.

Social Dialogue and Industrial Relations

The Industrial Relations policy adopted by the Group is based on respect, constructive dialogue and mutual fairness, in full compliance with the art. 13 of the Fedrigoni Group's Code of Ethics which regulates relations with parties, trade unions and associations:
The Group refrains from directly or indirectly lobbying politicians and trade union representatives, and does not fund, directly or indirectly, in any form, political or trade union parties, movements, committees or organizations, their representatives or candidates, except those due based on specific legal provisions. Relations with political and trade union parties, movements, committees and organizations are handled exclusively by the company divisions delegated to do so in accordance with the company organization.
Relations and negotiations with trade union organizations are always managed in compliance with the law, national and/or company collective agreements, customs and practices in force in each country. Furthermore, within the Fedrigoni Group there is extensive second-level bargaining, which regulates various aspects of working conditions in an improvement sense compared to the law and first-level bargaining, and its implementation is guaranteed by the central function which coordinates the activities and ensures that the principles indicated above are observed uniformly throughout the Group.
In compliance with the principle of fair and constructive dialogue with employees, in every case of acquisition and/or restructuring, employees and their trade union representatives are informed in advance, with timings that vary from country to country in full compliance with local legislation, collective and trade union agreements in force.

In 2024, Fedrigoni Special Papers North America and Poli-Tape Group joined Fedrigoni Group. For these new entities, in continuity with the past, the Company has initiated constructive dialogues with local unions, where present, with the intention of developing them in the coming years.
During the course of 2024, the Company decided to exit the office paper business, which has been experiencing a decline in volumes for over a decade due to the progressive digitalization of communications. After unsuccessfully searching for industrial or financial partners willing to take over the business, the Group announced the definitive cessation of production on 31.12.2024 and simultaneously initiated the union and institutional procedures aimed at minimizing the economic and social impacts for the employees of the Fabriano and Rocchetta plants involved. On December 9th Fedrigoni signed two

agreements, with the Ministry of Enterprise and Made in Italy and union representatives that provide for a year of Extraordinary Redundancy Fund (CIGS) against the withdrawal of the collective dismissal procedure by Fedrigoni.
Additionally, in Guarro Casas, the continuous machine was shut down in September, and the process was managed through union negotiations and a subsequent agreement.
As in the previous year, in 2024, the Company had to resort to the social safety net of the Ordinary Wage Guarantee Fund in all Italian plants, due to a generalized contraction in orders resulting from the difficult global macroeconomic context, further aggravated by ongoing conflicts. Nevertheless, even in 2024, the situation was managed through the signing of union agreements in which the Company granted employees conditions better than those provided by law, such as ensuring the accrual of institution rates as well as additional monthly payments and the Performance Bonus; in addition to the provision of welfare credits to be spent on purchasing goods and services for employees and their families.
Furthermore, the Company carefully ensures the possibility of taking the annual leave necessary for the psycho-physical recovery of its employees and respects the weekly rest day.
During the year, negotiations began for the renewal of the Performance Bonus expiring on December 31, 2024, which will presumably be concluded by the first quarter of 2025.
Fedrigoni has also renewed the National Agreement for Solidarity Leave in Italy for the 2025-2027 three-year period to promote and support solidarity among employees, especially in cases of colleagues in difficulty due to illnesses related to their children and/or spouse.
The Company was also able to reconfirm the positive use of the Agile Work tool, as regulated by the National Protocol on Agile Work signed with the union parties in 2022, which has contributed to improving the quality of work, organizational effectiveness, and the work-life balance of the Group's employees.
Over the years, a constructive dialogue based on principles of fairness and mutual transparency has been established with all the Group's union organizations. This was confirmed, for example, by the consolidation in Italy of the implementation of the National Protocol of Industrial Relations for both the paper and chemical sectors, a union agreement that collects and specifies shared rules to bring the dialogue with union organizations to an even higher and more structured level.
As a result of this, in 2024, despite careful management of relations with union representatives, 24 hours of local strike were recorded at the Giano Srl plants, all related to the closure of the office paper business.
In 2024, discussions continued for the establishment of a European Works Council.

At Group level, the main KPIs for Industrial Relations are as follows:

INDUSTRIAL RELATIONS (% on total active employees)	Unit	2024	2023	2022
Employees under collective agreements	%	78%	80%	83%
Employees who have elected union representatives	%	81%	83%	78%

Community relations

Why the topic is material	**Impact on society and environment:** Positive community relations can foster trust, goodwill, and collaboration, leading to a range of beneficial impacts that could include improved social cohesion and enhanced quality of life for residents. Conversely, poor community relations can result in negative outcomes such as community distrust, social unrest, and reputational damage. **Financial impact on Fedrigoni**: Positive community relations can create opportunities for cost savings through streamlined project approvals, access to local resources, and enhanced brand reputation, which can lead to increased market share and customer loyalty. Conversely, negative community relations pose financial risks, including project delays, regulatory fines, litigation costs, and damage to brand value. Moreover, investor confidence may be undermined, impacting access to capital and the cost of borrowing. **Significance for stakeholders**: Local communities can benefit from positive engagement with our Group through economic development, job creation, and social investment, leading to shared prosperity and sustainable development. Investors are increasingly factoring in social and environmental considerations when making investment decisions, with community relations serving as a key indicator of corporate responsibility and long-term value creation. Customers are also more likely to support companies with positive community relations, driving demand for ethically sourced products and services. For employees, strong community relations can enhance job satisfaction and attract top talent.
Targets by 2030	• One activity per year involving communities at each country where we operate
SDG and targets where we want to make the difference	8 DECENT WORK AND ECONOMIC GROWTH 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Since 2024, our Group Stakeholder Engagement Policy, also covering the affected communities, is approved by our Board of Directors.

Fedrigoni's stream of actions are as follows:

Festival del Disegno (design festival) held every year in September - our event to celebrate the art of drawing around Italy. It all starts with the festival-event in Milan: from the Indro Montanelli gardens to the Castello Sforzesco. After Milan, the Festival moves along the entire peninsula, feeding on the local creativity of individual genius loci. Associations, institutions, schools, museums, libraries from all over Italy organize creative workshops. Some numbers about the 2024 edition (https://fabriano.com/festival-del-disegno/):

- Weekend in Milan with + 15000 people, + 1130 participants to the workshops, and + 200 participants to the final live performance.
- Around Italy with + 300 Events, + 90 Italian cities involved, and + 100 small local businesses, artists, cultural associations, museums, academies, art institutes and schools.

Fondazione Gianfranco Fedrigoni - Fabriano (FFF)
The Foundation, dedicated to Gianfranco Fedrigoni, was founded in Fabriano on 8th of March 2011. Unique heritage in the world for the quantity of assets preserved - with over 500 square metres of archival assets and books belonging to the Archive of the Miliani Fabriano paper mills - it is the first Company archive in Italy declared historically interesting with documents dating from 1782. The historical heritage also includes 2,212 Fabriano antique papers, a collection of papers dated from 1267 to 1798 by the filigranologist Augusto Zonghi (1840-1916), one of the most important in Europe acquired by the Foundation in 2016; and 10,000 tools to produce the hand-made and machine-made paper, commissioned by historical Made in Italy companies (e.g. FIAT, Liquore Strega, Fernet Branca, Stabilimento Ricordi). The annual Fedrigoni donation since 2024 it was fixed to 250.000 euros. Among the main initiatives of 2024 promoted by the Foundation,

- following the establishment of the Paper Conservation and Restoration Laboratory in 2023 within the Foundation's premises, the birth of international projects and collaborations that led to the organization of a Conference, with the participation of leading specialists in the field, on 'The Use of Oriental Paper in the Restoration of Western Works of Art. Traditions and Techniques Compared in Fabriano' and an advanced training workshop on 'Traditional Japanese Techniques and Materials for the Restoration of Works of Art on Paper' carried out in collaboration with the Japanese Cultural Institute and the Central Institute for Restoration (ICR) of the Ministry of Culture;
- the editorial activity with the publication of " C-ARTE. I segni della carta Fabriano nelle opere di Dante, Raffaello e Canova" The new editorial project brings together the results of the researches carried out by the Foundation on the use of Fabriano paper by some of the most important international artists from the Middle Ages to the 20th century. An editorial commitment recognized that led the Foundation to receive the Honorable Mention of the prestigious Compasso d'Oro ADI award in 2024 for the first printed edition of the precious manuscript album "I segni delle antiche Cartiere fabrianesi di Augusto Zonghi " published in 2021;
- the workshop for curators of collections of drawings and prints from the world's most important museums (Metropolitan Museum of New York, British Museum of London, the Louvre Museum, National Gallery of Art) "Touch/Retouched: Paper Across Time (1400–1800)" carried out in collaboration with the Hertziana Library and the Central Institute for Graphics (ICG) of the Ministry of Culture.

Details on 2024 initiatives of Fondazione Fedrigoni Fabriano are available here: www.fondazionefedrigoni.it

GOVERNANCE

Business conduct

Why the topic is material	**Impact on society and environment**: ethical misconduct could lead to environmental harm, such as pollution, deforestation, or resource depletion. This can negatively impact ecosystems, biodiversity, and the health and well-being of communities living in proximity to the company's operations. Ethical misconduct can have significant social repercussions, including exploitation of workers, violation of human rights, and community displacement. These actions can lead to social unrest, protests, and boycotts, affecting the company's operations and reputation. **Financial impact on Fedrigoni**: in case of an ethical misconduct, it could generate severe financial consequences for our company, including legal costs, reputation damage, loss of customers and revenue, operational disruption, and limited access to capital. **Significance for stakeholders**: Being in the same value chain as our business partners, for them ethical behaviors is of fundamental importance. Moreover, our employees, investors, and regulators all expect and demand high standards of governance and ethical conduct. Meeting these expectations not only enhances stakeholder trust and loyalty but also mitigates the risk of potential conflicts or controversies that could **adversely** affect our reputation and relationships.
Targets by 2030	• 100% of people trained on our Code of Ethics • 95% of supplier spending base qualified also according to ESG criteria (please refer to the paragraph “Sustainable procurement” for results and activities regarding our supply chain)
SDG and targets where we want to make the difference	8 DECENT WORK AND ECONOMIC GROWTH 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.
Business case	Adhering to governance standards and ethical practices ensures that a business operates within the legal framework set by regulatory authorities. Non-compliance can lead to legal penalties, fines, or even lawsuits, which can harm the business's reputation and financial stability. Business ethics directly impact a company's reputation. Consumers, investors, employees, and other stakeholders prefer to associate with companies that demonstrate ethical behavior and responsible governance. Maintaining a positive reputation enhances trust and credibility, leading to better customer loyalty, investor confidence, and employee engagement.

Strengthening Internal Controls and Enhancing ESG Performance

In 2024, the Internal Audit Risk & Compliance (IARC) Function played a key role in strengthening the Group’s Internal Control System by ensuring more secure and reliable processes. The IARC Function conducted audits to assess the effectiveness and efficiency of business operations while providing strategic recommendations to reinforce internal controls. IARC developed policies and procedures to

enhance oversight in critical areas and initiated the ISO 37001 certification process to strengthen the Group's commitment to anti-bribery standards.
IARC Function led change management initiatives to foster a culture of accountability, integrity, and continuous improvement, ultimately contributing to a more resilient, efficient, and sustainable organization.
These efforts have not only reinforced our Internal Control System but have also contributes to our ESG performance. Through structured risk management, compliance enhancements, and governance initiatives, Fedrigoni achieved a significant increase in its ESG ratings, particularly in areas such as risk management, business ethics and materiality analysis.

ISO 37001 Certification process

In 2024, Fedrigoni S.p.A. embarked on a significant journey to obtain ISO 37001 certification, the internationally recognized standard for anti-bribery management systems. This initiative demonstrates the Group's strong commitment to integrity, transparency and accountability, strengthening our corporate governance framework and aligning it with global best practices.
In accordance with established standards and methodology, we conducted a comprehensive corruption risk assessment to identify and evaluate key bribery risks within our operations. Based on this assessment, we identified the processes where corruption risk might arise due to the nature of transactions, level of third-party interactions, and regulatory exposure. In relation to these processes, IARC carried out targeted testing activities in order to verify the effectiveness of existing controls. The results of these testing activities were reported and shared with the Audit & Risk Committee and the CEO, ensuring a transparent and data-driven approach to risk mitigation and compliance enhancement.
As a part of this initiative, Fedrigoni S.p.A. has developed a robust Anti-Corruption Management System (ACMS), fully in line with the requirements of ISO 37001, which includes:

- Anti-Corruption Management Manual: a comprehensive framework defining policies, procedures and responsibilities to mitigate bribery risks.
- Formal designation of the Anti-Corruption Function: The formal appointment of a dedicated function responsible for overseeing anti-corruption activities, ensuring governance and monitoring the effectiveness of the measures implemented.

To ensure effective change management that strengthens the Internal Control System in the field of anti-corruption, the IARC function has carried out extensive training and awareness programs. These initiatives aim to embed a culture of integrity at all levels of the organization, providing employees and stakeholders with the necessary knowledge and tools to identify, prevent, and manage bribery risks effectively.
The ISO 37001 certification process, strongly endorsed by the Group CEO and the Board, represents a strategic milestone in our broader ESG governance framework. The certification, expected to be obtained in the first half of 2025, will further strengthen our credibility and position Fedrigoni as a benchmark in corporate integrity and compliance.

Internal Regulatory System Framework

In 2024, the IARC Function implemented the Internal Regulatory System Framework, an integrated model designed to enhance governance, ensure regulatory compliance, and strengthen the Internal Control System. This initiative aligns with our Group's commitment to excellence in corporate governance and adherence to international best practices, including ISO 37001 requirements.

The framework establishes clear and standardized processes for the formalization, approval, publication, archiving, and updating of corporate documents, ensuring consistency and accessibility across the organization. Key benefits include:

- Enhanced governance and control
- Standardization and efficiency
- Regulatory alignment
- Increased accessibility and awareness

The implementation of this framework further strengthens our corporate governance model, supporting a proactive approach to compliance while embedding a culture of integrity and accountability across the organization:

- Our Code of Ethics defines the principles and rules of conduct that are essential for proper management of Fedrigoni Group's business activities. In 2024, 56% of our employees received training on our Code of Ethics.
- Our Global Policy represent a set of documents drawn up by the Internal Audit, Risk & Compliance Function, which aim to outline the criteria of conduct in relation to specific risk areas (e.g. anti-corruption, antitrust, gift and hospitality, etc.) to which Fedrigoni Group is potentially exposed.
- Our Procedures define the operating and management methods of the business processes, identifying the roles and responsibilities of the functions involved, the internal flows and the controls to be carried out in the performance of the relevant activities.
- Our Operating Instructions accompany and outline the content of a procedure and define the operating methods for carrying out a particular activity (e.g. print screens of the various process steps in the management system used by the department).

	2024	2023	2022
People trained on Code of Ethics (%)	56%	43%	40%

Corporate Liability

In 2024, Fedrigoni S.p.A. initiated updating its organizational model in accordance with the provisions of Italian Legislative Decree No. 231/2001. The activity is expected to be completed in the early 2025 and represents a significant step towards enhancing the company's Internal Control System and strengthening its compliance framework. The Organizational Model update addresses the evolution of regulatory requirements and the identification of new sensitive areas, ensuring full alignment with best practices for crime prevention as defined by the Decree, while also serving as a strategic preparatory activity for compliance with the UNI ISO 37001 standard on Anti-Bribery Management Systems.

The risk assessment process follows a defined methodology based on interviews, gap analysis, and action planning, enabling the identification of sensitive activities, the evaluation of existing controls, and the definition of targeted improvements, with direct involvement of process owners to ensure an integrated and proactive risk mitigation approach within the updated 231 Model.

Whistleblowing

We are committed to maintaining a transparent and responsible corporate culture, ensuring that employees and stakeholders can report concerns confidentially and without fear of retaliation in accordance with current regulation. To facilitate this, we provide multiple reporting channels, including a dedicated email inbox and a secure digital platform, allowing for both identified and anonymous reporting. All reports are handled through a predetermined process, described in our Global Whistleblowing Policy, to ensure impartiality, diligence, and confidentiality.

Throughout the year, we received 6 reports through our whistleblowing channels. After thorough investigation and analysis, all 6 cases were found to be substantiated breaches of the Code of Ethics.

Our Group remains committed to fostering a speak-up culture, ensuring that all reports are handled with confidentiality, impartiality, and diligence. To reinforce this commitment, we continue to invest in training and awareness initiatives, ensuring employees recognize the importance of ethical behavior and know how to report concerns safely and effectively.

Reporting on breaches	2024	2023	2022
Reports received (nr.)	6	11	2
Reports substantiated (nr.)	6	5	0
Breach of Code of Ethics (nr.)	6	5	0
Corruption or Bribery	0	0	0
Discrimination or Harassment	5	1	0
Customer Privacy Data	0	0	0
Conflicts of Interest	0	0	0
Money Laundering or Insider trading	0	0	0
Other	1	4	0

Internal Audit

Mandate and International Standard

In accordance with the International Standards for the Professional Practice of Internal Auditing (IIA), the IARC Function submitted the Audit Mandate to the Audit & Risk Committee, defining its mission, scope, independence, responsibilities, and authority.

In line with the objective of strengthening the Internal Control System and in adherence to international standards, the IARC Function has formalized the Internal Auditing Procedure in 2024, which was subsequently approved by the Audit & Risk Committee. This procedure defines the powers, objectives, and responsibilities of the IARC Function, establishing standardized guidelines for conducting audits with consistency, continuity, and stability across the organization, while detailing the methodology for planning, executing, and monitoring audit activities through a risk-based approach to ensure effective evaluation and improvement of risk management, internal controls, and corporate governance. Furthermore, it introduces mechanisms for transparent reporting to the top management and relevant governance bodies, reinforcing the company's commitment to a robust and reliable control environment.

Audit execution

The 2024 Integrated Audit Plan was developed using a risk-based methodology to ensure an objective and data-driven selection of audit priorities. This approach evaluates each company's risk profile by considering multiple factors, including enterprise risk assessments, past audit outcomes, regulatory compliance risks, business complexity, financial indicators, and external risk factors. Companies with a higher overall risk profile were prioritized in the audit plan, ensuring a targeted and effective allocation of resources.

As a results, the IARC Function implemented an Integrated Audit Plan, adopting a coordinated and risk-based approach that integrates internal audit, compliance, corporate liability controls (231 Model and ISO 37001), and anti-corruption measures. This methodology strengthened the Internal Control System, ensuring a comprehensive assessment of key risk areas, including fraud prevention and ethical business conduct.

In 2024, 10 audit activities were carried out, exceeding the 9 initially planned, allowing for broader coverage across multiple geographical areas and business units. Audit activities were carried out in more than 10 countries, with a significant on-site presence to validate control implementation and engage directly with local management. The key focus areas included cybersecurity, sustainability, procurement, financial controls, compliance with regulatory frameworks, and anti-corruption policies. The results of these activities were presented to the CEO and the Audit & Risk Committee, to ensure the Group's commitment to the resolution of the action plan.

By leveraging a risk-based approach, Fedrigoni continues to enhance its internal control framework, ensuring regulatory compliance and supporting long-term business sustainability.

Training

On a yearly basis, the IARC Function plans and delivers several training initiatives and awareness programs targeting all Group employees, reinforcing Fedrigoni's commitment to ethics, compliance, and responsible business conduct.

Mandatory training is delivered through a dedicated corporate platform, where employees are required to complete courses on the Code of Ethics, Corporate Liability (pursuant to Italian Legislative Decree 231/2001), and GDPR. These courses serve as a fundamental tool to promote awareness of ethical business conduct, legal responsibilities, and data protection regulations, reinforcing a culture of integrity, transparency, and accountability.

Alongside these mandatory courses, the IARC Function also planned and carried out several Compliance Workshops, both in person and via e-learning, involving employees at all levels, including white and blue-collar workers. These workshops focused on the principles outlined in the Code of Ethics and the Group’s Global Policies, addressing key compliance topics such as whistleblowing and anti-corruption. By providing real-world applications and case studies, these sessions helped employees gain a practical understanding of compliance requirements and ethical risk areas.

Through these initiatives, we continue to strengthen its corporate culture, ensuring that all employees, regardless of role or seniority, are actively involved in fostering an ethical and responsible workplace.

Communication

The IARC Function also carries out communication and information activities related to compliance topics through periodic newsletters and ad hoc information for the Leadership Team or selected groups of interested parties. In 2024, seven newsletters were addressed to strengthen sensitive topics related to Ethics and Compliance at Group or department level.

We promoted the “Compliance Ambassadors Program”, a train the trainer program aimed at fostering an enduring culture of Ethics and Compliance throughout the Group. The program involved strategically appointed ambassadors across our subsidiaries, who played a crucial role in promoting awareness and engagement on Ethics and Compliance topics. The ambassadors' mission remained centered on encouraging colleagues to engage with the Group Code of Ethics course, sharing Group’s Global Policy-related infographics, coordinating compliance workshops, and serving as a link between remote geographies and the IARC function to ensure effective communication and localized insights.

Also, the Function promoted a compliance communication campaign aimed at spreading our Group's Global Policies into simplified infographics summarizing the key regulations. These infographics were strategically shared via the company's intranet platform and actively promoted by our committed compliance ambassadors. Leveraging their efforts, these infographics were prominently displayed throughout our facilities, including on screens in various plant locations, ensuring widespread visibility and understanding among employees.

Other activities

As regards compliance, the IARC Function manages heterogeneous activities with varying levels of granularity, involving colleagues at different levels (from top management to blue collar), across different geographical areas. IARC also monitors, studies, and analyses the applicability of laws, measures, and directives relevant to the Group, serving as a filter for the organization by providing the business with operational guidelines, specific business support, compliance advice, a risk & compliance newsletter, and support to the international sanctions regime.

The function has further strengthened its contribution by proactively assisting the business in identifying compliance and ethics risks and mitigating them through tailored solutions that improve governance and ensure regulatory compliance. In addition to its advisory role, IARC is actively involved in change management to ensure that compliance is fully integrated into strategic business initiatives.

Lobbies and associations

No contributions were made to lobbies and/or political organizations and no other spending occurred related to ballot measures or referendums. Fedrigoni is a member of various trade associations, including Assocarta. In 2024 € 1,0 m were paid for membership fees.

Tax management

The Fedrigoni Group contributes through its activities to the tax revenues of various jurisdictions, thus promoting the economic and social development of these countries, operating in compliance with the principles of legitimacy in both form and substance with regard to fairness, compliance with the rules, transparency, clarity and truthfulness of accounting, production and management records, in accordance with the literal meaning and underlying rationale of the regulations in force and the company procedures designed to ensure their application and control over time, as well as the provisions of the Code of Ethics.

The Group ensures compliance with the principles of conduct aimed at guaranteeing (i) the integrity of the share capital, (ii) the protection of creditors and third parties who establish relations with the Group companies, (iii) the regular performance of the market, (iv) the exercise of the duties of public supervisory authorities and, in general, (v) the transparency and correctness of the activities carried out, both from an economic and financial point of view.

Fedrigoni pays careful attention to compliance with current tax regulations in order to adequately meet the expectations of its stakeholders, including the government, shareholders, employees, and the communities in which the Group operates.

Fedrigoni has adopted a tax strategy that illustrates all the approaches and objectives adopted by the Group to manage taxation, also aiming to ensure uniform tax management in all Group entities by issuing globally recognized principles. In addition, guidelines have been defined to ensure compliance with tax and fiscal regulations and to ensure the Group's capital and reputational integrity over time.

Specifically, the tax strategy pursues the following objectives:

- Managing the tax variable while protecting the interests of all stakeholders;
- Always operating in compliance with tax regulations with regard to both the literal meaning of the rules and the underlying rationale, monitoring and overseeing new legislation, including through regular consultations with tax consultants, as well as with the relevant institutions at national and international level, where necessary;
- Making decisions on tax matters in line with national and international best practices, as well as consistent with its strategic objectives and risk appetite;
- Promoting professional due diligence in handling tax-related activities and processes, as also set out in the Code of Ethics, and ensuring that the relevant procedures are appropriate;
- Providing appropriate technical training to all employees involved in handling tax-related obligations and activities;
- Establishing thorough, accurate information flows to management bodies and tax authorities;
- Encouraging the development of constructive, professional and transparent relations with the Tax Authorities based on the concepts of integrity, cooperation and mutual trust;

- Adopting a group transfer pricing policy based on the principles of normal value and free competition which is in line with the arm's length principle defined by the OECD guidelines, preparing the appropriate transfer pricing documentation in accordance with the OECD;
- Transfer Pricing Guidelines (i.e. Master File, Local File, and Country-by-Country Report);
- Consistently and adequately assigning roles, responsibilities and powers to staff involved in processes that have tax implications so as to ensure proper management of tax risk and minimise the possibility of disputes;
- Not making investments in or through tax havens or low-tax jurisdictions for the sole purpose of obtaining undue tax advantages or structures designed for tax avoidance. In the organisational model, the management of regulatory compliance and tax planning activities at local level is supervised and coordinated by the Parent Company's Tax Management department. This department also monitors the development of tax legislation in the various countries the Group operates in so as to minimise any material impact in terms of tax risk in accordance with the Group's Tax Strategy. Finally, Fedrigoni is committed to maintaining a cooperative, transparent relationship with the tax authorities of the countries where it does business, ensuring that they have a full understanding of the facts underlying the interpretation/application of specific tax laws. The Board of Directors has approved the Group's tax strategy, assuming responsibility for ensuring that it is known and applied, in conjunction with the specific task of disseminating the culture and values underlying it.

Taxonomy

Regulation (EU) 2020/852 incorporated the "Taxonomy" into the European regulatory framework with the aim of assessing the environmental sustainability of economic activities and promoting transparency on the environmental impact of investments, starting from the identification of 6 environmental objectives: a) the mitigation of climate changes; b) adaptation to climate changes; c) the sustainable use and protection of water and marine resources; d) the transition towards a circular economy; e) the prevention and reduction of pollution; f) the protection and restoration of biodiversity and of ecosystems.

At the moment, Fedrigoni is not within the scope of application of this regulation. The following paragraph aims to provide information according to the Taxonomy principles and criteria referring to the above environmental objective.

To qualify as environmentally sustainable, activities must adhere to particular criteria, which include: positively contributing to at least one of the six environmental objectives; avoiding significant harm to any other objectives (DNSH - Do Not Significantly Harm criterion); operating in line with Minimum Social Safeguard and adhering to the technical criteria outlined by delegated acts adopted by the European Commission.

Article 8 of Regulation (UE) 2020/853 defines the taxonomy reporting obligations, which include the disclosures of the following indicators:

a) the proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable; and
b) the proportion of their capital expenditure and the proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable;

Interpreting the current applicable requirements, Fedrigoni has evaluated that its primary commercial activities do not fall within the scope of those currently recognized by the regulations pertaining to the environmental objective mentioned earlier. Moreover, in 2024, no proportion of turnover CapEx and Opex is deemed eligible under the current criteria.

ANNEX

Methodological Note

Fedrigoni has reported in accordance with Global Reporting Initiative (GRI) Standards for the period from 1 January 2024 to 31 December 2024. The Sustainability Statement of Fedrigoni S.p.A. and its subsidiaries (hereinafter "Fedrigoni Group" or "Group") describes the business model, sustainability strategy, identified risks and opportunities, Policies, Targets and environmental, social and governance (ESG) performance. The Sustainability Statement is based on the principles of stakeholder inclusiveness and completeness and presents the context of sustainability.

The topics and indicators subject to reporting were identified through the materiality analysis which, since 2022, was updated taking into consideration the so called "Double Materiality" framework. Compared to previous report the GRI indicator 201-1 is no longer disclosed.

The Sustainability Statement has been subject to a limited assurance engagement (according to criteria of ISAE 3000 Revised) by Deloitte&Touche S.p.A. according to the procedures indicated in the Independent Auditors' Report included in this document. The list of indicators is available in the GRI Content Index at the end of this document.

With regards to qualitative information and quantitative data relating to financial, social and environmental aspects, the scope of reporting includes the companies fully consolidated in the Consolidated Financial Statements of Fedrigoni S.p.A. The data reported in the Environment chapter is presented with reference to each business unit (Special Papers and Self-Adhesives materials) because of the specific environmental impacts of the two production activities. Qualitative information and quantitative data relating to environmental aspects are referred to Group production sites (exclusion of only commercial activities and slitting centers for the Self-Adhesive Business Unit, having much lower impacts than production sites). In relation to significant changes in the Group's sectors, value chain and other business relationships, it should be noted that compared to the previous year, Fedrigoni Special Papers North America is part of the scope of reporting, while the Arjowiggins Group and the Poli-Tape Group will be included in the next reporting.

This document aims to provide the ESG results obtained in past 2 years for comparative purposes and also to offer a forward-looking view of our future impacts and actions. Scope limitations and restatement of previously published data, if any, are indicated in the text. To ensure the reliability of data and an accurate representation of performance, the use of estimates has been limited as much as possible and, where present, these are based on the best available methodologies.

In our internal definitions: "Leaders" are employees who are part of the Group's Executive Committee and/or Leadership Team; "Managers" are all employees in a leadership role managing a team; "White collars" are employees in an office position who do not manage people (individual contributors); and "Blue collars" are employees in a production position who do not manage people (individual contributors).

The reporting frequency is annual.

The Statement is available under the Sustainability section of www.fedrigoni.com.

For further information, please contact: Micaela Di Trana, Group Head of Innovation & Sustainability, micaela.ditrana@fedrigoni.com

ESG Targets

Managerial positions held by women*

Year	Women	Total Employees in managerial positions*	% women
2024	150	533**	**28%**
2023	137	529	**26%**
2022	119	467	**25%**

* Managerial position is defined as leadership position (ExCo and Leadership Team) and employees who manage teams and people. The percentage of women reflects the composition of the Fedrigoni Group at the end of the year.
** excluding *Fedrigoni Special Papers North America Inc., Poli-Tape Group, Arjowiggins Group* and Giano in liquidazione S.r.l.

People Engagement Survey

Year	Participation Rate	Engagement Score*	eNPS (employee internal NPS)*	Distribution compared to True Benchmark
2024	63%	7.6/10	30	In top 10% manufacturing true benchmark (+2 points)
2023	69%	7.7 / 10	34	High middle range (-1 from Top 25%)
2022	73%	7.7 / 10	32	Middle Range

Employees trained on the Group Code of Ethics			
Year	**N****	**Total Employees**	**%**
2024	2,475	4,412*	56%
2023	1,811	4,316	42%
2022	1,671	4,115	41%

* excluding *Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

***The total number of employees trained is a cumulative figure, growing year over year and only including active employees as of December 31 each year.*

Learning

Methodological note: Here we include additional, non-mandatory training, in addition to the compulsory training mandated by local and national legislation. *Blank* indicates that the Learner has left the Company during the year and/or is part of a recently acquired company and the information is not fully collected and verified.

Total number of people trained by Professional Category						
	2024		2023		2022	
Professional Category*	% on total population*	people who attended at least 1 course	% on total population	people who attended at least 1 course	% on total population	people who attended at least 1 course
Leadership	*64%*	28	*93%*	41	*95%*	42
People Manager	*70%*	350	*100%*	508	*93%*	395
Employee	*58%*	768	*84%*	1.152	*84%*	1054
Worker	*28%*	704	*29%*	757	*19%*	452
Blank		*163*		*197*		*122*
Total	*46%*	2,013	*58%*	2,655	*50%*	2,065

* excluding *Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

Topic	Learning by Topic in 2024		
	People who attended at least one course	**Total Training Hours Delivered**	**Average hours per learner**
Languages	324	10,234	31.6
Functional Upskilling	239	5,940	24.9
Sales & Sales Effectiveness	45	137	3.0
People Manager Essentials	228	1,668	7.3
Team & Self Effectiveness	191	1,152	6.0
Cybersecurity	188	148	0.8
Health&Safety, Environment and Quality System	886	781	0.9
Products & Innovation	243	541	2.2
Sustenaibility and IDE	18	30	1.7
Ethics and Policies	560	683	1.2
Productivity & Collaboration Tools	262	1,245	4.8
Wellbeing	22	77	3.5
Total	**3,206**	**22,637**	**87.9**

Average training hours by Age Group*						
	2024		2023		2022	
Age Group	on total population	per learner	on total population	per learner	on total population	per learner
<30	5.2	11.4	7.6	16.8	7.5	10.9
30-50	6.3	12.9	8.9	14.5	6.9	14.2
>50	3.0	7.6	6.4	11.8	7.3	15.4
Total	**4.8**	**10.6**	**7.9**	**13.9**	**7.1**	**14.1**

** Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

	Average training hours by Gender*					
	2024		2023		2022	
Gender	on total population	per learner	on total population	per learner	on total population	per learner
Male	4.0	9.8	6.9	13.3	11.2	14.8
Female	9.5	14.8	13.4	15.2	6.0	12.9
Total	**6.7**	**12.3**	**7.9**	**13.9**	**7.1**	**14.1**

** Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

	Average training hours by Nationality*					
	2024		2023		2022	
Nationality	on total population	per learner	on total population	per learner	on total population	per learner
Italy	6.4	12.0	9.5	17.1	8.2	17.1
Spain	5.6	8.3	8.0	11.2	2.9	13.6
Brazil	5.0	11.3	11.2	17.9	4.4	9.1
China	5.8	16.6	9.7	9.8	3.3	6.6
France	4.0	9.7	9.9	23.4	10.5	9.8
Chile	4.2	20.4	6.6	13.0	4.8	15.4
United Kingdom	3.0	12.1	4.0	4.8	0.1	5.4
Poland	3.1	19.3	2.1	11.8	0.1	7.1
United States of America	1.2	6.7	2.7	5.0	8.9	N/A
Mexico	3.8	16.5	N/A	N/A	N/A	N/A
Turkey	4.7	10.5	N/A	N/A	N/A	N/A
Other *(nationality with < 15 learners or N/A)*	1.3	8.7	13.1	7.3	7.1	10.8
Total	**5.2**	**11.2**	**7.9**	**13.9**	**7.1**	**14.1**

** Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

	Average training hours by Professional Category*					
	2024		2023		2022	
Professional Category	**on total population**	**per learner**	**on total population**	**per learner**	**on total population**	**per learner**
Leadership	11.6	18.3	22.6	24.3	24.7	25.8
People Manager	14.1	20.3	18.3	17.5	25.8	27.6
Employee	7.1	12.3	13.8	16.3	11.5	13.7
Worker	1.6	5.8	1.6	5.5	0.6	3.2
Total	**8.6**	**14.2**	**7.9**	**13.9**	**7.1**	**14.1**

** Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

Performance

Year	Number of people with min. 1 performance conversation in the year*	% of our eligible workforce who completed min. 1 conversation in the year	% overall workforce who completed min. 1 conversation in the year
2024	**1,565**	**85%**	**30%**
2023	1,484	78%	33%
2022	1,328	84%	32%

*The data include performance conversation carried out during the year and registered in our system before year ending, therefore performance conversation carried out but not registered within the end of the year are not included.

Performance Conversations by Level

	2024			*2023*			*2022*
Level	Employees with min. 1 Performance Conversation	Average Conversations / person	% on total population	Employees with min. 1 Performance Conversation	Average Conversations / person	% on total population	% on total population
Leadership	30	2.5	68%	33	2.5	79%	68%
Manager	414	2.7	72%	423	2.5	82%	79%
White Collar	1,027	2.6	68%	956	2.4	76%	70%
Blue Collar	94	2.4	3%	75	2.5	3%	4%
Total	**1,565**	**2.6**	**30%**	1,487	2.5	**33%**	**32%**

Performance Conversations by Gender

	2024		*2023*		*2022*	
Level	**Employees with min. 1 Performance Conversation**	**% on total population**	**Employees with min. 1 Performance Conversation**	**% on total population**	**Employees with min. 1 Performance Conversation**	**% on total population**
Female	669	61%	589	69%	503	62%
Male	896	22%	895	26%	825	25%
Total	**1,565**	**30%**	**1,484**	**33%**	**1.328**	**32%**

Workforce breakdowns

	2024*			2023*			2022*		
Worker Type	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***
Employee	4,042	1,089	5,131	3,611	924	4,535	3,303	812	4,115
External collaborator	295	84	379	263	69	332	286	59	345
Total	***4,337***	***1,173***	***5,510***	**3,874**	**993**	**4,867**	***3,589***	***871***	***4,460***
Type of contract	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***
Temporary	115	76	191	76	67	143	112	67	179
Permanent	3,927	1,013	4,940	3,535	857	4,392	3,191	745	3,936
Total	**4,042**	**1,089**	**5,131**	**3,611**	**924**	**4,535**	***3,303***	***812***	***4,115***
Time Type	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***
Full-time	4,010	982	4,992	3,584	842	4,426	3,275	739	4,014
Part-time	32	107	139	27	82	109	28	73	101
Total	**4,042**	**1,089**	**5,131**	**3,611**	**924**	**4,535**	***3,303***	***812***	***4,115***
Type of external contracts	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***
External agency	280	59	339	253	48	301	270	37	307
Intern	5	17	22	5	12	17	12	15	27
Apprentices	5	2	7	2	4	6	2	1	3
Co.Co.Co	1	0	1	0	0	0	1	0	1
Consultant	4	6	10	3	5	8	1	6	7
Total	**295**	**84**	**379**	**263**	**69**	**332**	***286***	***59***	***345***

*At December 31 of each year.

Note: not employed employee who is not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may need to make themselves available for work as required

	2024			2023			2022		
Professional category per gender	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***	***Male***	***Female***	***Total***
Leadership	35 (80%)	9 (20%)	**44**	36 (82%)	8 (18%)	**44**	37 (84%)	7 (16%)	**44**
Manager	413 (72%)	162 (28%)	**575**	356 (73%)	129 (27%)	**485**	311 (74%)	112 (26%)	**423**
White collar	780 (52%)	730 (48%)	**1,510**	725 (53%)	643 (47%)	**1,368**	669 (53%)	583 (47%)	**1,252**
Blue collar	2,814 (94%)	188 (6%)	**3,002**	2,494 (95%)	144 (5%)	**2,638**	2286 (95%)	110 (5%)	**2,396**
Total	**4,042 (79%)**	**1,089 (21%)**	**5,131**	**3,611 (80%)**	**924 (20%)**	**4,535**	**3,303 (80%)**	**812 (20%)**	**4,115**

In addition, we report the percentage of women in the following additional professional categories in 2024: Junior manager 21.5%, revenue generating functions 47%, STEM-related positions 22.3%.

	2024				2023				2022			
Age range	*< 30*	*30 - 50*	*> 50*	*Grand Total*	*< 30*	*30 - 50*	*> 50*	*Grand Total*	*< 30*	*30 - 50*	*> 50*	*Grand Total*
Leadership		25 (57%)	19 (43%)	**44**		26 (59%)	18 (41%)	**44**	(0%)	27 (61%)	17 (39%)	**44**
Manager	11 (2%)	353 (61%)	211 (37%)	**575**	7 (1%)	291 (60%)	187 (39%)	**485**	6 (1%)	236 (56%)	181 (43%)	**423**
White Collars	211 (14%)	843 (56%)	456 (30%)	**1,510**	192 (14%)	771 (56%)	405 (30%)	**1,368**	151 (12%)	739 (59%)	362 (29%)	**1,252**
Blue Collars	417 (14%)	1,632 (54%)	953 (32%)	**3,002**	384 (15%)	1,424 (54%)	830 (31%)	**2,638**	296 (12%)	1308 (55%)	792 (33%)	**2,396**
Grand Total	**639 (12%)**	**2,853 (56%)**	**1,639 (32%)**	**5,131**	**583 (13%)**	**2,512 (55%)**	**1,440 (32%)**	**4,535**	***452 (11%)***	***2,310 (56%)***	***1,352 (33%)***	***4,115***

Employees by nationality 2024

Nationality	Number of employees	%
Italy	2,251	51%
Spain	590	13%
United States of America	245	6%
Brazil	174	4%
France	168	4%
Mexico	158	4%
Chile	136	3%
China	122	3%
United Kingdom	93	2%
Türkiye	86	2%
Poland	74	2%
Germany	47	1%
Romania	24	1%
Colombia	23	1%
Peru	15	0.3%
Other	206	5%

Are excluded from this analysis Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.
In "Other" are included the countries with a number of employees below 15. It includes: Ecuador, Morocco, Dominican Republic, Moldova, Philippines, Argentina, Belgium, Albania, Portugal, Nicaragua, Hong Kong, Venezuela, Indonesia, Honduras, Ukraine, Czechia, Canada, Costa Rica, Sri Lanka, Senegal, Bangladesh, Bosnia and Herzegovina, El Salvador, Finland, Switzerland, Netherlands, Dominica, Malaysia, Russian Federation, Lithuania, Tunisia, Slovakia, Austria, Cuba, Luxembourg, Tanzania, Cameroon, Greece, Nigeria, Georgia, Haiti, Uruguay, Denmark, Serbia, Bolivia, Ghana, Latvia, Congo, Democratic Republic of the, Hungary, North Macedonia, Pakistan, Israel.

Turnover

	2024				2023				2022			
Number of new hires 2024 *	***<30***	***30 - 50***	***>50***	***Total***	***<30***	***30 - 50***	***>50***	***Total***	***<30***	***30 - 50***	***>50***	***Total***
Male	151	240	47	438	120	212	31	363	137	225	31	**393**
Female	60	100	15	175	40	78	4	122	35	96	12	**143**
Total	**211**	**340**	**62**	**613**	**160**	**290**	**35**	**485**	**172**	**321**	**43**	**536**
(%)	**41%**	**14%**	**4%**	**14%**	**31%**	**12%**	**2%**	**11%**	**39%**	**14%**	**3%**	**13%**
	2024				**2023**				**2022**			
Turnover 2024 *	***<30***	***30 - 50***	***>50***	***Total***	***<30***	***30 - 50***	***>50***	***Total***	***<30***	***30 - 50***	***>50***	***Total***
Male	89	285	198	572	69	220	108	397	66	158	90	**314**
Female	22	91	41	154	9	68	27	104	19	58	20	**97**
Total	**111**	**376**	**239**	**726**	**78**	**288**	**135**	**501**	**85**	**216**	**110**	**411**
Turnover rate (%)	**21%**	**15%**	**17%**	**16%**	**15%**	**11%**	**9%**	**11%**	**19%**	**9%**	**8%**	**10%**

* *excluding Fedrigoni Special Papers North America Inc., Poli-Tape Group and Arjowiggins Group.*

New Hires	2024			2023			2022		
	Male	*Female*	***Total***	*Male*	*Female*	***Total***	*Male*	*Female*	***Total***
Leadership Team	2 (100%)		**2**	1 (100%)	0 (0%)	**1**	4 (100%)	(0%)	**4**
White Collar	118 (45%)	142 (55%)	**260**	119 (54%)	103 (46%)	**222**	141 (53%)	124 (47%)	**265**
Blue Collar	318 (91%)	33 (9%)	**351**	243 (93%)	19 (7%)	**262**	248 (93%)	19 (7%)	**267**
Total	**438 (71%)**	**175 (29%)**	**613**	**363 (75%)**	**122 (25%)**	**485**	**393 (73%)**	**143 (27%)**	**536**
Turnover	**2024**			**2023**			**2022**		
	Male	*Female*	***Total***	*Male*	*Female*	***Total***	*Male*	*Female*	***Total***
Leadership Team	3 (100%)		**3**	2 (100%)	0%	**2**	4 (80%)	1 (20%)	**5**
White Collar	167 (56%)	129 (44%)	**296**	142 (60%)	93 (40%)	**235**	124 (60%)	83 (40%)	**207**
Blue Collar	402 (94%)	25 (6%)	**427**	253 (96%)	11 (4%)	**264**	186 (93%)	13 (7%)	**199**
Total	**572 (79%)**	**154 (21%)**	**726**	**397 (79%)**	**104 (21%)**	**501**	**314 (76%)**	**97 (24%)**	**411**

Internal Mobility

	2024				2023				2022			
Employees covering an internal open position	Male		Female		Male		Female		Male		Female	
	Number	%*	Number	%*	Number	%*	Number	%*	Number	%*	Number	%*
Leadership	10	3%	2	22%	1	3%	0	0%	2	5%	0	0%
Manager	42	10%	28	17%	19	5%	15	12%	23	7%	9	8%
White collar	42	5%	23	3%	43	6%	36	6%	19	3%	12	2%
Blue collar	25	1%	0	0%	18	1%	0	0%	58	3%	1	1%
N/A / Exit in the year	-	-	-	-	4	1%	3	2%				
Total per gender	**119**	**3%**	**53**	**5%**	**85**	**2%**	**54**	**8%**	**102**	**3%**	**22**	**3%**
Total	***172 employees, 3%***				***139 employees, 3%***				***124 employees, 3%***			

ExCo composition

	2024				2023				2022			
Number of ExCo	*<30*	*30 - 50*	*>50*	*Total*	*<30*	*30 - 50*	*>50*	*Total*	*<30*	*30 - 50*	*>50*	*Total*
Male		3	5	8	0	4	3	7	0	6	1	7
Female			1	1	0	0	1	1	0	0	1	1
Total		**3**	**6**	**9**	**0**	**4**	**4**	**8**	**0**	**6**	**1**	**8**
	2024				**2023**				**2022**			
% of ExCo	*<30*	*30 - 50*	*>50*	*Total*	*<30*	*30 - 50*	*>50*	*Total*	*<30*	*30 - 50*	*>50*	*Total*
Male	0%	33%	56%	89%	0.0%	50.0%	37.5%	87,50%	0.0%	75.0%	12.5%	7
Female	0%	0%	11%	11%	0.0%	0,00%	12.5%	12.5%	0.0%	0.0%	12.5%	1
Total	**0%**	**33%**	**67%**	**100%**	**0.0%**	**50.0%**	**50.0%**	**100.0%**	**0.0%**	**75.0%**	**25.0%**	**100.0%**

Board of Directors of Fedrigoni S.p.A.

Member	Gender	Age category	Executive	Non-Executive	Independent	Member from
Nespolo Marco	M	>50	X			30 Nov 2022
Bustreo Davide	M	>50	X			30 Nov 2022
Baroni Alessandro	M	>50	X			30 Nov 2022

Tax management

Country	Resident entity names	Main activities	No. of Employ ees*	Revenues from sales to third parties	Intra-group revenues	Profit/loss before taxes	Tangible assets other than cash and cash equivalents *	Income taxes paid (cash basis)	Accrued Income Taxes on Profits/Losses
				Euro/1.000	*Euro/1.000*	*Euro/1.000*	*Euro/1.000*	*Euro/1.000*	*Euro/1.000*
Austria	Fedrigoni Austria GmbH	Delivery of graphic paper	1	0	0	-292	28	1	1
Bangladesh	Fedrigoni Bangladesh	Delivery of graphic paper	3	66	0	-165	273	38	11
Belgium	Fedrigoni Benelux B.V.	Delivery of graphic paper	9	9,352	445	6,440	1,126	0	-1
Brazil	Fedrigoni Self-Adhesives do Brasil Ltda; Ritrama Autoadesivos Ltda	Production and sale of adhesive and anti-adhesive products	167	82,431	1,251	20,143	50,067	1,499	367
Chile	Fedrigoni Self-Adhesives Chile SA	Production and sale of adhesive and anti-adhesive products	144	33,888	38,369	-35,231	106,165	0	-1,199
China	Fedrigoni (Shanghai) Special Papers Co.,Ltd; Fedrigoni (Quzhou) Specialty Papers Co., LTD; Fedrigoni Trading (Shanghai) Company Limited; Ritrama (Hefei) Pressure Sensitive Coated Materials Co. Limited	Production and delivery of adhesive and anti-adhesive products; Production and sales of Paper materials; Distribution of Paper materials	260	51,400	16,989	-78	41,848	257	905
Colombia	Ritrama S.A.S	Delivery of adhesive and anti-adhesive products	18	7,130	0	6,841	6,690	125	-171
Costa Rica	Ritrama Costa Rica S.A.	Delivery of adhesive and anti-adhesive products	11	5367	6	3,865	4726	0	64
Germany	ASLAN Selbstklebefolien GmbH; Cartamano Deutschland Gmbh; Fedrigoni Deutschland Gmbh; POLI-TAPE Klebefolien GmbH; POLI-TAPE Holding GmbH; Tuscany BidCo Gmbh	Delivery of graphic paper; Production and sale of adhesive and anti-adhesive products	325	76,327	1,340	31,203	170,017	3,165	-1,023
Dominican Republic	Inversiones San Aurelio Srl; Ritrama Caribe Srl	Delivery of adhesive and anti-adhesive products	17	1,236	0	1,223	575	32	21
Ecuador	Distribuidora Ritrama Ecuador Disritrec S.A.	Delivery of adhesive and anti-adhesive products	1	0	0	84	0	0	23
France	Eonys SAS; F1 Papers SAS; Fedrigoni France Sarl; Papeterie Zuber Rieder SAS	Production and delivery of graphic papers;	174	68,657	10,753	20,044	76,194	852	626
Guatemala	Ritrama Guatemala S.A.	Delivery of adhesive and anti-adhesive products	0	0	2	-205	0	0	0

Hong Kong	Fedrigoni Asia Pacific Limited; Fedrigoni Asia Ltd; Fedrigoni Hong Kong Holding Limited; Fedrigoni Special Papers Hong Kong Limited	Delivery of graphic paper	13	8,378	2,503	3,738	1,192	0	137
Indonesia	Fedrigoni Indonesia	Delivery of graphic paper	4	1,618	0	1,019	1,471	11	21
Italy	Arconvert S.p.A.; Gruppo Cordenons S.p.A.; Fedrigoni S.p.A.; Giano S.r.l.; Giano Real Estate; KEMICA S.r.l; Magnani 1404 S.r.l.; Miliani Immobiliare S.r.l.; POLI-TAPE Italia S.r.l.; Polifibra 2011 S.p.A.; E'CLOSE S.r.l.; Ritrama S.p.A.	Production and delivery of graphic papers; Production and delivery of adhesive and anti-adhesive products ; Property Management	2,410	735,273	378,250	-549,082	2,713,534	2,530	5,385
Mexico	Venus America S.A. de C.V.; Servicios de Personal Rolosa S.A. de C.V.; Fedrigoni Self-Adhesives de Mexico SA; Rimark S.A. de C.V.	Production and delivery of adhesive and anti-adhesive products	157	35,870	2,915	1,359	34,306	179	-781
Perù	Ritrama Perù SAC	Delivery of adhesive and anti-adhesive products	12	5,798	0	3,395	3,503	199	-151
Poland	Ritrama Poland sp. z o.o.	Delivery of adhesive and anti-adhesive products	65	39,922	244	32,629	7,732	161	7
Spain	Distribuidora Vizcaina de Papeles S.L; Fedrigoni Espana SL; GUARRO CASAS S.A.; Arconvert S.A.U.; Distribuidora Vizcaina de Papeles, S.L.	Production and delivery of adhesive and anti-adhesive products; Production and delivery of graphic papers; Delivery of graphic paper	645	370,286	80,604	93,422	163,953	9,524	5,176
Turkey	Bes Reklam Ürünleri Sanayi ve Ticaret A.Ş.	Production and sales of Self-adhesive materials	84	9,664	8,547	-7,464	13,022	344	367
UK	Fedrigoni UK Ltd; Ritrama UK Ltd	Production and delivery of adhesive and anti-adhesive products; delivery of adhesive and anti-adhesive products	113	100,178	12,570	73,190	18,638	1,891	2,934
USA	Acucote Inc.; Cohoes Real Estate Holdings, LLC.; Extra Port Inc. Fedrigoni Special Papers North America, Inc.; Fedrigoni Waterford Real Estate Holdings, LLC.; GPA Holding Company Inc; POLI-TAPE USA Inc.; Specialty Materials LLC	Production and delivery of graphic papers; Distribution of Paper and Self-adhesive materials; Production and delivery of adhesive and anti-adhesive products	498	247,777	5,337	58,363	256,119	1,711	7,674
Total			**5,131**	**1,890,616**	**560,123**	**-235,559**	**3,671,178**	**22,519**	**20,393**

* Tangible assets other than cash and cash equivalents include the total amount of current and non-current assets other than cash and cash equivalents.

Table of the location of Fedrigoni paper mills in relation to protected areas or areas of natural interest

	Arco	Cordenons	Fabriano	Pioraco	Scurelle	Varone	Verona
Type of plant	Paper mill	Paper mill	Paper mill	Paper mill	Paper mill	Paper mill	Paper mill
Surface (ha)	12.41	6.20	8.93	3.18	0.55	4.65	5.84
Nearest protected area or area of natural interest	Biotopo Monte Brione	Risorgive del Vinchiaruzzo	Faggeto di San Silvestro	Valle Scurosa, Piano di Montelago e Gola di Pioraco	Val Campelle	Biotopo Monte Brione	Fiume Adige tra Verona est e Badia Polesine
Distance in km to the protected area or area of natural interest	0.33	1.33	0.83	0.00	3.73	2.65	1.66
Number of protected areas or areas of natural interest within a radius of 20 km	55	12	33	31	47	59	13

U.N. Global Compact reference table

Category	Global Compact Principles	2024 Sustainability Report paragraph	GRI Indicator
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights	Our certifications, ratings, endorsements and memberships;2030 ESG targets; Human Rights; Health and Safety; Inclusion, Diversity and Equity; Business conduct	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 405-1, 406-1, 413-1,
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses	2030 ESG targets; Sustainable procurement; Human Rights; Business conduct	N.A.
Labour	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	2030 ESG targets, Human Rights, Social Dialogue and industrial relations	2-30
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	Sustainable procurement; Human Rights; Business conduct	N.A.
	Principle 5: : Businesses should uphold the effective abolition of child labour	Sustainable procurement; Human Rights; Business conduct	N.A.
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Sustainable procurement; Human Rights; Health and Safety; Inclusion, Diversity and Equity; Social Dialogue and industrial relations; Business conduct	2-7, 2-8, 404-1, 404-2, 404-3, 405-1, 406-1
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental	2030 ESG targets; Enterprise Risk Management, Sustainable procurement; CO_2 and renewable	302-1, 302-3, 303-1, 303-2, 303-3,

	challenges	energy; Product innovation; Water; Biodiversity; Business conduct	305-1, 305-2, 305-3, 305-4, 305-5, 306-1,306-2, 306-3
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	2030 ESG targets; Enterprise Risk Management, Sustainable procurement; CO_2 and renewable energy; Product innovation; Water; Biodiversity; Business conduct	302-1, 302-3, 303-1, 303-2, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1,306-2, 306-3
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	2030 ESG targets; Enterprise Risk Management, Sustainable procurement; CO_2 and renewable energy; Product innovation; Water; Biodiversity; Business conduct	302-1, 302-3, 303-1, 303-2, 303-3, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2, 306-3
Anti-Corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery	Business conduct	2-26, 2-27

Scope and impacts of material topics

Material topic	Impact	Type of impacts	Scope
CO_2 & renewable energy sources	Energy consumption	Negative - actual	Caused by Fedrigoni Directly linked through business relationship
	Generation of direct and indirect energy GHG emissions (Scope 1 and Scope 2)	Negative - actual	
	Generation of indirect GHG emissions (Scope 3)	Negative - actual	
	Generation of other pollutant emissions (nitrogen oxides, sulphur oxides and other emissions)	Negative - actual	
Product innovation	Health and product safety non compliance	Negative - potential	Caused by Fedrigoni
	Waste production	Negative - actual	
Water	Water resource consumption	Negative - actual	Caused by Fedrigoni
	Discharged water quality	Negative - actual	
Biodiversity	Direct impact on biodiversity and indirect impact ralated to pulp consumption	Negative- actual	Caused by Fedrigoni and directly linked through business relationship

Health and Safety	Work-related injuries	Negative - actual	Caused by Fedrigoni
Diversity, Equity and Inclusion	Discrimination and non-inclusive practices in the workplace	Negative - Potential	Caused by Fedrigoni
Governance and Business Ethics	Negative impacts on people and economic systems generated by unethical business conduct	Negative - potential	Caused by Fedrigoni
	Non-compliance with laws and regulations in taxation	Negative - potential	
People experience and development	People skills development and well being	Positive - actual	Caused by Fedrigoni
Community relations	Local development and community relations	Positive - actual	Caused by Fedrigoni

SASB

Topic	Accounting metric	Unit of measurement	Code	Response	Paragraph
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Metric tons (t) CO_2-e	RR-PP-110a.1	317,414 t CO_2e	"CO_2 & Renewable energy"
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets		RR-PP-110a.2		"CO_2 & Renewable energy"
Air Quality	Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_2, (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	Metric tons (t)	RR-PP-120a.1	(1) 150.9 (2) n/a (3) 23.9 (4) 5.2 (5) n/a	"Air emission"
Energy Management	(1) Total energy consumed (2) percentage grid electricity, (3) percentage from biomass, (4) percentage from other renewable energy	GJ or %	RR-PP-130a.1	(1) 5,867,335 GJ (2) 6.5% (3) 0% (4) 6.6%	"Energy"
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (Ml), Percentage (%)	RR-PP-140a.1	(1) 16,953Ml (19%) (2) 978 Ml (56%)	"water"
	Description of water management risks and discussion of strategies and practices to mitigate those risks		RR-PP-140a.2		"water"

Supply Chain Management	Percentage of wood fiber sourced from (1) third-party certified forestlands and percentage to each standard and (2) meeting other fiber sourcing standards and percentage to each standard		RR-PP-430a.1	95.5% of the pulp purchased was FSC certified and 4.5% FSC Controlled Wood	"Biodiversity"
	Amount of recycled and recovered fiber procured		RR-PP-430a.2	22 ton	"Product innovation" "Sustainable procurement"
Activity metric	Pulp production		RR-PP-000.A	0	"Product innovation"
	Paper production		RR-PP-000.B	473,162 ton	"Product innovation"

TCFD

This section aims to provide clear and transparent disclosure on climate-related issues, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The following paragraphs outline how Fedrigoni is addressing both the risks and opportunities associated with climate change across governance, strategy, risk management, metrics, and targets. Fedrigoni remains committed to continuously strengthening its environmental governance, strategy, metrics, and objectives, aligning with best practices and drawing inspiration from TCFD guidelines.

Governance

Managing climate change risks and opportunities is a top priority for our company. The Board of Directors provides strategic guidance on climate change and the energy transition, overseeing its implementation. While we do not have a dedicated committee for climate-related matters, the entire Board is actively engaged in this topic. Climate-related issues are discussed at least annually during Board meetings.

The recently appointed Executive Vice President RFID & Innovation and Chief Sustainability Officer, who reports directly to the CEO, is responsible for implementing the ESG 2030 Plan, including the energy transition. The Executive Committee plays a key role in developing and executing our ESG strategy through 2030, encompassing both our energy transition roadmap and our initiatives to reduce CO_2 emissions. Each quarter, the Executive Committee dedicates a session to an in-depth review of ESG topics, ensuring continuous focus and progress. To reinforce accountability, ESG objectives are integrated into the MBOs (Management by Objectives) of all leadership team members and managers, with a 25% weight in 2024.

Strategy

Our approach to managing climate change is comprehensive, aiming to significantly reduce our carbon footprint. We conduct a thorough assessment of emissions across the entire life cycle of our products and actively explore innovative technologies and alternative solutions to replace fossil fuels in our plants. Our strategy aligns with the targets set by the Paris Agreement (2015) and the Sustainable Development Goals (SDGs).

Our paper production plants operate under the European Union Emissions Trading System (EU-ETS). To incentivize energy efficiency and low-carbon investments, we have set an internal Carbon Price equivalent to the ETS allowance price. Additionally, we allocate a dedicated budget for initiatives focused on reducing emissions. Reducing our reliance on fossil fuels is a key objective, and we are evaluating multiple technological alternatives to achieve this goal. In collaboration with suppliers and other stakeholders, we are developing viable short-, medium-, and long-term solutions.

To assess our business resilience and financial exposure to climate change, we conducted a Climate Change Risk Assessment (CCRA). This evaluation considers potential climate-related threats, as well as adaptation and mitigation strategies, across different timeframes. Our analysis is based on two climate change scenarios with three distinct time horizons: 2026, 2030, and 2050. This comprehensive approach helps us assess both physical risks and transition risks and opportunities associated with the shift to a low-carbon economy.

Physical risks were assessed using the Representative Concentration Pathway (RCP) 8.5 scenario from the Intergovernmental Panel on Climate Change (IPCC).

Transition risks and opportunities were evaluated based on the Net Zero Emissions (NZE) 2050 scenario from the International Energy Agency (IEA).

The insights gained from these analyses played a crucial role in identifying potential adaptation strategies, helping us address the most critical risks. These scenarios provided a solid foundation for understanding possible future trends in energy markets, climate dynamics, and societal transformations. The topics examined covered a broad spectrum, including market dynamics, regulatory frameworks, technological advancements, and reputational factors.

In 2024, we developed our Group Decarbonization Plan, reinforcing our commitment to mitigating climate change and aligning with the Paris Agreement's objective of limiting global warming to 1.5°C. Built upon our scenario analysis, this plan focuses particularly on transition risks, ensuring a strategic and forward-thinking approach. It was developed through active engagement with stakeholders across our value chain, particularly our suppliers.

Risk management

Our risk management approach is a key driver of our business strategy and plays a vital role in achieving our long-term objectives. We adopt an integrated risk management framework, ensuring that the assessment of risks and opportunities remains a central priority on the leadership team's agenda. Climate change risks and opportunities are embedded within the Group Enterprise Risk Management (ERM) program, which encompasses all types and sources of risks and opportunities.

Our risk management framework addresses both physical and transition risks associated with climate change. Through our Climate Change Risk Assessment, we have mapped the physical risks affecting our production sites. This analysis evaluates the potential impact of climate-related events on all Fedrigoni sites across three different time horizons. It includes an assessment of both business units and considers the exposure to physical hazards, as well as potential damage to Fedrigoni's assets and operations.

The analysis examines a range of extreme weather events influenced by climate change, including: River and pluvial flooding; Hurricanes, cyclones, and tornadoes; Hailstorms and landslides; Wildfires; Windstorms; Water stress and droughts.

The findings from this risk analysis have been shared with the Operational Committee and all plant managers. Based on these insights, each plant is now developing a site-specific action plan to address its key risks and priorities.

Metrics and targets

We track our Scope 1 and Scope 2 emissions on a monthly basis, ensuring continuous monitoring and evaluation. All key metrics are reviewed by top management every month during Transformation Reviews and Sustainability Checkpoints, allowing for the effective oversight of ongoing projects and initiatives.

	2024	2023	2022
Scope 1	317,414	270,623	317,616
Scope 2 (market based)	7,644	9,410	9,410
Scope 3	1,413,476	1,221,725	/

In 2024, we raised our ambition for emissions reduction. Our new decarbonization plan includes a science-based target (SBTi-approved) to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 47.11% by 2030, compared to 2019 levels, incorporating all recent acquisitions.
For Scope 3 emissions, we have also set a new SBTi-approved target: a 30% reduction by 2030 in emissions from: Category 3.1 – Purchased goods and services; Category 3.3 - Fuel and energy-related activities; Category 3.12 – End-of-life treatment of sold products
Additionally, Fedrigoni is committed to achieving net-zero GHG emissions across its entire value chain by 2050.

TCFD	Fedrigoni's approach
Governance	a) The Board of Directors ensures the strategic guidance related to climate change and energy transition b) Our Group Chief Sustainability Officer is in charge of implementing the ESG 2030 Plan c) The Executive Committee is responsible for developing and executing the ESG strategy by 2030, including the energy transition strategy with our contribution to reducing CO_2 emissions. d) Quarterly meetings with our Executive Committee and Leadership Team to track ESG performance.
Strategy	e) We have adopted a medium-term strategy by 2030 and a long-term strategy by 2050 to reach Carbon Neutrality. We set emissions reduction target approved by SBTi f) Continuous scouting and collaboration with different stakeholders to find feasible technological solutions to reduce our carbon footprint.
Risk Management	g) Transition Risk mapping under the Group Enterprise Risk Management. h) Physical Risk mapping related to climate change (Climate Change Risk Assessment) for our production sites.
Metrics and targets	i) Scope 1, 2 and 3 inventory in our Sustainability Report. j) Scope 1, 2 and 3 targets approved by SBTi

GRI: content index

GRI Standard	Metric	Page	Note
The organization and its reporting practices			
GRI 2: General Disclosures 2021	**2-1** Organizational details	6-7; 77	
	2-2 Entities included in the organization's sustainability reporting	6-7; 77	
	2-3 Reporting period, frequency and contact point	77	
	2-4 Restatements of information		2023 data related to Scope 3 categories 1, 12 and 15, total scope 3 emissions and baseline data related to Scope 1+2 emission reduction target has been restated
	2-5 External assurance	98-100	
Activities and workers			
GRI 2: General Disclosures 2021	**2-6** Activities, value chain and other business relationships	6-7; 12-14	
	2-7 Employees	82-83	
	2-8 Workers who are not employees	82	
Governance			
GRI 2: General Disclosures 2021	**2-9** Governance structure and composition	8-9	
	2-10 Nomination and selection of the highest governance body	8-9	
	2-11 Chair of the highest governance body	8-9	
	2-12 Role of the highest governance body in overseeing the management of impacts	8-9	
	2-13 Delegation of responsibility for managing impacts	8-9; 19	
	2-14 Role of the highest governance body in sustainability reporting	8	
	2-15 Conflicts of interest	68-70	
	2-16 Communication of critical concerns	8-9	
	2-17 Collective knowledge of the highest governance body	8-9	
	2-18 Evaluation of the performance of the highest governance body		The performance is self-assessed by each Board Member every two years, in respect to the activity of the last 12 months, with the help of an external qualified third party to run the process
	2-19 Remuneration policies	8-9; 55-56	
	2-20 Process to determine remuneration	8-9	
	2-21 Annual total compensation ratio		CEO to median employee compensation ratio: 28.7 in 2024. It was calculated considering fixed and variable remuneration of 2024 on a cash basis. Since CEO's compensation decreased in

			2024 compared to 2023 the ratio of the change percentage is zero.
Strategy, policies and practices			
GRI 2: General Disclosures 2021	**2-22** Statement on sustainable development strategy	4-5	
	2-23 Policy commitments	9-10; 12; 27; 37; 44; 64; 66; 71; 74; 75	
	2-24 Embedding policy commitments	25; 31; 38; 40; 44; 47; 61; 66;68	
	2-25 Processes to remediate negative impacts	68-73	
	2-26 Mechanisms for seeking advice and raising concerns	71	
	2-27 Compliance with laws and regulations		In 2024 no cases of non-compliance occurred.
	2-28 Membership associations	23-24	
Stakeholder engagement			
GRI 2: General Disclosures 2021	**2-29** Approach to stakeholder engagement	17	
	2-30 Collective bargaining agreements	64-65	
MATERIAL TOPICS			
GRI 3: Material topics 2021	**3-1** Process to determine material topics	17; 19; 89-90	
	3-2 List of material topics	19	
Governance			
Governance & business ethics			
GRI 3 Material topics (2021)	**3-3** Management of material topics	68	
205: Anti-corruption (2016)	**205-3** Confirmed incidents of corruption and actions taken		In 2024 no confirmed incidents of corruption occurred.
206: Anti-competitive behavior (2016)	**206-1** Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		In 2024 no legal actions for anti-competitive behavior, anti-trust and monopoly practices were recorded.
207: Tax (2019)	**207-1** Approach to tax	74-75	
	207-2 Tax governance, control, and risk management	74-75	
	207-3 Stakeholder engagement and management of concerns related to tax	74-75	
	207-4 Country-by-country reporting	86-89	
Social			
Health and safety			
3 Material topics (2021)	**3-3** Management of material topics	44	
403: Occupational health and safety (2018)	**403-1** Occupational health and safety management system	44-46	
	403-2 Hazard identification, risk assessment, and incident investigation	44-46	
	403-3 Occupational health services	44-46	
	403-4 Worker participation, consultation, and communication on occupational health and safety	44-46	
	403-5 Worker training on occupational health and safety	44-46 52-54	
	403-6 Promotion of worker health	44-46;48 -49; 62	

	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44-46
	403-9 Work-related injuries	44-46
Inclusion, Diversity and Equity		
3 Material topics (2021)	**3-3** Management of material topics	61
405: Diversity and equal opportunity (2016)	**405-1** Diversity of governance bodies and employees	82-83; 85
406: Non-discrimination (2016)	**406-1** Incidents of discrimination and corrective actions taken	71
People experience and development		
3 Material topics (2021)	**3-3** Management of material topics	47
401: Employment (2016)	**401-1** New employee hires and employee turnover	84
404: Training and education (2016)	**404-1** Average hours of training per year per employee	79-81
	404-2 Programs for upgrading employee skills and transition assistance programs	51-54
	404-3 Percentage of employees receiving regular performance and career development reviews	81
Community relations		
3 Material topics (2021)	**3-3** Management of material topics	66
413: Local communities (2016)	**413-1** Operations with local community engagement, impact assessments, and development programs	66-69
Environment		
CO_2 & renewable energy sources		
3 Material topics (2021)	**3-3** Management of material topics	25
302: Energy (2016)	**302-1** Energy consumption within the organization	29
	302-3 Energy intensity	29
	302-4 Reduction of energy consumption	29
305: Emissions (2016)	**305-1** Direct (Scope 1) GHG emissions	28
	305-2 Energy indirect (Scope 2) GHG emissions	28
	305-3 Other indirect (Scope 3) GHG emissions	27
	305-4 GHG emissions intensity	28
	305-5 Reduction of GHG emissions	29
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	30
Biodiversity		
3 Material topics (2021)	**3-3** Management of material topics	38
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	38-39: 88
Water		
3 Material topics (2021)	**3-3** Management of material topics	40
303: Water and effluents (2018)	**303-1** Interactions with water as a shared resource	40
	303-2 Management of water discharge-related impacts	40
	303-3 Water withdrawal	41
	303- 4 Water discharge	42
	303-5 Water consumption	43

Product innovation			
3 Material topics (2021)	**3-3** Management of material topics	31	
416: Customer Health and Safety (2016)	**416-2** Incidents of non-compliance concerning the health and safety impacts of products and services		No cases non-compliance concerning the health and safety impacts of products and services occurred in 2024
306: Waste 2020	**306-1** Waste generation and significant waste-related impacts	36-37	
	306-2 Management of significant waste-related impacts	36-37	
	306-3 Waste generated	37	

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**INDEPENDENT AUDITOR'S REPORT
ON THE SUSTAINABILITY STATEMENT**

**To the Board of Directors of
Fedrigoni S.p.A.**

We have carried out a limited assurance engagement on the Sustainability Statement of Fedrigoni S.p.A. and its subsidiaries (hereinafter also "Fedrigoni Group" or "Group") as of December 31, 2024.

Our limited assurance engagement does not extend to the information included in the paragraph "Taxonomy" of the Sustainability Statement, disclosed on a voluntary basis, required by art. 8 of the European Regulation 2020/852.

Responsibility of the Directors for the Sustainability Statement

The Directors of Fedrigoni S.p.A. are responsible for the preparation of the Sustainability Statement in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* (hereinafter "GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Statement.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Fedrigoni Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality management

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, 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.

Auditor’s responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Statement with the GRI Standards.

We conducted our work in accordance with the criteria established in the “*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*” (hereinafter “ISAE 3000 Revised”), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Statement is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 *Revised*, and, therefore, do 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 Statement are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Statement, with reference to the methods of analysis and understanding of the context, identification, evaluation and prioritization of actual and potential impacts and to the internal validation of the process results;

2) comparison between the economic and financial data and information included in the Sustainability Statement with those included in the Fedrigoni Group’s Consolidated Financial Statements;

3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Statement.

In particular, we carried out interviews and discussions with the management of Fedrigoni S.p.A. and with the personnel of Arconvert S.A.U. and Fedrigoni Special Papers North America, Inc. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Statement.

In addition, for material information, taking into consideration the Fedrigoni Group’s activities and characteristics:

- at the Fedrigoni Group's level:

    a) with regards to qualitative information included in the Sustainability Statement, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
    b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;

- for the following companies and sites, Riva del Garda (TN), Scurelle (TN), and Verona (VR) production plants for Fedrigoni S.p.A., Barberà del Vallès production plant for Arconvert S.A.U. and Cohoes (NY) production plant for Fedrigoni Special Papers North America, Inc, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Statement of the Fedrigoni Group as of December 31, 2024 is not prepared, in all material respects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Statement.

Our conclusion on the Sustainability Statement of the Fedrigoni Group does not extend to the information included in the paragraph "Taxonomy", disclosed on a voluntary basis, required by art. 8 of the European Regulation 2020/852.

Other matters

The data for the years ended as December 31, 2019 and 2020 presented for comparative purposes in the Sustainability Statement have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Luca Lorenzetti

Luca Lorenzetti
Partner

Verona, Italy
May 8, 2025

FEDRIGONI

FEDRIGONI S.P.A.

Via Enrico Fermi, 13/F

37135 Verona

Italy

As the issuer of

€430,000,000 6.125% Senior Secured Fixed Rate Notes due 2031

Rule 144A Notes ISIN number: XS2821788267

Reg S Notes ISIN number: XS2821787962

€665,000,000 Senior Secured Floating Rate Notes due 2030

Rule 144A Notes ISIN number: XS2745965154

Reg S Notes ISIN number: XS2748964850

Annual Financial Report

For the year ended December 31, 2024

The date of this Annual Financial Report is April 28, 2025

TABLE OF CONTENTS

INTRODUCTION

We present in this annual financial report (this "Annual Financial Report"):

1. certain financial and other information of Fedrigoni S.p.A. ("Fedrigoni") and its subsidiaries (the "Fedrigoni Group") as of and for the year ended December 31, 2024;
2. certain financial and other information of Fiber Bidco S.p.A. ("Fiber") and its subsidiaries (the "Fiber Group") as of and for the year ended December 31, 2023;
3. certain pro forma financial and other information as of and for the year ended December 31, 2024, and the year ended December 31, 2023, consisting of (i) certain financial and other information of the Fedrigoni Group as of and for the year ended December 31, 2024, *plus* (ii) certain financial and other information of the Fiber Group as of and for the year ended December 31, 2023. In 2023, we decided to explore the potential sale of a majority interest in the share capital of our fully owned subsidiary Giano in liquidazione S.r.l. ("Giano"), an Italian company operating in the Office paper business segment, a separate vertical within the Luxury Packaging and Creative Solutions. In December 2024, after several attempts, which did not lead to a feasible transfer of the Office business, the Group has decided to cease the operations of the Office paper business segment operated by Giano in this Annual Financial Report, given that, as of and for the year ended December 31, 2024 and as of and for the year ended December 31, 2023, the results of Giano are presented separately showing the effect of its contribution as discontinued operation.

3. Pro Forma Adjusted EBITDA, which consists of our Adjusted EBITDA, adjusted for certain specified items as set forth herein.

FEDRIGONI MERGER UPDATE

On December 4, 2024, Fiber Bidco S.p.A. merged into Fedrigoni S.p.A., with Fedrigoni S.p.A. being the surviving entity (the "Fedrigoni Merger"). The Fedrigoni Merger was undertaken pursuant to the provisions of Article 2501-*bis* and following of the Italian Civil Code.

THE ACQUISITION

On July 26, 2022, Bain Capital Private Equity signed a definitive agreement with BC Partners for the joint ownership of Fedrigoni Group (the "Acquisition"). The Acquisition closed on November 30, 2022, with the acquisition by Fiber Bidco of 99.99% of the share capital of Fedrigoni. At closing of the Acquisition, Bain Capital and BC Partners each owned, indirectly, a 45.6% stake in Fedrigoni, with the remaining 8.8% being held by certain management and minority co-investors.

KEY FINANCIAL INFORMATION

The following table provides an overview of the key results and certain information of (i) the Fedrigoni Group, for the year ended December 31, 2024, and (ii) the Fiber Group, for the year ended December 31, 2023.

	Year ended December 31,	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Sales Revenues	1,735.3	1,890.6
Adjusted EBITDA[(1)]	281.9	288.3
Adjusted EBITDA Margin[(2)]	16.2%	15.2%
Normalized Capital Expenditures[(3)]	37.6	65.5
Adjusted Sales Revenues[(4)]		2,076.3
Pro Forma Adjusted EBITDA[(1)]		380.0
Pro Forma Adjusted EBITDA Margin[(2)]		18.3%
Pro Forma Net Financial Debt[(5)]		1,439.9
Pro Forma Cash Interest Expense[(6)]		105.6
Ratio of Pro Forma Net Financial Debt to Pro Forma Adjusted EBITDA		3,79x
Ratio of Pro Forma Adjusted EBITDA to Pro Forma Cash Interest Expense		3,59x

(1) We define Adjusted EBITDA as net profit/(loss) before depreciation, amortization and impairment losses, income taxes, finance costs, finance income, results from discontinued operations, and certain income and costs that management does not consider to be representative of the underlying operations of the business because they either (a) relate to actions taken in relation to transformation projects in connection with certain acquisitions, (b) are not expected to recur within the next two years or (c) are costs associated with business combinations that are expensed as

incurred. We define Pro Forma Adjusted EBITDA as Adjusted EBITDA, adjusted for certain specified items as set forth below.

Set forth below is a reconciliation of the net profit/ (loss) to Adjusted EBITDA and Pro Forma Adjusted EBITDA of, respectively, the Fiber Group for the year ended December 31, 2023, and Fedrigoni Group for the year ended December 31, 2024:

	Year ended December 31,	
	Fiber Group	Fedrigoni Group
(€ million)	2023	2024
Net profit/(loss)	(109.5)	(285.1)
Net loss from discontinued operations	2.0	29.2
Depreciation, amortization and impairment losses	112.7	127.0
Income taxes	(13.2)	20.3
Finance costs(*)	295.4	408.6
Income from equity-accounted investments in associates	6.9	(0.6)
Finance income	(39.2)	(53.1)
Non-recurring and certain M&A income and costs(A)	26.8	42.0
Adjusted EBITDA	**281.9**	**288.3**
Fedrigoni run rate cost savings(B)		54.9
Pro Forma Adjusted EBITDA		**343.2**
Tageos Acquisition and accounting adjustments(C)		21.2
Run rate cost savings related to the Tageos Acquisition(D)		0.2
Run rate cost savings related to the Guarro Acquisition(E)		0.4
Run rate cost savings related to the Fedrigoni Special Papers North America(F)		2.4
Poli-Tape Acquisition and accounting adjustments(G)		10.1
Run rate cost savings related to the Poli-Tape(H)		2.5
Pro Forma Adjusted EBITDA		**380.0**

(*) Please refer to the "Net Financial Income/(Costs)" section (page 14) for a detailed explanation of the one-time impact related to the refinancing of the 2022 Notes.

(A) Represents adjustments related to (a) in respect of the year ended December 31, 2024, (i) €23.9 million of reorganization and transformation projects related costs and accruals, gain/loss from asset acquisitions and disposals, and non-recurring costs (ii) €14.5 million of M&A fees related to the acquisition and early transformation of Fedrigoni Special Papers North America (resulting from the acquisition of certain assets of Mohawk Fine Paper Inc. ("Mohawk") and of Poli-Tape ("Poli-Tape Group") and (iii) €3.6 million for certain related party consultancy services connect with strategic projects definition and execution, and (b) in respect of the year ended December 31, 2023 (i) €21.8 million of reorganization and transformation project, gain/loss from asset disposals, and non-recurring costs (ii) €1.5 million of M&A fees and (iii) €3.5 million for certain related party consultancy services connect with strategic projects definition and execution.

(B) Represents the estimated run-rate effect on Adjusted EBITDA of cost savings that we identified and/or secured and that we expect to realize in the next 18 months and consisting of (i) cost savings of approximately €40.8 million per year arising from certain procurement initiatives, primarily including supplier negotiations, design-to-value and value engineering projects, (ii) cost savings of approximately €14.1 million per year arising from certain operational improvements driven by the reorganization and streamlining of our production process and footprint.

(C) On April 26, 2022, we entered into an agreement for the acquisition of Tageos SAS ("Tageos") (the "Tageos Acquisition"), a French company operating in the design, manufacturing and distribution of RFID inlays and tags, indirectly through the acquisition of a 50.1% interest in Tageos's holding company. The Tageos Acquisition adjustment represents the run-rate effect on Adjusted EBITDA of Tageos, as if Tageos had been acquired and consolidated into our results on January 1, 2024.

As of the date of this Annual Financial Report, Tageos is not consolidated into our results.

(D) Represents the estimated run-rate effect on Adjusted EBITDA of commercial synergies due to cross-selling of Tageos' RFID labels to Fedrigoni's customer base.

(E) Represents the estimated run-rate effect on Adjusted EBITDA of logistic synergies due to cross-selling of Guarro Casas S.A. ("Guarro") products to Fedrigoni's customer base. Guarro is a Spanish manufacturer of fine quality papers mainly for binding and creative applications which we acquired on October 19, 2022.

(F) On February 23, 2024, we acquired certain assets of Mohawk, a family-owned company that produces some of the best-know specialty papers for designers, brands and printers, establishing Fedrigoni Special Papers North America. The adjustment represents the estimated run-rate effect on Adjusted EBITDA of savings (both on procurement and operations) and commercial synergies linked to cross-selling of Fedrigoni Special Papers to the new customers' base.

(G) On June 28, 2024, we acquired an 89.9% stake in the German headquartered Poli-Tape, a group specialized in textile graphics, application tapes and sign & digital films. The adjustment represents the run-rate contribution to Adjusted EBITDA of Poli-Tape to the extent not already reflected in the Fedrigoni Group's Adjusted EBITDA, as if Poli-Tape had been acquired on January 1, 2024.

(H) Represents the estimated run-rate effect on Adjusted EBITDA of savings (mostly coming from identified initiatives on both procurement and operations) and, to a minor extent, commercial. synergies linked to cross-selling of Poli-Tape to the new customers' base.

(2) Adjusted EBITDA Margin represents Adjusted EBITDA divided by sales revenues for the periods presented. Pro Forma Adjusted EBITDA Margin is defined as Pro Forma Adjusted EBITDA divided by Adjusted Sales Revenues for the periods presented.

(3) Normalized Capital Expenditures is defined as investments in intangible assets and property, plant and equipment, net of disposals of property, plant and equipment and intangible assets and excluding Extraordinary Capital Expenditures, that are not incurred in the ordinary course of business. The Normalized Capital Expenditures to Sales ratio increased to 3.46% for the year ended December 31, 2024, from 2.17% for the year ended December 31, 2023.

The table below sets forth the calculation of Normalized Capital Expenditures relating to (i) for the year ended December 31, 2024, Fedrigoni Group's results, and (ii) for the year ended December 31, 2023, the Fiber Group's results:

	Year ended December 31,	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Investments in intangible assets	16.5	17.3
Investments in property, plant and equipment	58.0	56.8
Disposals of property, plant and equipment and intangible assets	(138.5)	(63.8)
Extraordinary Capital Expenditures (A)	101.6	55.2
Normalized Capital Expenditures	**37.6**	**65.5**

(A) Represents capital expenditures and disposals that are not considered by management to have been incurred in the ordinary course of business and includes items related to (i) the sale and lease back of certain plants previously owned and operated by Fedrigoni (the "Fedrigoni Group") across Italy, Spain and Germany (the "S&LB Transaction") (ii) the installation of new biological wastewater treatment system, and (iii) the installation of a major cogeneration turbine overhauling at plant based in Arco (Province of Trento).

(4) Adjusted Sales Revenues represents sales revenues adjusted to include estimated net sales for the year ended December 31, 2024, generated by (i) Tageos, in an amount of €128.7 million, (ii) Poli-Tape, in an amount of €106.1 million and (iv) excluding net sales generated during the period by the Office paper business operated by Giano. Net sales of Tageos have been prepared in accordance with French GAAP and net sales of Poli-Tape have been prepared in accordance with German GAAP. French GAAP and German GAAP differ in certain respects from IFRS. As such, the adjustments representing the contribution of Tageos and Poli-Tape might have been substantially different if they had been aligned to, or prepared in accordance with, IFRS.

(5) Pro Forma Net Financial Debt represents non-current liabilities due to banks and other lenders plus current liabilities due to banks and other lenders, minus cash and cash equivalents, on an adjusted

basis after giving effect to the Transactions as if they had occurred on December 31, 2024. Pro Forma Net Financial Debt includes (i) €665.0 million in aggregate principal amount outstanding under Fedrigoni S.p.A.'s (previously, Fiber Bidco S.p.A.'s) Senior Secured Floating Rate Notes due 2030 (the "FRNs") (ii) €430.0 million in aggregate principal amount outstanding under Fedrigoni S.p.A.'s (previously Fiber Bidco S.p.A.'s) Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), (iii) €177.1 million of lease liabilities associated with the S&LB Transaction, (iv) €88.7 million of other lease liabilities (representing current and non-current leases, excluding the lease liabilities associated with the S&LB Transaction), (v) €90.0 in aggregate principal amount outstanding under the SACE Facility, (vi) €89.6 million of non-cash accelerated amortized costs related to the refinancing of the 2022 Notes, (vii) €27.6 million referred to the expected impact of the wind-down of Giano's Office business, not yet materialized and (viii) €60.8 million related to other debt less, (ix) €188.9 million of cash as of December 31, 2024. Pro Forma Net Financial Debt includes the impact of Tageos, which is €28.2 million net.

To illustrate the non-recurring impact of the issuance of the FRNs and the SSNs, the early redemption of the 2022 Fiber Floating Rate Notes and 2022 Fiber Fixed Rate Notes, as well as the M&A transactions we completed in the year ended December 31, 2024, and the estimated effect of the wind-down of the Giano's Office business, we include the following table representing our Pro Forma Net Financial Debt as of December 31, 2024, on a December 31, 2023 like-for-like basis, that is excluding (i) the cash and non-cash impact of the early redemption of the 2022 Notes, driven by the two refinancings, and (ii) the cash outflows related to the M&A transactions completed in the year ended December 31, 2024, (iii) the estimated cash/indebtedness impact of the disposal / winddown from the Office business:

	Year ended December 31,
	Fedrigoni Group
(€ million)	**2024**
Pro Forma Net Financial Debt	**1,439.9**
Refinancing - Early redemption costs (2022 Fiber Floating Rate Notes & 2022 Fiber Fixed Rate Notes)	(38.2)
Refinancing - Non-cash accelerated amortization (2022 Fiber Floating Rate Notes)	(71.8)
Refinancing - Non-cash accelerated amortization (2022 Fiber Fixed Rate Notes)	(17.8)
Repayment of Shareholder Loan (including interest)	(56.1)
M&A - Acquisition of certain assets of Mohawk and the acquisition of Poli-Tape Group	(196.8)
Office business wind-down	(27.6)
Like-for-like Pro Forma Net Financial Debt	**1,031.6**

(6) Pro Forma Cash Interest Expense represents the estimated cash interest expense of the Fedrigoni Group on an as adjusted basis for the year ended December 31, 2024, after giving pro forma effect to the issuance of the SSNs and the FRNs and their respective use of proceeds as if they occurred on January 1, 2024, and does not account for interest expense on the 2022 Notes redeemed during the period. Pro Forma Cash Interest Expense has been presented for illustrative purposes and does not purport to represent what our interest expense would have been had the offering of the

SSNs and FRNs and their use of proceeds occurred on January 1, 2024, nor does it purport to project our interest expense for any future period or our financial position at any future date. The figure also includes the impact of Tageos, which is €0.8 million.

Results of Operations

Financial Statements

The following table provides an overview of the results of operations of Fedrigoni Group for the year ended December 31, 2024, and of Fiber Group for the year ended December 31, 2023.

	Year ended December 31,	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Sales revenues	1,735.3	1,890.6
Other operating income	133.3	152.3
Cost of materials	(999.6)	(1,107.1)
Cost of services	(332.0)	(383.0)
Cost of personnel	(262.4)	(323.8)
Other costs	(13.9)	(17.8)
Depreciation, amortization and impairment losses	(112.7)	(127.0)
Change in inventories of work in progress, semifinished goods and finished products	(12.4)	27.8
Cost of capitalized in-house work	6.8	7.3
Operating income	**142.4**	**119.3**
Financial income	39.2	53.1
Finance costs	(295.4)	(408.6)
Net financial income/(costs)	**(256.2)**	**(355.5)**
Share of profits of associates	**(6.9)**	**0.6**
(Loss)/Profit before tax	**(120.7)**	**(235.6)**
Income tax	13.2	(20.3)
Net profit/(loss) from continuing operations	(107.5)	(255.9)
Net profit/(loss) from discontinued operations	(2.0)	(29.2)
Net profit/(loss)	**(109.5)**	**(285.1)**
Net profit/(loss) attributable to owners of the parent	(109.6)	(285.2)
Net profit/(loss) attributable to minority interests	0.1	0.1

Discussion of the Results of Operations

Sales Revenues

Sales Revenues by Reporting Segment and Business Line

Sales revenues increased by €155.3 million, or 8.9%, to €1,890.6 million for the year ended December 31, 2024, from €1,753.3 million with respect to the twelve months ended December 31, 2023. The table below shows the total sales by reporting segment for the years ended December 31, 2024, and 2023 of, respectively, the Fedrigoni Group and the Fiber Group:

	Year ended December 31,	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Luxury Packaging and Creative Solutions Segment	**716.3**	**798.3**
Fedrigoni Self-Adhesives/Labels Segment	**1,046.8**	**1,139.4**
Interdivision elimination	**(27.8)**	**(47.1)**
Sales revenues	**1,735.3**	**1,890.6**

Sales revenues in the Fedrigoni Luxury Packaging and Creative Solutions increased by €82.0 million, or 10.3%, to €798.3 million for the year ended December 31, 2024, from €716.3 million for the year ended December 31, 2023. This increase was due to an improved organic mix and to the positive contribution of the full consolidation of the Arjowiggins Group starting from December 2023 and of Fedrigoni Special Papers North America (which we established following the acquisition of certain assets of Mohawk) from February 2024.

Sales revenues in the Fedrigoni Self-Adhesives Segment increased by €92.6 million, or 8.1%, to € 1,139.4 million for the year ended December 31, 2024, from €1,046.8 million for the year ended December 31, 2023. This increase was primarily due to an organic increase in sales volumes and to the positive contribution of the full consolidation of Poli-Tape Group starting from end of June 2024.

Sales Revenues by Geographic Area

The following tables show our sales by country and respective reporting segment of the Fiber Group, for the year ended December 31, 2023, and of the Fedrigoni Group, for the year ended December 31, 2024.

	Year ended December 31	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Italy	**364.8**	**370.9**
Luxury Packaging and Creative Solutions Segment (*)	193.1	203.3
Fedrigoni Self-Adhesives/Labels Segment (*)	180.7	181.8
Rest of Europe	**842.2**	**850.3**
Luxury Packaging and Creative Solutions Segment (*)	340.1	305.1
Fedrigoni Self-Adhesives/Labels Segment (*)	520.1	574.0
Rest of world	**528.3**	**669.4**
Luxury Packaging and Creative Solutions Segment (*)	183.1	289.9
Fedrigoni Self-Adhesives/Labels Segment (*)	346.0	383.6
Total	**1,735.3**	**1,890.6**

(*) Sales revenues by segment include interdivision sales.

Sales revenues in Italy increased by €6.1 million, or 1.6%, to €370.9 million for the year ended December 31, 2024, from €364.8 million for the year ended December 31, 2023. The domestic sales revenues for the year ended December 31, 2024, are substantially in line with the sales revenues generated for the year ended December 31, 2023.

Sales revenues in the Rest of Europe increased by €8.1 million, or 1.0%, to €850.3 million for the year ended December 31, 2024, from €842.2 million for the year ended December 31, 2023. This increase was mainly due to the positive contribution of the full consolidation of Poli-Tape Group starting from end June 2024.

Sales revenues in the Rest of World increased by €141.1 million, or 21.1%, to €669.4 million the year ended December 31, 2024, from €528.3 million for the year ended December 31, 2023. This increase was mainly due to (i) the positive contribution of the full consolidation of Arjowiggins China and its subsidiaries (together, the "Arjowiggins Group") starting from December 2023 and of Fedrigoni Special Papers North America from February 2024 into our Luxury Packaging and Creative Solutions segment ("LPCS") and (ii) higher sales volumes generated by the Fedrigoni Self-Adhesives segment ("FSA") in the Latin American region ("LATAM").

Other Operating Income

Other operating income increased by €19.0 million, or 14.3%, to €152.3 million for the year ended December 31, 2024, from €133.3 million for the year ended December 31, 2023. This increase was mainly due to (i) a one-time capital gain from a real estate sales and lease-back operation (the S&LB Transaction) and a one-time income from the acquisition of certain assets of Mohawk in the

US, which we both classified as non-recurring and (ii) increased sales of energy as part of our ordinary energy/environmental related income.

Cost of Materials

Cost of materials increased by €107.5 million, or 10.8%, to €1,107.1 million for the year ended December 31, 2024, from €999.6 million for the year ended December 31, 2023. This increase was primarily attributable to (i) increased sales volumes (ii) the negative impact of inflationary trend on the costs of raw materials, mainly pulp, and (iii) the impact from the consolidation of the Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024. Costs of materials accounted for 58.6% of our sales revenues for the year ended December 31, 2024, from 57.6% for year ended December 31, 2023.

Cost of Services

Cost of services increased by €51.0 million, or 15.4%, to €383.0 million for the year ended December 31, 2024, from €332.0 million for the year ended December 31, 2023. The increase was primarily due to (i) the full consolidation of the Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024, (ii) higher transportation costs and utilities expenses driven by the increase of our sales volumes and (iii) an increase in non-recurring consultancy fees driven by M&A transactions and strategic transformation and integration activities during the period. Cost of services accounted for 20.3% of our sales revenues for the year ended December 31, 2024, from 19.1% for the year ended December 31, 2023.

Cost of Personnel

Cost of personnel increased by €61.4 million, or 23.4%, to €323.8 million for the year ended December 31, 2024, from €262.4 million for the year ended December 31, 2023. This increase was primarily due to the consolidation of Arjowiggins Group from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation of Poli-Tape Group from the end of June 2024. Cost of personnel accounted for 17.1% of our sales revenues for the twelve months ended December 31, 2024, from 15.1% for the twelve months ended December 31, 2023.

Other Costs

Other costs increased by €3.9 million, or 28.1%, to €17.8 million for the year ended December 31, 2024, from €13.9 million for the year ended December 31, 2023. This decrease was primarily due to (i) the release of the allowance for risks related to the Security business disposed in 2021, partially offset by (ii) an increase in write-downs of receivables, mainly connected to the reorganization of our commercial distributors footprint in LATAM and (ii) a one-time capital loss related to the sales and lease back of one of our Italian plants as part of the S&LB Transaction. Other costs accounted for 0.9% of Fedrigoni Group's sales revenues for the year ended December 31, 2024, from 0.8% of Fiber Group's sales revenues for the year ended December 31, 2023.

Depreciation, Amortization and Impairment Losses

Depreciation, amortization and impairment losses increased by €14.3 million, or 12.7%, to €127.0 million for the year ended December 31, 2024, from €112.7 million for the year ended December 31, 2023. The increase in the depreciation, amortization and impairment losses for the year ended December 31, 2024, was primarily due to the consolidation of Arjowiggins Group starting from December 2023, the consolidation of Fedrigoni Special Papers North America from February 2024 and the consolidation Poli-Tape Group starting from the end of June 2024.

Net Financial Income/(Costs)

Net financial costs increased by €99.3 million, or 38.8%, to €355.5 million for the year ended December 31, 2024, from €256.2 million for the year ended December 31, 2023. This increase was primarily due to (i) the non-cash accelerated booking of amortized costs related to the redeemed 2022 Fiber Floating Rate Notes and the redeemed 2022 Fiber Fixed Rate Notes, following their early redemption on January 22, 2024, and on May 20, 2024, respectively, (ii) one-time costs related to the early redemption of the 2022 Notes, and (iii) the increase of interest expenses on leases after the real estate sales and lease transaction, partially offset by (iv) the recurring decrease of interest expenses which we recorded in the period as a result of the redemption of the 2022 Notes. It is worth noting that the increase in our net financial costs driven by the accelerated booking of amortized costs under (i) above represents a one-off and non-cash variation, which is entirely driven by the IFRS accounting treatment associated with the FRNs issued on January 22, 2024, and the SSNs issued on May 20, 2024.

Income Taxes

Income taxes increased by €33.5 million, or 253.8%, to €20.3 million of costs for the year ended December 31, 2024, from €13.2 million of income for the year ended December 31, 2023. The increase of the year ended December 31, 2024, compared to the same period in 2023 was mainly driven by income tax on the capital gains recorded as a result of the S&LB Transaction.

Key Earning Figures

Operating Income

Operating income decreased by €23.1 million, or 16.2%, to €119.3 million for the year ended December 31, 2024, from €142.4 million for the year ended December 31, 2023. This decrease was primarily due to the impact of higher M&A costs related to the acquisitions completed during 2024, classified as transformation costs.

Adjusted EBITDA

Adjusted EBITDA increased by €6.4 million, or 2.3%, to €288.3 million for the year ended December 31, 2024, from €281.9 million for the year ended December 31, 2023. This increase was primarily due to (i) a mix improvement in both the Fedrigoni Self-Adhesives Segment and the Luxury Packaging and Creative Solutions Segment and an organic increase in sales volumes generated the Fedrigoni Self-Adhesives Segment, and (ii) the positive contribution of the consolidation of the Arjowiggins Group starting from December 2023, of Fedrigoni Special Papers North America from February 2024 and of Poli-Tape Group starting from end June 2024.

The following table shows our Adjusted EBITDA by reporting segment for the Fiber Group for the year ended December 31, 2023, and for the Fedrigoni Group year ended December 31, 2024:

(€ million)	**Year ended December 31, 2024**	
	Fedrigoni Group	
	LPCS	**FSA**
Sales to third Parties	753.6	1,137.0
Sales to other Group companies	44.8	2.4
Total sales revenues	**798.4**	**1,139.4**
Other operating expense / income	(647.6)	(1,043.9)
Transformation costs	21.7	15.2
Other non-recurring expenses / income	(31.2)	36.5
Managerial Adjusted EBITDA*	**141.2**	**147.2**

(€ million)	Year ended December 31, 2023	
	Fiber Group	
	LPCS	FSA
Sales to third Parties	690.9	1,044.5
Sales to other Group companies	25.5	2.3
Total sales revenues	**716.4**	**1,046.8**
Other operating expense / income	(569.3)	(938.8)
Transformation costs	15.6	10.7
Other non-recurring expenses / income	(11.2)	11.7
Managerial Adjusted EBITDA*	**151.5**	**130.4**

(*) Other operating expense and income also include a managerial adjustment to better reflect the impact of certain energy and pricing elements across the segments.

Managerial adjusted EBITDA in the Luxury Packaging and Creative Solutions decreased by €10.3 million, or 6.8%, to €141.2 million for the year ended December 31, 2024, from €151.5 million for the year ended December 31, 2023. This decrease was primarily due to lower volumes primarily driven by a softer demand in the luxury market, only partially compensated by an improved mix.

Managerial adjusted EBITDA in the Fedrigoni Self-Adhesives Segment increased by €16.8 million, or 12.9%, to €147.2 million for the year ended December 31, 2024, from €130.4 million for the year ended December 31, 2023. This increase was primarily due to (i) an increase in sales volumes in the Fedrigoni Self-Adhesives Segment driven by increased demand in LATAM and (ii) full consolidation of Poli-Tape Group starting from end June 2024.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash flows from operating activities, bank credit lines and other forms of indebtedness, including the Revolving Credit Facility. The primary needs for liquidity are to fund working capital, repay debt and make investments to develop our business. The Group believes that the current cash flow from operating activities and existing bank financing will provide it with sufficient liquidity to meet current working capital needs.

Cash Flows

The table below sets forth a summary of the condensed consolidated statements of cash flows of (i) the Fiber Group results, for the year ended December 31, 2023, and (ii) the Fedrigoni Group results, for the year ended December 31, 2024:

(€ million)	**Year ended December 31,**	
	Fedrigoni Group	**Fiber Group**
	2024	**2023**
Cash flow from operating activities	223.3	118.4
Cash flow used in investing activities	(71.4)	61.5
Cash flow used in financing activities	(209.6)	(56.8)
Increase/(decrease) in cash and cash equivalents	**(57.8)**	**123.1**
Cash and cash equivalents at the beginning of the period	239.4	117.5
Effects of exchange rate changes on the balance of cash held in foreign currencies	0.1	(1.3)
Cash and cash equivalents at the end of the period	**181.7**	**239.4**

In the year ended December 31, 2024, cash flow from operating activities amounted to a cash inflow of €223.3 million, mainly driven by cash flow generated from operating activities before movement in working capital and positive change in trade working capital.

Cash flow used in investing activities amounted to a cash outflow of €71.4 million, mainly due to (i) the acquisition of certain assets from Mohawk, (ii) the acquisition of the 89.9% stake in Poli-Tape Group and (iii) the cash outflow for the acquisition of new tangible and intangible assets, partially offset by (iv) the cash inflow from the second closing of the S&LB Transaction.

Cash flow from financing activities amounted to a net cash outflow of €209.6 million, primarily resulting from (i) the partial repayment of Shareholder Loan to Fiber MidCo, (ii) cash outflows related to the early redemption of the 2022 Notes, (iii) early repayment of certain indebtedness of Poli-Tape, consisting primarily of medium-long term loans with banks, due to a change of control clause, (iv) payment of interest on indebtedness outstanding during the period, partially compensated by (i) the positive effect from the issuance of the FRNs and the SSNs and (ii) the positive effect from amounts borrowed under the SACE Facility.

Trade Working Capital

The table below sets forth a summary of the change in trade working capital of Fiber Group for the year ended December 31, 2023, and of Fedrigoni Group for the year ended December 31, 2024.

	Year ended December 31,	
	Fiber Group	**Fedrigoni Group**
(€ million)	**2023**	**2024**
Change in trade receivables	59.0	(1.9)
Change in trade payables	(116.0)	115.6
Change in inventories	150.8	(19.6)
Change in Trade Working Capital	**93.8**	**94.1**

INDEBTEDNESS

In connection with the Acquisition, Fiber Bidco issued €300,000,000 in aggregate principal amount of 11.00% Senior Secured Notes due 2027 (the "2022 Fiber Fixed Rate Notes") and €577,967,696 Senior Secured Floating Rate Notes due 2027 (the "2022 Fiber Floating Rate Notes" and, together with the 2022 Fiber Fixed Rate Notes, the "2022 Notes"). In addition, Fiber Bidco issued €147,032,304 in aggregate principal amount of Senior Secured Floating Rate Notes (the "Exchanged Notes"), having substantially the same terms as the 2022 Fiber Floating Rate Notes, which on the closing date of the Acquisition were exchanged for an equivalent amount of additional 2022 Fiber Floating Rate Notes.

On November 9, 2022, Fiber Bidco issued additional €56,349,000 in aggregate principal amount of Fiber Fixed Rate Notes. In addition, Fiber Bidco privately placed €8,564,000 in aggregate principal amount of additional Fiber Fixed Rate Notes and €10,087,344 in aggregate principal amount of additional Fiber Floating Rate. In connection with the Acquisition, Fiber Bidco also entered into a revolving credit facility with availability of up to €150,000,000 (the "Revolving Credit Facility").

As of the date of this Annual Financial Report, our Revolving Credit Facility has been drawn, in April, for €25,000,000.

On January 22, 2024, Fiber Bidco issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs").

Proceeds from the offering of the FRNs were used, together with cash on hand and certain proceeds from the S&LB Transaction, to redeem €735,087,344 in aggregate principal amount outstanding under the 2022 Fiber Floating Rate Notes.

On January 22, 2024, certain lenders made available an additional facility under the Revolving Credit Facility agreement in an aggregate principal amount of €30.0 million, by way of a fungible increase of the total commitments under the Revolving Credit Facility resulting in total commitments of €180.0 million.

On January 24, 2024, Fedrigoni S.p.A. signed a loan agreement with a pool of banks up to a maximum amount equal to €90 million, 80% guaranteed by SACE S.p.A. (with the application of a variable interest rate equal to 3 months Euribor + 250bp), having a term of 5 years with a grace period of 18 months. The loan is mainly aimed at permitting additional investments and increasing working capital availability (the "SACE Facility").

On January 30, 2024, Fedrigoni S.p.A. and certain of its subsidiaries have met all the conditions to complete the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the "S&LB Transaction"). In the context of the S&LB Transaction, which was aimed at improving the capital structure, the plants have been sold to a real estate investment fund and simultaneously leased back to the Fedrigoni Group, which will continue to run its production as it used to be prior to the S&LB Transaction.

On May 20, 2024, Fiber Bidco completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), and Fiber Midco S.p.A. ("Fiber Midco"), the immediate parent company of Fiber Bidco, completed the issuance of €300.0 million in aggregate principal amount of Senior HoldCo Pay-If-You-Can Toggle Notes due 2029 (the "Toggle Notes" and, together with the SSNs, the "Notes"). The Toggle Notes will bear an initial rate of interest per annum equal to 10.00%, to the extent interest is paid in cash, and an initial rate of 10.75%, to the extent Fiber Midco is entitled and elects to defer the payment of interest in cash until the Toggle Notes mature or are redeemed in full in accordance with the provisions of the Toggle Notes indenture. The applicable interest rate under the Toggle Notes for each interest period increases following each interest period for which the payment of interest is deferred. The proceeds from the Notes were used, together with cash on hand, primarily to (i) redeem Fiber Bidco's 2022 Fixed Rate Notes and pay any accrued or unpaid interest thereon, (ii) redeem the vendor notes issued by Fiber Midco in connection with the acquisition of Fedrigoni and pay any accrued and unpaid interest thereon, and (iii) to repay in full and cancel the indebtedness outstanding under the vendor loan made available to Fiber Midco by a minority co-investor in connection with the acquisition of Fedrigoni, including any accrued and unpaid interest thereon. Other than in connection with such transactions, there have been no other material changes to Fiber Bidco's indebtedness during the year ended December 31, 2024, since our previous annual financial reporting.

We and our affiliates continually assess market conditions for beneficial opportunities to raise capital to refinance our or their existing debt and/or finance our business activities. To that end, we may choose to raise additional financing, depending on market conditions and other circumstances.

We or an affiliate may, from time to time, depending on market conditions and other factors, repurchase or acquire an interest in our outstanding indebtedness, whether or not such indebtedness trades above or below its face amount, for cash and/or in exchange for other securities or other considerations, in each case in open market purchases and/or privately negotiated transactions or otherwise.

OTHER DISCLOSURES

As of the date of this Annual Financial Report, there have been no material changes to our business, risk factors, management and related party transactions since December 31, 2024, other than as disclosed herein.

ACCOUNTING STANDARDS

Unless otherwise stated, the financial information presented herein has been prepared in accordance with IFRS Accounting Standards.

The Annual Financial Statements and various other numbers and percentages set forth in this Annual Financial Report are presented in Euro, rounded to the nearest hundred thousand, unless otherwise noted. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

The income statements of the Group have been prepared using the “nature of expense” rather than the “cost of sales” method. In the nature of expense method, expenses are classified in the income statement according to their nature (for example, cost of materials and personnel expenses) and not among various functions within the entity. As a result, income statements presented in accordance with the nature of expense method do not show gross profit. Income statements presented in accordance with the cost of sales method, by contrast, classify expenses according to their function as part of cost of sales (for example, the costs of distribution or administrative activities). Profit, however, is unaffected regardless of whether the nature of expense or cost of sales method is chosen.

DISCLAIMERS

PRO FORMA RESULTS

In this Annual Financial Report, we present Pro Forma Adjusted EBITDA to give effect to certain accounting adjustments, run-rate effects of certain cost savings that we expect to realize and the estimated run-rate effect of other cost savings that we expect to realize. The unaudited adjustments to our Adjusted EBITDA are based on currently available financial information and certain assumptions that we believe are reasonable and factually supportable.

Neither the pro forma financial information nor the Pro Forma Adjusted EBITDA included herein has been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act or any generally accepted accounting standards. Neither the assumptions underlying the pro forma financial information nor the Pro Forma Adjusted EBITDA have been audited or reviewed in accordance with any generally *accepted accounting standards. Any reliance you place on this information should fully take this into consideration.*

The Pro forma financial and other information presented in this Annual Financial Report is the mathematical sum of its components, has been prepared for illustrative purposes only and has not been calculated on the basis of IFRS or any other recognized accounting standards.

NON-IFRS MEASURES

In this Annual Financial Report, we present certain financial measures that are not recognized by IFRS or any other generally accepted accounting principles and that may not be permitted to appear on the face of our financial statements or footnotes thereto (our "Non-IFRS Measures"), including information provided under "Key Financial Information," and may have been derived from management estimates and have not been audited or otherwise reviewed by outside auditors, consultants or experts.

Our Non-IFRS Measures are calculated as described in the footnotes to the table included under Key Financial Information above. By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortization, historical cost and age of assets, financing and capital structures and taxation positions or regimes, we believe EBITDA-based measures and other Non-IFRS Measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated.

Different companies and analysts may calculate EBITDA-based measures and other Non-IFRS Measures differently, so comparisons among companies on this basis should be made carefully. EBITDA-based measures and other Non-IFRS Measures are not measures of performance under IFRS and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of our operations in accordance with IFRS. As such, you should be relying primarily on our Financial Statements and using these Non-IFRS Measures only as a supplement to evaluate our performance.

FORWARD-LOOKING STATEMENTS

Certain information contained in this Annual Financial Report may constitute "forward-looking statements," which may be identified by the use of forward-looking terminology such as "will," "would," "expect," "project," "estimate," "intend," "maintain," or "continue" or the negatives thereof or other variations thereon or comparable terminology or other forms of projections. By their nature, forward-looking statements involve risks and uncertainties. You are cautioned that forward-looking statements are not guarantees of future performance and that due to various risks and uncertainties, actual events or results or the actual performance may differ materially from those reflected or contemplated in such forward-looking statements or projections. All forward-looking statements, projections, objectives, estimates and forecasts contained in this presentation apply only as of the date hereof and we do not undertake any obligation to update this information, whether as a result of new information, future events or otherwise, except as may be required by applicable law.

NOTICE

This Annual Financial Report constitutes a public disclosure of inside information under Regulation (EU) 596/2014 (April 16, 2014).

FEDRIGONI GROUP

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euros)		At December 31,	
	Note	**2024**	**2023**
Non-current assets			
Property, plant and equipment	*6*	552,698	491,778
Intangible assets	*7*	2,286,404	2,197,887
Investment property	*8*	203	203
Equity-accounted investments	*9*	54,571	51,882
Tax credits	*10*	8,314	13,135
Deferred tax assets	*11*	96,614	72,766
Other non-current assets	*13*	41,478	28,892
Total non-current assets		**3,040,282**	**2,856,543**
Current assets			
Inventories	*12*	403,596	345,904
Trade receivables	*14*	98,146	83,864
Tax credits	*10*	15,159	10,666
Other current assets	*13*	107,076	97,913
Cash and cash equivalents	*15*	181,715	239,384
Derivatives	*16*	6,919	-
Total current assets		**812,611**	**777,731**
Non-current assets held for sale		-	44,012
Total assets		**3,852,893**	**3,678,286**
Share capital		40,000	40,000
Reserves and retained earnings/losses		853,380	1,136,432
Equity attributable to owners of the parent	*17*	**893,380**	**1,176,432**
Non-controlling interests		**9,353**	**325**
Total equity		**902,733**	**1,176,757**
Non-current liabilities			
Due to banks and other lenders	*18*	1,442,718	1,159,151
Due to controlling shareholder	*19*	322,056	330,876
Employee benefits	*20*	12,502	12,304
Provisions for risks and charges	*21*	40,233	28,664
Deferred tax liabilities	*11*	254,939	233,507
Other non-current liabilities	*22*	9,928	14,712
Derivatives	*16*	1,808	1,884
Total non-current liabilities		**2,084,184**	**1,781,098**
Current liabilities			
Due to banks and other lenders	*18*	133,400	109,379
Due to controlling shareholder	*19*	-	-
Trade payables	*22*	615,849	461,264

Tax liabilities	*23*	5,554	4,475
Other current liabilities	*22*	111,022	85,372
Derivatives	*16*	151	16,049
Total current liabilities		**865,976**	**676,539**
Liabilities associated with assets held for sale		-	43,892
Total liabilities		**2,950,160**	**2,501,529**
Total equity and liabilities		**3,852,893**	**3,678,286**

CONSOLIDATED INCOME STATEMENT

(in thousands of Euros)		**Year ended December 31,**	
	Note	**2024**	**2023**
Sales revenues	*24*	1,890,616	1,735,344
Other operating income	*25*	152,292	133,252
Cost of materials	*26*	(1,107,105)	(999,623)
Cost of services	*27*	(383,044)	(331,960)
Cost of personnel	*28*	(323,841)	(262,376)
Other costs	*29*	(17,768)	(13,957)
Depreciation, amortization and impairment losses	*30*	(126,985)	(112,676)
Change in inventories of work in progress, semifinished goods and finished products		27,780	(12,446)
Cost of capitalized in-house work		7,336	6,847
Operating income		**119,281**	**142,405**
Financial income		53,097	39,191
Finance costs		(408,566)	(295,372)
Net financial income/(costs)	*31*	(355,469)	(256,181)
Share of profits/(loss) of associates		**629**	**(6,890)**
Loss before tax		**(235,559)**	**(120,666)**
Income tax	*32*	(20,393)	13,153
Net loss from continuing operations		**(255,951)**	**(107,513)**
Discontinued operations			
Net loss after income tax from discontinued operations	*33*	(29,151)	(2,027)
Net loss		**(285,102)**	**(109,540)**
Attributable to:			
- *owners of the Parent*		*(285,166)*	*(109,592)*
- *non-controlling interests*		*64*	*52*
Earnings/(loss) per share (in Euros): - basic and diluted	*34*	(7.13)	(2.74)
Earnings/(loss) per share (in Euros): - basic and diluted from continuing operations	*34*	(6.26)	(2.69)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of Euros)	**At December 31,**	
	2024	**2023**
Net profit for the year	(285,102)	(109,540)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Actuarial gains/(losses) on defined benefit plans	594	249
Income tax relating to actuarial losses	(41)	7
	553	**256**
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	4,850	(4,082)
Effective portion of gains/(losses) on hedging instruments (cash flow hedge)	6,205	(4,026)
Income tax relating to cash flow hedge	(1,801)	695
	9,254	**(7,413)**
Other comprehensive income/(loss) for the period, net of income tax	**9,807**	**(7,157)**
Comprehensive (loss)/income for the year	**(275,295)**	**(116,697)**
Attributable to owners of the Parent	*(275,374)*	*(116,946)*
Attributable to non-controlling interests	*79*	*249*

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Euros)	At December 31	
	2024	**2023**
Profit/(loss) before tax	**(235,559)**	**(120,666)**
Depreciation of property, plant and equipment	74,452	67,199
Amortization of intangible assets	50,811	45,339
Depreciation of investment property	-	20
Impairment losses on tangible and intangible assets	1,733	118
Charge to provision for severance indemnities	822	1,635
(Releases from)/charges to risk provisions	7,480	(3,645)
(Gains)/Losses on disposals of property, plant and equipment	(32,013)	(20,703)
Charges to provision for doubtful debts	4,273	2,069
Income from equity-accounted investments in associates	(2,689)	6,890
Net financial costs/(income)	355,469	256,181
Derivatives fair value adjustment	142	16,665
Cash flow from operating activities before movements in working capital and income taxes paid	**224,910**	**251,101**
Change in trade receivables	(1,933)	59,026
Change in trade payables	115,525	(116,019)
Change in inventories	(19,665)	150,805
Use of provisions for risks	(13,288)	(6,469)
Use of provisions for personnel	(3,995)	(1,856)
Change in other assets / liabilities	(49,711)	(221,961)
Cash generated by/(used in) operations before income taxes paid - discontinued operations	(6,041)	24,197
Cash generated by operations before income taxes paid	**245,802**	**138,824**
Income taxes paid	(22,519)	(20,450)
Net cash generated by operating activities	**223,283**	**118,374**
Cash flow from investing activities		
Investments in intangible assets	(17,367)	(16,458)
Investments in property, plant and equipment	(56,887)	(58,041)
Disposals of property, plant and equipment and intangible assets	138,490	150,518
Acquisition of subsidiaries or business units net of cash and cash equivalents	(146,125)	7,164
Financial income received	10,449	3,662
Net cash generated by/(used in) investing activities - discontinued operations	-	(25,344)
Net cash generated by/(used) investing activities	**(71,440)**	**61,501**
Finance costs paid	(209,627)	(220,546)
Increase in securities/notes	65,087	-
New medium/long-term bank loans raised	118,207	177,073
New short-term bank loans raised	133,801	120,827
Repayment of loans from controlling shareholder	(32,330)	-

Repayment of securities/notes	(70,087)	-
Repayment of short-term bank loans	(124,238)	(108,753)
Repayment of medium/long-term bank loans	(36,727)	-
Repayment of financing from leasing companies	(53,298)	(26,392)
Net cash generated by (used in) financing activities - discontinued operations	(392)	1,027
Net cash generated by/(used in) financing activities	**(209,603)**	**(56,765)**
Net increase/(decrease) in cash and cash equivalents for the year	**(57,761)**	**123,110**
Cash and cash equivalents at the beginning of the period	239,384	117,548
Effects of exchange rate changes on the balance of cash held in foreign currencies	91	(1,274)
Cash and cash equivalents at the end of the year	**181,715**	**239,384**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Euros)	**Share capital**	**Share premium reserve**	**Other reserves**	**Profit/(loss) of the year**	**Equity attributable to owners of the Parent**	**Capital and reserves attributable to non-controlling interests**	**Consolidated Net Equity**
Balance at January 1, 2023	**40,000**	**1,345,392**	**(49,151)**	**(45,882)**	**1,290,359**	**2,323**	**1,292,682**
Net result of the period			**-**	**(109,592)**	**(109,592)**	**52**	**(109,540)**
Actuarial gains/(losses) net of the tax effect			256		256		256
Cash Flow Hedge net of the tax effect			(3,331)		(3,331)		(3,331)
Exchange rate difference			(4,279)		(4,279)	197	(4,082)
Comprehensive income/(loss) for the period			**(7,354)**	**(109,592)**	**(116,946)**	**249**	**(116,697)**
Increases		1,500	826		2,326		2,326
Other changes			(1,050)		(1,050)		(1,050)
Allocation of profit			(45,882)	45,882			
Area Changes			1,743		1,743	(2,247)	(504)
Balance at December 31, 2023	**40,000**	**1,346,892**	**(100,868)**	**(109,592)**	**1,176,432**	**325**	**1,176,757**
Balance at January 1, 2024	**40,000**	**1,346,892**	**(100,868)**	**(109,592)**	**1,176,432**	**325**	**1,176,757**
Net result of the period			**-**	**(285,166)**	**(285,166)**	**64**	**(285,102)**
Actuarial gains/(losses) net of the tax effect			553		553		553
Cash Flow Hedge net of the tax effect			4,404		4,404		4,404
Exchange rate difference			4,834		4,834	16	4,850
Comprehensive income/(loss) for the period			**9,791**	**(285,166)**	**(275,375)**	**80**	**(275,295)**
Dividends distributed			(123)		(123)	(1,236)	(1,359)
Increases			(5,026)		(5,026)		(5,026)
Other changes			(449)		(449)	(32)	(481)
Allocation of profit			(109,592)	109,592			
Area Changes			(2,079)		(2,079)	10,216	8,317
Merger effects on capital and reserves		(1,286,650)	1,286,650				
Balance at December 31, 2024	**40,000**	**60,242**	**1,078,304**	**(285,166)**	**893,380**	**9,353**	**902,733**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

On November 30, 2022 (the "Acquisition Closing Date"), Fiber Bidco S.p.A. ("Fiber Bidco" and, together with its subsidiaries, the "Fedrigoni Group"), now Fedrigoni S.p.A., closed the acquisition (the "Acquisition") of 99.99% of the share capital of Fedrigoni S.p.A. (the "Company" or "Fedrigoni"), a leading manufacturer of pressure sensitive products and premium packaging materials. The Fedrigoni Group operates across two business segments: Fedrigoni Self-Adhesives ("FSA") and Luxury Packaging and Creative Solutions ("LPCS").

In connection with the Acquisition, on October 25, 2022, Fiber Bidco issued Euro 300,000,000 in aggregate principal amount of 11.00% Senior Secured Notes due 2027 (the "Fiber Fixed Rate Notes") and Euro 577,967,696 Senior Secured Floating Rate Notes due 2027 (the "Fiber Floating Rate Notes"). In addition, Fiber Bidco entered into a private exchange pursuant to which Fiber Bidco issued Euro 152,337,344 in aggregate principal amount of Senior Secured Floating Rate Notes (the "Exchanged Notes"), having substantially the same terms as the Fiber Floating Rate Notes, to certain holders of Fedrigoni's existing senior secured notes, in exchange for such senior secured notes. The Exchanged Notes were exchanged for additional Fiber Floating Rate Notes in an equal aggregate principal amount issued on the Acquisition Closing Date.

On November 9, 2022, Fiber Bidco issued Euro 56,349,000 in aggregate principal amount of additional 11.00% Senior Secured Notes due 2027 (the "Fiber Tap Notes"). In addition, Fiber Bidco privately placed Euro 8,564,000 million in aggregate principal amount of additional 11.00% Senior Secured Notes due 2027 (the "Fiber Private Fixed Rate Notes") and Euro 10,087,344 in aggregate principal amount of additional Senior Secured Floating Rate Notes due 2027 in a private placement (the "Fiber Private Floating Rate Notes" and, together with the Fiber Private Fixed Rate Notes, the "Fiber Private Notes").

In connection with the Acquisition, Fiber Bidco also entered into a revolving credit facility (the "Fiber Revolving Credit Facility"), with availability of up to €150 million.

On January 22, 2024, Fiber Bidco issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs").

On May 20, 2024, Fiber Bidco completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs"), and Fiber Midco S.p.A. ("Fiber Midco"), the immediate parent company of Fiber Bidco, completed the issuance of €300.0 million in aggregate principal amount of Senior HoldCo Pay-If-You-Can Toggle Notes due 2029 (the "Toggle Notes" and, together with the SSNs, the "Notes"). The Toggle Notes will bear an initial rate of interest per annum equal to 10.00%, to the extent interest is paid in cash, and an initial rate of 10.75%, to the extent Fiber Midco is entitled and elects to defer the payment of interest in cash until the Toggle Notes mature or are redeemed in full in accordance with the provisions of the Toggle Notes indenture. The applicable interest rate under the Toggle Notes for each interest period increases following each interest period for which the payment of interest is deferred.

Significant events of the year

On December 18, 2023, Fedrigoni S.p.A. and its fully owned subsidiary, Gruppo Cordenons S.p.A., executed the deed of merger by incorporation of Gruppo Cordenons S.p.A. into Fedrigoni S.p.A., effective as of January 1, 2024, and with tax and accounting effects as of January 1, 2024.

On January 30, 2024, Fedrigoni S.p.A. and certain of its subsidiaries have met all the conditions to complete the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the “S&LB Transaction”). In the context of the S&LB Transaction, which was aimed at improving the capital structure, the plants have been sold to a real estate investment fund and simultaneously leased back to the Fedrigoni Group, which will continue to run its production as it used to be prior to the S&LB Transaction.

On February 23, 2024, Fedrigoni S.p.A. acquired certain assets of Mohawk, a family-owned company that produces some of the best-know specialty papers for designers, brands and printers, establishing Fedrigoni Special Papers North America.

On June 28, 2024, Fedrigoni S.p.A. through Tuscany Bidco GmbH acquired an 89.9% stake in the German headquartered Poli-Tape, a group specialized in textile graphics, application tapes and sign & digital films.

On October 28, 2024, Fedrigoni S.p.A. and its fully owned subsidiary, E’close S.r.l., executed the deed of merger by incorporation of Eclose S.r.l. into Fedrigoni S.p.A., effective as of December 1, 2024, and with tax and accounting effects as of January 1, 2024.

On November 4, 2024, Fedrigoni S.p.A. decided not to proceed with the transaction with a NEEQ-listed Chinese holding company for the acquisition of a majority stake in BoingTech, a specialized producer of inlays and RFID tags, with operations in China and Malaysia. The transaction had been previously announced on June 25, 2024. Fedrigoni S.p.A. reached this decision as a result of changed conditions in the context of the parties’ mutual obligations and commitments.

On November 21, 2024, Fedrigoni S.p.A. and its direct parent company, Fiber BidCo S.p.A., approved the reverse merger by incorporation of Fiber BidCo S.p.A. into Fedrigoni S.p.A. The merger was completed in December 2024, with tax and accounting effects as of January 1, 2024.

On November 21, 2024, Fedrigoni S.p.A. and it's parent company, Fiber BidCo S.p.A. approved the reverse merger by incorporation of Fiber BidCo S.p.A into Fedrigoni S.p.A., Fedrigoni Group executed the reverse merger on November 21, 2024. The merger became effective in December 2024, with tax and accounting effects as of January 1, 2024. Fedrigoni is the surviving entity of the Merger and, as a result, it has assumed all of the Fiber BidCo S.p.A.'s obligations, including, inter alia, under the Issuer's existing €665.0 million Senior Secured Floating Rate Notes due 2030 and €430.0 million of Senior Secured Notes due 2031. The reverse merger, involving entities under common control, was neutral on the Consolidated Financial Statement and merely changed the controlling entity from Fiber BidCo S.p.A. to Fedrigoni S.p.A.

1. GENERAL INFORMATION

Fedrigoni S.p.A. is a company incorporated and domiciled in Italy and organized under Italian law.

The Company, whose registered office is located at Via Enrico Fermi, 13/F Verona, was incorporated on August 5, 1999 under the name Papelco S.r.l. It changed its name to Fedrigoni Cartiere S.p.A. on December 18, 1999 and then to Fedrigoni S.p.A. on January 1, 2011.

Fiber JVCo S.p.A. (the "Parent Company"), an Italian company whose registered office is located in Milan at Via Alessandro Manzoni, 38, has an indirect controlling interest in Company through the subsidiary Fiber Midco S.p.A., with 99.99% of the voting rights.

The Fedrigoni Group (the "Group") produces and sells specialty paper with a high added value ("*LPCS – Fedrigoni Luxury Packaging and Creative Solutions*") and premium self-adhesive labels and materials ("*FSA – Fedrigoni Self-Adhesives*"). Specifically, it produces, converts and distributes worldwide coated and uncoated graphic papers for the general and specialized press and for publishing, bookbinding, packaging, finishing and converting applications for commercial and personal use, technical and industrial use, office use, and artistic and scholastic use. In addition, the Group produces, converts and distributes worldwide premium self-adhesive labels and materials. The Group's main brands are Fedrigoni, Fabriano, Cordenons, Guarro Casas and Papeterie Zuber Rieder in the *Luxury Packaging and Creative Solutions* Segment, and Arconvert, Ritrama, Manter and Acucote in the *Fedrigoni Self-Adhesives* Segment.

The consolidated financial statements were approved by the Company's Board of Directors on April 28, 2025.

2. SUMMARY OF ACCOUNTING STANDARDS

Provided below are the main accounting standards and principles applied in the preparation of the Group's consolidated financial reports.

2.1 BASIS OF PREPARATION

The Consolidated Financial Statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, and with the provisions issued in enactment of Italian Legislative Decree n. 38/2005, Article 9. The term "EU-IFRS" means the IFRS Accounting Standards, all International Accounting Standards (IAS), and all Interpretations of the International Financial Reporting Interpretations Committee (IFRIC, previously known as the Standing Interpretations

Committee, or SIC) which, as of the date of approval of the Consolidated Financial Statements, have been endorsed by the European Union in accordance with the procedures established by Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of July 19, 2002. The Consolidated Financial Statements have been prepared according to the best knowledge of the EU-IFRS and taking into consideration the best doctrine applicable. Any future changes in interpretation or orientation will be reflected in subsequent periods as established at the time by the applicable accounting standards.

The Consolidated Financial Statements have been prepared on a going concern basis, as the Directors have verified the Group's ability to meet its obligations in the foreseeable future and specifically in the next 12 months.

A description of how the Group manages financial risk, including both liquidity and equity risk, is provided in Note 3 regarding the management of financial risks.

The Consolidated Financial Statements are presented in Euros, the currency used in the economies in which the Group primarily operates; the figures are rounded off to the nearest thousand, except where stated otherwise. The rounding off could cause discrepancies in the tables between the total amounts and the sums presented.

Below is a description of the financial statements and related classification criteria adopted by the Group as envisaged in IAS 1 – Presentation of Financial Statements:

- The consolidated statement of financial position has been prepared by classifying assets and liabilities as either current or non-current;
- The consolidated income statement has been prepared by classifying operating costs by their nature;
- The consolidated statement of comprehensive income includes both the net profit for the period as shown in the consolidated income statement and the other changes in equity resulting from transactions not entered into with shareholders of the Company;
- The consolidated statement of cash flows has been prepared by showing the cash flows resulting from operations by way of the "indirect approach".

The Consolidated Financial Statements have been prepared under the historical cost convention, except for financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit and loss, and derivative financial instruments, which have been measured at fair value. The carrying amounts of hedged assets and liabilities have been adjusted to reflect the fair value changes for the hedged risks (fair value hedge).

2.2 Basis and method of consolidation

Described below are the criteria adopted by the Group in determining the companies to be consolidated in terms of subsidiaries and associates and their respective consolidation methods.

a) ***Consolidated companies***

i) Subsidiaries

The Consolidated Financial Statements include those of the Company and companies over which, in accordance with IFRS 10, Fedrigoni S.p.A. exercises control either directly or indirectly by virtue of direct or indirect ownership of the majority of voting rights or the exercise of dominant influence in terms of the power to make decisions about the financial and operating policies of the companies/entities, obtaining the related benefits, regardless of the ownership interest. All subsidiaries are included in the consolidation perimeter from the date on which they are acquired until the date on which control over the subsidiary ceases.

Subsidiaries are consolidated on a line-item basis as described below:

- the assets and liabilities, income and expenses are consolidated line by line, with non-controlling interests allocated their share of equity and net profits as shown separately in the consolidated statement of changes in equity, consolidated income statement, and consolidated statement of comprehensive income;
- business combinations which, during the period under review, result in acquiring control over an entity are recognized using the acquisition method under IFRS 3. The acquisition cost is the fair value, at the control transfer date, of the assets acquired, liabilities assumed, and equity instruments issued. Transaction costs are recognized through profit or loss on the date on which the related services are provided. The assets, liabilities and contingent liabilities acquired are recognized at their fair value at the acquisition date. The difference between the acquisition cost and the fair value of the assets and liabilities acquired is recognized, if positive, among intangible assets as goodwill or, if negative and after verifying the proper measurement of the fair value of the assets and liabilities acquired and their acquisition cost, through profit or loss. If the fair value of the identifiable assets and liabilities acquired can be determined only provisionally, the business combination is recognized using the provisional values. Any adjustments resulting from the measurement process are recognized within twelve months from the acquisition date, and the comparative figures are remeasured;
- the acquisition of non-controlling interests related to entities in which there is already control, or the sale of non-controlling interests that do not result in a loss of control, are considered equity transactions. This means that, in the event of the acquisition or sale of non-controlling interests that results in control being maintained, any difference between the acquisition/sale cost and the related share of equity acquired/sold is recognized in equity;
- receivables, payables, income and expenses between the consolidated companies as well as significant profits and losses and related tax effects resulting from transactions conducted between companies and not yet realized with the other parties are eliminated, with the exception of unrealized losses, which are not eliminated if the transaction provides evidence

of an impairment loss of the business transferred. Also eliminated, if material, are reciprocal receivables and payables, revenues and expenses, and financial income and finance costs;

- profits or losses resulting from the sale of equity interests in consolidated companies that result in a loss of control over that entity are recognized through profit or loss in an amount equal to the difference between the selling price and the corresponding share of the equity sold.

The financial statements of subsidiaries are prepared with reporting periods ending on December 31, which is the same reporting date for the Consolidated Financial Statements, and have been prepared and approved by the boards of directors of the respective entities and adjusted, as necessary, to ensure uniformity in the accounting standards adopted within the Group.

ii) Associates

Associates are companies over which the Group exercises significant influence, which is the power to contribute to determining the financial and operating policies of the entity without having either control or joint control. Significant influence is assumed to exist when at least 20% of the exercisable voting rights is held either directly or indirectly through subsidiaries. When determining the existence of significant influence, potential voting rights that are actually exercisable or convertible are also taken into account. Investments in associates are measured using the equity method and initially recognized at the cost incurred for their acquisition. A description of the equity method is provided hereunder:

- the carrying value of these investments is aligned with the equity held and adjusted, as necessary, in application of the EU-IFRS; this includes the recognition of the greater value attributed to the assets and liabilities and any goodwill established at the time of acquisition;
- profit or loss attributable to owners of the parent company is recognized from the date on which significant influence began until the date on which it ceases; if realized losses of a company measured at equity should result in negative equity, the carrying value of the investment is eliminated, and any excess attributable to the owners of the parent is recognized in a specific reserve if the parent has undertaken to meet the associate's legal or other constructive obligations; changes in equity for companies measured at equity that are not related to net profits are recognized as a direct adjustment to equity reserves;
- significant unrealized profits and losses generated on transactions between the Company, its subsidiaries and equity-accounted associates are eliminated based on the value of the equity interest that the Group owns in the associate; unrealized losses are eliminated, with the exception of cases in which such losses represent an impairment loss.

iii) Joint arrangements

The Group applies IFRS 11 to classify investments in joint arrangements, distinguishing them between joint operations and joint ventures according to the contractual rights and obligations of each investor. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement, while a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method, while in the case of joint operations, each party to the joint operation recognizes the specific assets to which it is entitled and the specific liabilities for which it has obligations, including its share of any assets and liabilities held/incurred jointly, and its share of the revenue and expenses under the terms of the joint arrangement. Appropriate adjustments are made to the financial statements of joint ventures to ensure conformity with the Group's accounting policies.

A list of subsidiaries, associates and joint ventures, which includes information on their headquarters and the respective ownership interests, is provided in Annex 1.

b) Translation of foreign currency balances

The financial statements of subsidiaries and associates are prepared using the currency of the primary economy in which they operate (i.e. the "functional currency"). The rules for translating financial statements expressed in a currency other than the Euro are as follows:

- assets and liabilities are translated using the exchange rates in effect at the end of the reporting period;
- income and expenses are translated at the average exchange rate for the reporting period;
- the translation reserve shown in the statement of comprehensive income includes both the exchange rate differences generated by the translation of balances at a different rate from that of the closing date and those generated by the translation of opening equity balances at a different rate from that of the reporting date;
- the goodwill and fair-value adjustments relating to the acquisition of foreign entities are treated as assets and liabilities of the foreign entity and translated at the end-of-period exchange rate.

The companies in the consolidation perimeter at December 31, 2024 whose functional currency differs from the Euro are Fedrigoni UK Ltd (GBP), Fedrigoni Asia Ltd (HKD), Fedrigoni Self-Adhesive do Brasil Ltda (BRL), GPA Holding Company Inc. (USD), Fedrigoni Trading (Shanghai) Company Limited (CNY), Distribuidora Ritrama Ecuador Disritrec S.A. (USD), Inversiones San Aurelio Srl (DOP), Ritrama Autoadesivos Ltda (BRL), Ritrama Caribe Srl (DOP), Ritrama Self-Adhesive Chile (USD), Ritrama (Hefei) Pressure Sensitive Coated Materials Co.Limited (CNY), Ritrama S.A.S. (COP), Ritrama Costa Rica S.A. (CRC), Ritrama Guatemala S.A. (GTQ), Ritrama Perù SAC (USD), Ritrama UK Ltd (GBP), Venus America, S.A. de C.V. (MXN), Ritrama Poland Sp. Z.o.o. (PLN), Acucote Inc. (USD), Fedrigoni Indonesian Trading (IDR), Fedrigoni Bangladesh (BDT), Bes Reklam Ürünleri Sanayi ve Ticaret Anonim Şirketi (TRY), Fedrigoni Special Papers Hong Kong Limited (CNY), Fedrigoni (Quzhou) Special Papers Co., LTD (CNY), Fedrigoni (Shanghai) Special Papers Co. Ltd (CNY), Fedrigoni Special Papers North America Inc. (USD), Fedrigoni Asia Pacific Limited (HK) (HKD), Fedrigoni Hong Kong

Holding Limited (HK) (HKD), Cohoes Real Estate, LLC. (USD), Fedrigoni Waterford Real Estate Holdings, LLC. (USD), POLI-TAPE USA Inc. (USD), Specialty Materials LLC (USD) and Fedrigoni Self Adhesive Australia (AUD).

The exchange rates used to translate the financial statements of companies with a different functional currency from the Euro are reported in the following table:

	Average for 12 months ended December 31,		At December 31,	At December 31,
Currency	**2024**	**2023**	**2024**	**2023**
BDT	125.4222	117.2519	124.6680	121.5500
BRL	5.8283	5.4010	6.4253	5.3618
CHF	0.9526	0.9718	0.9412	0.9260
CNY	7.7875	7.6600	7.5833	7.8509
COP	4,407.1439	4,675.0006	4,577.5500	4,267.5200
CRC	558.3506	586.9402	529.1325	575.5614
DOP	64.2762	60.5374	63.4843	64.1828
GBP	0.8466	0.8698	0.8292	0.8691
GTQ	8.4020	8.4701	8.0084	8.6444
HKD	8.4454	8.4650	8.0686	8.6314
IDR	17,157.6774	16,479.6156	16,820.8800	17,079.7100
MXN	19.8314	19.1830	21.5504	18.7231
PLN	4.3058	4.5420	4.2750	4.3395
TRY	35.5734	25.7597	36.7372	32.6531
USD	1.0824	1.0813	1.0389	1.1050
ZAR	19.8297	19.9551	19.6188	20.3477

c) Translation of foreign currency items

Transactions in a currency other than the functional currency are recognized at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in a currency other than the Euro are subsequently adjusted at the exchange rate in effect at the end of the reporting period. Non-monetary assets and liabilities denominated in a currency other than the Euro are recognized at historical cost using the exchange rate in effect when the transaction was initially recognized. Any currency differences arising from such translation are recognized in the consolidated income statement.

2.3 ACCOUNTING POLICIES

- **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are measured at purchase or production cost net of accumulated depreciation and any impairment losses. The purchase or production cost includes any charges incurred directly to bring the assets to working condition for their intended use, as well as any charges for disposal and removal that should be incurred as a result of contractual obligations that require restoring the asset to its original condition. Finance costs directly attributable to the purchase or construction of qualified assets are capitalized and depreciated over the useful life of the related asset.

Expenditure incurred for routine and/or cyclical maintenance and repairs is fully recognized directly in the income statement of the period in which it is incurred. Costs related to the expansion, modernization or improvement of structural components of owned assets are capitalized when such components meet the requirements for separate classification as assets or part of an asset in application of the component approach, which establishes that each component subject to separate determination of its useful life and related value must be treated individually.

Depreciation is recognized monthly on a straight-line basis based on rates that enable the asset to be fully depreciated by the end of its useful life.

The useful lives estimated by the Group for the main categories of fixed assets are reflected in the following depreciation rates on a yearly base:

Land	Not depreciated
Buildings	2.5-10%
Plant and machinery	5-10 %
Equipment	7-12.5%
Other tangible assets	7-20 %

The useful lives of property, plant and equipment and the residual value of such assets are reviewed and updated as necessary at the end of each year. Land is not depreciated.

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease, i.e., whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group adopts a single recognition and measurement model for all leases, excluding short-term leases and leases of low-value assets. The Group recognizes the liabilities referring to lease payments and the right-of-use asset, which represents the right to use the underlying asset in the lease.

Right-of-use asset

The Group recognizes the right-of-use assets at the commencement date of the lease (the date on which the underlying asset is available for use). The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses, adjusted by any remeasurements of lease liabilities. The cost of the right-of-use asset comprises the amount of lease liability recognized, the initial direct costs incurred, and any lease payments made at or before the commencement date, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the useful life of the underlying asset or, if earlier, to the end of the lease term.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

The right-of-use assets are subject to impairment testing. More information is provided in the section on impairment testing.

Lease liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid by that date. The lease payments due include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. The lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and the payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as costs in the period in which the event or condition that generated the payment occurs.

In calculating the present value of the lease payments due, the Group uses the incremental borrowing rate at the commencement date if the implicit interest rate cannot be determined easily. After the commencement date, the lease liability is increased to reflect interest on the lease liability and reduced to reflect the lease payments made. Moreover, the carrying amount of the lease liability is remeasured to reflect any lease modifications or revised contractual terms for payment modifications; it is also remeasured to reflect any changes in the assessment of whether the option to purchase the underlying asset is reasonably certain to be exercised or modifications in future payments deriving from a change in the index or rate used to determine such payments.

Short-term leases and leases of low-value assets

The Group applies the exemption for recognizing short-term leases (those that, at the commencement date, have a term of 12 months or less and do not contain a purchase option). The Group also applies the exemption for leases with low-value assets mainly to leases for office equipment considered to have a low value. The payments on short-term leases and low-value leases are recognized as costs on a straight-line basis over the lease term.

Lease-back transactions

A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. Both the seller-lessee and the buyer-lessor are required to apply IFRS 15 to determine whether to account for a sale and leaseback transaction as a sale and purchase of an asset.

When determining whether the transfer of an asset should be accounted for as a sale or purchase, both the seller-lessee and the buyer-lessor apply the requirements in IFRS 15 on when an entity satisfies a performance obligation by transferring control of an asset. If control of an underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale or purchase of the asset and a lease.

If the transfer of the underlying asset by the seller-lessee qualifies as a sale, in accordance with IFRS 16, the right-of-use asset arising from the leaseback is measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained and only the amount of gain or loss that relates to the rights transferred is recognised.

If the seller-lessee determines that the transaction does not qualify as a sale, it continues to recognise the underlying asset and recognises a financial liability equal to the transfer proceeds.

- **INTANGIBLE ASSETS**

Intangible assets are identifiable, non-monetary items without physical substance, which generate future economic benefits. Goodwill is included when acquired for valuable consideration. Intangible assets are recognized at purchase and/or production cost including any directly attributable expenses incurred to prepare the asset for use, and net of accumulated amortization and any impairment losses. Any interest expense accrued during and for the development of intangible assets is considered part of the purchase cost.

Amortization begins when the asset is available for use and is recognized systematically in relation to the remaining useful life of the asset.

Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life, i.e. the estimated period in which such assets will be used by the Group. Intangible assets with a finite useful life are tested for impairment in order to determine whether those assets have suffered a loss in value (impairment loss) whenever there is any indication thereof.

Intangible assets with an indefinite useful life are not depreciated, but they are tested for impairment at least annually. The impairment test is described in the section on "impairment losses".

When part or all of a previously acquired business is sold, and goodwill had emerged on the acquisition, the corresponding residual value of goodwill is taken into account in determining the capital gain or capital loss on the sale.

(a) Industrial patents and intellectual property rights

Patents and intellectual property rights are amortized on a straight-line basis over their useful life.

(b) Concessions, licenses and trademarks

Concessions, licenses and trademarks are amortized on a straight-line basis over their respective term; the brands are measured using the royalty method.

Costs for software licenses, including expenses incurred in order to make the software ready for use, are amortized on a straight-line basis over a period of 3 years.

Costs related to software maintenance are expensed as incurred.

(c) Customer relationships

"Customer relationships" (which emerged when accounting for the Fedrigoni Group acquisition), included among the "other intangible assets", represents the total contractual relationships (supply agreements, service agreements, etc.) and non-contractual relationships with customers, and is measured with the discounted cash flow method (under the income approach). The assets are amortized over their useful life, estimated between seventeen and thirty years for Fedrigoni Luxury Packaging and Creative Solutions cash generating unit, between six and thirty years for Fedrigoni

Self-Adhesives Europe cash generating unit, between fifteen and nineteen years for Fedrigoni Self-Adhesives Latin America cash generating unit and between twelve and thirty years for Fedrigoni Self-Adhesives North America cash generating unit.

(d) Research and development costs

Research costs are expensed as incurred, whereas development costs are recognized as intangible assets when all the following conditions are met:

- the project is clearly identified and the related costs can be reliably identified and measured;
- the technical feasibility of the project has been demonstrated;
- the intention to complete the project and to sell the intangible assets generated has been demonstrated;
- a potential market exists or, in the event of internal use, the utility of the intangible asset to produce the intangibles generated by the project has been demonstrated;
- the technical and financial resources needed to complete the project are available.

The amortization of any development costs recognized as intangible assets begins on the date on which the project becomes marketable.

In an identified internal project for the creation of an intangible asset, if the research stage is indistinguishable from the development stage, the cost of the project is fully recognized through profit or loss as if there had only been a research stage.

- **IMPAIRMENT OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS**

At each reporting date, a review is performed to determine whether there is any indication that assets have suffered an impairment loss. Both internal and external sources of information are taken into account for the impairment testing. Internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset, and the financial performance of the asset compared to expectations. External sources of information include: trends in the market price of the asset; any technological, market or legislative changes; trends in market interest rates or in the cost of capital used to measure the value of the investment.

If any such indication exists, the recoverable value of the asset is estimated, and any impairment loss compared to the current carrying value is recognized in the income statement. The recoverable value of an asset is its fair value less any costs to sell or its value in use (i.e. the present value of estimated future cash flows generated by the asset), whichever is greater. To determine value in use, the present value of expected future cash flows is calculated using a pre-tax discount rate that reflects the current market values of the cost of money based on the investment period and the risks specific to the asset. For an asset that does not generate sufficiently independent cash flows, the recoverable value is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized when the carrying value of the asset or of the related cash-generating unit exceeds its recoverable value. Impairment of cash-generating units is initially recognized as a reduction of the carrying value of any goodwill attributed to it and subsequently as a reduction of the other assets proportionate to their carrying values and to the extent of their respective recoverable values. If the conditions for a previous impairment loss should cease to exist, the carrying value of the asset is reinstated and recognized in the income statement to the extent of the net carrying value that the asset would have had if it had not been written down and all related depreciation or amortization had been recognized.

- **INVESTMENT PROPERTY**

Investment property is property owned for the purpose of receiving rent payments, realizing a capital gain on the investment, or both, which generates cash flows that are largely independent of the other assets. Investment property follows the same measurement, recognition and depreciation criteria applied for property, plant and equipment.

- **ASSET AND LIABILITIES HELD FOR SALE**

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets held for sale, current and non-current assets related to disposal groups and liabilities directly associated are reported in the balance sheet separately from other assets and liabilities of the company. Immediately before the classification as held for sale, non-current assets and/or assets and liabilities included in a disposal group are measured according to the accounting principles applicable to them. Subsequently, non-current assets held for sale are not subject to depreciation and are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and disposal groups constitute a discontinued operation if, alternatively: (i) they represent a significant autonomous branch of activity or a significant geographic area of activity; (ii) they are part of a disposal program of a significant autonomous branch of activity or a significant geographic area of activity; or (iii) they are a subsidiary acquired exclusively for the purpose of its sale. The results of the discontinued operations, as well as any gain/loss realized as a result of the disposal, are shown separately in the income statement in a specific item, net of related tax effects; the economic values of the discontinued operations are also indicated for the years compared.

- **TRADE RECEIVABLES AND OTHER FINANCIAL ASSETS**

Trade receivables and other financial assets are initially recognized at fair value and subsequently at amortized cost in accordance with the effective interest rate approach, net of any write-downs. Trade receivables and other financial assets are included among current assets, excluding those contractually due after twelve months from the reporting date, in which case they are classified as non-current assets.

Impairment losses on receivables are recognized when there is objective evidence that the Group will not be able to collect the amount from the counterparty based on the terms of the related agreement.

Objective evidence includes events such as:

- significant financial difficulty of the issuer or debtor;
- pending legal disputes with the debtor concerning the receivables;
- likelihood that the debtor will declare bankruptcy or will initiate other such financial restructuring procedures.

The amount of the writedown is measured as the difference between the carrying value of the asset and the present value of the future cash flows and is recognized in the income statement under "other costs". Uncollectable receivables are eliminated from the statement of financial position and recognized in a provision for doubtful debts. If the reasons for a previous writedown should cease to exist in future periods, the value of the asset is reinstated at the value of its amortized cost without the writedown.

Financial assets are written off when the right to receive cash flows from them ceases or is transferred, or when the Group has substantially transferred all risks, rewards and control associated with the financial instrument to a third party.

- **DERIVATIVES AND HEDGE ACCOUNTING**

The Group uses derivatives to hedge against risks of variability in:

- interest rates with respect to the note issuance through Interest Rate Swaps;
- the price of greenhouse gas emission permits (referred to hereinafter as CO2 permits) on the European Union Allowances (EUA) market through Call Options;
- the price of pulp through Swap contracts;
- foreign exchange rates through forward contracts.

The use of derivatives is regulated by the Group's policies approved by the management bodies, which lay down precise written procedures on the use of derivatives in keeping with the Group's risk management strategies. Derivative agreements were stipulated with some of the most financially solid counterparties in order to reduce to a minimum the risk of contractual breach. The Group does not use derivatives for trading purposes, but to hedge against identified financial risks. A description of the criteria and methods used to manage financial risks is contained in the "Financial risk management" section.

Derivatives are initially measured at their fair value, in accordance with IFRS 13, and the attributable transaction costs are recognized in profit and loss as incurred. Subsequent to initial recognition, the changes in fair value are recognized in profit and loss if the derivatives do not qualify for hedge accounting due either to their type or to the Group's decision not to perform effectiveness testing. Derivatives are designated as hedging instruments when formal documentation of the hedging relationship exists and the hedge effectiveness, tested periodically, is high, under IFRS 9.

Hedge accounting differs according to the purpose of the hedge: hedging of the exposure to variability in future cash flows (cash flow hedge) or of changes in fair value (fair value hedge):

- *Cash flow hedge*: the changes in the fair value of the derivatives that are designated, or are effective, for hedging future cash flows regarding probable transactions are recognized directly in other comprehensive income and other reserves, while the ineffective portion is recognized immediately in profit or loss. The amounts, which had been recognized directly in the Statement of Comprehensive Income and accumulated in equity, are included in profit or loss when the hedged transactions affect profit or loss.
- *Fair value hedge*: for effective hedging of exposure to changes in fair value, the hedged item is adjusted by the fair value changes attributable to the risk hedged with a balancing item in the income statement. Gains and losses deriving from measurement of the derivative are also recognized in profit or loss. Fair value changes of derivatives that do not qualify for hedge accounting are recognized in profit or loss as they occur.

In the absence of quoted prices on active markets, the fair value is the amount resulting from appropriate valuation techniques that take into account all factors adopted by market participants and the prices obtained in an actual market transaction. The fair value of the interest rate swaps is determined by discounting the future cash flows to their present value.

- **DERIVATIVES QUALIFIED AS TRADING INSTRUMENTS**

Derivative instruments are used for strategic and financial hedging purposes. However, since some derivatives do not meet some conditions set by EU-IFRS for hedge accounting, those derivatives are recognized as trading instruments. Accordingly, the derivatives are initially recognized at fair value, and subsequent changes in fair value are recognized as components of financial income and finance costs for the period.

The fair value of financial instruments not listed on an active market is determined using valuation approaches based on a series of methods and assumptions related to the market conditions at the reporting date.

The fair value classification of financial instruments is set forth below based on the following hierarchical levels:

Level 1: fair value determined based on quoted (non-adjusted) prices in active markets for identical financial instruments;

Level 2: fair value determined using valuation techniques based on inputs that are observable in active markets;

Level 3: fair value determined using valuation techniques based on unobservable inputs in active markets.

Given the short-term nature of trade receivables and payables, we believe that the carrying value is a good approximation of their fair value.

For more information on the valuation of financial instruments at fair value based on this hierarchy, see Note 3.5

- **INVENTORIES**

Inventories are recognized at the lower of purchase or production cost and net realizable value, i.e. the amount that the Group expects to receive on their sale under normal business conditions, less costs to sell. The cost of inventories of raw and ancillary materials, consumables and finished products is determined by using the weighted average cost method.

The cost of finished products and semi-finished goods includes the costs of raw materials, direct labor and other production costs (based on normal operating capacity). Finance costs are not included in the measurement of inventories because the conditions for their capitalization are not present.

- **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include available bank deposits and other forms of short-term investment with a maturity not exceeding three months. At the reporting date, bank overdrafts are classified as current financial liabilities in the statement of financial position. The items included in cash and cash equivalents are measured at fair value, and subsequent changes are recognized through profit or loss.

- **TRADE PAYABLES AND OTHER LIABILITIES**

Trade payables and other liabilities are initially recognized at fair value net of directly attributable costs and are subsequently measured at amortized cost using the effective interest rate method.

- **FINANCIAL LIABILITIES**

Financial liabilities, which relate to loans, leases and other payment obligations, are initially recognized at fair value net of transaction costs and are subsequently recognized at amortized cost using the effective interest rate method. In the event of changes in the expected cash flows, the value of the liability is recalculated in order to reflect such change based on the present value of the new expected cash flows and using the initially determined internal rate of return. Financial liabilities are classified among current liabilities, excluding those with a contractual maturity of twelve months after the reporting date and excluding those for which the Group has the unconditional right to defer payment for at least twelve months from such date.

Purchases and sales of financial liabilities are recognized on the transaction settlement date.

Financial liabilities are eliminated from the statement of financial condition when paid in full and/or when the Group has transferred all risks and charges related to the instrument.

- **EMPLOYEE BENEFITS**

Short-term benefits include wages, salaries, related social security charges, compensation for unused vacation time, and incentives and bonuses payable within twelve months of the reporting date. These benefits are recognized as components of the cost of personnel during the period of service.

Pension funds

The companies of the Group have both defined-contribution plans and defined-benefit plans.

The defined-contribution plans are managed by external fund managers in relation to which there are no legal or other obligations to pay further contributions if the fund should have insufficient assets to meet the obligations toward employees. For those defined-contribution plans, the Group gives voluntary or contractually set contributions to both public and private pension funds. The contributions are recognized as costs of personnel on an accruals basis. Contributions paid in advance are recognized as an asset to be reimbursed or used to offset any future payments due.

A defined-benefit plan is one that cannot be classified as a defined-contribution plan. In defined-benefit plans, the amount of the benefit to be paid to the employee is quantifiable solely upon termination of employment and is tied to one or more factors, such as age, seniority, and salary level. As such, the obligations of a defined-benefit plan are determined by an independent actuary using the projected unit credit method. The present value of a defined-benefit plan is determined by discounting the future cash flows at an interest rate that is equal to that of high-quality corporate bonds issued in the currency in which the liability is to be settled and which takes into account the term of the related pension plan. Actuarial gains or losses resulting from these adjustments are shown in the statement of comprehensive income as a component of such income. The Group manages solely one defined-benefit plan, which is the fund for employee severance indemnities (or "TFR"). This fund, which is a form of deferred remuneration, is mandatory for Italian companies in accordance with Article 2120 of the Italian Civil Code and is correlated to the length of employment and the salary received throughout the period of service. On January 1, 2007, Italian law no. 296 of December 27, 2006 ("2007 Financial Law"), and subsequent law decrees and regulations introduced significant changes as to how this fund is to be handled, including the right for employees to choose whether their benefit is accumulated in a supplemental pension fund or in the "treasury fund" managed by INPS. As a result, the obligation toward INPS and the contributions to supplementary pension funds have, in accordance with IAS 19 – Employee Benefits, become defined-contribution plans, whereas the amounts contributed to the TFR fund as at January 1, 2007 maintain their status as defined-benefit plans.

- **PROVISIONS FOR RISKS AND CHARGES**

Provisions for risks and charges are recognized for certain or probable losses and other charges of a given nature, but for which the amount and/or timing cannot be determined. The provision for agency termination represents amounts that could be due as a result of the termination of agency relationships in effect at the reporting date.

Provisions are recognized only when there is a present obligation (legal or constructive) for a future outflow of economic resources that has arisen as a result of past events and when it is probable that such outflow will be required to settle the obligation. The amount allocated represents the best estimate of the amount required to settle the obligation. The discount rate used to determine the present value of the liability reflects current market values and takes into account the specific risk associated with each liability.

Where the effect of the time value of money is material and the payment dates of the obligations can be estimated reliably, the provisions are measured at the present value of the outflow expected using a rate that reflects current market conditions, the change in the time value of money, and the risks specific to the liability. Any increases in value of the provision attributable to changes in the time value of money are recognized as interest expense.

Risks for which a liability is only possible are disclosed in the section on contingent liabilities, and no provision is allocated for them.

- **RECOGNITION OF REVENUES**

Sales revenues

Sales revenues are recognized when the control over the good is transferred to the customer, which normally coincides with the sending or delivery of the good and receipt of it by the customer. The good has been transferred when the customer obtains control over it, i.e. when the customer has the capacity to make decisions about the use of the asset and to obtain benefits from it.

Within this framework, sales revenues and the costs for purchasing goods are measured at the fair value of the consideration received or due, taking into account any returns, rebates, sales discounts and quantity premiums.

The Group grants discounts to some customers when the product quantities they purchase during the period exceed the threshold established in the contract. Only when the threshold is exceeded, the discount is granted and accounted for as a reduction of the revenues.

In accordance with IFRS 15, the Group checks whether there are any contractual terms that represent separate performance obligations to which the transaction price must be allocated (such as guarantees), and effects deriving from the presence of variable consideration, significant financing components or non-monetary exchanges that must be paid to the customer. We estimate the return on sales by considering historical data and relevant factors impacting returns, such as product type, customer demographics, and market conditions.

Interest income

Interest income is recognized in the consolidated income statement based on the effective rate of return. It refers primarily to interest earned on bank accounts

- **GOVERNMENT GRANTS**

When formally authorized and when the right to their disbursement is deemed definitive based on reasonable certainty that the Group will meet the underlying conditions and that the grants will be received, government grants are recognized based on the matching concept of income and expenses.

Grants relating to assets

Government grants relating to fixed assets are recognized as deferred income among “other liabilities”, either current for short-term portions or non-current for long-term portions. Deferred income is recognized in the income statement as “other operating income” on a straight-line basis over the useful life of the asset for which the grant is received.

Grants for operating expenses

Grants other than those relating to assets are recognized on the income statement under "other operating income".

- **RECOGNITION OF EXPENSES**

Expenses are recognized when relating to goods or services acquired or consumed during the period or when systematically allocated.

- **INCOME TAXES**

Current income taxes are calculated based on the taxable income for the period at the tax rates in effect on the reporting date.

Deferred taxes are calculated for differences emerging between the tax base of an asset or liability and its related carrying value, with the exception of goodwill and differences related to investments in subsidiaries when the timing of such differences is subject to control by the Group and it is probable that they will not be recovered in a reasonably foreseeable time frame. Deferred tax assets, including those concerning accumulated tax losses, for the portion not offset by deferred tax liabilities, are recognized to the extent to which it is probable that there will be sufficient future taxable earnings to recover the deferred taxes. Deferred tax assets and liabilities are measured based on the tax rates expected to apply in the period in which the differences will be realized or settled.

Current and deferred taxes are recognized in the income statement under "income taxes", excluding those related to items shown in the consolidated statement of comprehensive income other than net profits and items recognized directly in equity. In the latter cases, deferred taxes are recognized under "income taxes related to other comprehensive income" in the consolidated statement of comprehensive income and directly in equity. Income taxes are offset when they are assessed by the same fiscal authority, there is a legal right to such offsetting, and the net balance is expected to be settled.

Other taxes unrelated to income, such as indirect taxes and other duties, are included with "other costs".

With reference to the introduction of the "Pillar Two" tax rules, the following is an update to the information provided in the consolidated financial statements as at December 31, 2023 of Fiber JVCo S.p.A. and its subsidiaries (the "Fiber Group") to which Fedrigoni S.p.A. belongs. In particular, Fedrigoni S.p.A., which qualifies as an Intermediate Parent Entity for Pillar Two purposes, heads the Fedrigoni Group, which in turn is wholly owned, through Fiber MidCo S.p.A., by Fiber JVCo S.p.A., which qualifies as an Ultimate Parent Entity ("UPE") for Pillar Two purposes and which prepares the Fiber Group's consolidated financial statements.

As is known, in 2021, more than 135 countries ("Inclusive Framework on Base Erosion and Profit Shifting", or, more simply, "Inclusive Framework") reached an agreement on an international tax reform that introduces a global minimum tax ("Global Minimum Tax" or "GMT") for large multinational companies. In particular, these countries have reached a political agreement on an international tax model based on two pillars ("Pillar") aimed at mitigating some of the tax issues arising from the digitisation of the economy. The second of these pillars ("Pillar Two") proposes the introduction of the aforementioned Global Minimum Tax.

Within the European Union, the Council adopted on December 12, 2022 a directive (Directive (EU) 2022/2523) introducing this Global Minimum Tax into EU law, which sets a minimum level of effective taxation of 15% for domestic and multinational groups with consolidated revenues exceeding Euro 750 million per year and which applies from tax periods beginning on or after December 31, 2023. To date, several non-EU countries have also implemented a similar framework, based on the work of the Inclusive Framework.

In order to regulate, in terms of financial statement disclosure, the radical changes resulting from the introduction, by such a significant number of states, of the Global Minimum Tax, the IASB subsequently published an update to IAS 12. In particular, the changes made to the accounting standard introduce a temporary mandatory exception that provides for the non-recognition of deferred taxation that would result from the implementation of Pillar Two in the relevant countries. This exception, which the Fiber Group also uses for the purposes of this disclosure, is immediately applicable and retroactive.

There are also specific disclosure requirements for the companies to which these regulations apply.

The Italian legislator transposed Directive (EU) 2022/2523 with Decree Law 209/2023, introducing three related tax mechanism: (i) the supplementary minimum tax ("IIR"), payable by parent companies located in Italy in relation to foreign companies subject to low taxation and forming part of the group; (ii) the supplementary minimum tax ("UTPR"), payable by one or more companies of a multinational group located in Italy with respect to the profits of the companies, not controlled by them, which are part of the group and subject to low taxation, when a sufficient IIR has not been applied in the countries of the controlling companies; (iii) the domestic minimum tax ("QDMTT"), payable with respect to the companies of the group subject to low taxation and located in Italy.

Faced with these complex regulatory changes, the Fiber Group (which falls within the subjective scope of application of the GMT) has implemented an organic system of internal procedures aimed at the effective and efficient management of the requirements imposed by the Pillar Two regulations, with reference to both Italian and foreign operations. In this context, accurate analyses have been carried out to determine whether, in the jurisdictions in which the Fiber Group operates, the requirements for the application of the simplified transitional so-called "Safe Harbour" regimes have been met (governed in our legal system by the Ministerial Decree of 20 May 2024), which – if complied with – would make it possible not to apply the more complex regulatory system envisaged at regime and to consider as zero the supplementary taxation that might otherwise emerge.

The aforementioned audits showed that the requirements relating to the application of the Safe harbour regime were met with reference to all the jurisdictions in which the Fiber Group operates.

- **EARNINGS PER SHARE**

- *Earnings per share – basic*

Basic earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares.

- *Earnings per share – diluted*

Diluted earnings per share is calculated by dividing the Group's net profit (from continuing operations and discontinued operations) by the weighted-average number of ordinary shares in circulation during the year, excluding treasury shares. To calculate diluted earnings per share, the weighted-average number of shares in circulation is adjusted by assuming the exercising of all rights that could potentially have a dilutive effect, and the Group's net profit is adjusted to take into account any effect, net of taxes, of exercising such rights.

RECENTLY ISSUED ACCOUNTING STANDARDS

Adoption of the following accounting standards and amendments to accounting standards issued by the IASB and endorsed by the European Union has become mandatory for annual periods beginning on or after January 1, 2024:

- On January 23, 2020, the IASB published an amendment titled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on October 31, 2022, it published an amendment titled "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments aim to clarify how to classify debts and other liabilities as short-term or long-term. Additionally, the amendments improve the information that an entity must provide when its right to defer the settlement of a liability for at least twelve months is subject to compliance with certain parameters (i.e., covenants).

  The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.
- On September 22, 2022, the IASB published an amendment titled "Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback". This document requires the seller-lessee to evaluate the lease liability arising from a sale & leaseback transaction in such a way as not to recognize a gain or loss related to the retained right of use.

  The adoption of this amendment did not have a material impact on the Group's consolidated financial statements.
- On May 25, 2023, the IASB published an amendment titled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements". This document requires an entity to provide additional information on reverse factoring agreements to allow users of the financial statements to evaluate how supplier finance arrangements may affect the entity's liabilities and cash flows and to understand the effect of these arrangements on the entity's liquidity risk exposure.

  The adoption of these amendments did not have a material impact on the Group's consolidated financial statements.

Accounting standards, amendments, and interpretations endorsed by the European Union, not effective yet and not applied in advance by the Group

At the reporting date, adoption of the following accounting standards and amendments to accounting standards endorsed by the European Union had not become mandatory yet and were not adopted early by the Group.

- On August 15, 2023, the IASB published an amendment titled "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". This document requires an entity to apply a methodology consistently to verify if a currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosure to be provided in the notes. The amendment will apply from January 1, 2025, but early application is permitted.

  The administrators do not expect a material impact on the Group's consolidated financial statements from the adoption of this amendment.

IFRS Accounting standards, amendments, and interpretations not yet endorsed by the European Union

As of the reference date of this document, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and principles described below:

- On May 30, 2024, the IASB published the document "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The document clarifies a number of problematic issues that emerged from the post-implementation review of IFRS 9, including the accounting treatment of financial assets whose returns vary when ESG objectives are met (i.e. green bonds). In particular, the amendments aim to:
  - Clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test;
  - Determine that the date of settlement of liabilities through electronic payment systems is the date on which the liability is settled. However, an entity is permitted to adopt an accounting policy to permit a financial liability to be derecognized before delivering cash on the settlement date under certain specified conditions.

  With these amendments, the IASB has also introduced additional disclosure requirements regarding, in particular, investments in equity instruments designated as FVOCI.

  The amendments will apply to financial statements for annual periods beginning on or after January 1, 2026.

  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.

- On July 18, 2024, the IASB published a document titled “Annual Improvements Volume 11”. The document includes clarifications, simplifications, corrections and changes aimed at improving the consistency of several IFRS Accounting Standards.

  The amended standards are:
  - IFRS 1 First-time Adoption of International Financial Reporting Standards;
  - IFRS 7 Financial Instruments: Disclosures and related guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash Flows.

  The amendments will apply from January 1, 2026, but earlier application is permitted.

  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.
- On December 18, 2024, the IASB published an amendment titled “Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7”. The document aims to support entities in reporting the financial effects of contracts for the purchase of electricity generated from renewable sources (often structured as Power Purchase Agreements).

  Under such contracts, the amount of electricity generated and purchased can vary based on uncontrollable factors such as weather conditions. The IASB has made targeted amendments to IFRS 9 and IFRS 7. The amendments include:
  - A clarification regarding the application of “own use” requirements to this type of contracts;
  - Criteria to allow these contracts to be accounted for as hedging instruments; and
  - New disclosure requirements to enable users of financial statements to understand the effect of these contracts on an entity’s financial performance and cash flows.

  The amendment will apply from January 1, 2026, but earlier application is permitted.

  The administrators do not expect a significant impact on the Group's consolidated financial statements from the adoption of these amendments.
- On April 9, 2024, the IASB published a new standard IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements. The new standard aims to improve the presentation of financial statements, with particular reference to the income statements.

  In particular, the new standard requires:
  - Classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already present in the income statement;

- Presenting two new sub-totals, operating income and earning before interest and taxes (i.e. EBIT).

The new standard also:

- Requires more information on performance indicators defined by management;
- Introduces new criteria for the aggregation and disaggregation of information; and
- Introduces certain changes to the format of the cash flow statement, including the requirement to use EBIT as the starting point for the presentation of the cash flow statement prepared using the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividend paid and dividends received).

The new standard will become effective on January 1, 2027, but earlier application is permitted.

The administrators are currently evaluating the possible effects of the introduction of this new standard on the Group's consolidated financial statements.

3. Financial risk management

The Group's business is exposed to various types of risk: market risk, credit risk and liquidity risk. The Group's risk management strategy focuses on market unpredictability and aims to minimize the potential adverse effects on the Group's financial performance. Some types of risk are mitigated through the use of derivatives.

Risk management is centralized with the Treasury Management function, which identifies, assesses and hedges financial risks by working closely with the Group's business units. The Treasury Management function provides policies and guidelines for monitoring risk management particularly with respect to foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and ways to invest excess cash.

3.1 Market risk

In performing its business activity, the Group is exposed to various market risks, particularly the risk of fluctuations of interest rates, foreign exchange rates, the price of CO_2 permits, and pulp and natural gas prices.

To contain such risks within the risk management limits set at the start of the year, derivatives are stipulated for risks on interest rates, the price of CO_2 quote and permits and foreign exchange.

Interest rate risk

As a result of the refinancing of the 2022 Notes, on January 22, 2024, Fedrigoni issued €665,000,000 in an aggregate principal amount of Senior Secured Floating Rate Notes due 2030 (the "FRNs") with yield linked to the three-month Euribor rate (with a 0.00% floor), plus a 6.00% contractually set spread. On May 20, 2024, Fedrigoni completed the issuance of €430.0 million in aggregate principal amount of its 6.125% Senior Secured Fixed Rate Notes due 2031 (the "SSNs")

For the purpose of reducing the market interest rate risk on the *Floating Rate Notes*, the Group stipulated Interest Rate Cap, for a nominal amount of Euro 550 million maturing on December 31, 2025, and for a nominal amount of Euro 220 million maturing on December 31, 2027, applying a partial term hedge with an interest rate cap of the Euribor respectively set at 4,00% and at 3.75%,

To demonstrate the effects of changes in interest rates on the consolidated income statement and equity, below are the results of a sensitivity analysis, in line with IFRS 7, applying positive and parallel shifts to the zero curve of market interest rates. The shifts of the zero curve were equal to +/- 50 basis points.

(in thousands of Euros)	**December 31**		**December 31**	
	2024		**2023**	
	-0.50%	**0.50%**	**-0.50%**	**0.50%**
Changes to Income Statement	(3,325)	3,325	(3,686)	3,686
Changes to Equity	-	-	-	(309)

Foreign exchange risk

The Group conducts business on an international level, so it is exposed to the foreign exchange risk deriving from the different currencies in which it operates (prevalently the U.S. Dollar, British Pound Sterling, Brazilian Real and Polish Zloty).

The foreign exchange risk originates from sales transactions that have not occurred yet and from assets and liabilities that are already recognized in the financial statements in different currencies from the functional currency of the individual entities. Although 2024 was characterized by rising volatility in exchange rates, the Group minimized any negative effects caused by rate fluctuations through careful management of commercial and financial transactions without having to resort to hedging instruments. The exposure to exchange rate fluctuations did not negatively impact the costs and revenues of the Group as a whole.

The foreign exchange sensitivity analysis is in the derivatives section.

Price risk

The Group is exposed to price risk primarily on its cellulose and energy procurement, whose costs are subject to market volatility.

The Group controls the exposure to raw material and energy commodity price changes by monitoring the costs incurred against the budget, with activities aimed to reduce costs and volatility risk through negotiations with suppliers, whenever possible.

In addition, the Group has assessed the increases in natural gas commodity prices as a risk factor as they can have a negative impact on business results.

To reduce this risk, the Group entered into financial derivative contracts to hedge the purchase of 10,000 EUA units maturing on March 11, 2026, and entered into a derivative Swap to hedge from expected market trends the cost of natural gas (for a total volume of 702,755 MWh) maturing on December 31, 2025, and (for a total volume of 119,360 MWh) maturing on June 26, 2026.

To demonstrate the effects of price changes on the consolidated income statement and consolidated equity, below are the results of sensitivity analysis, as required by IFRS 7, applying positive and negative parallel shifts to the market price of gas. The price shifts were equal to +/- 1,000 basis points.

(in thousands of Euros)	**December 31**		**December 31**	
	2024		**2023**	
	-10%	**10%**	**-10%**	**10%**
Changes to Equity	(3,093)	5,421	(2,584)	4,508

Accounting for derivatives

The Group holds derivatives for mainly hedging purposes.

The tables below set forth the fair values of the derivatives according to their type.

(in thousands of Euros)	**At December 31,**		**At December 31,**	
	2024		**2023**	
	Negative Fair Value	**Positive Fair Value**	**Negative Fair Value**	**Positive Fair Value**
Commodity Derivatives	151	6,903	16,010	-
Interest Rate Derivatives	1,808	-	1,884	-
Currency Derivatives	-	16	39	-
Total	**1,959**	**6,919**	**17,933**	**-**

Sensitivity analysis

A sensitivity analysis is set forth below, in which the impact of an increase/decrease in the exchange rates of the currencies in which the Group primarily operates on the profit or loss for the period is presented:

(in thousands of Euro)	**Year ended December 31, 2023**											
	USD		**GBP**		**JPY**		**CNY**		**BRL**		**OTHER**	
	10%	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**	**10%**	**-10%**
Trade receivables	3,947	(4,824)	2,297	(2,808)			2,009	(2,456)	2,232	(2,728)	2,298	(2.809)
Trade payables	(3,845)	4,699	(2,405)	2,940			(2,095)	2,560	(2,064)	2,522	(2,569)	3.140
Financial receivables	2,591	(3,167)	8,663	(10,589)			679	(830)			88	(108)

Financial payables	(4,489)	5,486	(4,327)	5,289			(890)	1,087	(1,881)	2,299	(992)	1.212
Cash and cash equivalents	478	(585)	75	(91)			775	(947)	193	(236)	349	(427)
Currency derivatives	4	(4)										
Total	**(1.314)**	**1,605**	**4,303**	**(5,259)**			**478**	**(586)**	**(1,520)**	**1,857**	**(826)**	**1,008**

(in thousands of Euro)	Year ended December 31, 2024											
	USD		GBP		PLN		CNY		BRL		OTHER	
	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%	10%	-10%
Trade receivables	14,886	(18,194)	2,453	(2,998)	631	(771)	1,117	(1,365)	1,052	(1,286)	1,140	(1.393)
Trade payables	(16,115)	19,696	(48)	59	(23)	28	(1,693)	2,069	(816)	997	(840)	1.026
Financial receivables	22,069	(26,973)	12,756	(15,590)			535	(654)	37	(45)	314	(384)
Financial payables	(19,607)	23,964	(12,395)	15,150	(115)	140	(984)	1,203	(77)	94	(638)	780
Cash and cash equivalents	2,250	(2,750)	191	(234)	79	(97)	927	(1,133)	293	(358)	370	(452)
Currency derivatives	1	(2)										
Total	**3,484**	**(4,259)**	**2,957**	**(3,613)**	**572**	**(700)**	**(98)**	**120**	**489**	**(598)**	**346**	**(423)**

3.2 CREDIT RISK

The credit risk essentially coincides with the amount of trade receivables recognized at the reporting dates. The Group has no significant concentration of credit risk and no customers that alone account for more than 2.25% of the Group's sales revenues.

All the same, procedures are in place to ensure that the sales of products and services are conducted with customers that have shown to be reliable in the past; moreover, insurance policies are stipulated to cover any unexpected losses. The Group also checks constantly its outstanding receivables and monitors their collection within the established time limits.

The parties that handle cash and financial resource management are restricted to high-profile, reliable partners. There are two stages for recognizing expected credit losses ("ECLs"):

- Where the credit risk has not increased significantly since initial recognition, the expected credit losses are recognized on the basis of the estimated risk of default over the next twelve months ("12-month ECL").
- Where the credit risk has increased significantly since initial recognition, the expected credit losses are recognized on the basis of the remaining life of the past-due receivable regardless of the time at which default is expected to occur ("Lifetime ECL").

For trade receivables and contract assets, the Group uses a simplified approach to calculate expected losses; the Group monitors changes in credit risk using a simplified approach based on brackets of shared credit risk characteristics and past-due days. The Group discloses the full amount of expected credit losses at each reporting date. The Group has defined a provision matrix based on historical experience, adjusted for forward-looking information about specific types of debtors and their economic environment, as a tool for determining expected credit losses.

The Group uses non-recourse assignments of trade receivables. As a result of such assignments, which provide for the substantially total and unconditional transfer to the purchaser of the risks and rewards of the receivables transferred, such receivables are derecognized.

The following table sets forth an aging analysis of the trade receivables at December 31, 2024, and December 31, 2023, stating separately the provision for doubtful debts:

	At December 31, 2024						
	Current	**Past-due**				**Provision for doubtful debts**	**Total**
(in thousands of Euros)		**0-30 days**	**31-60 days**	**61-90 days**	**more than 90 days**		
Trade receivables	92,719	7,033	2,505	1,306	9,355	(14,772)	98,146
Total	**92,719**	**7,033**	**2,505**	**1,306**	**9,355**	**(14,772)**	**98,146**

	At December 31, 2023						
	Current	**Past-due**				**Provision for doubtful debts**	**Total**
(in thousands of Euros)		**0-30 days**	**31-60 days**	**61-90 days**	**more than 90 days**		
Trade receivables	75,082	6,824	2,569	1,448	5,295	(7,354)	83,864
Total	**75,082**	**6,824**	**2,569**	**1,448**	**5,295**	**(7,354)**	**83,864**

3.3 LIQUIDITY RISK

Liquidity risk concerns the ability to meet obligations arising on financial liabilities. Prudent management of the liquidity risk stemming from the Group's ordinary operating activities entails keeping up sufficient levels of cash holdings, short-term securities and funding available through adequate credit lines. The Group must have adequate stand-by credit lines in order to finalize contracts and collect invoices, to an extent that ensures financial flexibility. Management monitors the projections of cash turnover, including undrawn credit lines, and available cash and cash equivalents, on the basis of expected cash flows.

At December 31, 2024, the Group had stipulated committed credit lines of Euro 261,750 thousand, of which Euro 181,750 thousand was undrawn.

The following tables set forth a maturity analysis of the financial liabilities at December 31, 2024 and December 31, 2023. The maturities are based on the period from the reporting date to the contractual maturity date of the obligations.

	At December 31, 2024					
(in thousands of Euros)	**On Demand**	**Within 1 year**	**In 1 to 5 years**	**Due after 5 years**	**Total**	**Total recognized**
Commodity derivatives - net balance		(148)			(148)	(148)
Interest rate derivatives – net balance		(793)	(1,018)		(1,811)	(1,811)
Lease liabilities		(17,965)	(60,696)	(175,795)	(254,456)	(254,456)
Other financing		(108,400)	(455,797)	(1,390)	(565,587)	(565,587)
Bond		(7,036)	(1,011)	(1,070,084)	(1,078,131)	(1,078,131)
Trade payables		(615,849)			(615,849)	(615,849)
Total		**(750,191)**	**(518,522)**	**(1,247,269)**	**(2,515,982)**	**(2,515,982)**

	At December 31, 2023					
(in thousands of Euros)	**On Demand**	**Within 1 year**	**In 1 to 5 years**	**Due after 5 years**	**Total**	**Total recognized**
Commodity derivatives - net balance		(16,010)			(16,010)	(16,010)
Interest rate derivatives – net balance			(1,884)		(1,884)	(1,884)
Currency derivatives – net balance				(39)	(39)	(39)
Lease liabilities		(14,035)	(60,193)	(90,026)	(164,254)	(164,254)
Other financing		(85,308)	(349,284)	(1,312)	(435,904)	(435,904)
Bond		(10,035)	(987,950)	(1,263)	(999,248)	(999,248)
Trade payables		(461,264)			(461,264)	(461,264)
Total		**(586,652)**	**(1,399,311)**	**(92,640)**	**(2,078,603)**	**(2,078,603)**

3.4 EQUITY RISK

The Group's objective in the area of equity risk management is primarily to maintain the going concern status in order to assure returns to shareholders and benefits to other stakeholders. The Group also has the objective of maintaining an optimal capital structure in order to reduce the cost of debt.

Net invested capital is calculated as the sum of equity attributable to the shareholders and net financial debt and shareholder loan.

Below is the breakdown of the Group's net financial debt at December 31, 2024:

	(in thousands of Euros)	**At December 31,**	
		2024	**2023**
A	Cash	40	86
B	Cash equivalents	181,675	239,298
C	Other financial assets	75,729	63,910
D	**Liquidity (A+B+C)**	**257,444**	**303,294**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	(31,030)	(46,419)
F	Current portion of non-current financial debt	(102,520)	(79,009)
G	**Current financial indebtedness (E+F)**	**(133,550)**	**(125,428)**
H	**Net current financial indebtedness (G-D)**	**123,894**	**177,866**
I	Non-current financial debt (excluding current portion and debt instruments)	(371,623)	(169,939)
J	Debt instruments	(1,071,095)	(989,213)
K	Non-current trade and other payables		
L	**Non-current financial indebtedness (I+J+K)**	**(1,442,718)**	**(1,159,152)**
M	**Total financial indebtedness (H+L)**	**(1,318,824)**	**(981,286)**
	Net operating invested capital	2,212,204	2,157,718
	Gear ratio	**59.62%**	**45.48%**
N	Shareholder loan	(322,056)	(330,876)
O	**Total financial indebtedness and shareholder loan (M+N)**	**(1,640,880)**	**(1,312,162)**
	Net operating invested capital incl. shareholder loan	**2,534,260**	**2,488,594**
	Gear ratio incl. shareholder loan	**64.75%**	**52.73%**

3.5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table presents the financial assets and liabilities aggregated by category with their fair values stated.

	At December 31, 2024		
(in thousands of Euros)	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortized Cost**
Financial assets			32,927
Non current assets	**-**	**-**	**32,927**
Trade receivables			98,146
Other assets			32,335
Financial assets			40,711
Cash and cash equivalents			181,715
Current derivatives	6,919		
Current assets	**6,919**	**-**	**352,907**
Non-current amounts due to banks and other lenders			1,442,718
Non-current amounts due to controlling shareholder			322,056
Non current derivatives		1,808	
Non current liabilities	**-**	**1,808**	**1,764,774**
Trade payables			615,849
Other liabilities			87,483
Current amounts due to banks and other lenders			133,400
Current derivatives	151		
Current liabilities	**151**	**-**	**836,732**

	At December 31, 2023		
(in thousands of Euros)	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortized Cost**
Financial assets			14,015
Non current assets	**-**	**-**	**14,015**
Trade receivables			83,864
Other assets			23,142
Financial assets			45,485
Cash and cash equivalents			239,384
Current assets	**-**	**-**	**391,875**
Non-current amounts due to banks and other lenders			1,159,151
Non-current amounts due to controlling shareholder			330,876

Non current derivatives		1,884	
Non current liabilities	**-**	**1,884**	**1,490,027**
Trade payables			461,264
Other liabilities			66,373
Current amounts due to banks and other lenders			109,379
Current derivatives	14,810	1,239	
Current liabilities	**14,810**	**1,239**	**637,016**

The fair value of the derivatives was determined using valuation techniques based on observable inputs in active markets (Level 2).

The derivatives accounted in column "Fair value through other comprehensive income" have been stipulated for hedging purpose.

4. USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to apply accounting policies and methodologies that, in some cases, depend upon difficult or subjective assessments and estimates based on experience and assumptions deemed reasonable and realistic given the specific circumstances involved. Application of such estimates and assumptions affects the figures reported in the Consolidated Financial Statements, including the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the related explanatory notes. The final results of the items for which such estimates and assumptions have been made may vary from those reported in the financial statements that show the effects of the occurrence of the event subject to the estimate, due to the uncertainty that characterizes the assumptions and the conditions on which the estimates were based.

The following is a brief description of the accounting policies that entail the greatest extent of management subjectivity in calculating estimates, and for which a change in the underlying conditions and assumptions could have a significant impact on the consolidated financial information.

(a) Provision for inventory obsolescence

The provision for inventory obsolescence reflects management's best prudent estimate of the losses expected by the Group, determined on the basis of past experience, past market trends and expected market trends.

Slow-moving raw materials and finished products are analyzed regularly on the basis of past statistics and the possibility to sell them at a lower price than that in a normal market transaction. If the analysis results in the need to write down the inventory value, an inventory provision is recognized.

(b) Provision for warranty claims

The provision recognized for product warranty claims represents management's best estimate at the reporting date. The estimate entails making assumptions that depend on factors that may vary over time and may have a significant impact with respect to the current estimates made by management for the preparation of the Group's financial statements.

(c) Goodwill and fixed assets

Goodwill and fixed assets recognized in the Consolidated Financial Statements are tested for impairment by calculating the value in use of the cash generating units ("CGU") to which goodwill has been allocated. Using different methods for the different business segments, the Group conducted testing in which goodwill was allocated to a group of CGU that benefit from the synergies of the specific business combination (in accordance with IAS 36, paragraph 80).

The CGU/groups of CGU were identified, consistently with the Group's organizational and business structure, as uniform combinations able to generate cash flows independently from the continuing use of the assets allocated to them; the structures were grouped together at a regional level to identify the benefits deriving from the synergies.

Value in use was measured as the present value of the estimated future cash flows for each CGU in its current condition, excluding estimated future cash flows that could derive from future restructuring plans or other structural changes.

The Discounted Cash Flow (DCF) model was used, which requires future cash flows to be discounted with a risk-adjusted discount rate.

More information on the methodology used is reported in Note 7.

The business plan prepared by the Group's management on the basis of projections of the 2024 financial performance prepared by the subsidiaries' management and approved by the Group's management, used for the impairment testing, is based on variables controllable by the Group's management and theoretical changes in exogenous variables not directly controllable or manageable by the Group's management.

If the main estimates and assumptions used to prepare the business plans should change, the value in use and the calculation of the recoverable value of the assets could change. Therefore, the Group is not able to assure that the assets disclosed in the financial statements at December 31, 2024 will not suffer an impairment loss in the future.

5. SEGMENT REPORTING

The criteria used to identify Segments are consistent with the way in which the Group is managed. The division into Segments for reporting purposes corresponds to the structure of the reports periodically examined by the key management as defined in Note 36 which is considered the chief operating decision maker.

The Group's operations are split into two dedicated segments: the Luxury Packaging and Creative Solutions (LPCS) Segment and the Fedrigoni Self-Adhesives (FSA) Segment. The Group's management evaluates the performance these Segments, using the following as indicators:

- Adjusted EBITDA;
- revenues by Segment, on the basis of where the products are sold, not where the billing company's head office is located;

- investments in property, plant and equipment.

The following tables break down Adjusted EBITDA by Segment, reconciled with the Group net profit.

	Year ended December 31, 2024				
(in thousands of Euros)	**LPCS**	**FSA**	**Total reportable segments**	**Intercompany eliminations**	**Total**
Revenues from sales					
to third Parties	753,542	1,137,074	1,890,616	-	1,890,616
to other Group companies	44,814	2,359	47,173	(47,173)	-
Total sales revenues	798,356	1,139,433	1,937,789	(47,173)	1,890,616
Other operating income	158,044	8,481	166,525	(14,233)	152,292
Operating expenses	(790,460)	(1,067,624)	(1,858,084)	61,442	(1,796,642)
Transformation costs	21,650	15,226	36,876	(107)	36,769
Other non-recurring expenses / income	(31,241)	36,543	5,302	-	5,302
Adjusted EBITDA (*)	**156,349**	**132,059**	**288,408**	**(71)**	**288,337**
Other non-recurring expenses / income	31,241	(36,543)	(5,302)	-	(5,302)
Transformation costs	(21,650)	(15,226)	(36,876)	107	(36,769)
Depreciation, amortization and impairment losses	(69,345)	(57,640)	(126,985)		(126,985)
Operating income	**96,595**	**22,650**	**119,245**		**119,281**
Income from equity-accounted investments in associates	590	39	629		629
Financial income					53,097
Finance costs					(408,566)
Profit/(loss) before tax					**(235,559)**
Income taxes					(20,393)
Net profit from continuing operations					(255,951)
Net loss from discontinued operations					(29,151)
Net profit/(loss)					**(285,102)**

	Year ended December 31, 2023				
(in thousands of Euros)	**LPCS**	**FSA**	**Total reportable segments**	**Intercompany eliminations**	**Total**
Revenues from sales					

to third Parties	690,854	1,044,490	1,735,344	-	1,735,344
to other Group companies	25,529	2,290	27,819	(27,819)	-
Total sales revenues	716,383	1,046,780	1,763,163	(27,819)	1,735,344
Other operating income	122,660	23,044	145,704	(12,452)	133,252
Operating expenses	(676,022)	(977,768)	(1,653,789)	40,274	(1,613,515)
Transformation costs	15,560	10,715	26,275	(560)	25,715
Other non-recurring expenses / income	(11,190)	11,681	491	618	1,109
Adjusted EBITDA (*)	**167,393**	**114,452**	**281,844**	**61**	**281,905**
Other non-recurring expenses / income	11,190	(11,681)	(491)	(618)	(1,109)
Transformation costs	(15,560)	(10,715)	(26,275)	560	(25,715)
Depreciation, amortization and impairment losses					(112,676)
Operating income					**142,405**
Income from equity-accounted investments in associates					(6,890)
Financial income					39,191
Finance costs					(295,372)
Profit/(loss) before tax					**(120,666)**
Income taxes					13,153
Net profit from continuing operations					(107,513)
Net loss from discontinued operations					(2,027)
Net profit/(loss)					**(109,540)**

(*) Adjusted EBITDA is defined by the Group as net profit before the net result from discontinued operations, income taxes, financial income and costs, the share of income from equity-accounted investments, depreciation, amortization, impairment losses, and any non-recurring income and costs.

Each Segment has a complete and independent structure, able to fulfill its own functions. Most eliminations ("intercompany eliminations" in the tables above) refer to inter-Segment margins eliminated during the aggregation phase. Transactions between the Segments are conducted at arm's length.

"Other non-recurring expenses/income" mainly refers to one-time write-offs of obsolete stock resulting from operations and inventory optimization projects and the reorganization of the distribution centers footprint in Latam including the bad debt provision emerging from the change of one relevant customer distributor, partially offset by the bargain purchase arising from the acquisition of certain assets of Mohawk.

"Transformation costs" refer to the total costs incurred for consulting services and other clearly identified costs primarily instrumental in transforming the new Group. Such costs regard the continuance of projects intended to create a new organizational structure capable of attracting new talent and optimizing the pre-existing departments (financial, operational, purchasing, sales) or are attributable to extraordinary merger and acquisition transactions aimed to define the Group's structure. The new organization aims to accelerate the Group's growth and create operating efficiency. Below is the breakdown by Segment of the investments in property, plant and equipment:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Luxury Packaging and Creative Solutions Segment	102,524	99,232
Fedrigoni Self-Adhesives/Labels Segment	45,725	63,265
Total	**148,249**	**162,497**

Revenues are broken down below by geographical area:

(in thousands of Euros)	**Year ended December 31**	
	2024	**2023**
Italy	**370,890**	**364,781**
Luxury Packaging and Creative Solutions Segment (*)	203,298	193,126
Fedrigoni Self-Adhesives/Labels Segment (*)	181,815	180,679
Rest of Europe	**850,318**	**842,232**
Luxury Packaging and Creative Solutions Segment (*)	305,118	340,131
Fedrigoni Self-Adhesives/Labels Segment (*)	574,049	520,134
Rest of world	**669,408**	**528,331**
Luxury Packaging and Creative Solutions Segment (*)	289,940	183,126
Fedrigoni Self-Adhesives/Labels Segment (*)	383,569	345,967
Total	**1,890,616**	**1,735,344**

(*) Revenues by Segment include interdivision sales

No single customer accounts for more than 10% of total revenues, and no single country besides Italy and USA (Euro 287,315 thousand for the year ended December 31, 2024 and Euro 195,260 thousand for the year ended December 31, 2023) accounts for more than 10% of total revenues.

The non-current assets (excluding goodwill, disclosed separately in Note 7, and deferred tax assets) are broken down below by geographical area:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Italy	918,302	964,561
Rest of Europe	312,525	168,103
Rest of world	289,898	292,350
Total	**1,520,725**	**1,425,016**

6. PROPERTY, PLANT AND EQUIPMENT

The changes in this item are detailed below.

(in thousands of Euros)	Land and buildings	Plant and machinery	Equipment	Other fixed assets	Work in progress and advances	Right-of-use asset	Total
Balance at January 1, 2023							
Historical cost	308,750	902,171	58,701	27,751	31,232	95,762	1,424,367
Accumulated depreciation	(110,023)	(661,759)	(46,851)	(23,728)		(38,059)	(880,420)
Net value	**198,727**	**240,412**	**11,850**	**4,023**	**31,232**	**57,703**	**543,947**
Business Combination	3,555	10,513	26	306	392		14,792
Investments	18,778	18,437	964	946	18,916	104,458	162,499
Disposals	(118,935)	(12,814)	(659)	(29)	(6,127)	(1,249)	(139,813)
Depreciation	(8,592)	(35,473)	(3,160)	(1,347)		(18,627)	(67,199)
Impairment		(20)		(4)			(24)
Exchange rate difference	(782)	312	(185)	(49)	27	(76)	(753)
Reclassifications	3,642	17,394	1,555	293	(21,936)	(136)	812
Other changes	167	(21,591)		64	(1,100)	(23)	(22,483)
Balance at December 31, 2023	**96,560**	**217,170**	**10,391**	**4,203**	**21,404**	**142,050**	**491,778**
Of which:							
Historical cost	169,628	867,747	60,338	26,289	21,404	189,808	1,335,214
Accumulated depreciation	(73,068)	(650,577)	(49,947)	(22,086)		(47,758)	(843,436)
Balance at January 1, 2024							
Historical cost	169,628	867,747	60,338	26,289	21,404	189,808	1,335,214
Accumulated depreciation	(73,068)	(650,577)	(49,947)	(22,086)		(47,758)	(843,436)
Net value	**96,560**	**217,170**	**10,391**	**4,203**	**21,404**	**142,050**	**491,778**
Business Combination	49,799	13,039	180	1,171	1,099	3,884	69,172
Investments	1,877	26,703	1,035	1,029	26,242	91,363	148,249
Disposals	(58,944)	(2,078)	(22)	(150)	(349)	(23,115)	(84,658)
Depreciation	(4,650)	(41,117)	(2,562)	(1,525)		(28,209)	(78,063)
Impairment		(18,768)					(18,768)
Exchange rate difference	(307)	(538)	224	10	25	184	(402)
Reclassifications	918	16,240	827	897	(19,274)	404	12
Other changes	1,221	20,688	17	19	3,432	1	25,378
Balance at December 31, 2024	**86,474**	**231,339**	**10,090**	**5,654**	**32,579**	**186,562**	**552,698**
Of which:							
Historical cost	142,054	1,058,691	65,828	33,873	32,579	244,113	1,577,138
Accumulated depreciation	(55,580)	(827,352)	(55,738)	(28,219)		(57,551)	(1,024,440)

The following table presents the changes in the right-of-use asset in leases at the respective reporting dates:

(in thousands of Euros)	**Right of use Land and buildings**	**Right of use Plant and machinery**	**Right of use Equipment**	**Right of use Other fixed assets**	**Total**
Balance at January 1, 2023					
Historical cost	68,876	2,015	466	24,405	95,762
Accumulated depreciation	(27,410)	(1,784)	(320)	(8,545)	(38,059)
Net value	**41,466**	**231**	**146**	**15,860**	**57,703**
Investments	75,374	23,303	1,244	4,537	104,458
Disposals	(277)	(786)		(186)	(1,249)
Depreciation	(9,794)	(4,497)	(1,198)	(3,138)	(18,627)
Exchange rate difference	(108)	(5)	(1)	38	(76)
Reclassifications		9,142	1,929	(11,207)	(136)
Other changes	(23)				(23)
Balance at December 31, 2023	**106,638**	**27,388**	**2,120**	**5,904**	**142,050**
Of which:					
Historical cost	140,390	34,034	4,195	11,189	189,808
Accumulated depreciation	(33,752)	(6,646)	(2,075)	(5,285)	(47,758)
Balance at January 1, 2024					
Historical cost	140,390	34,034	4,195	11,189	189,808
Accumulated depreciation	(33,752)	(6,646)	(2,075)	(5,285)	(47,758)
Net value -	**106,638**	**27,388**	**2,120**	**5,904**	**142,050**
Business Combination	2,249	(1,240)	399	2,476	3,884
Investments	54,784	27,554	3,794	5,231	91,363
Disposals	(5,116)	(16,633)	(1,255)	(111)	(23,115)
Depreciation	(16,506)	(5,686)	(2,030)	(3,987)	(28,209)
Exchange rate difference	335	(190)	(10)	49	184
Reclassifications	-	(308)	404	308	404
Other changes	-	1	-	-	1
Balance at December 31, 2024	**142,384**	**30,886**	**3,422**	**9,870**	**186,562**
Of which:					
Historical cost	182,861	38,716	5,780	16,757	244,114
Accumulated depreciation	(40,477)	(7,830)	(2,358)	(6,887)	(57,552)

The investments of Euro 148,250 thousand for the twelve months ended December 31, 2024 refer for Euro 35,257 to investments of right-of-use related to sale and leaseback of the the second portion of a sale and lease back transaction concerning some plants previously owned and operated by the Fedrigoni Group across Italy (for approximately half of the overall portfolio, the other half of which closed in November 2023, the "S&LB Transaction").

The remaining part mainly refers to the Top Coater of Barberà plant, investments in Varone plant for HSE and equipment relocation related to new acquired assets in Fedrigoni North America.

The depreciation and the impairment of property, plant and equipment also include the amounts of Euro 3,611 thousand and Euro 17,035 thousand, respectively, related to the Office Business reclassified as discontinued operation.

At December 31, 2024, excluding the assets under leases, no property, plant or equipment was put up as collateral on loans received by the Group.

7. INTANGIBLE ASSETS

The changes in this item are detailed below.

(in thousands of Euros)	Development costs	Patent and intellectual property rights	Concessions, licenses and trademarks	Other intangible assets	Goodwill	Work in progress and advances	Right of use software license	Total
Balance at January 1, 2023	**1,850**	**17,681**	**126,745**	**698,582**	**1,320,418**	**9,794**		**2,175,070**
Business Combination		370	3,688	9,956	40,228			54,242
Investments	281	8,948	877	9		6,342		16,457
Disposals					(493)			(493)
Amortization	(1,352)	(5,796)	(8,061)	(30,129)				(45,338)
Writedowns		(21)	(43)					(64)
Exchange rate difference	(5)	9	(97)	(191)				(284)
Reclassifications	1,931	672	14	(178)		(2,648)		(209)
Other changes		(45)		9	(1,390)	(68)		(1,494)
Balance at December 31, 2023	**2,705**	**21,818**	**123,123**	**678,058**	**1,358,763**	**13,420**		**2,197,887**
Balance at January 1, 2024	**2,705**	**21,818**	**123,123**	**678,058**	**1,358,763**	**13,420**		**2,197,887**
Business Combination		3,385	14,560	41,406	69,084	96		128,531
Investments	131	4,075	397			12,764		17,367
Disposals		(65)	(2,227)					(2,292)
Amortization	(2,680)	(8,569)	(7,719)	(31,843)				(50,811)
Writedowns		(22)						(22)
Exchange rate difference	5	(37)	149	233				350
Reclassifications	6,471	1,636	66			(7,919)		254
Other changes		43		(1)	(4,902)			(4,860)
Balance at December 31, 2024	**6,632**	**22,264**	**128,349**	**687,853**	**1,422,945**	**18,361**		**2,286,404**

The investments in intangible assets made during the year ended December 31, 2024 amount to Euro 17,637 thousand and regard primarily the development costs and the cost incurred to purchase and customize ERP and inventory management software.

The amortization and the write-downs of intangible assets also include the amounts of Euro 11 thousand and Euro 22 thousand, respectively, related to the Office Business reclassified as discontinued operation.

The goodwill allocated is set forth below by business segment:

(in thousands of Euros)	**December 31,**			
	2024		**2023**	
Cash Generating Unit (CGU)				
LPCS	545,740		550,644	
Total LPCS	***545,740***	***38%***	***550,644***	***41%***
FSA Europe	824,449		755,363	
FSA America	52,754		52,754	
Total FSA	***877,203***	***62%***	***808,117***	***59%***
Total	**1,422,943**	**100%**	**1,358,761**	**100%**

Impairment testing

As required by IAS 36, the Fedrigoni Group tested the carrying amounts of the tangible and intangible assets recognized in its Consolidated Financial Statements at December 31, 2024, with respect to their recoverable amounts. Goodwill and trademarks with an indefinite useful life are tested for impairment at least annually, even when no indications of impairment losses are present.

In accordance with IAS 36, the Fedrigoni Group identified the CGU representing the smallest identifiable group of assets able to generate largely independent cash inflows within the Consolidated Financial Statements. CGU were identified by taking into account the organizational structure, the type of business and the methods with which control is exercised over the operation of the CGU.

The CGU in which goodwill is recognized/allocated, on which the impairment testing was based, are as follows:

- LPCS;
- FSA Europe;
- FSA America.

The assets were tested for impairment by comparing the carrying amount attributed to the CGU, including goodwill, with its recoverable amount (value in use). The value in use is the present value of the estimated future cash flows to be derived from continuing use of the assets referring to the cash generating units and the terminal value allocated to them.

In conducting the impairment test, the Fedrigoni Group used the most recent forecasts for the financial and business performance envisioned for 2025 (as described in the section on "estimates and assumptions"), presuming that the assumptions and targets would be met. In preparing its projections, management made assumptions based on past experience and expectations about the developments in the business segments in which the Group operates.

The terminal value was calculated by using a growth (G) rate in line with the average inflation expected in the long term (2029) for the main countries where the CGU operate, weighted with the respective revenues (2024). The discount rate used (WACC) reflects current market assessments of the time value of money and the risks specific to the asset. Below are represented the details of G and WACCs, in comparison with previous impairment test assumptions:

CGU	G rate (12.2024)	Post-tax WACC (12.2024)	G rate (12.2023)	Post-tax WACC (12.2023)
LPCS	2.0%	8.3%	2.0%	8.5%
FSA Europe	2.0%	8.7%	2.0%	8.6%
FSA America	2.6%	12.6%	2.7%	11.7%

No impairment loss emerged from the impairment test.

Since the recoverable amount is determined on the basis of estimates, the Group is not able to assure that goodwill will not suffer an impairment loss in future periods.

The operating cash flow estimate was taken from the 2025-2029 Business Plan. The estimated cash flows are based on the Directors' assumptions, which are cohesive with the Group's strategy in each business and market where it operates, and they depend on exogenous variables beyond management's control, such as the performance of currency exchange and interest rates, the infrastructural investments of the countries where the Group operates, and macro-policy or social factors having a local or global impact. In accordance with IAS 36, such exogenous variables were estimated on the basis of information known when the business plans were drawn up and examined.

In addition, the Group performed a sensitivity analysis using deteriorated variables of the impairment test, WACC and G rate and by holding the value in use of Fedrigoni Special Papers North America and of Poli-Tape Group to determinate which are the Break-Even WACC and G rate for each CGU. The analysis considers 75% of the assumed savings with respect to the 2024-2029 Business Plan. The post-tax WACC of indifference, i.e. the discount rate that reduces the headroom to zero for each CGU, is reported in the following table:

CGU	Post-tax WACC of indifference
LPCS	10.8%
FSA Europe	10.0%
FSA America	13.0%

Allocation of goodwill from business acquisitions

In February 2024, the Fedrigoni Group acquired in cash certain assets of Mohawk, a family-owned US company that produces some of the best-known specialty papers for designers, brands, and printers in North America. The acquisition has been finalized through a NewCo named "Fedrigoni Special Papers North America Inc.". The transaction has been executed as a strict asset deal and regulated accordingly for all local legal and tax requirements. In the consolidated books, and only for accounting purposes, in accordance to the EU-IFRS, in particular, the IFRS 3, this transaction is treated as a Business Combination.

The revenues and net results for the period of Fedrigoni Special Papers North America Inc. after the acquisition date of certain assets of Mohawk, which are included in the consolidated statement of income for the year ended December 31, 2024, are shown in the table below

(in thousands of Euros)	**Year ended December 31, 2024**
	Fedrigoni Special Papers North America
Revenues	81,441
Net income/(loss)	16,180

On June 28, 2024, the Fedrigoni Group acquired in cash a major stake (89.98%) of German-based Poli-Tape Group, internationally recognized for the production of high-quality materials for graphic applications, including textile, signage, digital printing and specialties. The Poli-Tape Group has been acquired through the newco Tuscany BidCo GmbH directly owned by Fedrigoni S.p.A. and therefore is presented as business combinations in accordance with IFRS 3 – "Business Combinations".

The revenues and net result for the period of the entities acquired after the acquisition date, which are included in the consolidated statement of income for the year ended December 31, 2024, are shown in the table below.

(in thousands of Euros)	**Year ended December 31, 2024**
	Poli-Tape Group
Revenues	49,202
Net income/(loss)	1,211

The revenue and net result for the year 2024 of the target entities assuming that the acquisition had occurred on January 1, 2024 *(pro forma information)* are detailed in the table below.

(in thousands of Euros)	**Pro forma revenues and net result for the year ended December 31, 2024**
	Poli-Tape Group
Revenues	106,110
Net income/(loss)	2,610

As a result of Poli-Tape acquisition, the Group recognized a goodwill (allocated entirely to the CGU FSA Europe) of Euro 69,084 thousand. The purchase price allocation of Poli-Tape Group was determined with the assistance of independent advisers in order to identify the fair value of the assets acquired, liabilities assumed and goodwill (the synergies expected from the acquisition are mostly coming on both procurement and operation and, to minor extent, commercial initiatives).

Under IFRS 3, if the initial accounting for a business combination cannot be definitively determined by the end of the first reporting period, because the fair values to be assigned to the assets and liabilities acquired can be determined only provisionally, the accounting must use provisional amounts, and within 12 months from the acquisition date the adjustments to the provisional amounts must be recognized, effective retrospectively, thus determining the definitive balances of the acquisition.

A portion of the Goodwill recognized is deductible for tax purposes.

The preliminary fair value measurement of the assets and liabilities acquired and the price paid are set forth below:

(in thousands of Euro)	**Poli-Tape Group**
Non-current assets	
Property, plant and equipment	34,280
Intangible assets	45,740
Other non-current assets	7,276
Total non-current assets	**87,296**

Current assets	
Inventories	25,275
Trade receivables	14,423
Other current assets	2,193
Cash and cash equivalents	7,454
Total current assets	**49,345**
Total assets (A)	**136,641**
Non-current liabilities	
Due to banks and other lenders	44,089
Employee benefits	1,945
Provisions for risks and charges	7,499
Other non-current liabilities	13,658
Total non-current liabilities	**67,191**
Current Liabilities	
Due to banks and other lenders	3,754
Trade payables	11,319
Other current liabilities	2,808
Total current liabilities	**17,881**
Total liabilities (B)	**85,072**
Price paid for the acquisition (C)	115,447
Fair value of net assets acquired (D=A-B)	51,569
Non-controlling interests (E)	5,206
Goodwill (C-D+E)	**69,084**

With respect to the acquisition of certain assets of Mohawk, which was partially paid with cash, under IFRS and in the consolidated books, the fair value of the assets at the acquisition date exceeds the purchase price, resulting in Euro 28,852 thousand of bargain purchase gain that has been recognized as “Other Operating Income” and classified as a one-time non-recurring item. The bargain purchase primarily arose because the transaction occurred following a period of significant financial distress experienced by the seller. This situation led to a purchase price which, after a specific valuation run in accordance with IFRS 3, resulted to be lower compared to the fair value of the acquired assets.

The fair value measurement of the assets and liabilities acquired and the price paid are set forth below:

(in thousands of Euro)	**Fedrigoni Special Papers North America**
Non-current assets	
Property, plant and equipment	33,789
Intangible assets	13,302
Other non-current assets	88
Total non-current assets	**47,179**
Current assets	
Inventories	20,677
Trade receivables	6,065
Other current assets	1,154
Total current assets	**27,896**
Total assets (A)	**75,075**
Non-current liabilities	
Provisions for risks and charges	8,857
Total non-current liabilities	**8,857**
Current Liabilities	
Trade payables	-
Other current liabilities	-
Total current liabilities	**-**
Total liabilities (B)	**8,857**
Price paid for the acquisition (C)	37,366
Fair value of net assets acquired (D=A-B)	66,218
Non-controlling interests (E)	-
Gain on bargain purchase (C-D+E)	**(28,852)**

8. INVESTMENT PROPERTY

The changes in this item are detailed below:

(in thousands of Euros)	**Land and buildings**
Balance at January 1, 2023	
Historical cost	1,014
Accumulated depreciation	(791)
Net value	**223**
Depreciation	(20)
Balance at December 31, 2023	**203**
Of which:	
Historical cost	1,014
Accumulated depreciation	(811)
Balance at January 1, 2024	
Historical cost	1,014
Accumulated depreciation	(811)
Net value	**203**
Balance at December 31, 2024	**203**
Of which:	
Historical cost	1,014
Accumulated depreciation	(811)

9. EQUITY-ACCOUNTED INVESTMENTS IN ASSOCIATES

This item, amounting to Euro 54,571 thousand, represents the investment in Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. in Verona, an entity that produces hydroelectric power, in which the Group owns a 25% stake, the investment in Eonys SAS, a French company that owns the entire share capital of Tageos SAS and its subsidiaries (collectively the Tageos Group), that operate in the design, manufacturing and distribution of radio-frequency identification (RFID) inlays and tags, in which the Group owns a 50.1% stake, and the investment in Sharp End Partnership Ltd, an Internet of Things (IoT) solutions and consulting English company, acquired by Fedrigoni Group on December 27, 2023, in which the Group owns a 13.04% stake. On April 6, 2024, the Group purchased an additional interest, increasing the stake owned to 20%.

For the investment in Eonys SAS, acquired by Fedrigoni Group on April 26, 2022 and accounted for Euro 47,937 thousand, the Group entered into a shareholder agreement which regulated the joint venture between the Group and the other shareholders.

At the time of preparation of the Consolidated Financial Statements, the financial statements of Consorzio Canale Industriale G. Camuzzoni S.c.a.r.l. for the year ended December 31, 2024 had not yet been approved at its General Meeting.

The key data of the financial statements of Consorzio Canale Industriale G. Camuzzoni S.c.a.r.l. at December 31, 2024 and 2023 is set forth below:

	Consorzio Canale Camuzzoni S.c.a.r.l.	
(in thousands of Euros)	**December 31,**	
	2024	**2023**
Assets	16,462	16,634
Equity	11,175	11,173
Liabilities	5,287	5,461
Revenues	3,780	4,494
Net profit	1	9

With respect to the Tageos Group, the summarized financial information included in the tables below represents the amounts of the joint venture's consolidated financial statement prepared in accordance with IFRS Accounting Standards.

The main information included in the consolidated statement of financial position of Eonys SAS and its subsidiaries is shown in the table below.

(in thousands of Euros)	**Eonys SAS and its subsidiaries**	
	At December 31, 2024	**At December 31, 2023**
Non-current assets	41,784	51,347
Current assets	37,672	39,236
Non-current liabilities	15,424	32,487
Current liabilities	59,891	55,083

The above amounts of assets and liabilities include the following:

- Cash and cash equivalents	*7,186*	*2,987*
- Current financial liabilities (excluding trade and other payables and provisions)	*22,585*	*32,331*
- Non-current financial liabilities (excluding trade and other payables and provisions)	*14,686*	*32,200*

The main information included in the consolidated statement of income of Eonys SAS and its subsidiaries is shown in the table below.

(in thousands of Euros)	**Eonys SAS and its subsidiaries**	
	Period ended December 31, 2024	**Period ended December 31, 2023**
Revenues	127,547	55,455
Profit/(loss) from continuing operation	3,243	(2,932)
Profit/(loss) for the period	3,243	(2,932)
Other comprehensive income attributable to the owners of the Company	-	(23)
Total comprehensive income	3,243	(2,955)
The above profit/(loss) for the period include the following:		
- Depreciation and amortization	*(9,391)*	*(5,870)*
- Interest income	*(1,681)*	*2,269*
- Interest expense	*(4,758)*	*(4,110)*
- Income tax expense (income)	*(898)*	*(85)*

The carrying amount of the Group’s interest in the joint venture recognized in the consolidated financial statements on the basis of the above summarized financial information is shown in the table below.

(in thousands of Euros)	**Eonys SAS and its subsidiaries**	
	Period ended December 31, 2024	**Period ended December 31, 2023**
Net assets of Eonys SAS and its subsidiaries	4,141	3,013
Fedrigoni’s % of the investment	50,10%	50,10%
Goodwill	46,451	46,451
Carrying amount of Fedrigoni’s interest in the joint venture	**48,528**	**47,937**

The key data of the approved financial statements of Sharp End Partnership Ltd. at December 31, 2023 is set forth below:

	Sharp End Partnership Ltd.
(in thousands of Euros)	**December 31,**
	2023
Assets	2,859
Equity	1,665
Liabilities	1,194
Revenues	3,321
Net profit	(876)

10. TAX CREDITS

This item is detailed below:

	At December 31, 2024			At December 31, 2023		
(in thousands of Euros)	**Non current**	**Current**	**Total**	**Non current**	**Current**	**Total**
Tax Credits	8,314	15,159	23,473	13,135	10,666	23,801
Total	**8,314**	**15,159**	**23,473**	**13,135**	**10,666**	**23,801**

The non-current tax credits of Euro 8,314 thousand refer mainly to the recognition in Fedrigoni S.p.A.'s separate financial statements of tax credits arising on the tax relief, under Decree Law 185/2008, for the excess values regarding intangible assets (goodwill and customer list) recognized in the consolidated financial statements.

The current tax credits result primarily from the advance tax payments of the year ended December 31, 2024.

11. DEFERRED TAX ASSETS AND LIABILITIES

This item is detailed below:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Deferred tax assets	96,614	72,766
Total deferred tax assets	**96,614**	**72,766**
Deferred tax liabilities	(254,939)	(233,507)
Total deferred tax liabilities	**(254,939)**	**(233,507)**
Total net deferred tax assets/(liabilities)	**(158,325)**	**(160,741)**

The composition of these balances is shown below:

(in thousands of Euros)	**December 31, 2023**	**Effect on Income Statement**	**Exchange of rate difference**	**Business combination**	**Variation on area**	**Effect on statement of comprehensive income**	**Reclassifications**	**December 31 2024**
Inventory valuation	14,826	4,101	(52)	3,988	(293)			22,570
Valuation of trade receivables	1,754	6	(4)	1,306	(0)			3,062
Writedown of property, plant and equipment	2,338	4,759	9				753	7,859
Provisions for risks	3,614	1,819	(84)	1,418	(249)			6,518
Difference between fiscal and statutory values of tangible and intangible assets	1,243	44	71	40	246		539	2,183
PPA allocation	17,527	(1,116)						16,411
Derivative fair values	798							798
Foreign exchange and other differences	(81)	119	(8)		(42)		(73)	(85)
Actualization of employee benefits	224	61	(9)					276
Tax losses	22,540	5,415	123		30		907	29,015
IFRS 16	2,116	(207)	59	63	12			2,043
Other	5,867	76	89	324	22		(414)	5,964
Total deferred tax assets	**72.766**	**15.077**	**194**	**7.139**	**(274)**	**-**	**1.712**	**96.614**

(in thousands of Euros)	**December 31, 2023**	**Effect on Income Statement**	**Exchange of rates difference**	**Business combination**	**Variation of area**	**Effect on statement of comprehensive income**	**Reclassifications**	**December 31 2024**
Valuation of tangible and intangible assets	(23,996)	3,398	(155)					(20,753)
Effect of leaseback transaction	3,590	(8,885)			0		(4,615)	(9,910)
Provisions for risks	(71)							(71)
Recognition of leases	0	(1)						(1)
Actualization of employee benefits	(38)	44		(85)	(6)	(41)		(126)
Actualization of social security liabilities	(13)				0			(13)
Foreign exchange and other differences	(286)	272	8		23		(93)	(76)
Derivative fair values	-					(1,801)		(1,801)
IFRS 16	(2,933)		(74)		6		(3)	(3,004)
PPA allocation	(203,146)	5,766		(13,635)	-			(211,015)
Other	(6,615)	(6,040)	(162)				4,648	(8,169)
Total deferred tax liabilities	**(233,508)**	**(5,446)**	**(383)**	**(13,720)**	**23**	**(1,842)**	**(63)**	**(254,939)**

12. INVENTORIES

This item is detailed below:

(in thousands of Euros)	**At December 31, 2024**	**At December 31, 2023**
Raw materials and goods	161,204	131,325
Work in progress and semi-finished goods	119,303	102,627
Finished products	123,089	111,952
Total	**403,596**	**345,904**

Inventories are shown net of the provision for inventory obsolescence as detailed below:

(in thousands of Euros)	**Provision for raw material obsolescence**	**Provision for obsolescence of finished and work in progress products**	**Total**
Balance at January 1, 2023	**10,604**	**74,809**	**85,414**
Business Combination	770	2,293	3,063
Charge	5,398	5,367	10,765
Use	(3,378)	(39,921)	(43,299)
Exchange rate difference	(20)	(104)	(124)
Other changes	(4,782)	(6,512)	(11,294)
Balance at December 31, 2023	**8,593**	**35,932**	**44,525**
Balance at January 1, 2024	**8,593**	**35,932**	**44,525**
Business Combination		30,127	30,127
Charge	7,368	15,399	22,767
Use	(537)	(18,304)	(18,841)
Exchange rate difference	68	357	425
Other changes	159	(843)	(684)
Balance at December 31, 2024	**15,651**	**62,668**	**78,319**

No inventories were put up as collateral to guarantee loans received by the Group.

13. OTHER ASSETS

The other assets are stated in the financial statements net of the related provisions:

(in thousands of Euros)	**At December 31, 2024**	**At December 31, 2023**
Other gross assets	150,663	128,914
Provision for other doubtful debts	(2,109)	(2,109)
Other net assets	**148,554**	**126,805**

The item is detailed below:

(in thousands of Euros)	**At December 31, 2024**	**At December 31, 2023**
- Sundry receivables	24,998	10,859
- Sundry tax credits	9,191	8,195
- Prepaid expenses and accrued income	10,850	10,544
- VAT credit	21,773	24,898
- Other financial credits and credits for contributions	76,675	66,927
- Security deposits	3,969	4,677
- Due from social security entities	512	367
- Due from employees	586	338
Total other assets	**148,554**	**126,805**
Of which: non-current	41,478	28,892

The most significant amounts comprising the sundry receivables include Euro 10,597 thousand due for Fedrigoni S.p.A.'s and other entities' white certificates and the contribution of the newly acquired entities during 2024. White certificates are awarded by the respective authorities for the achievement of energy savings through the use of energy-efficient technology and systems. White certificates are tradable instruments giving proof of the achievement of specific energy savings percentages.

The VAT credit is attributable mainly to the Imposto sobre Circulaçao de Mercadorias e Serviços ("ICMS" or Tax on Commerce and Services) receivables due to Arconvert-Ritrama do Brazil Ltda (Euro 11,064 thousand at December 31, 2024), for which that company applied for use of the tax credit offsetting regime. To date, the company is still awaiting the outcome of the related authorization process.

The other financial credits and credits for contributions mainly relate to Euro 65,494

thousand in financial receivables of Tageos Group.

The table below presents the changes in the provision for other doubtful debts:

(in thousands of Euros)	**Provision for other doubtful debts**
Balance at January 1, 2023	**3,148**
Charge	7
Use	(848)
Other changes	(198)
Balance at December 31, 2023	**2,109**
Balance at January 1, 2024	**2,109**
Balance at December 31, 2024	**2,109**

14. TRADE RECEIVABLES

(in thousands of Euros)	**At December 31, 2024**	**At December 31, 2023**
Gross trade receivables	112,918	91,218
Provision for doubtful debts	(14,772)	(7,354)
Net trade receivables	**98,146**	**83,864**

The table below presents the changes in the provision for doubtful debts:

(in thousands of Euros)	**Provision for doubtful debts**
Balance at January 1, 2023	**13,138**
Business Combination	531
Charge	1,539
Use	(1,050)
Exchange rate difference	37
Other changes	(6,841)
Balance at December 31, 2023	**7,354**
Balance at January 1, 2024	**7,354**
Business Combination	6,420
Charge	4,273
Use	(2,788)
Exchange rate difference	6
Other changes	(493)
Balance at December 31, 2024	**14,772**

As explained in Notes 7, "business combinations" reflects the effects of the 2024 acquisitions.

15. CASH

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Bank deposits	181,675	239,298
Cash and cash equivalents on hand	40	86
Total	**181,715**	**239,384**

16. DERIVATIVES

The balance derives primarily from the fair value measurement of Commodity Swaps stipulated by the Group to hedge against price swings for certain product inputs. In the third quarter 2023, the Fedrigoni Group stipulated and has still in place a Call Options to buy 10,000 thousand permits, hedging the risk of changes in CO2 permit prices. During the first quarter of 2024 the Group entered into a new Interest Rate Cap for a total notional value of Euro 220,000 thousand to mitigate the risk of the interest rate fluctuation. In April 2024, Fedrigoni S.p.A. stipulated a new Swap to hedge the risk on Gas price increase for a notional of 822,115 MWh until June 2026.

At December 31, 2024, the net receivable regarding the derivatives traded by the Company was Euro 6,919 thousand, mainly referring to the current portion of the swap fair value to hedge on gas price and residually to the current portion of fair value change of foreign exchange currency derivatives recognized directly in equity in “other reserves” and presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss.

At December 31, 2024, the net payable regarding the derivatives traded by the Company was Euro 1,959 thousand, mainly referring to the current portion of commodity derivatives recognized directly in equity in “other reserves” and presented

in the consolidated statement of comprehensive income among items that will be

reclassified subsequently to profit and loss, attributable to:

- Euro 1,808 thousand allocated to non-current liabilities referring to the fair value measurement of Interest Rate Cap (IRC) entered into by the Group to manage interest rate risk on the Floating Rate Notes, applying a partial term hedge with an interest rate cap of the Euribor set at 4.00% for a total notional of Euro 550,000 thousand and with an interest rate cap set at 3.75% for a total notional of Euro 220,000 thousand recognized directly in equity in “other reserves” and presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss;
- Euro 151 thousand allocated to current liabilities mainly referring to the current portion of commodity derivatives on CO2 permits recognized directly in equity in “other reserves” and

presented in the consolidated statement of comprehensive income among items that will be reclassified subsequently to profit and loss.

17. EQUITY

The equity of the Group at December 31, 2024 is set forth below:

(in thousands of Euros)	**At December 31, 2024**	**At December 31, 2023**
Share capital	40,000	40,000
Share premium reserve	60,241	1,346,892
Legal reserve	8,000	-
Other reserves	1,070,305	(100,868)
Profit/ (loss) for the year	(285,166)	(109,592)
Equity	**893,380**	**1,176,432**

The share capital at December 31, 2024 was Euro 40,000 thousand and consisted of 40,000,000 ordinary shares with a par value of Euro 1.00 per share.

18. DUE TO BANKS AND OTHER LENDERS

This item is detailed below:

	At December 31, 2024							
	Interest Rate	**Current portion**	**Portion with due after 12 months**					**Total**
(in thousands of Euros)			**2026**	**2027**	**2028**	**2029**	**Afterward**	
Financial debt	Variable	78,062	36,186	33,050	32,941	28,262	910	**209,411**
Lease liabilities	Variable	17,965	21,505	16,149	13,050	9,992	175,795	**254,456**
Notes issued - principal portion	Variable	253	253	253	253	252	1,010	**2,274**
Notes issued - principal portion fixed	Fixed						419,925	**419,925**
Notes issued - principal portion floating	Variable						649,149	**649,149**
Notes issued - interest portion	Variable	6,783						**6,783**
Other financing	Variable	30,338	741	795	852	914	480	**34,120**
Total		**133,401**	**58,685**	**50,247**	**47,096**	**39,420**	**1,247,269**	**1,576,118**

(in thousands of Euros)	At December 31, 2023							
	Interest Rate	Current portion	Portion with due after 12 months					Total
			2026	2027	2028	2029	Afterward	
Financial debt	Variable	55,319	7,075	4,565	2,393	1,478		**70,831**
Lease liabilities	Variable	14,035	29,554	12,984	10,419	7,236	90,026	**164,254**
Notes issued - principal portion	Variable	126	253	253	253	253	1,263	**2,400**
Notes issued - principal portion fixed	Fixed				334,631			**334,631**
Notes issued - principal portion floating	Variable				652,308			**652,308**
Notes issued - interest portion fixed	Fixed	10,035						**10,035**
Other financing	Variable	29,864	650	697	747	801	1,312	**34,071**
Total		**109,379**	**37,532**	**18,499**	**1,000,751**	**9,768**	**92,601**	**1,268,530**

Financial debt

The "Financial debt" of Euro 209,411 thousand at December 31, 2024, refers to bank accounts, including bank overdrafts, and financial instruments used by Group companies to manage short-term cash flow requirements at the reporting date of these consolidated financial statements.

Lease liability

The Euro 254,456 thousand at December 31, 2024, is the remaining balance due on leases stipulated by the Group.

Notes

"Notes issued - principal portion" at December 31, 2024, has a balance of Euro 2,274 thousands and consists of the Arco bond.

"Notes issued - principal portion fixed" at December 31, 2024, has a balance of Euro 419,925 and consists of the Fiber Fixed Rate Notes, the Fiber Tap Notes and the Fiber Private Fixed Rate Notes.

"Notes issued - principal portion floating" at December 31, 2024, has a balance of Euro 649,149 and consists of the Fiber Floating Rate Notes and the Fiber Private Floating Rate Notes.

"Notes issued - interest portion fixed" at December 31, 2024, has a balance of Euro 6,783 thousand and refers to the interest expense accrued on the Fiber Fixed Rate Notes, the Fiber Tap Notes and the Fiber Private Fixed Rate Notes.

Costs incurred in relation to the offering of the 2024 fixed and floating Notes are accounted for a financing fees, are deducted from nominal debt, and are amortized under the effective interest rate method from January 22, 2024, to January 15, 2030.

Other financing

The "current other financing" of Euro 34,120 thousand at December 31, 2024, refers primarily to the recognition of the recourse portion regarding a plan to optimize trade working capital and to financial instruments used by Group companies to manage short-term working capital requirements.

19. DUE TO CONTROLLING SHAREHOLDERS

The "Non current financing due to Controlling Shareholders" of Euro 322,056 thousand at December 31, 2024, refers to the principal portion of the subordinated shareholder loan granted by Fiber Midco.

Costs incurred in relation to the subordinated shareholder loan are accounted for as financing fees, deducted from nominal debt, and are amortized under the effective interest rate method from May 20, 2024, to June 15, 2029.

20. EMPLOYEE BENEFITS

The changes in this item are presented below:

(in thousands of Euros)	**Employee benefits**
Balance at January 1, 2023	**15,112**
Business Combination	294
Finance costs	532
Actuarial gains/(losses) net of the tax effect	(249)
Use	(1,856)
Charge	1,635
Exchange rate difference	17
Other changes	(3,181)
Balance at December 31, 2023	**12,304**
Balance at January 1, 2024	**12,304**
Business Combination	1,945
Finance costs	390
Actuarial gains/(losses) net of the tax effect	(594)
Use	(3,995)
Charge	822
Exchange rate difference	(33)
Other changes	1,663
Balance at December 31, 2024	**12,502**

The actuarial assumptions used to determine the obligation for employee benefits are detailed below:

	December 31,	
	2024	2023
Economic assumptions		
Inflation rate	2.0%	2.5%
Discount rate	3.2%	3.1%
Salary increment	1.0%	1.0%
"TFR" (provision for severance indemnities) rate of increase	3.0%	3.4%
Demographic assumptions		
Probability of resignations/dismissals	6.0%	6.9%
Probability of advance payouts	3.0%	3.0%

21. PROVISIONS FOR RISKS AND CHARGES

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Provision for agency termination	1,205	3,248
Provision for environmental risk	3,705	1,321
Provision for sundry risks	35,323	24,095
Total	**40,233**	**28,664**

The changes in this item are presented below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Opening Balance	**28,664**	**31,979**
Business Combination	16,626	6,804
Increases	13,692	8,074
Use	(13,288)	(6,468)
Exchange differences and other changes	(5,461)	(11,725)
Ending Balance	**40,233**	**28,664**

(in thousands of Euros)	Provision for agency termination	Provision for environmental risk	Provision for litigation risks	Provisions for warranty claims	Provisions for exit incentives	Other provisions	Total
Balance at January 1, 2023	**3,453**	**4,005**	**8,603**	**4,862**		**11,056**	**31,979**
Business Combination						6,804	6,804
Charge	611		1,732	371	245	5,115	8,074
Use	(424)	(103)	(1,778)	(886)		(3,277)	(6,468)
Exchange rate difference			(42)	(12)		49	(5)
Other changes	(392)	(2,581)	(5,008)	(515)		(3,224)	(11,720)
Balance at December 31, 2023	**3,248**	**1,321**	**3,507**	**3,820**	**245**	**16,523**	**28,664**
Balance at January 1, 2024	**3,248**	**1,321**	**3,507**	**3,820**	**245**	**16,523**	**28,664**
Business Combination	51	2,384	8,646	321	-	5,224	16,626
Charge	(1,859)		12,392	3,034	25	100	13,692
Use	(155)		(8,755)	(3,766)		(612)	(13,288)
Exchange rate difference				29		(101)	(72)
Other changes	(80)		(939)	88	(70)	(4,388)	(5,389)
Balance at December 31, 2024	**1,205**	**3,705**	**14,851**	**3,526**	**200**	**16,746**	**40,233**

The provision for agency termination is the estimated liability due for agency severance benefits.

The provision for warranty claims consists of costs that could be incurred in the event of claims regarding paper products. During the period a specific provision accrued in fiscal year 2023 was used after the settlement of a claim related to the supply of playing cards. Consequently, the provision has been realigned as a result of the calculation of the difference between new risks and the cessation of previous period risks. In addition to covering specific situations, for which negotiations to settle claims are in progress, the provision serves to cover costs that are reasonably expected to be incurred, on the basis of past experience, to satisfy the warranty obligations.

The charge provision for litigation risks (Euro 12,392 thousand) refers to liabilities that could ensue from pending lawsuits, disputes, business arrangements entered into by the Group, the purchase price allocation process and risks relating to the refund of the amount collected from the sale of white certificates in previous periods. Even though the white certificates, which are recognized for an innovative investment program from which energy savings may derive, are initially considered qualified to produce such savings and are accounted for with inclusion of the energy efficiency title ("TEE") payments, they are subject to review while they are in effect. The related provision accounts for the risk on those projects for which the relevant authorities have reconsidered the previously assigned qualification. The “provision for litigation risks” includes the Fedrigoni S.p.A.'s allocation for risks mainly on uncontracted distributors abroad, on disputes with suppliers and on employee severance expenses.

22. TRADE PAYABLES AND OTHER LIABILITIES

This item is detailed below:

(in thousands of Euros)	At December 31, 2024	At December 31, 2023
Trade payables	**615,849**	**461,264**
Other liabilities:		
- Due to employees	33,735	25,720
- Accrued expenses and deferred income	8,672	5,951
- Social security	13,439	11,448
- Withholding taxes	7,845	6,912
- Sundry payables	36,165	24,763
- Due to supplementary pension fund	2,468	2,123
- Advances	1,641	2,225
- VAT due	7,030	7,276
- Due to Directors and Statutory Auditors	34	94
- Sundry tax liabilities	9,921	13,572
Other liabilities	**120,950**	**100,084**
Total	**736,799**	**561,348**
Of which: non-current	9,928	14,712

The increase in "Trade Payables" is a consequence of the higher sales volumes and

inventory stocked compared to the previous year, resulting in higher purchase costs.

Mainly for the purpose of ensuring access to credit of its suppliers and facilitating payment management, the Company has entered into supply chain agreements with a few companies and financial institutions.

The existing agreements provide different set-up. Some of these agreements include the possibility for suppliers to obtain the collection before the natural due date of the invoices against the payment of an interest fee that the factoring company charges directly to the Vendor. In other agreements for payment to the supplier on the date indicated by the Company with the Company itself being charged on an agreed date that does not, in any case, entail a significant extension of the payment terms with respect to the date on which the Company itself would have paid the debt in the absence of these contracts.

In view of the foregoing and by virtue of the fact that such agreements are used with the main purpose of facilitating the management of payments and business relations with its suppliers, the Company classifies debts covered by these agreements as "Trade payables."

Trade payables as of December 31, 2023, included a debt of €12,644 thousands to some foreign entities directly or indirectly linked to a long-standing commercial partner of the Company active in the Indian market for banknote paper and security elements, with which the Company had signed license agreements for the exploitation of a specific process patent related to a security element registered and used by Fedrigoni and the related intellectual property rights.

Following a tax audit initiated by the *Guardia di Finanza* in 2019 for the years 2017 to 2019, which concluded with the signing of a judicial settlement and three agreements with adherence, the Company's Directors terminated all relationships with the contractual counterparts and suspended all royalty payments.

In March 2022, due to the suspension of the aforementioned relationships, the above-mentioned companies related to Fedrigoni's partner initiated a civil lawsuit before the Italian judiciary, requesting payment by Fedrigoni of the royalties allegedly due under the said license agreements, which were quantified by them at €18,200 thousand, plus general expenses and damages apparently suffered due to the non-payment of such royalties, for a total claim of €18,782 thousand.

The Company is defending itself this lawsuit and has argued its reasons in light of the evidence emerged from the aforementioned and now concluded investigation by the *Guardia di Finanza*.

During 2024, the value of the originally recorded debt was reduced by €7,424 thousand to align it with the prudently most probable financial outlay connected to the closure of the dispute, considering the developments that occurred during the year regarding the ongoing proceedings. The investigating judge has lifted the reservation regarding the remaining evidentiary requests of the plaintiffs, particularly the counterparts' requests for accounting, inspection, exhibition, and expert witnesses aimed at quantifying the amounts allegedly due by Fedrigoni, and considering the case ready for a collegial decision, has set a hearing for the clarification of conclusions for the next September 24, 2025.

The increase in "other liabilities" is mainly due to the contribution of the new acquired entities during 2024.

23. CURRENT TAX LIABILITIES

This item amounts to Euro 5,554 thousand at December 31, 2024.

The increase of 2024 is related to the accrual of Income Taxes of 2024.

Notes to the Income Statement

24. Sales revenues

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Revenues from sales of product	1,916,044	1,753,976
Awards for customers	(29,503)	(23,538)
Other sales revenues	4,075	4,906
Total	**1,890,616**	**1,735,344**

25. Other operating income

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	2023
Other revenues	68,877	71,081
Sundry non-financial income, grants for operating expenses and gains from asset disposal	83,415	62,171
Total	**152,292**	**133,252**

"Other operating income" consists of (i) other revenues, where the decrease is primarily driven by lower raw materials sales, in particular those related to the Office business, following its classification as discontinued operation; (ii) sundry non-financial income, that also includes grants from operating expenses, and it is primarily driven by the one-time capital gain from the real estate sales and lease-back transaction (Euro 32,013 thousand). Other operating income accounted for 8.1% of our sales for the year ended December 31, 2024, and for 7.7% for the year ended December 31, 2023.

26. Cost of materials

This item is detailed below:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Raw materials and goods purchases	1,124,035	921,996
Purchases of ancillary materials and consumables	14,502	11,453
Change in raw material inventories and goods	(31,432)	66,174
Total	**1,107,105**	**999,623**

For the period ended December 31, 2024 "raw material and goods purchases" reflect the prices of raw materials used in production and are mainly attributable to pulp costs. Cost of materials accounted for 58.6% of our sales revenues for the year ended December 31, 2024 and 57.6% of our sales revenues for the period ended December 31, 2023.

27. COST OF SERVICES

This item is detailed below:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Freight	122,714	105,072
Natural gas	53,539	44,650
Passive commissions	18,398	18,400
Maintenance	24,082	22,234
Use of third-party assets	1,094	7,767
Electricity	18,463	15,981
Consulting services (administrative, legal, tax, technical)	54,245	43,796
Advertising and publicity	6,453	7,700
Outsourced production	12,032	9,961
Insurance	10,513	10,258
Travel expenses	9,859	9,967
Waste disposal	7,895	6,742
Outsourced labor	7,804	6,678
Telephone expenses	1,580	1,347
Water	596	531
Directors and Statutory Auditors	1,810	1,331
Other services	31,967	19,545
Total	**383,044**	**331,960**

"Cost of services" mainly consist of cost of transportation, natural gas, commissions paid, maintenance, consulting services mainly related to the consultancy fees due to M&A activities, outsourced production and electricity. Cost of services accounted for 20.3% of our sales revenues for the period ended December 31, 2024 and for 19.1% for the period ended December 31, 2023.

28. Cost of personnel

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Wage and salaries	240,847	193,521
Social security contributions	57,200	48,119
Accrual for defined contribution and defined benefit plans	10,191	10,706
Other personnel costs	15,603	10,030
Total	**323,841**	**262,376**

The Group's employee headcount numbers at the reporting date are shown below:

	Year ended December 31,	
	2024	**2023**
Management	619	546
White-collar employees	1,510	1,383
Blue-collar employees	3,002	2,740
Total	**5,131**	**4,669**

Comparative data has been aligned with current year presentations.

29. Other costs

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Writedowns of receivables and other assets	3,442	(977)
Indirect taxes	5,531	4,415
Membership dues	811	1,006
Allowances/(releases) of provisions	1,537	(6,092)
Other costs	6,447	15,605
Total	**17,768**	**13,957**

“Allowances/(releases) of provisions” comprise mainly amounts charged net of the amounts released to the other and environmental provision.

Other costs accounted for 0.9% of our sales revenues for the period ended December 31, 2024 and 0.8% of our sales revenues for the period ended December 31, 2023.

30. Depreciation and amortization

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Depreciation of property, plant and equipment	74,452	67,199
Amortization of intangible assets	50,799	45,339
Depreciation of investment property	-	20
Impairment of tangible and intangible assets	1,734	118
Total	**126,985**	**112,676**

31. Net financial income/(costs)

This item is detailed below:

(in thousands of Euros)	Year ended December 31,	
	2024	**2023**
Interest income	10,365	3,630
Foreign exchange gains	42,648	35,528
Fair value measurement of derivatives		1
Other financial income	84	32
Totale financial income	**53,097**	**39,191**
Bank interest expense	(10,449)	(3,534)
Interest expense on leases	(28,234)	(5,418)
Foreign exchange losses	(49,374)	(35,080)
Fair value measurement of derivatives	142	683
Interest costs on employee benefits	(438)	(532)
Other finance costs	(320,213)	(251,491)
Total financial costs	**(408,566)**	**(295,372)**
Total	**(355,469)**	**(256,181)**

"Other finance costs" for the period ended December 31, 2024, include (i) Euro 124 million of interest expense on the Bond Notes, (ii) Euro 115 million as amortized cost on the Bond Notes, (iii) Euro 46 million in interest expense on the Shareholder Loan, and (iv) Euro 1,939 thousand as amortized cost on the Shareholder Loan.

32. Income taxes

This item is detailed below:

(in thousands of Euros)	**Year ended December 31,**	
	2024	**2023**
Current taxes	20,625	16,572
Deferred taxes	(232)	(29,725)
Total	**20,393**	**(13,153)**

The table below presents the reconciliation of the theoretical tax rate (the tax rate in effect in the countries of the Group companies) and the effective tax rate:

(in thousands of Euros)	**Year ended December 31**	
	2024	**2023**
Loss before tax	(235,559)	(120,666)
Theoretical tax rate	24.00%	24.00%
Theoretical income taxes	**(56,534)**	**(28,960)**
Profits not subject to taxes	(2,053)	(2,458)
Use of tax losses carried forward	(419)	(161)
Non-deductible taxes	(3,642)	(3,293)
Non-deductible interests expenses	60,869	32,466
Other decreases	(17,994)	(8,123)
Regional production tax (IRAP) allocated by Italian companies	**(735)**	**(2,604)**
Tax effects of foreign subsidiaries and other	115	(20)
Effective income taxes	**(20,393)**	**(13,153)**

33. NET LOSS FROM DISCONTINUED OPERATIONS

As mentioned, in 2023, we decided to explore the potential sale of a majority interest in the share capital of our fully owned subsidiary Giano S.r.l. in liquidazione ("Giano"), an Italian company operating in the Office paper business segment, a separate vertical within the Luxury Packaging and Creative Solutions. In December 2024, after several attempts, which did not lead to a feasible transfer of the Office business, the Group has decided to cease the operations of the Office paper business segment operated by Giano in this Annual Financial Report, given that, as of and for the year ended December 31, 2024 and as of and for the year ended December 31, 2023, the results of Giano are presented separately showing the effect of its contribution as discontinued operation.

The net loss from discontinued operations included in the Consolidated Income Statement for the year ended December 31, 2024 is detailed below:

(in thousands of Euros)	**Year ended December 31**	
	2024	**2023**
Sales revenues	133,804	129,062

Other operating income	(27,934)	(23,326)
Cost of materials	(68,238)	(53,023)
Cost of services	(34,523)	(40,502)
Cost of personnel	(11,841)	(10,852)
Other costs	966	5,151
Depreciation, amortization and impairment losses	(20,679)	(4,582)
Change in inventories of work in progress, semi-finished goods and finished products	(4,416)	(4,914)
Cost of capitalized in-house work from discontinued operations	80	9
Operating income/(loss)	**(32,783)**	**(2,977)**
Financial income	1,395	922
Finance costs	(7,067)	(869)
Net financial income/(costs)	**(5,672)**	**(53)**
Loss before taxes	**38,455**	**2,925**
Income taxes	9,304	897
Net loss	**29,151**	**2,027**

34. EARNINGS/(LOSS) PER SHARE

Earnings/(Loss) per share was calculated by dividing: i) the profit or loss attributable to ordinary equity holders by ii) the number of ordinary shares. There are no anti-dilutive shares, so the diluted earnings per share is the same as the basic earnings/(loss) per share.

(in thousands of Euros)	**Period ended December 31**	
	2024	**2023**
Net Profit/(Loss) attributable to owners of the Parent	(285,102)	(109,592)
Weighted average of shares (in thousand)	40,000	40,000
Basic loss per share (in Euros)	**(7.13)**	**(2.74)**
Diluted loss per share (in Euros)	**(7.13)**	**(2.74)**

35. CONTINGENT LIABILITIES

Various legal and tax proceedings originating over time in the normal course of the Group's business operations are pending. According to management, none of these proceedings are likely to result in significant liabilities for which provisions do not already exist in the Consolidated Financial Statements.

36. COMMITMENTS

(a) Commitments to purchase property, plant and equipment

The contractual commitments undertaken with third parties at December 31, 2024 regarding investments in property, plant and machinery not yet recognized in the financial statements amount to Euro 18,446 thousand.

(b) Other commitments

The following collateral has been put up:

- pledge over Fedrigoni S.p.A. shares granted by Fiber Midco S.p.A. (previously, Fiber Bidco S.p.A.) on November 30, 2022, as subsequently confirmed and extended on January 23, 2023, February 23, 2024, July 12, 2024 and December 17, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over Arconvert, S.A.U. shares granted by Ritrama S.p.A. on March 30, 2023, as subsequently confirmed and extended on April 5, 2024, July 31, 2024 and January 21, 2025, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- security assignment over the intercompany receivables granted by Fiber Midco S.p.A. on November 30, 2022, as subsequently confirmed and extended on January 23, 2023, January 22, 2024, May 20, 2024 and December 17, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- security assignment over the intercompany receivables granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently confirmed and extended on April 5, 2024 and July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over Ritrama S.p.A. shares granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently confirmed and extended on April 5, 2024 and July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- pledge over GPA Acquisition Company, LLC shares granted by GPA Holding Company, Inc. on December 21, 2023, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;

- pledge over Acucote, Inc. shares granted by Fedrigoni S.p.A. on December 21, 2023, as subsequently reaffirmed on July 31, 2024, to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024;
- all-asset pledge over substantially all assets of GPA Acquisition Company, LLC and Acucote, Inc. located in the United States of America, granted by GPA Acquisition Company, LLC and Acucote, Inc. on December 21, 2023 to secure the payment obligations deriving from, *inter alia*, the RCF Agreement, the Additional Facility Notice, the Senior Secured Floating Rate Notes and the Senior Secured Fixed Rate Notes 2024.

37. RELATED-PARTY TRANSACTIONS

The following tables set forth the transactions and balances of the Group with related parties for the period ended December 31, 2024 and December 31, 2023.

Statement of Financial Position balances

(in thousands of Euros)	At December 31, 2024					
	Assets			Liabilities		
	Financial receivables	Trade receivables	Tax receivables	Tax liabilities	Trade payables	Financial payables
Bain Capital Private Equity, LP					852	
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					2,850	
Tageos Group	65,495	3				
Fiber JVCo S.p.A.		188	2,472	743		756
Fiber MidCo S.p.A.		1,325				322,972
Sharp End Partnership Ltd	610	32			6	
German Tape S.r.l.		712			11	
Total	**66,105**	**2,260**	**2,472**	**743**	**3,719**	**323,728**
As a % of F/S item	89.00%	2.00%	11.00%	13.00%	1.00%	17.00%

(in thousands of Euros)	At December 31, 2023					
	Assets			Liabilities		
	Financial receivables	Trade receivables	Tax receivables	Tax liabilities	Trade payables	Financial payables
Bain Capital Private Equity, LP					60	
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					1,781	
Tageos Group	32,098	1				
Fiber JVCo S.p.A.		282	1,267	1,222		
Fiber MidCo S.p.A.						334,794
Total	**32,098**	**283**	**1,267**	**1,222**	**1,841**	**334,794**
As a % of F/S item	50.22%	0.34%	5.32%	37.57%	0.40%	20.93%

Income Statement transactions

(in thousands of Euros)	Year ended December 31, 2024						
	Income				Expenses		
	Sales revenues	Other revenues	Interest income	Tax Consolidation income	Costs for services	Interest expense	Tax Consolidation expense
Bain Capital Private Equity, LP					3,568		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					876		
Tageos Group	10	128	4,172		20		
BC Partners LLP					35		
Fiber JVCo S.p.A.				1,875			1,537
Fiber MidCo S.p.A.						48,272	
Sharp End Partnership Ltd		32	10		8		
German Tape S.r.l.	4,876				31		
Total	**4,886**	**160**	**4,182**	**1,875**	**4,538**	**48,272**	**1,537**
As a % of F/S item	0.00%	0.00%	40.00%	96.00%	1.00%	16.00%	99.00%

(in thousands of Euros)	Year ended December 31, 2023						
	Income				Expenses		
	Sales revenues	Other revenues	Interest income	Tax Consolidation income	Costs for services	Interest expense	Tax Consolidation expense
Bain Capital Private Equity, LP					3,406		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.					876		
Tecnoform S.p.A.	45				985		
Tageos Group			1,127				
BC Partners LLP					82		
Fiber JVCo S.p.A.		1,321		1,189			1,222
Fiber MidCo S.p.A.						42,387	
Total	**45**	**1,321**	**1,127**	**1,189**	**5,349**	**42,387**	**1,222**
As a % of F/S item	0.00%	0.99%	31.05%	100.00%	1.61%	20,75%	100.00%

Description of the Group's related parties

Fiber MidCo S.p.A.

The Group incurred some costs with Fiber Midco S.p.A., Fedrigoni S.p.A.'s parent company, for the recharging of interest costs connected with the Shareholder Loan from Fiber Midco S.p.A. and used by Fiber Bidco S.p.A. (now Fedrigoni S.p.A.) to complete the Fedrigoni Group acquisition.

Bain Capital Private Equity LP

The Group has a Consulting Service Agreement in effect with Bain Capital Private Equity LP, stipulated on April 16, 2018 by Fabric, Fedrigoni Holding Ltd and Bain Capital Private Equity LP.

Tageos Group

The Tageos Group is an equity accounted investments in associates acquired by the Group on April 26, 2022.

Consorzio Canale Industriale G. Camuzzoni di Verona S.c.ar.l.

Consorzio Canale Industriale G. Camuzzoni S.c.ar.l. in Verona is a 25%-owned company, and thus an associate, which operates in the power generation industry.

Tecnoform S.p.A.

Tecnoform S.p.A. was a minority technical partner of the Group dedicated to the development of innovative packaging products to replace plastic with thermoformed cellulose. The Group had established a joint venture "E'Close S.r.l." (formerly known as Pulp JV S.r.l.) with Tecnoform S.p.A., before the merge of "E'Close S.r.l." in Fedrigoni S.p.A., as already explained in the section of "Significant events of the year" in this document.

Sharp End Partnership Ltd

Sharp End Partnership is a connected solutions pioneer offering an industry-leading SaaS (software as a service) platform and creative services. The Group acquired a minority shareholding at December 27, 2023.

German Tape S.r.l.

German Tape S.r.l. is an Italian distribution company, in which the management of the new acquired Poli-Tape group holds an interest.

Key management personnel compensation

The following positions are considered to comprise the Group's key management personnel: i) Group Chief Executive Officer; ii) General Manager of Fedrigoni Self-Adhesives division; iii) General Manager of Fedrigoni Luxury Packaging and Creative Solutions, RFID and Innovation, and Group Chief Sustainability Office iv) Group Chief Procurement Officer; v) Corporate Development Director; vi) Group Chief Human Resources Officer; vi) Group Chief Financial Officer; vii) Group Technology Infrastructure Director.

The gross compensation paid to the key management personnel for the period ended December 31, 2024 totaled Euro 3,340 thousand.

38. Subsequent events

On January 23, 2025, the Company approved the liquidation of its subsidiary Giano S.r.l. in liquidazione, which was active in the office paper business segment and had already stopped its production activities on December 31, 2024.

On February 26, 2025, Fedrigoni S.p.A. completed the acquisition of a minority interest in a start-up which developed the first potentially large-scale paper coating technology with the same properties as plastic. This acquisition, which is part of the corporate venture capital program that Fedrigoni S.p.A. has launched to identify industry-changing startups that are a proven, industrially scalable reality, is aimed at accelerating the deployment of the target company's technology worldwide, ensuring that major brands have access to high-performance, fully recyclable, fully biodegradable packaging solutions at scale.

In March 2025, the US Administration has announced upcoming changes in the application of import/export tariffs and the Group is continuously assessing potential direct and indirect impacts on its business by the light of the changing external circumstances. The core of Fedrigoni's US business though, including the targeted growth of the business in North America, is largely backed by domestic US manufacturing operations ramped up in the recent years across both BUs (and RFID). In particular, our footprint comprises: one Self-Adhesive manufacturing facility in North Carolina (coming from Acucote's acquisition in June 2021), one RFID manufacturing facility in North Carolina (built greenfield in 2024), and one luxury packaging and creative application manufacturing facility in New York state (coming from Mohawk's assets acquired in February 2024). The Group is also evaluating potential countermeasures to lower the impact of tariffs for finished products sourced in EU, such as insourcing part of them in our US manufacturing facility taking advantage of additional capacity added during 2024 (i.e. LPCS). Finally, volumes impact could come from a generalized recession that a persisting and escalating tariff conflict would normally drive. This impact could be material, but largely symmetric across players in the market, and, overall, very difficult to estimate at this stage.

ANNEX 1 - List of Subsidiaries and Associates

Name	Headquarters	Group's ownership
Directly controlled subsidiaries		**At December 31, 2024**
Fedrigoni Self-Adhesives do Brasil Ltda	Jundiaí - Brazil	100.00%
Ritrama S.p.A.	Caponago (MB) - Italy	100.00%
Arconvert S.p.A.	Arco (TN) - Italy	100.00%
Fedrigoni Deutschland Gmbh	Munich - Germany	100.00%
Fedrigoni Espana SL	Madrid - Spain	100.00%
Fedrigoni France Sarl	Paris - France	100.00%
Fedrigoni UK Ltd	Northampton - United Kingdom	100.00%
Cartamano Deutschland Gmbh	Munich - Germany	100.00%
Miliani Immobiliare S.r.l.	Verona (VR) - Italy	100.00%
Fedrigoni Austria GmbH	Vienna - Austria	100.00%
Fedrigoni Benelux B.V.	Brussels - Belgium	100.00%
Fedrigoni Asia Ltd	Hong Kong - China	100.00%
GPA Holding Company Inc	McCook, Illinois - U.S.A.	100.00%
Acucote Inc.	Graham, North Carolina - U.S.A.	100.00%
Fedrigoni Bangladesh	Dhaka - Bangladesh	100.00%
Giano in liquidazione S.r.l.	Verona (VR) - Italy	100.00%
Distribuidora Vizcaina de Papeles S.L.U.	Derio - Spain	100.00%
Bes Reklam Ürünleri Sanayi ve Ticaret Anonim Şirketi	Istanbul (Turkey)	100.00%
PT. Fedrigoni Indonesian Trading	Jakarta - Indonesia	88.20%
Fedrigoni Special Papers Hong Kong Limited	Hong Kong - China	100.00%
Fedrigoni Special Papers North America Inc.	Delaware - U.S.A.	100.00%
Fedrigoni Asia Pacific Limited (HK)	Hong Kong - China	100.00%
Tuscany BidCo GmbH	München - Germany	100.00%
F1 Papers SAS	Paris – France	100.00%
Indirectly controlled subsidiaries		
Fedrigoni Trading (Shanghai) Company Limited	Shanghai - China	100.00%
Arconvert S.A.U.	Sarrià del Ter Gerona - Spain	100.00%
Polifibra 2011 S.p.A.	Agrate Brianza (MB) - Italy	100.00%
Ritrama (Hefei) Pressure Sensitive Coated Materials Co.Limited	Hefei - China	100.00%
Ritrama UK Ltd	Dukinfield - United Kingdom	100.00%
INVERSIONES SAN AURELIO Srl	Santo Domingo - Dominican Republic	100.00%
Fedrigoni Self-Adhesives Chile S.A.	Curauma, Valparaíso - Chile	100.00%
Ritrama Autoadesivos Ltda	Jundiaí - Brazil	100.00%
Distribudora Ritrama Ecuador Disritrec S.A.	Quito - Ecuador	100.00%
Ritrama Poland Sp. Z.o.o.	Dobroszyce - Poland	100.00%
Ritrama Perù SAC	Lima - Peru	100.00%
Ritrama Caribe Srl	Santo Domingo - Dominican Republic	100.00%
Ritrama S.A.S	La Estrella, Antioquia - Colombia	100.00%

Ritrama Costa Rica S.A.	Heredia - Costa Rica	100.00%
Ritrama Guatemala S.A.	Ofibodega - Guatemala	100.00%
Fedrigoni Self-Adhesive de Mexico SA	Tlalnepantla - Mexico	100.00%
Venus America S.A.	Tlalnepantla - Mexico	100.00%
GPA Acquisition Company LLC	McCook, Illinois - U.S.A.	100,00%
Guarro Casas S.A.	Gelida - Spain	97.96%
Papeterie Zuber Rieder SAS	Boussieres - France	100.00%
Fedrigoni (Quzhou) Special Papers Co., Ltd	Quzhou - China	100.00%
Fedrigoni (Shanghai) Special Papers Co. Ltd	Shanghai - China	100.00%
Fedrigoni Hong Kong Holding Limited (HK)	Hong Kong - China	100.00%
Cohoes Real Estate, LLC.	Delaware - U.S.A.	100.00%
Fedrigoni Waterford Real Estate Holdings, LLC.	Delaware - U.S.A.	100.00%
POLI-TAPE Holding GmbH	Remagen - Germany	89.90%
ASLAN Selbstklebefolien GmbH	Overath - Germany	89.90%
POLI-TAPE Italia S.r.l.	Castelmella (BS) - Italy	89.90%
POLI-TAPE Klebefolien GmbH	Remagen - Germany	89.90%
KEMICA S.r.l.	Savogna d'Isonzo (GO) - Italy	89.90%
POLI-TAPE USA Inc.	Tulsa, Oklahoma - USA	89.90%
Specialty Materials LLC	Tulsa, Oklahoma - USA	89.90%
Fedrigoni Self Adhesive Australia Pty Limited	Australia	100.00%
Associates		
Consorzio Canale Industriale G. Camuzzoni S.c.ar.l.	Verona (VR) - Italy	24.99%
Sharp End Partnership Ltd	London - United Kindgom	20.00%
Direct joint ventures		
Eonys SAS	Montpellier - France	50.10%
Indirect joint ventures		
Tageos SAS	Montpellier - France	50.10%
Tageos GmbH	Bad Nauheim - Germany	50.10%
Tageos RFID (Guangzhou) Co., Ltd.	Guangzhou - China	50.10%
Tageos Ltd.	Hong Kong - China	50.10%
Tageos Inc.	Wilmington, Delaware - U.S.A.	50.10%