

LEGACY IN MOTION



■ FISCAL YEAR
1 APRIL 2024 -
31 MARCH 2025

■ INNOVATING FOR
A SUSTAINABLE TOMORROW

SUSTAINABILITY REPORT
2025

16TH POCKET
EDITION

A message from our CEO



A handwritten signature in black ink, which appears to read 'Eugenio Lolli', positioned below the portrait.

Dear Stakeholders,

I'm pleased to introduce the sixteenth edition of our Sustainability Report, which falls in the year when we celebrated the **50th anniversary** of the first official presentation of Alcantara® material at an international motor show.

Since 2009, as a voluntary act of transparency, our Company has consistently prepared and published this report in accordance with the GRI Standards and subject to third-party Limited Assurance.

Although the implementation of mandatory sustainability reporting has been postponed, we have already initiated the transition toward full compliance with the upcoming obligations introduced by the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The past Fiscal Year was once again marked by global instability. We faced a significant contraction in the production and sales of major car makers, with a notable impact on our Company's revenue. Also, the luxury industry, in fashion and interior design, faced a tough environment and a reduction in sales.

Despite these challenges, our commitment to sustainability has remained steadfast.

The journey we began in 2009 continues with renewed determination. This commitment is also reflected in our proactive response to regulatory developments. We have achieved certification for our product carbon footprint management system in accordance with ISO 14067:2018, and we are among the first companies to have verified our corporate Carbon Neutrality under the new ISO 14068-1:2023 standard.

Our pursuit of Carbon Neutrality, ongoing since 2009, is guided by increasingly ambitious goals. We have established a roadmap to progressively reduce our greenhouse gas emissions. Using 2021 as our baseline year, by 2030 we aim to achieve a 42% absolute reduction in Scope 1 and Scope 2 emissions. These interim targets are part of a broader and more ambitious vision that will lead us to achieve Net Zero status by 2050, as detailed in this Report.

In parallel, we continue to invest in new technologies, production processes, and circular economy initiatives, including the increased use of recycled raw materials.

For us, sustainability is not a trend or a temporary necessity, it is a fundamental responsibility. We are committed to protecting future generations by combatting climate change and preserving non-renewable resources.

I hope you enjoy reading.

Eugenio Lolli
Chairman and CEO
of Alcantara S.p.A.

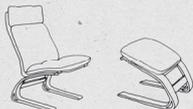
Alcantara® is a unique and innovative material, used to cover any surfaces and shapes.

Alcantara S.p.A. is the only world's Company, fully located in Italy, that manufactures and sells worldwide the original Alcantara® material.

Alcantara® is a registered trademark of Alcantara S.p.A., a trusted lifestyle partner of leading global brands in the high-end segment and across multiple industries.



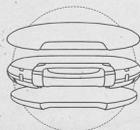
AUTOMOTIVE



**INTERIORS, CONTRACT,
MARINE AND AVIATION**



FASHION AND ACCESSORIES



CONSUMER ELECTRONICS

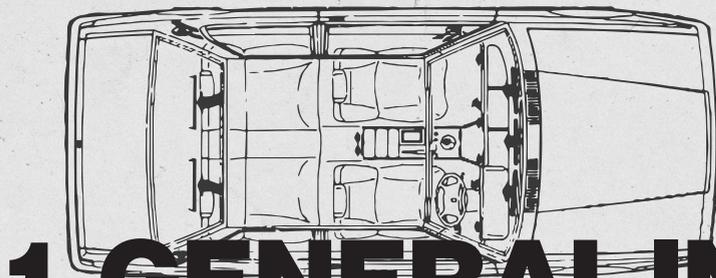


Milan

Management and administrative Headquarters, housing the management, commercial, marketing and communication, sustainability, administration, and style offices, logistics services and human resources divisions.

**Nera
Montoro
(Terni)**

Production Site
and Research &
Development Centre

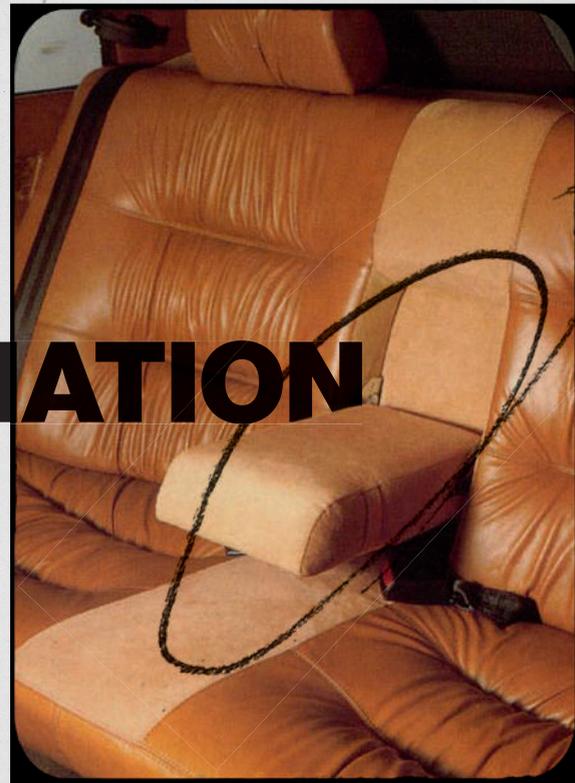


1. GENERAL INFORMATION



50 years in automotive interior

In the reporting year, the Company celebrated the **50th anniversary** of the first official presentation at an international motor show. The Alcantara brand, a distinctive element for manufacturers for decades, is the only brand present in this market for over 50 years.



The tough global context

The past Fiscal Year was once again marked by global instability. We faced a significant contraction in the production and sales of major car makers, with a notable impact on our Company's revenue. Also, the luxury industry, in fashion and interior design, faced a tough environment and a reduction in sales.

Despite these challenges, our commitment to sustainability has remained steadfast. The journey we began in 2009 continues with renewed determination.

Value Added

In Fiscal Year 2025, the direct economic value generated and distributed (Gross Global Added) of Alcantara S.p.A. amounted to over €47 million.

Investments

Investments made during Fiscal Year 2025 amounted to €17.4 million.

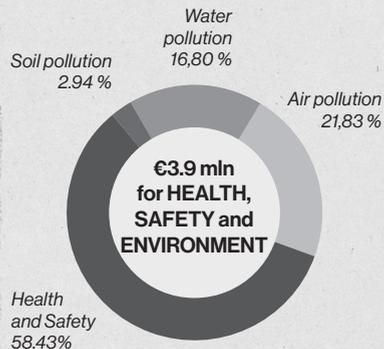
Investments for the protection of safety, health, and the environment amounted to €3,738 thousand (approximately 22% of total investments)

- Safety and health €2,184 thousand
- Environment €1,554 thousand



In 2025, environmental protection investments were specifically aimed at:

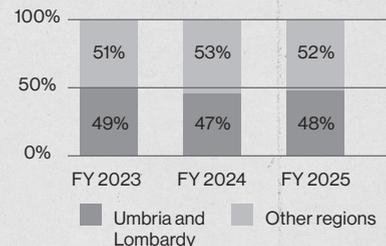
- Air pollution prevention (€816 thousand)
- Water pollution prevention (€628 thousand)
- Soil pollution prevention (€110 thousand)



The supply chain

The supply of materials, products, and services supports the production processes at the Nera Montoro plant. Regarding supplier location, proximity to Company sites (at provincial or regional level) is considered a positive factor. 86% of total suppliers are based in Italy, 48% are located in Umbria and Lombardia (631 out of 1,315). The high percentage of local suppliers' enables Alcantara to significantly reduce transport costs and, consequently, mitigate the environmental impact of its operations.

Number of suppliers by geographic area

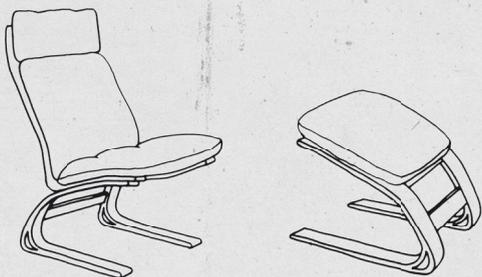


Stakeholder engagement

Alcantara operates within a broad context and according to a global vision that involves various national and international entities with whom it constantly interacts. For this reason, listening to and engaging stakeholders is fundamental to fostering continuous development based on the relationship between the Company's objectives and stakeholders' interests, with the aim of creating shared value. During Fiscal Year 2025, the Company continued various dialogue and consultation initiatives targeted at its main stakeholders, enabling systematic discussion on all topics directly or indirectly related to sustainability and their ongoing monitoring.

Certified management systems





2. ENVIRONMENTAL INFORMATION



Climate change policies

Alcantara's climate strategy is based on a decarbonisation pathway aligned with the global climate goals of the Paris Agreement (COP21, 2015). It prioritises the direct reduction and long-term removal of GHG emissions over offsetting. In line with the European Union's climate neutrality goals and ISO 14068, Alcantara sets its decarbonisation targets and the related 'Carbon Neutrality Pathway,' until 2050.



Consistent with the SBTi criteria, starting from the 2021 base year, Alcantara has defined a progressive reduction path for its greenhouse gas emissions. This path includes a short-term absolute reduction of 42% in Scope 1 and Scope 2 emissions (categories 1 and 2 of the inventory according to ISO 14064) by 2030, corresponding to an average annual reduction rate of at least 4.2%, in line with the SBTi trajectory for the 1.5°C scenario. Furthermore, for Scope 3 emissions (categories 3-6 of the inventory according to ISO 14064), Alcantara has adopted a target to reduce emission intensity by at least 7% per year per linear meter of Alcantara product by 2030, covering at least 67% of total indirect emissions along the value chain.

These intermediate targets are part of a broader and more ambitious vision that will lead Alcantara to achieve Net-Zero status by 2050.

Carbon Neutrality

Alcantara first became Carbon Neutral in 2009. At that time, the certification was issued by TÜV SÜD, according to their internal standard CMS Standard GHG41.

Starting from 2014, the Company obtained the Carbon Neutral certification according to PAS 2060, on an annual basis, and starting from 2025, Alcantara S.p.A. has once again demonstrated its leadership by becoming one of the first Italian companies to achieve compliance verification for the stringent new international standard ISO 14068-1:2023.

The Carbon Neutrality applies to all operations under the Company's financial or operational control, encompassing the production site and Research Center in Nera Montoro (TR), and the commercial and administrative offices in Milan (MI).

Alcantara's Carbon Neutrality Report, framed according to the principles of ISO 14068 and verified by TÜV SÜD, is available in its full version upon request.

GHG emissions and offsetting

In Fiscal Year 2025, the Company's inventory of direct and indirect GHG emissions was prepared in accordance with the guidelines of the UNI ISO 14064-1:2019 standard and verified by TÜV SÜD.

Alcantara's total GHG annual emissions amount to 143,499 tCO₂e. Comparing this figure with the base year's emissions of 168,239 tCO₂e, a reduction of 24,740 tCO₂e has been achieved to date.

The total GHG emissions for Fiscal Year 24-25, including unabated emissions that will be reduced in the coming years as per the Carbon Neutrality Pathway targets, have been offset through verified carbon credits to achieve the Organisation's Carbon Neutrality status. A significant portion of the emissions, amounting to 128,252 tCO₂e, were directly offset by Alcantara. The remaining 15,248 tCO₂e were offset by some of Alcantara's suppliers, who are actively engaged in the action against climate change.

PROJECT NAME	Chorokhi Hydro Power Plant Project	Belen Wind Power Project	Allain Duhangan Hydroelectric Project	Energising India using Solar Energy Projects
TYPE OF PROJECT	Hydroelectric plant	Wind power plant	Hydroelectric plant	Solar power plant
STANDARD	VCS ²	Gold Standard ³	VCS ⁴	VCS ⁵
LOCATION	Batumi, Georgia	Belen, Turkey	Kullu, India	New Delhi, India
QUOTAS	7,257	24,000	55,000	41,995

Circular Economy

As part of its sustainability commitment, the Company has, in recent years, intensified its research and development activities to identify **raw materials** that serve as alternatives to fossil-based polymers, with the goal of reducing carbon dioxide emissions. This effort has led to the creation of new products containing increasing percentages of: **recycled polyester**, obtained through the recycling of post-consumer waste, certified under the **Global Recycled Standard (GRS)** by Textile Exchange. In Fiscal Year 2025 the percentage of recycled polyester used in spinning reached 15.6%. Partially bio-based polymers have also been progressively integrated, and the Company continues to innovate in recycling technologies and the valorisation of by-products, supporting a more circular and sustainable production model.

Energy

In Calendar Year 2024, 4,850 TOE of energy were saved thanks to the cogeneration and trigeneration plant.

The total amount of electricity purchased from renewable sources in Fiscal Year 2025, certified with Guarantees of Origin, was **16,882.72 MWh** (60.78 TJ).

The photovoltaic system (PV) installed at the Milan headquarters produced **101 MWh** of electricity in Fiscal Year 2025, **93%** of which was used for self-consumption and **7%** fed back into the grid. Additionally, the photovoltaic system at the Nera Montoro plant produced 198 MWh of electricity, of which 70.3% were self-consumed.

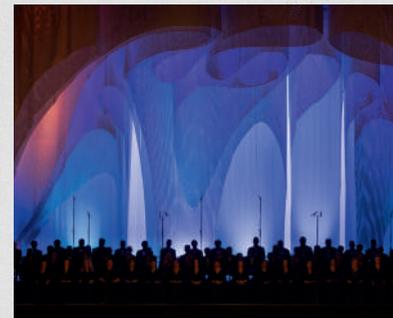
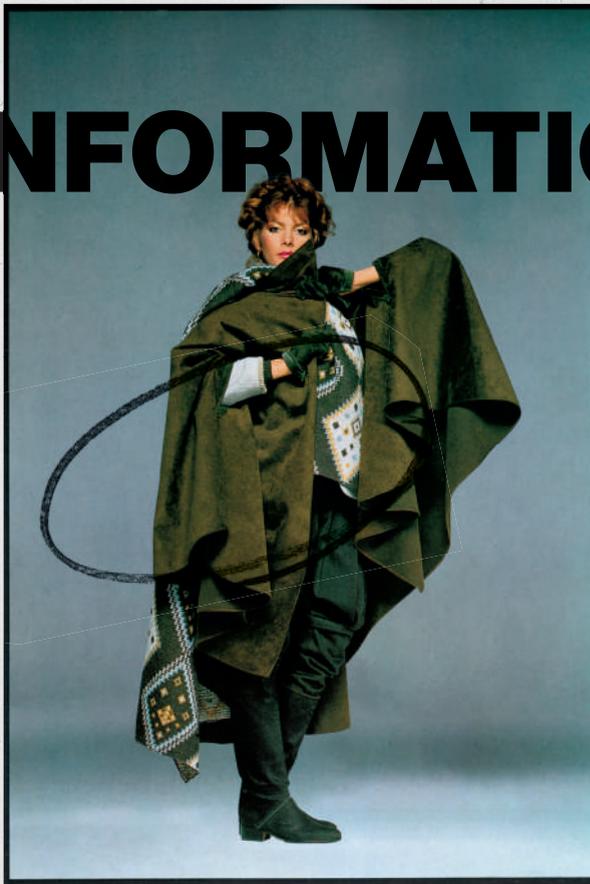
Water-based

Our Research and Development department continues to develop and diversify water-based products, which now account for 27% of total sales volume.

2. <https://registry.verra.org/app/projectDetail/VCS/1485>
3. <https://registry.goldstandard.org/projects/details/1642>
4. <https://registry.verra.org/app/projectDetail/VCS/2026>
5. <https://registry.verra.org/app/projectDetail/VCS/1931>



3. SOCIAL INFORMATION



Our people

People represent the key factor in Alcantara's success, and this principle forms the foundation of the Company's human resources management policies. Alcantara places great importance on maintaining a healthy, safe, and inclusive work environment, providing individuals with the tools they need to protect their rights and support their full professional and personal development.

As of 31 March 2025, the Company employs 601 people, of which 91 are based at the Milan office and 510 at the production plant and R&D centre in Nera Montoro. In order to ensure employment stability, 99.84% of the workforce is employed under permanent contracts.

Gender

In 2025, the Organisation's workforce is composed of 601 employees, including 104 women and 497 men. The predominance of male personnel reflects a general trend in the industry in which it operates, which has traditionally employed more men than women. Nevertheless, there is a continued commitment to ensuring equal opportunities for all staff and fostering maximum inclusion within the Company. This commitment is demonstrated by the fact that, since 2015, Alcantara has seen a 48.5% increase in female employees (compared to a total increase of 25.73%), reaching a total of 104 women in the workforce in Fiscal Year 2025 (up from 70 in 2015).

Health and Safety / Zero Accident

Our Health and Safety Management System has been certified with the ISO 45001 Standard, the pinnacle of our journey. Over the years, we have implemented several preventive measures, monitoring procedures and training courses, aimed at improving safety conditions in the work environment and protecting the workers' well-being. The Zero Accident Project, in particular, was created with the goal to establish a set of measures capable of identifying possible actions for improving safety management beyond the requirements laid down by the current standards, and to reach the 'zero accident' target.

During Fiscal Year 2025, no workplace accidents occurred, maintaining a stable accident rate compared to the previous Fiscal Year.

Employees benefits

All personnel benefit from additional advantages beyond those established by the collective labour agreement, with the aim of promoting and improving employee well-being within the Company environment. In Fiscal Year 2025, the Company allocated 1.62% of Alcantara's

revenues - amounting to a total of €2,3 Mil - to employee benefits.



Training

We believe that personnel training is fundamental to promote growth and personal fulfilment of employees.

During Fiscal Year 2025, a total of 24,847 hours of training were delivered. Of this:

- **58.87%** was dedicated to onboarding courses for new hires,
- **29.55%** to the development of professional technical skills, and
- **6.93%** to health, safety, and environmental training.

Performance evaluation

In Fiscal Year 2025, 99% of employees underwent at least one performance evaluation conducted by their supervisor. All personnel employed - except those on extended leave or newly hired - are systematically evaluated at every role change and, in any case, at least once per year.

Support for the United Nations Global Compact

In Fiscal Year 2025, the Company renewed its support for the United Nations Global Compact (UNGC) for the eighth consecutive year—the world's largest corporate sustainability initiative. By reaffirming its adherence to the UNGC, the Company reinforces its long-term commitment to a responsible growth model based on the respect for and promotion of the Ten Principles related to human rights, **labour**, **the environment**, and anti-corruption.



Carpooling

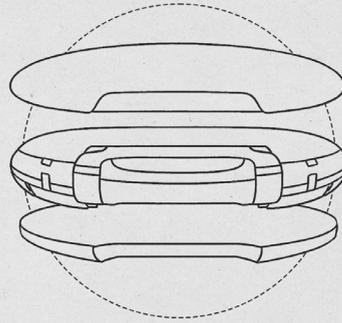
A system to encourage carpooling and the use of non-polluting personal transportation (bicycles and electric micro-mobility) was launched in December 2023 for the Nera Montoro plant and the Milan office. The project involves the use of a specialised digital platform, UP2GO, which allows employees to plan their commutes by offering or requesting rides from colleagues through an app available on any smartphone.

The 37,621.16 km travelled by project participants between 1 April 2024, and 31 March 2025, resulted in an estimated emissions savings of 11,709.2 kg CO₂eq, as calculated by UP2GO.





4. BUSINESS CONDUCT



Code of Ethics

As a concrete implementation of its commitment, Alcantara has adopted a **Code of Ethics**, which defines the values it is inspired by in pursuing its objectives and the key principles guiding its activities, in close integration with:

- the **organisation, management and control model** pursuant to Legislative Decree 231/2001,
- the **Whistleblowing Policy** (Legislative Decree 24/2023),
- and the **Toray Group Guidelines**.

Prevention and monitoring

To ensure the effectiveness of the control and prevention system, Alcantara adopts the principle of **segregation of responsibilities**, ensuring that the person responsible for a specific operational activity is always distinct from the one who controls or authorises it.

The Anti-Corruption Policy is **communicated to all employees and available on the Company intranet**. It is the subject of ongoing information and update initiatives, both during employee onboarding and when there are regulatory or procedural changes.



Communication channels

Alcantara promotes a culture of transparency and accountability throughout its supply chain by providing workers with a secure and confidential channel to report any irregularities. The Company's **Whistleblowing Policy** allows supply chain workers to communicate directly with Alcantara in a confidential manner, through an internal mechanism managed with the utmost care for the protection of the reporting individual. Additionally, the 'Supply Chain Sustainability Guidelines' require suppliers to establish effective reporting systems of their own, accessible to workers. To this end, Alcantara provides a dedicated email address – supplychainsustainability@alcantara.com – through which reports or clarification requests can be submitted.

Protection of human rights and supply chain policies

Alcantara adopts a rigorous and systematic approach to promote the respect for human rights and working conditions throughout its value chain, aligning with the most widely recognised international standards. Through the '**Supply Chain Sustainability Guidelines**' document and **CSR Assessment** audit programs, the Company defines and communicates its expectations regarding social responsibility to its suppliers.



Supplier evaluation and classification

Alcantara pays particular attention to the selection and management of suppliers through the implementation of a series of measures and procedures that are aimed at ensuring compliance with the sustainability, quality and safety policies we have adopted. During the Fiscal Year 2025, Alcantara intensified its audits and activities related with findings management. The inspections were supported

by a risk analysis based on the most exposed geographical areas, identified through a supply chain mapping process. This approach allowed the Company to pinpoint potentially critical contexts and take targeted actions.

Within the Company's supply chain, **127 suppliers are considered priority suppliers**, as the goods or services they provide have a significant economic impact and support activities that may influence stakeholder assessments.

48 of these are called 'super core' suppliers (as they operate continuously on our premises or in production process and distribution partnerships), while the remaining 79 are so-called 'core' suppliers (as they perform some non-continuous services on corporate premises or can become production process partners).

In the Fiscal Year 2025, Alcantara assessed **20** suppliers based on environmental criteria and **48** based on social responsibility criteria. Compared to the previous year, the number of suppliers assessed for social responsibility increased by **2**, while the number of environmental assessments remained unchanged.



CARBON NEUTRAL SINCE 2009



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Further information on Alcantara's sustainability
is available on the corporate website:
www.alcantara.com

For further inquiries, please contact:
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