

SUSTAINABILITY REPORT

2024

20TH EDITION



SUSTAINABILITY REPORT

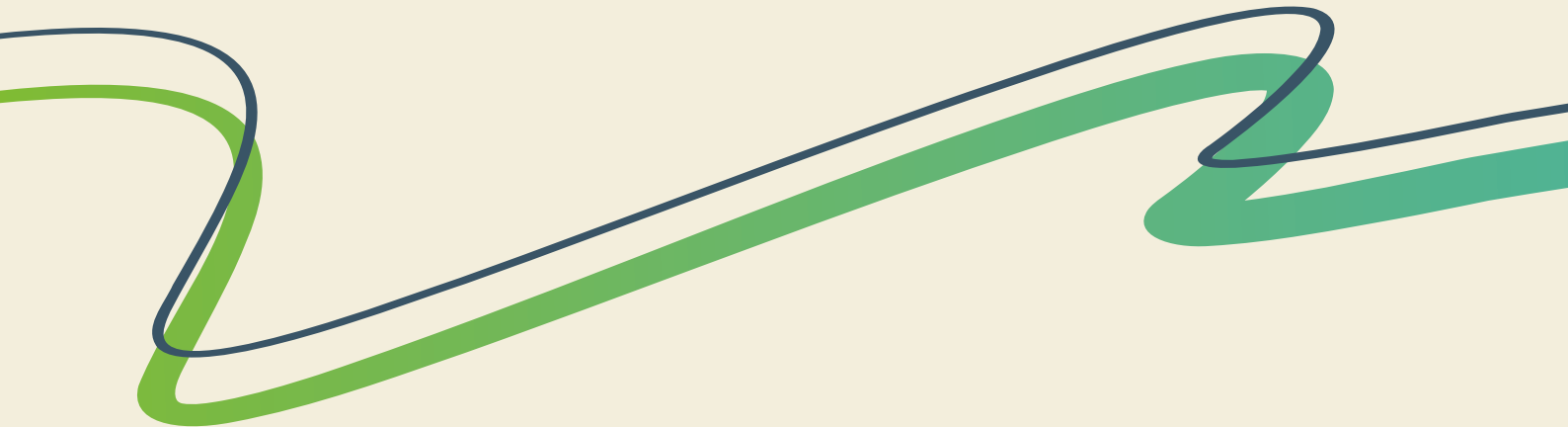
2024

20TH EDITION





**VISION
LIGHTS
THE FUTURE**



Letter To Stakeholders

GRI 2-22

Dear stakeholders,

It is with great pride that we present to you the **Lucart Group's twentieth Sustainability Report**, a milestone that demonstrates the constant commitment to responsible, transparent, and future-oriented development. In these twenty years, we have faced important challenges and have managed the growth of the Company while always keeping in mind the goal of creating shared value for people, the environment, and our communities.

During 2024 we continued to reap the benefits of the plant and organizational investments that we had previously set up, achieving significant turnover in line with expectations and consolidating our position in all reference markets. With the entry of Azzurra Capital into the holding company's capital, we now have greater resources to accelerate our international growth, while maintaining our commitment to sustainability and innovation. Ours is a clear strategy: growing responsibly, strengthening our competitiveness and opening up to new high-potential markets.

We are particularly proud of the results described in this report, because they represent the most tangible demonstration of how a company can achieve excellent economic performance and at the same time obtain environmental and social performance of the highest level. To create a truly sustainable development model, we have, from the beginning, applied a scientific method that included two pillars: **performance measurement and certifications by independent third-party bodies**. But above all, we have always believed that the sustainability of products and industrial processes should be part of a real long-term vision aimed not only at creating a competitive advantage, but also at creating shared values.

I would like to highlight **two milestones** that we have achieved ahead of schedule in 2024, which are the result, on the one hand, of the **Company's vision** and, on the other, of the **strong commitment of our employees**. We have attained the goal of certifying all the Group's production plants to **ISO 45001** to guarantee the systemic management of health and safety at work, and we have achieved the goal of **90% waste recovery**.

Furthermore, for the third consecutive year, we have obtained the highest rating on corporate social responsibility from the **independent rating agency EcoVadis** and were awarded with the **Platinum medal**.

Strengthened by the milestones we have achieved and despite the complex geopolitical situation and the pressure to slow down the ecological transition, we will continue to pursue truly sustainable development models for the benefit of all our stakeholders and do our part to create a better future.



Francesco Pasquini
Chief Executive Officer

A stylized, handwritten signature of Francesco Pasquini in black ink.



Table of contents

	Letter to Stakeholders	2
CORPORATE IDENTITY AND PERFORMANCE INDICATORS	Lucart at a glance 2024	6
	Results and improvement goals	8
	Vision, Mission and Objectives	10
	Value Chain and Sustainable Development Goals	12
	The Global Compact Principles	14
	Sustainability rating	15
	SBTi, Amfori BSCI	16
	Materiality Analysis	17
1 GOVERNANCE	1.1 Lucart Group: a history	22
	1.2 Plants of the Group	26
	1.3 Type of Paper made	28
	1.4 Production capacity	29
	1.5 Production process and life cycle of tissue paper product	30
	1.6 Production process and life cycle of cosmetic product	32
	1.7 Business Areas	34
	1.8 Business Area Away from Home (AFH)	36
	1.9 Business Area Consumer	41
	1.10 Business Area Business to Business (BtoB)	45
	1.11 Certifications	46
	1.12 Circularity and sustainability as strategic business levers	48
	1.13 Organisation	55
	1.14 Organisational Model	57
	1.15 Code of Ethics	58
	1.16 Risk Management	60
2 SOCIETY AND PEOPLE	2.1 Principles	68
	2.2 Communication plan with stakeholders	69
	2.3 Relations with personnel	73
	2.4 Lucart personnel structure	76
	2.5 Occupational health and safety	83
	2.6 Relations with other Stakeholders	86
	2.7 Multi-stakeholder communication activities	98
3 ENVIRONMENT	3.1 Environmental impact assessment	106
	3.2 Environmental Product Declaration (EPD®)	107
	3.3 Raw Materials	109
	3.4 Packaging	112
	3.5 Water resources	114
	3.6 Energy resources	118
	3.7 Emissions into the atmosphere	122
	3.8 Logistics	124
	3.9 Waste management	126
	3.10 Final quantity balance	130
	Methodological note	131
	Analysis of impacts related to material topics	132
	GRI Content Index	133
	Limited assurance report on the Sustainability Report 2024	137

LUCART at a glance

GRI 2-6
201-1
203-1
301-2

IL GRUPPO

PEOPLE
EMPLOYED

1.700+



PAPER
MACHINES

12



PRODUCTION
FACILITIES

10

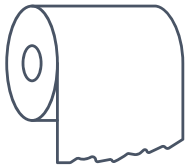


LOGISTICS
CENTRES

2



PRODUCTION CAPACITY



PAPER
SECTOR

ABOUT

400,000

Tonnes/Year



SKIN CARE
SECTOR

12 mln

Litres/Year

BUSINESS AREAS



AWAY FROM
HOME

LUCART
PROFESSIONAL

FATO

Velo



CONSUMER

Tenderly

Grazie
EcoNatural

Tutto

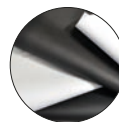
LUCART
Smile



BtoB



Tissue
paper

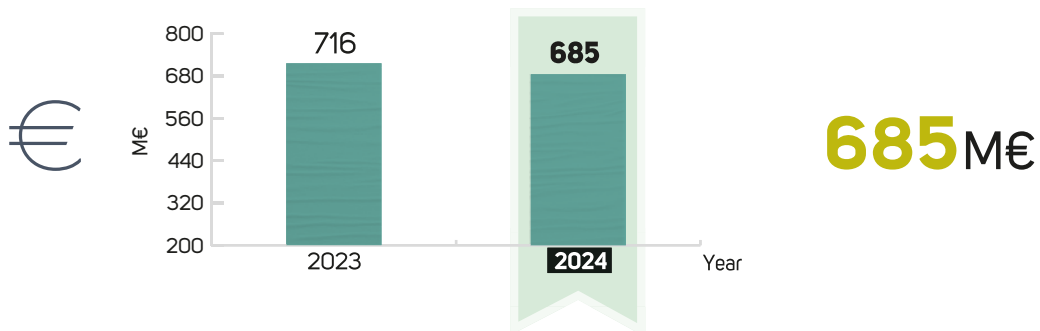


MG
paper



Airlaid
paper

TURNOVER¹



COUNTRIES SUPPLIED



70+

RAW MATERIALS

PAPER FOR RECYCLING



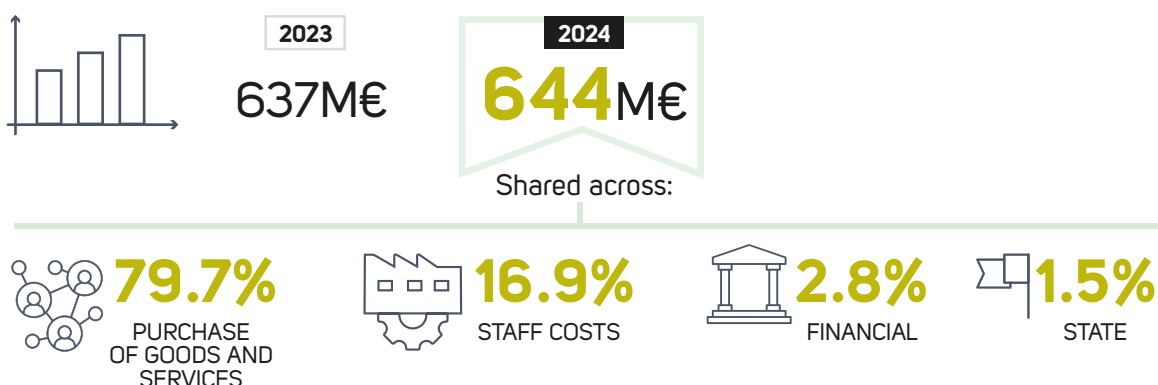
54%

VIRGIN CELLULOSE



46%

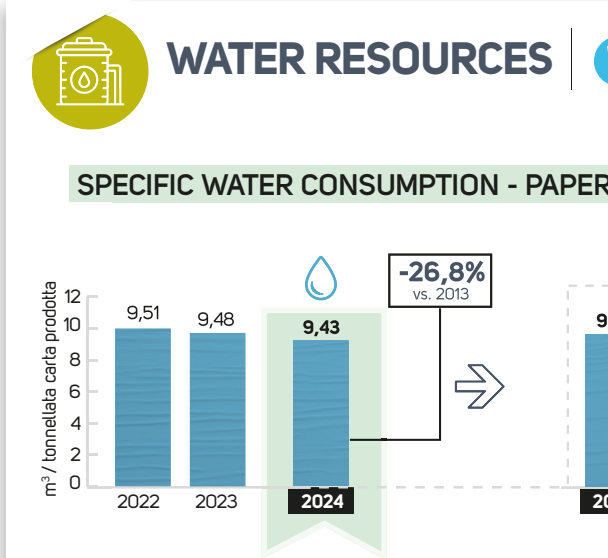
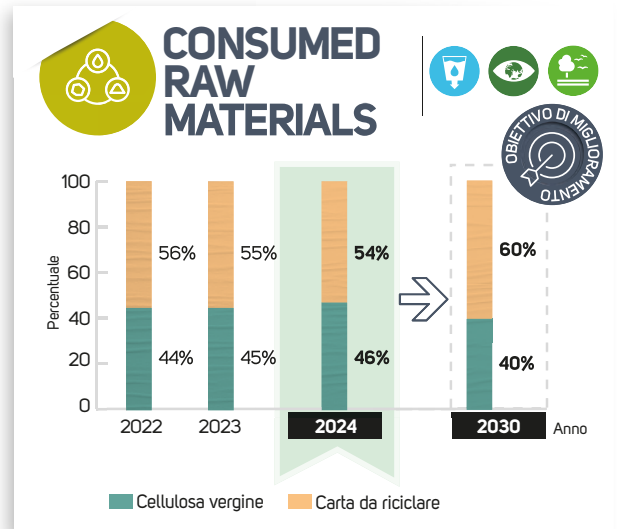
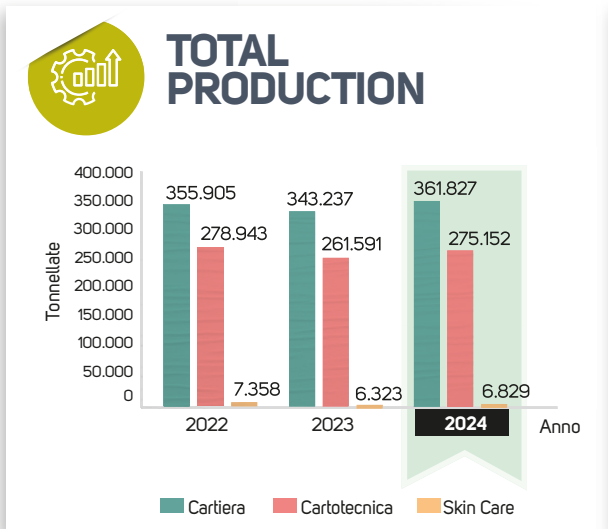
DISTRIBUTED ECONOMIC VALUE ²



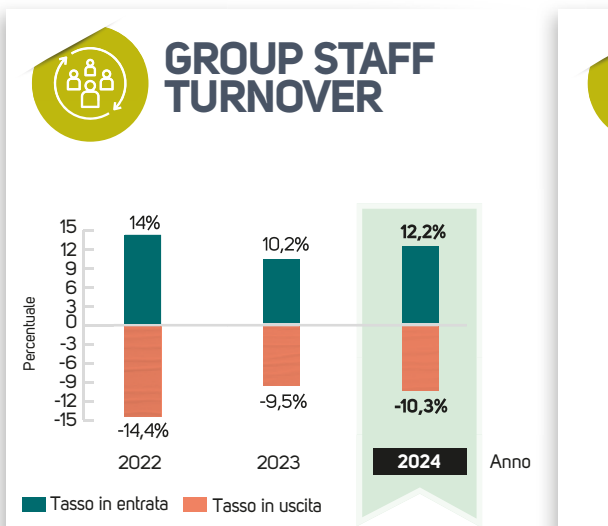
¹ We would like to point out the application of the new accounting principle OIC 34 "Revenues" starting from the 2024 financial year, which has led to a reclassification of some customer discount items (charges from customers for promotional activities), previously accounted for in the service costs area and in the financial area (cash discounts), as revenue-reducing components. The historical Revenues and EBITDA data shown in the document and relating to the years prior to 2024 have therefore also followed the same reclassification criterion, with consequent re-representation as required by the application of this accounting principle.

² The financial data that relate to turnover (net revenues) and economic value distributed to stakeholders refer to the Parent Company Pasfin S.p.A. The total value generated (net revenues, stock changes, and other revenues) is equal to €724 million against a retained value of €80 million. The item relating to the value distributed to the community will be integrated into future reporting.

Results and improvement goals



* The improvement target for 2030 has been recalibrated from 8 to 9.25 m³/t, as it is more realistic with respect to the actual sales trends of finished products and the quality of raw materials. The updated target remains very ambitious, in line with the best available technologies and well above the industry averages; it represents a reduction of 28.5% compared to 2013.

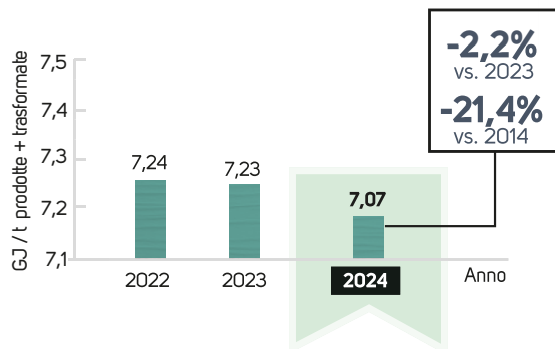




ENERGY RESOURCES



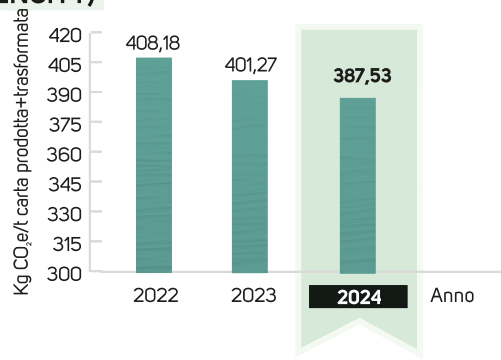
SPECIFIC ENERGY CONSUMPTION (INTENSITY)



EMISSIONS INTO THE ATMOSPHERE



SPECIFIC CO₂e EMISSION (INTENSITY)

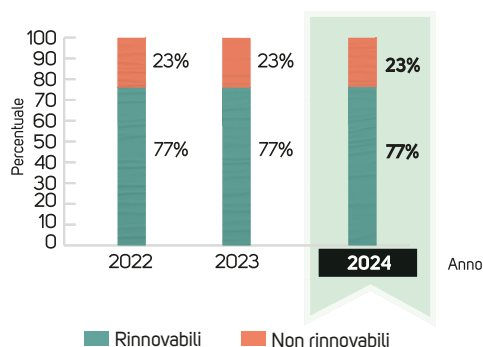


PACKAGING PAPER SECTOR

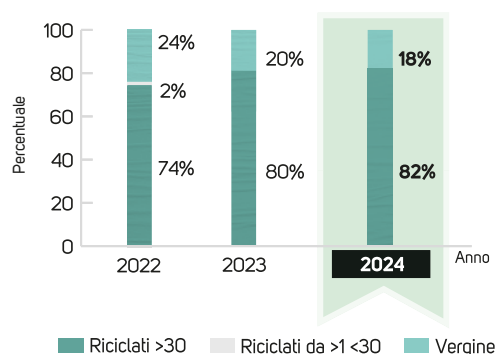


> Again in 2024, 100% of packaging used by Lucart is recyclable or compostable

% RENEWABLE/NON-RENEWABLE PACKAGING



% RECYCLED/VIRGIN MATERIAL PACKAGING

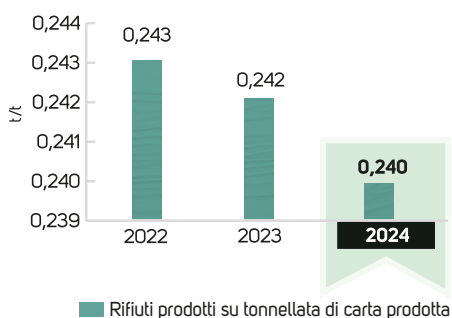


WASTE³

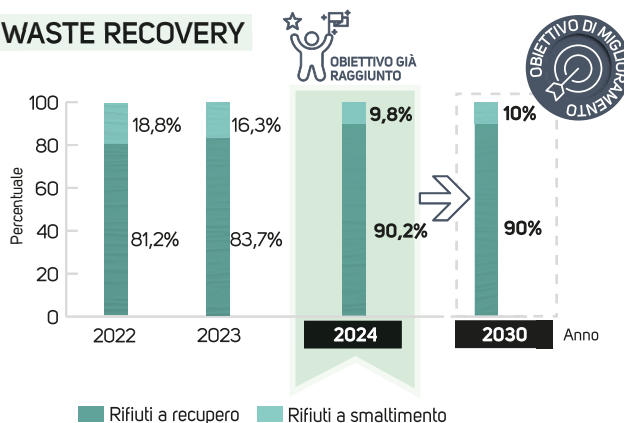


³ It should be noted that the 2024 results (achieved in advance compared to its time target) derive from a contingency linked to waste recovery spaces that have been acquired with difficulty; the achievement of the 2030 objective includes the consolidation of current spaces and the search for new ones to limit oscillations on the achieved result, which we cannot rule out for the next few years.

WASTE PRODUCED PER TONNE OF PAPER PRODUCED



WASTE RECOVERY



Vision, Mission

GRI 2-22



VISION

We are committed to developing circular business models to regenerate and increase natural, social and economic capitals, because we want to share a sustainable future with our stakeholders.



MISSION

We take care of people and the environment in which they live and work, with hygiene and products protection solutions. Sustainability is what inspires our innovations and the relationships with our stakeholders to build a better future.



Objectives



1. Positive impact

Lucart wants to create quality products while respecting environmental resources and people's well-being. The choices that regulate production processes and the supply chain must therefore take into account the possible impact that they can directly or indirectly generate on ecosystems and communities.

The Group is committed to periodically identifying the possible negative impacts resulting from its actions and to implementing the best available technologies and the best management approaches so that these are eliminated, mitigated or, where not possible, compensated.

The Group intends to promote the economic, social and environmental progress of the territories with which it interacts and in doing so it is committed to identifying and implementing actions that bring a positive impact to the communities.



2. Quality

It is not only the excellence of the products, but a culture that translates into the value of service, transparent relationships, respect for people and the urge to improve.

Attention to quality takes shape with the careful selection of raw materials, the implementation of safe and controlled production processes for the well-being of the environment and of workers, and the certification of finished products to guarantee maximum transparency to customers and end users.

But it is also quality in relationships: the Lucart Group aims to always build correct and collaborative relationships with all its stakeholders, partners and competitors.



3. Innovation

The Lucart Group loves imagining the future and creating solutions to live it better, by always seeking increasingly innovative and sustainable business models.

With the belief that there can be no sustainability without innovation, Lucart constantly invests resources to find new solutions to complex problems, promoting real partnerships with suppliers and customers. Continuous and lasting collaborations are essential to develop eco-design projects that combine the environmental sustainability of both products and processes and at the same time guarantee high levels of product quality and competitiveness on the market.



4. Integrity

For the Lucart Group, integrity means legality, responsibility, and transparency.

It means acting in a fair and impartial manner towards workers and collaborators, fighting all forms of discrimination and promoting the growth of the individual.

It means relating to the communities that host our production sites with sincerity and transparency; managing relationships with suppliers and customers in compliance with contractual agreements; operating fair competition on the market.

Value Chain and Sustainable Development Goals

GRI 2-24

On 25 September 2015, the General Assembly of the United Nations approved the Sustainable Development Agenda, which contains 17 Sustainable Development Goals (SDGs) valid for the period 2016 - 2030. The SDGs represent the most concrete path for the construction of a more inclusive, fairer world that respects the environment.

Lucart's sustainability strategy fits perfectly in the action framework set out in the SDGs. Lucart officially joined the United Nations Global Compact Network Italy in 2020 to reassert this commitment.

EDUCATION AND RESEARCH

We take the culture of sustainability into schools because we believe that the development of a sustainable society can only be accomplished if businesses and citizens collaborate actively. Our products must inspire consumers to adopt a conscious, sustainable lifestyle. We support universities and scientific research.



SUSTAINABLE DEVELOPMENT GOALS

Following a process conducted in-house to identify our contribution towards attaining the 17 goals, we selected the following priority objectives:



SUSTAINABLE MOBILITY

We foster sustainable mobility solutions, such as rail transport of both raw materials and finished products whenever possible.



PARTNERSHIP

We encourage genuine partnerships with our suppliers, customers and associations. A continuous and long-lasting partnership is essential to develop new innovative and sustainable solutions.



SUSTAINABLE RAW MATERIALS

We carefully select the raw materials by preferring the use of recovered fibres and cellulose from supply chains managed according to recognised sustainability criteria.



Our goal is to create value for all our stakeholders

SELF-PRODUCTION OF ENERGY AND HEAT

We self-produce most of the energy used in the production process with highly efficient natural gas cogeneration turbines and by preferring alternative energy sources.



SUSTAINABLE PRODUCTION

We reduce waste to the minimum and reuse production waste with cutting-edge solutions.

We follow the procedures set out in our management systems to ensure the quality, safety and suitability for use of our products for customers and end-users.

We encourage the use of sustainable packaging by using recycled and recyclable or compostable materials.



INTEGRATED MANAGEMENT SYSTEMS

We guarantee quality, hygiene, respect for the environment and the safety of workers by implementing a culture of continuous improvement and adopting integrated management systems.



The Global Compact Principles

GRI 2-24

Lucart is a member of the **United Nations Global Compact Network Italy** and is committed to respecting and furthering the 10 universal principles adopted by the organisation covering: **human rights, labour standards, environmental protection and fighting corruption**



COMMITMENT



HUMAN RIGHTS

- > We promote and respect universally recognised human rights and ensure that we are never complicit in human rights abuses, even indirectly.



EMPLOYMENT

- > We support the freedom of association of workers and recognise the right to collective bargaining.
- > We reject forced, compulsory and child labour.
- > We eliminate all forms of discrimination in employment and occupation.



ENVIRONMENT

- > We advocate a preventive approach to environmental challenges and undertake actions that promote greater environmental accountability.
- > We encourage the development and dissemination of environment-friendly technologies.



FIGHT AGAINST CORRUPTION

- > We are committed to fighting corruption in all its forms, including extortion and bribery.

Sustainability rating

GRI 2-24

In September 2024, EcoVadis awarded the Lucart Group with the Platinum rating for the third consecutive year. Only 1% of the companies analysed worldwide by EcoVadis hold this rating.

> Who is EcoVadis

EcoVadis is the international **ESG rating** agency that annually examines more than 130,000 companies from over 220 production sectors worldwide, **evaluating their activities** and management systems **in terms of environmental awareness and social responsibility**.

ECOVADIS ASSESSMENT MODEL

EcoVadis measures sustainability performance in 4 areas



ENVIRONMENT



**LABOUR
AND HUMAN
RIGHTS**



**SUSTAINABLE
PROCUREMENT**



ETHICS

IMPROVEMENT PATHWAY

Lucart has constantly improved its sustainability rating:



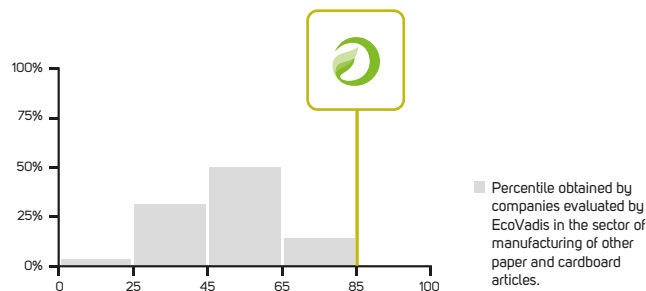
Overall score
75/100



Overall score
84/100



Overall score | Environment area score
85/100 | **100/100**



SBTi



At the beginning of 2024 Lucart partnered with the Science Based Target Initiative (SBTi) to develop a greenhouse gas reduction strategy based on the latest scientific evidence and validated by a third-party body.

By joining the programme, Lucart commits to setting specific reduction targets by 2026 for directly controlled emissions (Scope 1), indirect emissions from the production of electricity, steam or heat that it purchased from the grid (Scope 2) and indirect emissions from the company's value chain (Scope 3).

During 2024, Lucart focused in particular on the development of a Group-level Decarbonisation Plan, functional to the identification and development of so-called medium-term reduction objectives (Near-Term Reduction Targets), which qualify as an essential starting point for the definition of even more challenging climate strategies. These objectives will be submitted to the SBTi for validation by the end of 2025.

Launched in 2015 from the agreement between CDP (Carbon Disclosure Project), the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), SBTi supports companies in defining best practices and setting scientific evidence-based targets in line with the 2015 COP21 Paris Agreement on climate warming (limiting global warming to below 2 °C compared to the pre-industrial temperature levels by pledging to limit it to 1.5 °C). SBTi independently assesses the targets set by companies to increase their competitive advantage in the transition towards a low-carbon economy.

Amfori BSCI



By 2025, Lucart is committed to joining the Amfori Business Social Compliance Initiative (Amfori BSCI), aimed to monitoring and improving ethical and social accountability performance both within the company boundaries and in its supply chain.

The operational steps implemented in the second part of 2024 will be fully implemented during 2025 with the finalization of a structured monitoring system and adequate ethical, social and environmental due diligence to be applied both internally and along its value chain.

Amfori BSCI is a global initiative, founded in 2003, with the aim of improving working conditions in global supply chains. BSCI certification is based on a Code of Conduct, which includes the principles of the International Labour Organisation (ILO), as well as ethical and environmental criteria.

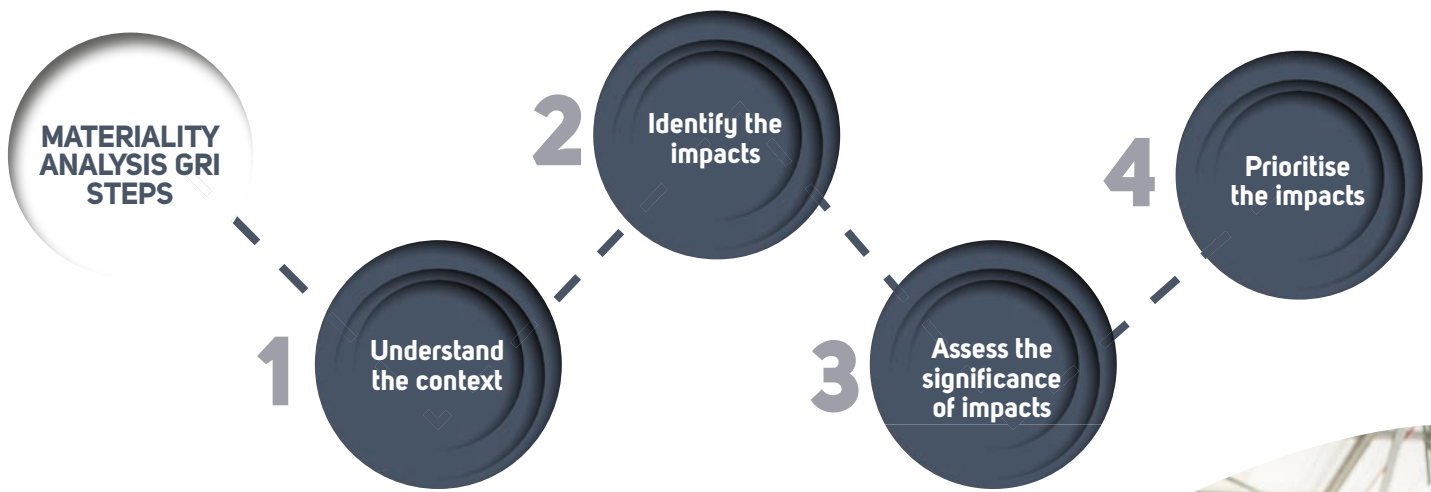
Materiality Analysis

GRI
2-12
2-13
2-25
2-29
3-1
3-2

In line with the requirements of the Global Reporting Initiative Sustainability Reporting Standards (GRI standards), this Sustainability Report focuses on the relevant topics (i.e. "material issues") that reflect significant economic, environmental and social impacts for the company or that may influence stakeholder assessments and/or decisions.

Material issues were identified through the materiality analysis, which was renewed in 2023 to increase alignment with the latest version of the GRI standards, published in 2021 and effective from January 2023.

The Lucart materiality analysis is based on mapping and assessing the organisation's impacts on the economy, the environment, people and human rights, following the GRI guidelines:



The Materiality Analysis process carried out in 2023 was based, first and foremost, on the identification of the current, potential, positive and negative impacts most relevant to the company and the context within which it operates, divided into the three dimensions of sustainability – economic and governance, social and environmental. A questionnaire was submitted to the ESG committee set up by corporate management to assess which impacts were most significant. A level of significance was defined, based on the aspects of importance and likelihood attached to it for each identified impact.

Based on the resulting scores, a list of priority topics was compiled, the order of which reflects the level of significance for the Group. The list of material topics and related impacts was validated by corporate management in the ESG Committee on 20 October 2023.



The material topics updated as a result of the analysis conducted are as follows:

SCOPE	LUCART'S MATERIAL TOPICS	
GOVERNANCE	BUSINESS INTEGRITY AND SUSTAINABILITY	Conducting business and stakeholder relations with a view to legality, ethics and transparency, paying attention to preventing corruption and ensuring fair competition, data security and privacy.
	RESPONSIBLE SOURCING OF RESOURCES ALONG THE SUPPLY CHAIN	Procurement of goods and services based on environmental, social and governance indicators, respecting human rights and consistent with corporate values.
	PRODUCT SAFETY	Respect of reference market regulations, including health and safety risks associated with product use.
	CUSTOMER AND END-CONSUMER SATISFACTION	Willingness to meet or exceed the expectations of customers and end consumers (e.g. product quality, retention policies, etc.).
SOCIAL	HEALTH AND SAFETY OF WORKERS	Respect of the current regulations in the matter of occupational health and safety (e.g., compliance with regulations, accident monitoring, prevention measures, health and safety education and training, etc.).
	DEVELOPMENT AND MANAGEMENT OF HUMAN CAPITAL	Corporate strategies on training and skills development programmes, including gender equality and non-discrimination policies and implementation of a corporate welfare close to employees' needs, oriented towards improving well-being and achieving a better work-life balance.
	SUPPORT OF THE LOCAL COMMUNITY	Consider a redistribution of wealth through the involvement of strategic partners of the reference local community (e.g. relations with the local community for specific projects, etc.).
ENVIRONMENT	RESEARCH, DEVELOPMENT AND INNOVATION	Investing in research and development activities involving local authorities, such as universities, schools, research centres, etc.
	COMBATING CLIMATE CHANGE	Adoption of technical and plant policies and interventions to reduce and optimise direct and indirect emissions, energy and water consumption and waste from business activities (e.g. production and purchase of energy from renewable sources, water recycling, recovery plants, reduction in the availability of water resources, etc.).
	PRODUCT AND PROCESS SUSTAINABILITY	Production of products respecting responsible management of economic, environmental and social resources, with a focus on responsible use of water resources and reducing the impact of waste production.

The list of significant impacts can be found in the "Analysis of impacts related to material topics" chapter on page 132.

STAKEHOLDER CATEGORIES FOR LUCART

- > Customers and final consumers
- > Shareholders and investors
- > Employees
- > Suppliers
- > Local communities
- > Regulatory bodies and institutions
- > Media
- > Schools, Universities and Research Institutions
- > Trade associations
- > Trade Unions
- > NGOs
- > Strategic partners for circularity
- > Competitors

In 2024, the materiality analysis has been updated only for the part relating to the stakeholders' requests. It has also been added the "Strategic partners for circularity" category to map priority stakeholders, as a strategic category for initiating sustainable development projects, which requires specific ways of engaging and listening. With the 2024 materiality update, a further need has emerged to also consider competitors as priority stakeholders.

The material issues were submitted to the Lucart Group's stakeholders for evaluation in several ways. A questionnaire was sent to the categories of Employees, Shareholders and investors, NGOs, Trade unions, Media, Suppliers, Customers and final consumers, Local communities, and Trade associations focusing on the impacts Lucart's activities cause or may cause on the environment and people to determine their significance from a stakeholder perspective.

For the Regulatory bodies, Schools, Universities and Research Institutions, and Strategic partners for circularity categories, document analysis was carried out, tracing, by keywords in publicly available documents and web pages, the possible presence of priority sustainability issues for Lucart.

The engagement activities described so far have allowed us to understand the point of view of Lucart’s priority stakeholders and how far external expectations and demands are aligned with the company’s point of view on the priority and most urgent themes that Lucart should manage.

Product and process sustainability sustainability is the issue most frequently addressed by Lucart’s stakeholders, along with **Development and management of human capital** and **Research, development and innovation**. Topics relating to **Combating climate change**, **Health and safety of workers** and **Product safety**, on the other hand, ranked as relatively lower priority issues. This is because, as it emerges from the comments received, the assessments took into account the high level of control that Lucart operates on these issues, therefore the potential impacts were interpreted as less pertinent or less probable for the specific context of Lucart.

Finally, the analysis did not reveal any potentially relevant issues other than those already included in Lucart’s materiality.

> Preliminary development of financial materiality analysis

Starting in 2023, the company conducted a preliminary financial materiality analysis exercise inspired by European Sustainability Reporting Standards (ESRS), in particular with the concept of double materiality included in them. This exercise was not considered in the definition of the material issues related to this Sustainability Report. Therefore, the exercise and the corresponding disclosure are not subject to assurance by the auditor.

Lucart identified and assessed the relevance of significant financial risks and opportunities for the Group, as a first step towards implementing the financial materiality analysis.

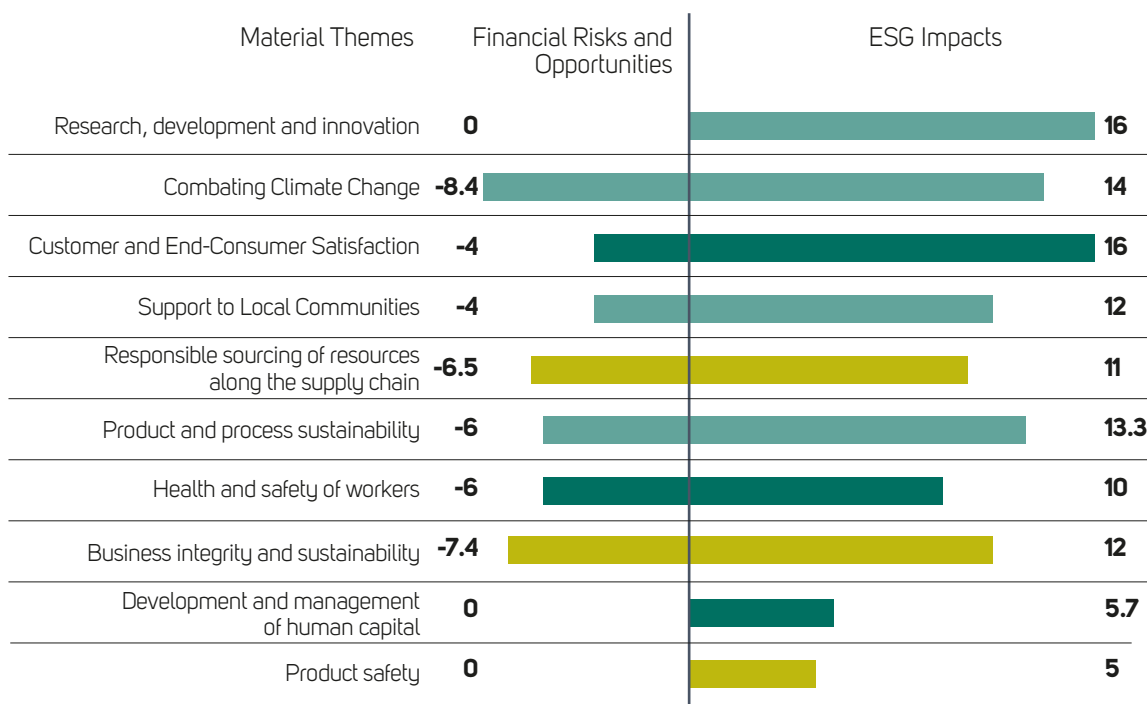
Similarly, financial risks and opportunities related to sustainability issues were identified, with the cooperation of the Group Risk Committee, which were also subject to the same significance assessment by the ESG Committee and the Risk Committee.

The resulting materiality analysis has been confirmed also for 2024, as shown in the graph below.

See section 1.16 “Risk Management” for more details.

DOUBLE MATERIALITY LUCART 2024

(This representation is not subject to assurance by the auditor).





THE RIGHT DIRECTION

GOVERNANCE

SDGs



1

We take care of people with global hygiene and product protection solutions. *We are committed to an ethical and effective governance model because we want to be a reference point on sustainability issues.*

1.1 Lucart Group, the history

GRI 2-1

Innovation is the attitude that has distinguished the Group from the beginning and today translates into cutting-edge products, through the creation of innovative solutions to better live the future and respond to new market challenges.



> 1953 Cartiera Lucchese dei F.lli Pasquini: the foundation

The Pasquini family has been officially making paper since 1953, when brothers Alessandro, Eliseo, Fernando, Raffaello and Tarcisio founded the “Cartiera Lucchese dei F.lli Pasquini” in a small village on the hills around Lucca called Villa Basilica, though they had already been making paper since the 1930s. The history of the Pasquini family and Lucart is intertwined with that of the local area because it was in Villa Basilica between 1830 and 1840 that pharmacist Stefano Franchi invented a process for manufacturing paper from straw, a material that was locally available and abundant.

The production of straw and wrapping paper, which began in the Pasquini brothers’ first plant in Botticino and then continued in the “Cartierino” in Biecina di Villa Basilica, was further refined in the Lucca plant located in the city centre, where the water-powered millstones were the state-of-the-art of the time.

Today, we would speak of a circular economy because waste from agriculture was used as a raw material for manufacturing. Although pure cellulose or recycled paper is now used instead of straw, it was for this historical reason that the papermaking district active mostly in packaging and tissue paper manufacturing developed in the province of Lucca.

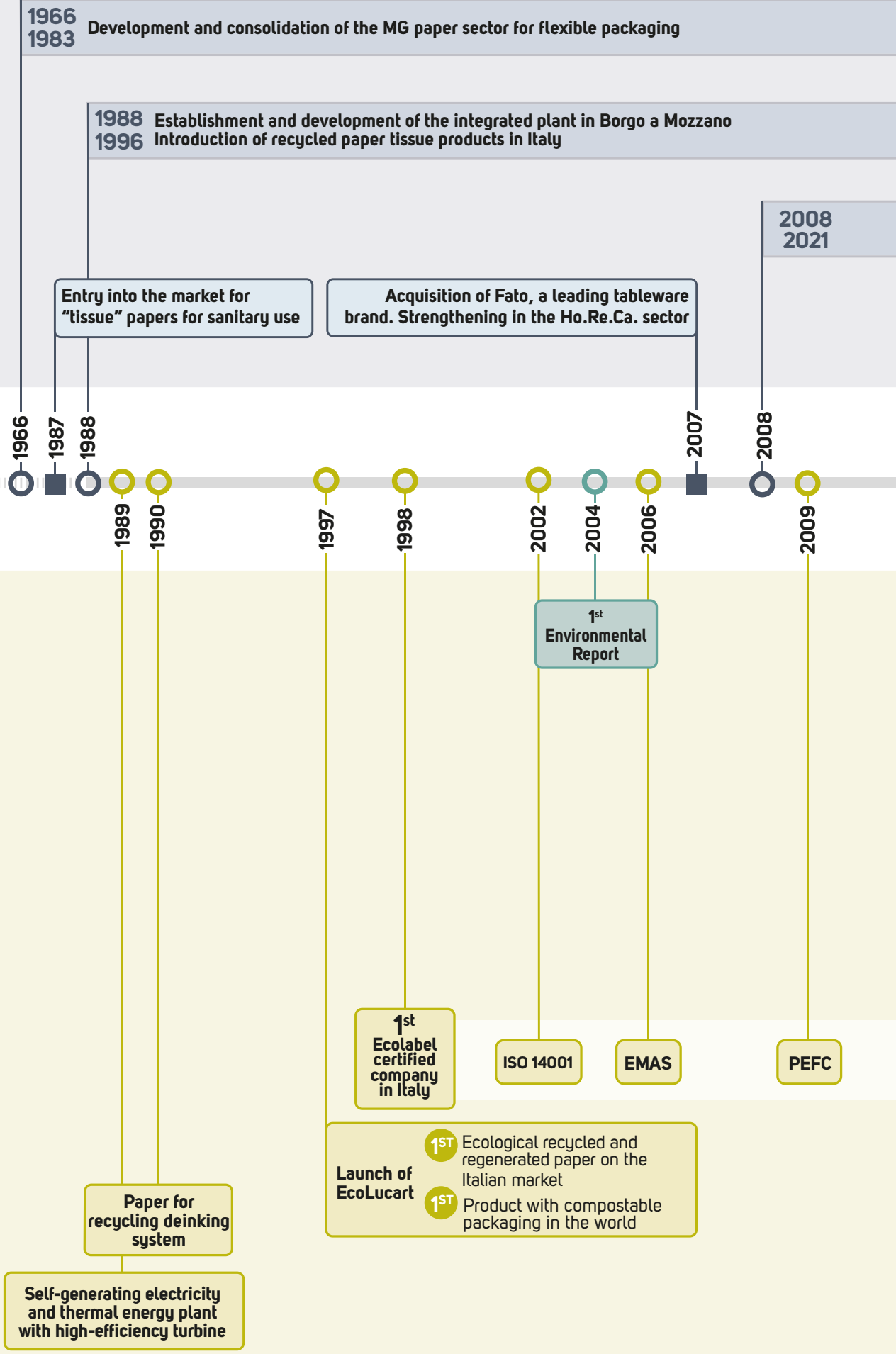




OUR INDUSTRIAL AND MARKET HISTORY

1953
ESTABLISHMENT OF CARTIERA LUCCHESE

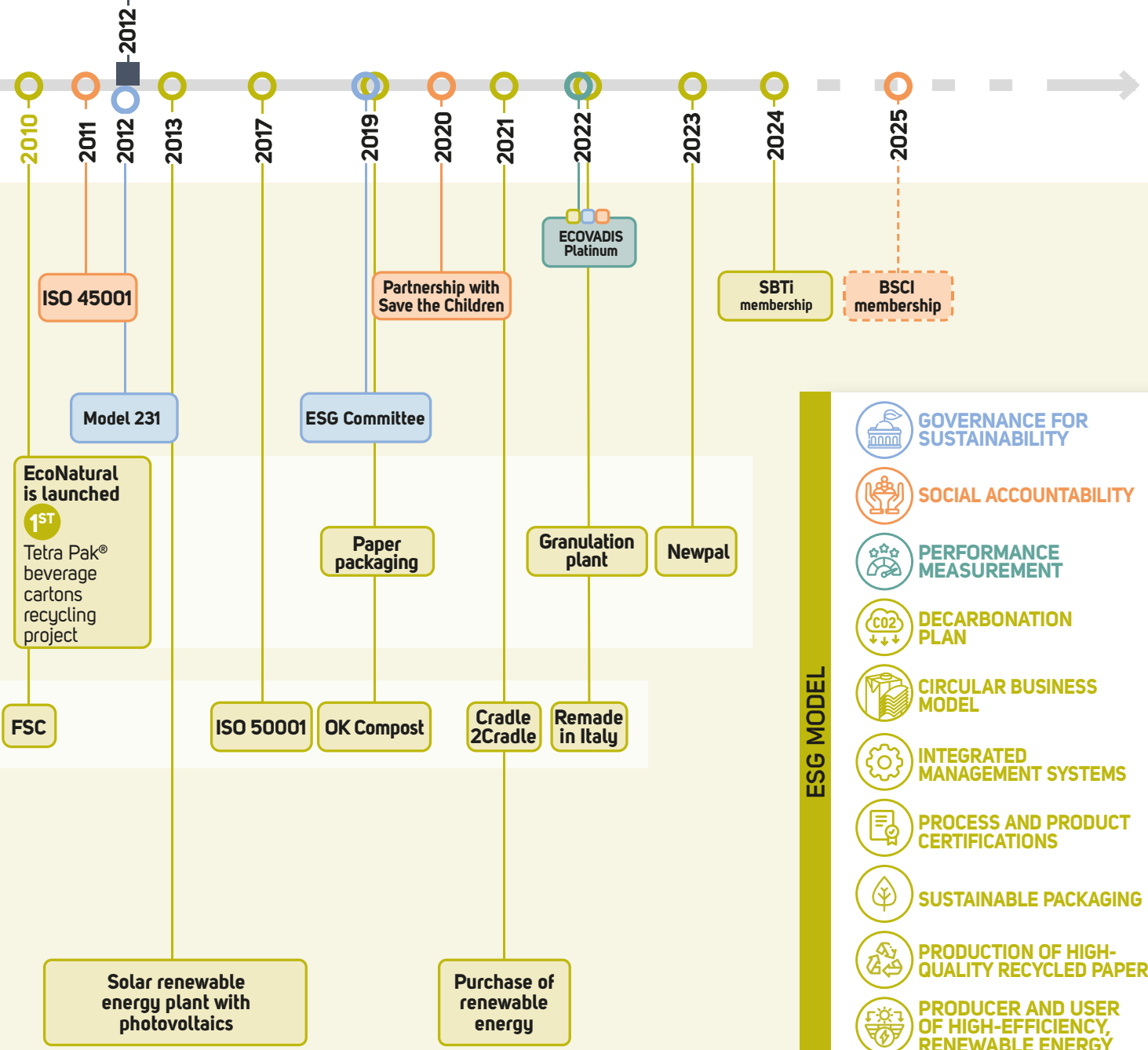
OUR SUSTAINABILITY HISTORY



● Social themes
 ● Governance themes
 ● Environment themes

Acquisitions in France (2008), Hungary (2016), Spain (2018), UK (2021)
Development of the Lucart Professional Brand

Growth in the Consumer market in Italy.
Acquisition of the Tenderly and Tutto Pannocarta brands



MARKET POSITION

- 1ST LARGEST MANUFACTURER OF RECYCLED MG PAPERS IN EUROPE
- 1ST LARGEST AFH MANUFACTURER IN ITALY
- 1ST LARGEST MANUFACTURER OF RECYCLED TISSUE PAPER IN SOUTHERN EUROPE
- 2ND LARGEST AFH MANUFACTURER IN EUROPE

ESG MODEL

- GOVERNANCE FOR SUSTAINABILITY
- SOCIAL ACCOUNTABILITY
- PERFORMANCE MEASUREMENT
- DECARBONATION PLAN
- CIRCULAR BUSINESS MODEL
- INTEGRATED MANAGEMENT SYSTEMS
- PROCESS AND PRODUCT CERTIFICATIONS
- SUSTAINABLE PACKAGING
- PRODUCTION OF HIGH-QUALITY RECYCLED PAPER
- PRODUCER AND USER OF HIGH-EFFICIENCY, RENEWABLE ENERGY

1.2 Plants of the Group

On 31 December 2024

GRI 2-1



(United Kingdom) 

BLACKMORE PARK

Lucart Hygiene Ltd.

A converting-only plant mainly dedicated to the production of sanitary tissue items for the Away from Home market.

Converting lines 5



(France) 

SAINT-DIÉ-DES-VOSGES

Lucart SAS

Automated Logistics Hub dedicated to Away from Home products. Located in the commercial area of Hellieule, it covers an area of more than 22,000 square metres.



(France) 

LAVAL-SUR-VOLOGNE

Lucart SAS

Located in the department of Vosges, the mill produces and converts jumbo reels into tissue paper from pure cellulose and paper for recycling. The site is the benchmark in France for the recycling of bonded material beverage cartons for making Fiberpack® tissue paper.

Paper machines 2
Converting lines 9

(Germany) 

FRANKFURT

Commercial Offices

(Slovenia) 

LJUBLJANA

Circular Shield D.o.o.



(Spain) 

ARTZINIEGA

Lucart Tissue & Soap S.L.U.

Plant dedicated to hygiene products. The tissue jumbo reels produced at the Aranguren plant are converted into finished products. Cosmetic products, such as soaps, detergents and sanitisers for the Away from Home market, are made here.

Paper converting lines 4
Skin care lines 2



(Spain) 

ARANGUREN

Lucart Tissue & Soap S.L.U.

Paper mill for the production of tissue jumbo reel from virgin cellulose and paper for recycling.

Paper machines 2



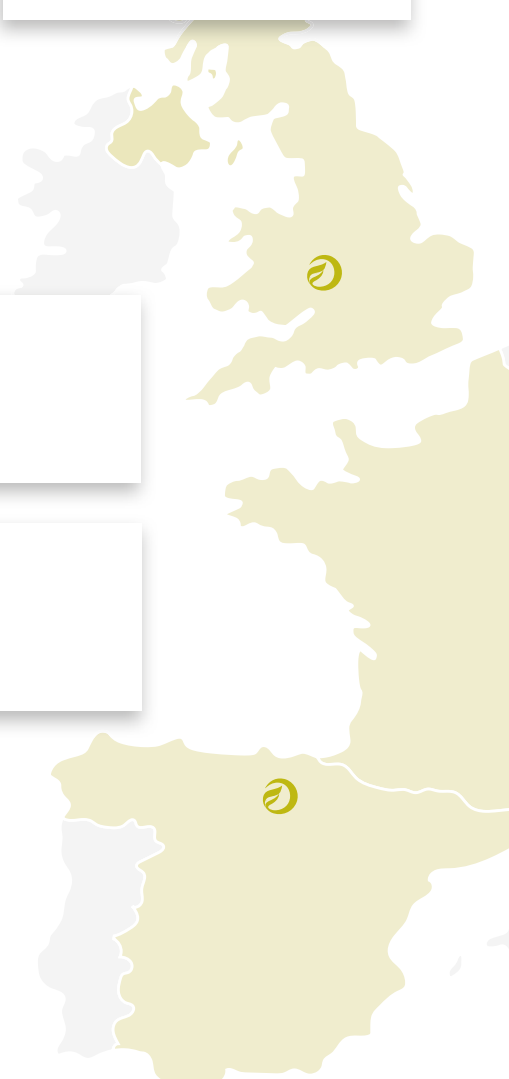
(Hungary) 

NYERGESÚJFALU

Lucart Kft.

A converting-only factory dedicated to the production of articles for the Away from Home sector specialising in serving Central and Eastern European markets.

Converting lines 4





(Italy) 

TORRE DI MOSTO (VE)

Lucart S.p.A.

A converting-only factory dedicated to the Fato brand, Italy's leading tableware brand. It produces printed, decorated and customised paper products, mainly for the Ho.Re.Ca. market.

Converting lines 18



(Italy) 

CASTELNUOVO DI GARFAGNANA (LU)

Lucart S.p.A.

Integrated plant with a paper mill department and a paper converting department mainly dedicated to the production of Tenderly and Tutto branded articles.

Paper machines 1
Converting lines 4



(Italy) 

ALTOPASCIO (LU)

Lucart S.p.A.

Automated Logistics Hub dedicated to Away from Home products. Located near the A11 Firenze-Mare motorway, it covers an area of more than 24,000 square metres.



(Italy) 

PORCARI (LU)

Lucart S.p.A. (Headquarters)

Headquarters of the Group since 1966, the plant produces jumbo reels of white and coloured tissue paper and MG paper for flexible packaging from pure virgin cellulose, paper for recycling and mixes of the two.

Paper machines 3



(Italy) 

AVIGLIANO (PZ)

Lucart S.p.A.

Integrated plant for the production and processing of airlaid paper. Airlaid paper stands out for an innovative waterless production technology and is used to make super-absorbent products.

Paper machines 1
Converting lines 4



(Italy) 

BORGO A MOZZANO - DIECIMO (LU)

Lucart S.p.A.

The Group's largest integrated plant: it produces and converts jumbo reels into tissue paper from pure virgin cellulose and from paper for recycling for its own brand and for organised large-scale retailers. It is the benchmark in Italy for the recycling of polypropylene for the production of Fiberpack® tissue paper. It is also equipped with a granulator for the complete recovery of polyethylene and aluminium in food cartons.

Paper machines 3
Converting lines 19



1.3 Type of Paper made

Three different types of paper are produced in the Group's plants:



MG PAPER

Paper made using paper to be recycled, virgin cellulose or a mix of the two as raw material.



TISSUE PAPER

White and coloured papers made using paper to be recycled, virgin cellulose or a mix of the two as raw material.



AIRLAID PAPER

Paper made with long-fibre "fluff" cellulose with a production process that does not involve the use of water to bond the fibres. The paper thereby obtained is particularly resistant and can be reused several times.

1.4 Production capacity

> Paper sector production capacity

As of 31 December 2024, the overall production capacity of the Group was about 400,000 tonnes of paper, distributed as follows:



Line	Company	Production facility	Production capacity (t)			
			Tissue	MG	Airlaid	Totale
PM3	Lucart S.p.A.	Porcari		50,000		
PM4	Lucart S.p.A.	Porcari	25,000			
PM5	Lucart S.p.A.	Borgo a Mozzano - Diecimo	25,000			
PM6	Lucart S.p.A.	Borgo a Mozzano - Diecimo	25,000			
PM7	Lucart S.p.A.	Borgo a Mozzano - Diecimo	60,000			
PM9	Lucart SAS	Laval-sur-Voglogne	23,000			
PM10	Lucart SAS	Laval-sur-Voglogne	38,000			
PM11	Lucart S.p.A.	Castelnuovo di Garfagnana	50,000			
PM12	Lucart S.p.A.	Porcari	35,000			
PM13	Lucart Tissue&Soap S.L.U.	Aranguren	25,000			
PM14	Lucart Tissue&Soap S.L.U.	Aranguren	25,000			
AM01	Lucart S.p.A.	Avigliano			15,000	
TOTAL			331,000	50,000	15,000	396,000

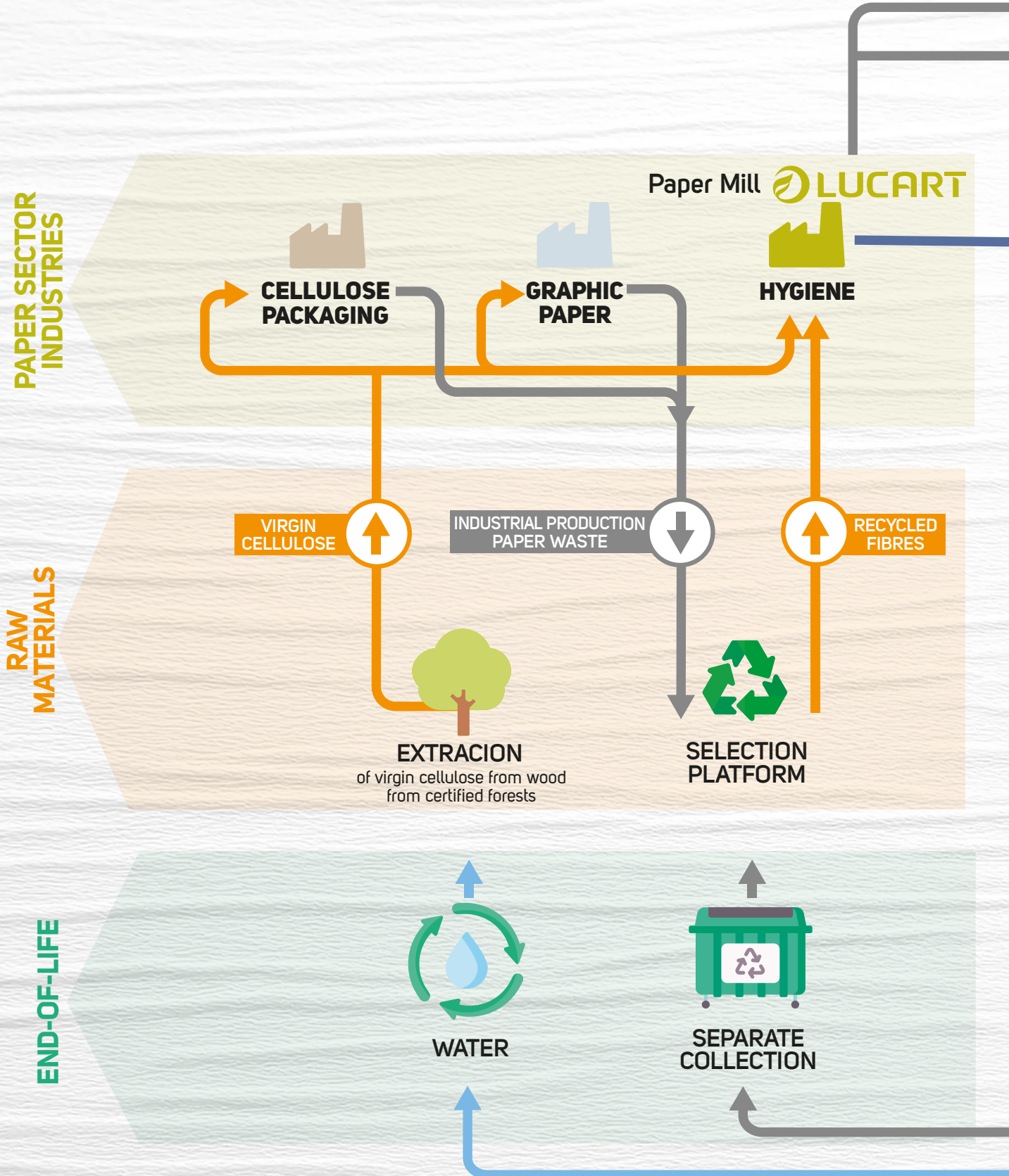
> Production capacity in the skincare sector

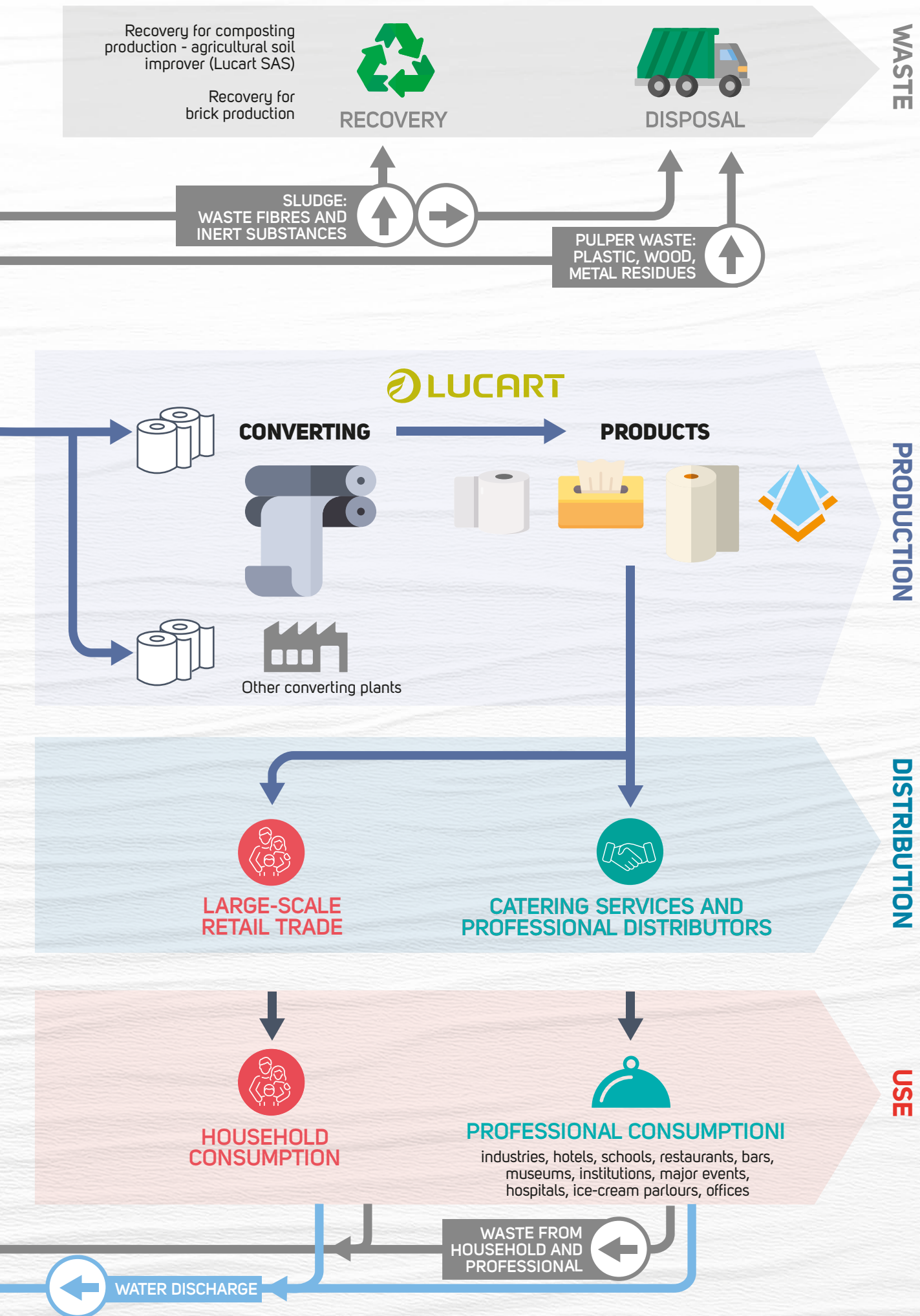
The Artziniega plant has two production lines for making cosmetic products for the Away from Home sector, including soaps, detergents and sanitisers. The production capacity is about 12 million litres/year.



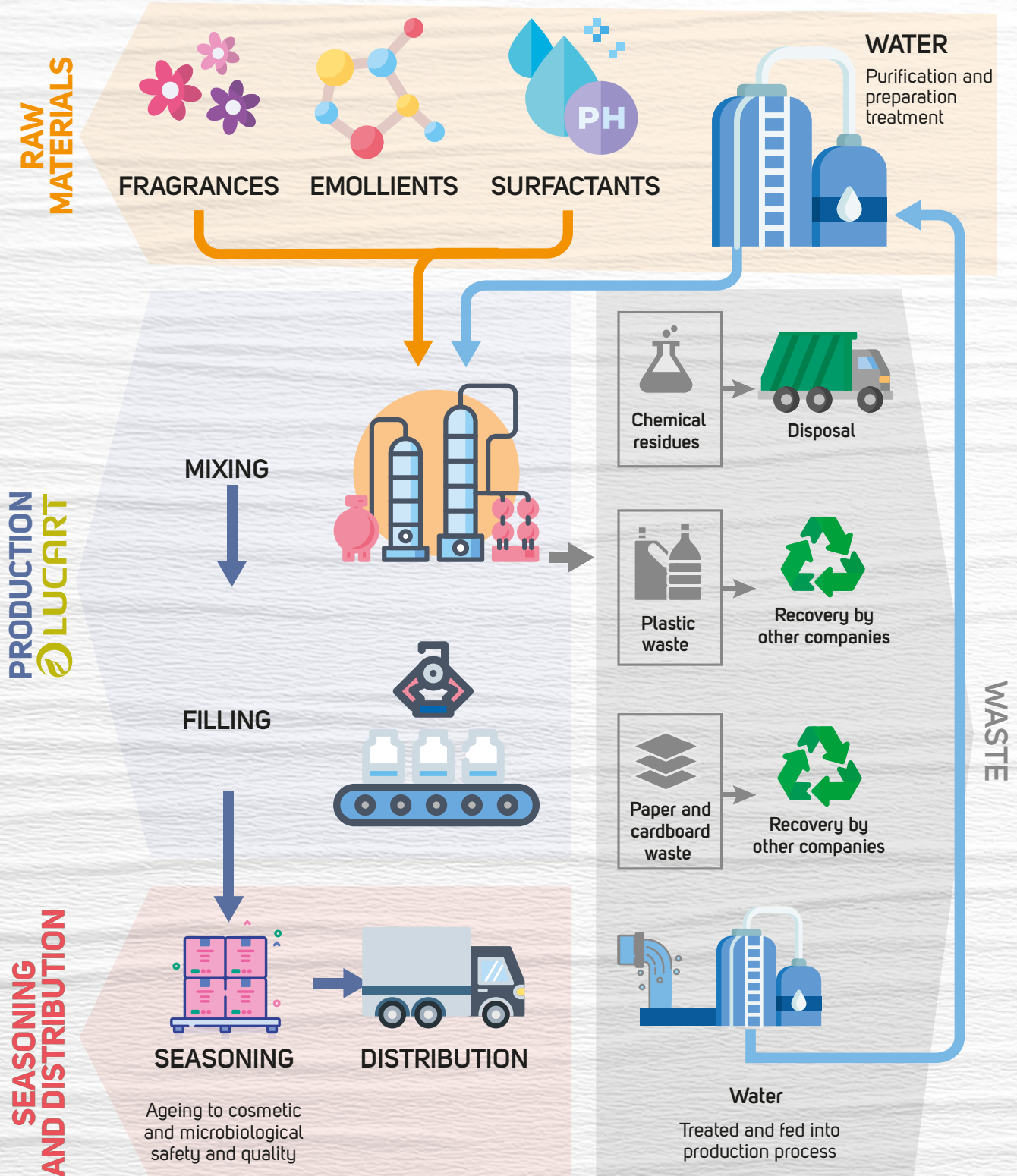
1.5

Production process and product life cycle of tissue paper





1.6 Production process and life cycle of cosmetic product





1.7 Business Areas

GRI 2-6

The Group’s commercial offer is organised to meet the needs of three different business areas:



AWAY FROM HOME

PAPER HYGIENE PRODUCTS AND SOAPS FOR NON-HOUSEHOLD CONSUMPTION

Innovative hygiene solutions consisting of dispensed products made of tissue paper, obtained from virgin, recycled and regenerated fibres, and airlaid paper, dispensing systems and soaps for use in communities, restaurants, industries, cleaning companies, etc.



CONSUMER

PAPER HYGIENE PRODUCTS FOR HOUSEHOLD CONSUMPTION

Tissue and airlaid paper products, such as toilet paper, household paper and napkins, for use at home.



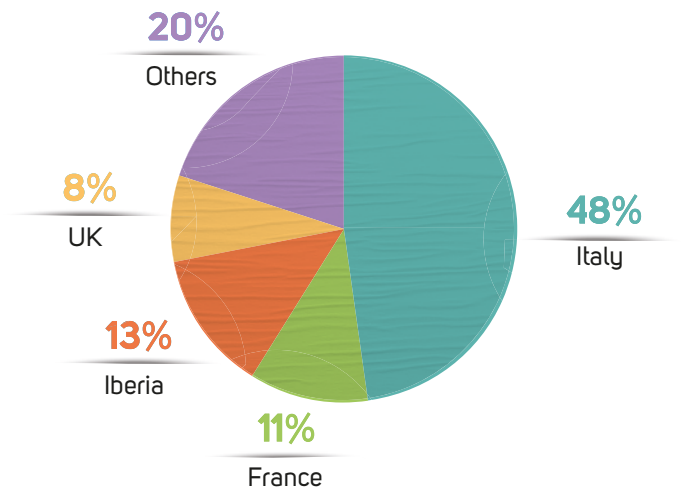
BtoB

**MG PAPER JUMBO REELS
TISSUE PAPER JUMBO REELS
AIRLAID PAPER JUMBO REELS**

Jumbo reels in large formats for other paper converting industries producing bags, gift wrapping paper, paper laminated with polyethylene or aluminium, tablecloths and other flexible packaging or converting tissue or airlaid paper.

The Group’s products satisfied the needs of business partners and end-users in over 70 countries worldwide in 2024.

% BREAKDOWN OF REVENUES BY GEOGRAPHICAL AREA



MARKET POSITION



2nd EUROPEAN player
in terms of tissue
product volumes.



MARKET LEADER
in Italy



LEADER in Italy
for ecological tissue
papers.



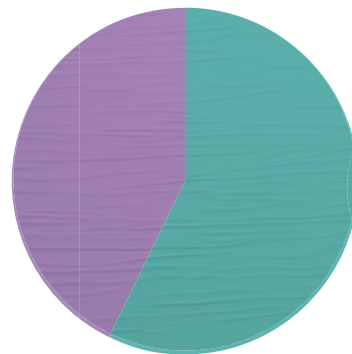
Tenderly and Tutto
among top brands
in Italy.



Europe's leading manufacturer of lightweight MG papers
and partner of Europe's main tissue and airlaid paper
converting industries.

**% BREAKDOWN OF SALES
(IN TERMS OF VALUE) BY
BRAND/PRIVATE LABEL**

42.4%
Private Label



57.6%
Brand

1.8 Business Area Away from Home (AFH)

GRI 2-6



The AFH division offers innovative hygiene solutions consisting of dispensed products made of tissue paper, made from virgin, recycled and regenerated fibres, and dry airlaid paper, which uses air in the cellulose fibre process, dispensing systems, and hand sanitisation solutions. The division is also an international player in the soap market. The division's brands are positioned as partners for sector operators, guaranteeing the highest service quality for the full satisfaction of end users.



The Lucart Professional brand offers the AFH market advanced and sustainable hygiene solutions. A complete range of tissue paper, airlaid paper, soaps, and dispensing systems for all usage sectors.

Thanks to an innovative approach and cutting-edge technologies, Lucart Professional offers hygiene solutions for the Away from Home market that not only respect the environment, but also improve the daily lives of our customers, combining performance, innovation, quality and sustainability.

In a world where sustainability is more than ever at the centre of our choices, Lucart Professional stands out as a leader in the circular economy in the paper sector for its EcoNatural line. Alongside it, there are numerous activities aimed at reducing the environmental impact of products, such as the Sustainable Packaging Programme and the achievement of Climate Neutrality for towels and toilet paper of the EcoNatural line. This is also supported by sustainability education projects in schools and collaborations with municipalities and private companies to improve recycling processes.

The commitment to sustainability is certified by concrete results.



A focus on economic and environmental sustainability with dispensing solutions that reduce consumption and costs in use.

The global innovation vocation will help the entire business chain achieve excellent results and the world become a better place to live.





SUSTAINABLE PACKAGING PROGRAMME

At Lucart Professional, technology and environmental accountability combine harmoniously with the aim of improving the well-being of people and the planet.

This has always been the case for the products. And today, it also applies to the packaging. The Sustainable Packaging Programme expresses Lucart Professional's commitment to increasingly sustainable packaging through the use of techniques and materials with reduced environmental impact in both primary and secondary packaging.

Continuous research aimed at adopting recycled plastic packaging (min. 60%) or, where technically possible, recycled paper, the use of recycled and recyclable cardboard cores, thinner packaging material and process waste reduction, to increasingly limit the environmental impact of its products.



NEW RESULTS AND CERTIFICATIONS OF ECONATURAL PRODUCTS

Lucart Professional continues its journey towards ever greater sustainability, managing to obtain new important certifications on the EcoNatural product range. In 2024, the EcoNatural line's toilet paper and towels produced at our facilities in Spain and Hungary obtained Climate Neutrality certification, which certifies that all greenhouse gas emissions generated during the life cycle of the product, in a given period of time, have been neutralized. Another important milestone was the transition from Cradle to Cradle Bronze to Cradle to Cradle Silver for the EcoNatural products made in the French plant of Laval-sur-Vologne. These products also obtained the Blue Angel certification, which identifies products that meet environmental, health and high-performance requirements.



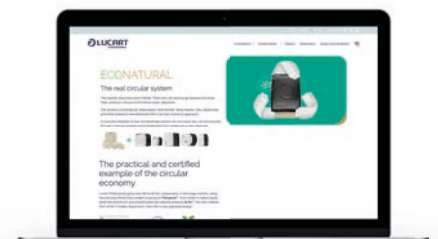
ECONATURAL: THE LAUNCH OF THE NEW RANGE OF FLOW DISPENSERS

In 2024, Lucart Professional launched the new range of EcoNatural Flow dispensers made from the waste materials of beverage cartons. These dispensers are produced with Al.Pe.[®], a certified recycled raw material, which is made from the aluminium and polyethylene derived from beverage cartons. Flow dispensers stand out for their exclusive and patented design, characterized by sinuous and elegant lines. The range offers dispensers for every need: from dispensers for folded towels, for interleaved toilet paper, and for jumbo roll toilet paper, up to the latest innovations such as Autocut Flow for rolled towels, the L1 dispenser with sheet-by-sheet dispensing for toilet paper. The entire Flow line is available in black and white, is recyclable and is certified to ReMade in Italy and OK Recycled.



NEW LUCART PROFESSIONAL WEBSITE

In 2024, Lucart Professional relaunched its website. The latest updates have been implemented to offer improved navigation and an optimized user experience. Users will be able to easily consult the product catalogue and access with a few simple clicks various information relating to Lucart Professional projects and initiatives.





A combination of environmentally certified papers and dispensing systems, unbeatable in reducing consumption, distributed by selected dealers throughout Italy. The Velo brand is a guarantee of quality, professionalism and service in the Away from Home market.



In 2024, the Velo brand continued its successful business, focusing on a winning combination of ecologically certified papers and dispensing systems, distributed by selected dealers throughout Italy. This approach has allowed for exceptional results in reducing consumption, confirming Velo as a synonym for quality, professionalism, and service in the Away from Home market.

Thanks to the collaboration with selected dealers, Velo reaches a vast clientele, offering sustainable and high-quality solutions. This business model not only promotes environmental sustainability, but also creates added value for customers, who recognize and appreciate the brand's commitment to providing excellent products that respect the environment.

During 2024, the new VELO website was also launched, in line with the rebranding. This restyling enhances the value of the partnership with new graphics and a revised user experience. Navigation is now more user-friendly and intuitive, offering a modern, captivating image, and strengthening the connection with customers and partners.



FATO

FATO is the Lucart Group's brand specialized in disposable tableware products made from Tissue and Airlaid paper for the Ho.Re.Ca. market, characterized by the excellence of the raw materials and the strictly Made in Italy design.



Tablecloths, napkins, runners, cutlery bags, placemats and much more: each FATO product combines the quality of raw materials, hygiene, and the convenience of disposable items, with a strong commitment to respecting the environment and the search for increasingly sustainable solutions. The FATO selection is fresh and contemporary, reinterpreting the new trends in colors and textures in an original way, thus enriching the range of textured products.

The new FATO collection embraces all product lines, responding to the diverse needs of restaurateurs. From the most refined Airlaid tableware, declined in a contemporary way with the new smart runner that can dress tables of different sizes, to the new canvas textures, up to the printed straw paper placemats, ideal for pizzerias and pubs that want to rethink the table setting with a modern twist.

FATO's commitment to sustainability is reflected in the choice of certified ecological materials, such as Tissue and Airlaid papers, which guarantee a reduced environmental impact without compromising performance. The papers used are FSC and PEFC certified, ensuring that the products comply with strict environmental protection criteria throughout their life cycle.

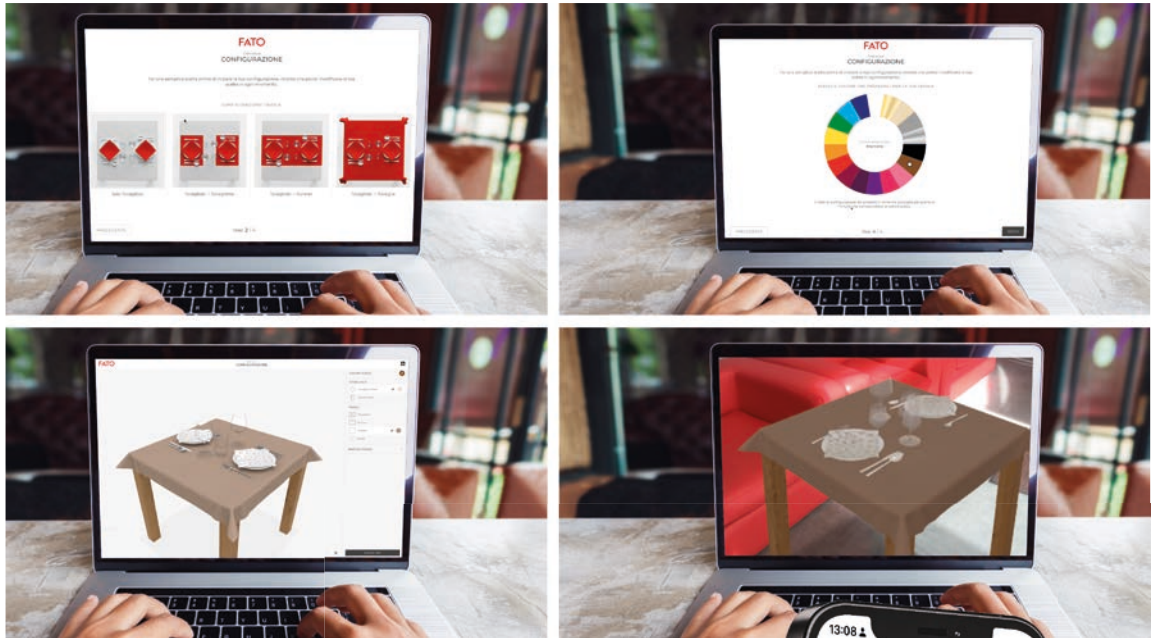
These certifications attest to the brand's commitment to guaranteeing safe and high-quality products that respect the environment, through a transparent and certified production process.



NEW DIGITAL TOOLS FOR FATO

In 2024, FATO introduced innovative **digital tools** to improve customer experience and promote sustainability. One of these tools is the 3D configurator, which allows users to simulate table settings using the FATO product range. By customizing decorations, colours, and formats, users can preview how their table will look. In addition, it is possible to receive a QR code that allows the simulation to be viewed in augmented reality in one's own environment. This tool not only makes the selection process more fun and customized, but also helps reducing waste, allowing you to view and modify your choices before purchasing.

Moreover, the FATO website has undergone a restyling with a view to sustainability. The main goal has been to reduce the CO₂ emissions of digital properties, decreasing energy consumption through sustainable construction and hosting practices. The web pages have been optimized to be faster, more accessible and respectful of the environment.



LUCARTFORME LAUNCH

Lucart provides an exclusive reserved area for the commercial supply chain, to ensure a constant connection with the Lucart world.

From the reserved area, it is possible to access all the Lucart Professional, Velo and FATO commercial tools, namely the Consumption Simulator, the Environmental Saving Calculator, the Design Studio, the Tree challenge, the FATO configurator, and the Velo reserved area.

LUCART For ME



1.9 Business Area Consumer

GRI 2-6



The Consumer Division positions Lucart as one of the leading players in Italy and as a partner of European large-scale retailers both for virgin cellulose and for recycled paper products.

Our brands accompany the lives of millions of people every day and live alongside them in their homes: tissue and airlaid paper products, such as toilet paper, kitchen rolls, napkins, placemats, handkerchiefs, and facial tissue.

Tenderly

Among the leading brands on the Italian market, Tenderly has been taking care of families for 50 years, offering a range of premium products for personal care and hygiene, dermatologically tested and FSC® Mix certified. Tenderly is universally appreciated for the high degree of softness that distinguishes its products and represents an important reference in the Personal Care segment.

TOILET PAPER

During 2024, after the substantial restyling that involved this range in 2023, the offer in the hygiene segment has further expanded thanks to the launch of the new **Tenderly Pink**, in the 12 and 16 roll stock formats, dermatologically tested for feminine intimate hygiene. The rolls are pleasantly scented and decorated and are designed for an increasingly attentive and demanding female target.



Another important launch concerns the historic **Tenderly Salvaspazio** toilet paper: the format offered to the consumer has been optimized, abandoning the historic 15-roll pack in favour of the new 16-roll pack. The new product format allows, in fact, to save 20% of the means of transport used for its delivery, if compared with another standard 16 roll pack, also under the Tenderly brand.

HANDKERCHIEFS

At the beginning of 2024, Tenderly strengthened its Comfort handkerchief line, with the launch of the practical cardboard case containing 80 tissues. Soft and comfortable, 4 plies, they represent the ideal solution for the right level of comfort even in the most delicate moments, such as colds.

The range of handkerchiefs is finally well-structured and complete:

Tenderly Carezza, the line of 3-ply handkerchiefs designed to offer the consumer a soft handkerchief, which takes advantage of the

benefits offered by high basis weight paper. It is available in 10, 15 and 30 pack formats.



Tenderly Comfort, the line of extra-resistant 4-ply handkerchiefs, ideal for intensive use, such as during colds. Available in packs of 12 and 30 packs and a cardboard case containing 80 interleaved tissues.

Tutto®

Launched on the market 40 years ago, it is a historic brand specialized in the cleaning and hygiene of the house. It is the only one, in this reference market, to offer products made of airlaid paper, also more commonly known as "dry paper", a paper that has amazing performances in terms of absorbency and resistance. Today its offer is completed with the new lines of household paper in tissue paper: Tutto Cucina Più, Tutto Cucina Style and Tutto Cucina Jolly, as well as with the line of napkins previously launched.

KITCHEN TOWELS

2024 represents a crucial year for this historic brand: an important restyling project of the category is launched and completed. Firstly, it concerns the logo, which is renewed in the lettering and slightly retouched in the colours to deliver an absolutely necessary touch of modernity, without losing the fil rouge with the past. Secondly, an important qualitative upgrade has been made on the products, due to the development and use of the new Hi-PER technology. To complete the project, all this has then been translated into a new graphic system, capable of capturing greater attention on the shelf and clearly communicating the features of each product.

In the first half of the year, the new **Tutto Cucina Più** and **Tutto Cucina Style** products were launched, which represent the evolution of the now outdated Tutto Cucina and Tutto Cucina Plus that had landed on the market between 2018 and 2020, following the range extension that began at the time.

The first, designed for daily use in the kitchen, has the advantage of offering consumers a large number of sheets, as well as being perfect for direct contact with food. A super-absorbent and resistant paper enhanced by razor embossing, FSC® MIX certified, and a package with a minimum recycled plastic content of 50%, to limit the use of resources from non-renewable sources.



2

The second, designed to play a “multi-function” role, comes with a decorated maxi-tear, perfect for managing daily unexpected events in the kitchen, and it is suitable for smart equipment, using it as a napkin or even a placemat.

Both products are available in packs of 2, 3 and 6 rolls and were created using Hi-PER technology.



In the second part of the year, the marketing team was fully dedicated to the restyling of **Tutto Pannocarta**, the flagship of the range.

A delicate project, which had a two-fold objective: firstly, to preserve some key elements, such as the predominant colours of the packaging (blue) and the characterising visual elements, such as the famous “strizzo”, depicting a wrung out tear that winks at the concept of “wash-wring-reuse”; secondly, the objective of making the packaging more modern, comprehensible, as well as able to wink at the new generations of consumers.

3



Finally, to enrich the offer of the Tutto Pannocarta line, the new 4-roll box format was added, which joins the 2 and 3-roll formats.



A leading brand in the tissue products with eco-sustainable DNA segment, Grazie EcoNatural represents the first range of tissue products made through the recovery and recycling of cellulose fibres contained in Tetra Pak® type beverage cartons, intended for the Consumer market. All products in the Grazie EcoNatural range, dedicated to home care and personal hygiene, are Ecolabel and FSC® Recycled certified.

Grazie EcoNatural is a brand with an international soul, decidedly ambitious and eager to make its reason why known even beyond the Italian borders. In fact, its key benefits are featured in English on its packaging, while more detailed information intended for the consumer is reported in 4 languages: Italian, English, French, and German.

During 2024 we further enriched the assortment by launching new formats in the toilet paper, household paper and tissue categories, to better respond to the needs of the export market, where the brand is recording robust growth.



Smile delivers a range of products that combine the satisfaction of consumer needs with the spirit of innovation that characterizes the Lucart Group. The lines that make up this range, toilet paper, kitchen towels and rolls, use the so-called "hybrid" technology, which combines pure cellulose plies with 100% recycled paper plies. The paper is PEFC® certified, and the packaging is mainly made of minimum 50% recycled polyethylene.

1.10

Business Area Business to Business (BtoB)

GRI 2-6



The BtoB division offers the market large-format jumbo reels intended for other paper converting industries, guaranteeing product quality and consistency over time, high-level service, and reliability to customers and the most important product and process certifications.

> The main types of papers produced in the plants of the group



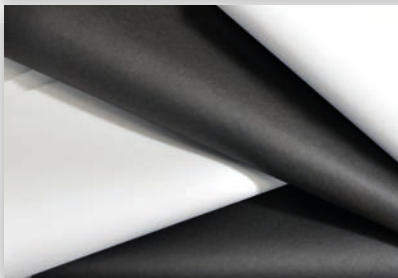
TISSUE PAPER

White and coloured papers made using paper to be recycled, virgin cellulose or a mix of the two as raw material, to be converted into toilet paper products, such as kitchen towels, toilet paper, hand towels, napkins, handkerchiefs, wipers and medical sheets.



AIRLAID PAPER

Paper made with long fibre "fluff" cellulose with a production process that does not involve the use of water to bond the fibres. The paper thereby obtained is particularly resistant and can be reused several times. The jumbo reels are sent to other paper converting companies for use in the production of sanitary towels, wet wipes, special packaging, napkins, tablecloths, kitchen towels and wipers.



MG (MACHINE GLAZED) PAPER

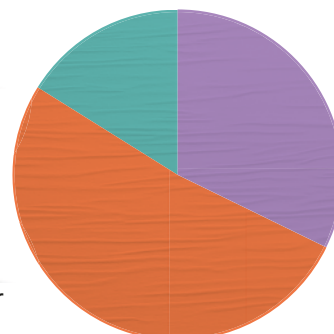
Paper made using paper for recycling, virgin cellulose or a mix of the two as raw material and intended for other paper converting industries that produce bags, gift wrapping paper, paper laminated with polyethylene or aluminium, tablecloths and other types of packaging.

% BREAKDOWN OF BtoB SALES (IN VALUE) BY PAPER TYPE

16%
Airlaid paper

52%
Tissue paper

32%
MG aper



1.11 Certifications

The quality of our products is confirmed by important certifications.
(updated to 31 December 2024).

GRI 2-24

ECOLABEL

A quality marking issued by the European Union that distinguishes products and services with low environmental impact throughout their entire life cycle.



BEST PERFORMANCE

Lucart was the first company to achieve Ecolabel certification in Italy in 1998 and in Hungary in 2020.

PEFC E FSC®

Lucart S.p.A. is one of the first Italian paper mills to have obtained PEFC and FSC® (INT-CW-001076, INT-COC-001076), certifications, which guarantees the origin of raw materials from suppliers that implement sustainable forest management systems with certified chain of custody.

PEFC
(Programme for the Endorsement of Forest Certification)



FSC®
(Forest Stewardship Council®)



Il marchio della gestione forestale responsabile

ISO

The Group's paper mills in Italy were among the first in Europe to obtain ISO 9001 Quality Management System certification and ISO 14001 Environmental Management System certification for the specific sector of tissue and MG paper products.

ISO 9001 is a voluntary international standard which defines how an efficient Quality Management System should be developed.

ISO 14001 is a voluntary international standard which defines how an efficient Environment Management System should be developed.

ISO 50001 is a voluntary international standard which defines how an efficient Energy Management System should be developed.

ISO 22716 is a voluntary international standard that defines the guidelines for the production, monitoring, storage and shipping of cosmetic

products to guarantee consumers high hygiene and safety standards.

ISO 45001 is a voluntary standard that defines how an effective Occupational Health and Safety Management System should be developed.

All of the Italian plants of the Group are ISO 45001:2018-certified using a multi-site certificate.

EMAS (Eco-Management and Audit Scheme)

The Borgo a Mozzano production plant and the Castelnuovo di Garfagnana plant were among the first integrated European tissue mills (paper mill and paper converting plant on the same site) to be awarded EMAS environmental registration, the EU eco-management and audit scheme designed for organisations that are committed to assessing and improving environmental efficiency.



DER BLAUE ENGEL

German environmental product certification was awarded to the French plant in Laval-sur-Vologne and the Italian plant in Borgo a Mozzano.



OK COMPOST

The "Ok Compost Industrial" mark certifies that the product is compostable in industrial composting plants.



IFS HPC (International Featured Standard Household and Personal Care)

The IFS HPC standard is an international certification scheme aimed at ensuring compliance with specific safety and quality standards for private label personal and home care products, through certification audits by third-party bodies.

CRADLE TO CRADLE™

The certification is a globally recognised measure of safer, more sustainable products made for the circular economy.



ReMade IN ITALY®

The certification attesting to the recycled/subproduct content within a product or material. Certification awarded to the logistics centre in Altopascio.



CHSA

Accreditation scheme for companies manufacturing cleaning and hygiene products in the UK.



	Porcari	Borgo a Mozzano (Diecimo)	Torre di Mosto	Castelnuovo di Garfagnana	Avigliano	Laval-sur-Vologne	Njergesújjalu	Artziniega	Aranguren ⁴	Blackmore Park
ISO 9001	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆
ISO 14001	☆	☆		☆	☆	☆	☆	☆	☆	☆
EMAS		☆		☆						
ISO 50001	☆	☆		☆		☆		☆	☆	
ISO 45001	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆
ISO 22716								☆		
CHSA										☆
EU Ecolabel	☆	☆	☆	☆		☆	☆	☆	☆	
Der Blaue Engel		☆				☆		☆		
PEFC	☆	☆	☆	☆	☆	☆	☆	☆	☆	
FSC®	☆	☆	☆	☆	☆	☆	☆	☆	☆	
IFS HPC		☆		☆	☆					
OK Compost			☆		☆					
Cradle to Cradle™						☆				

⁴The table shows an overview of system and product-level certifications of Lucart production sites in 2024.

1.12

Circularity and Sustainability as Strategic Business Levers

GRI 2-24
301-2
306-2

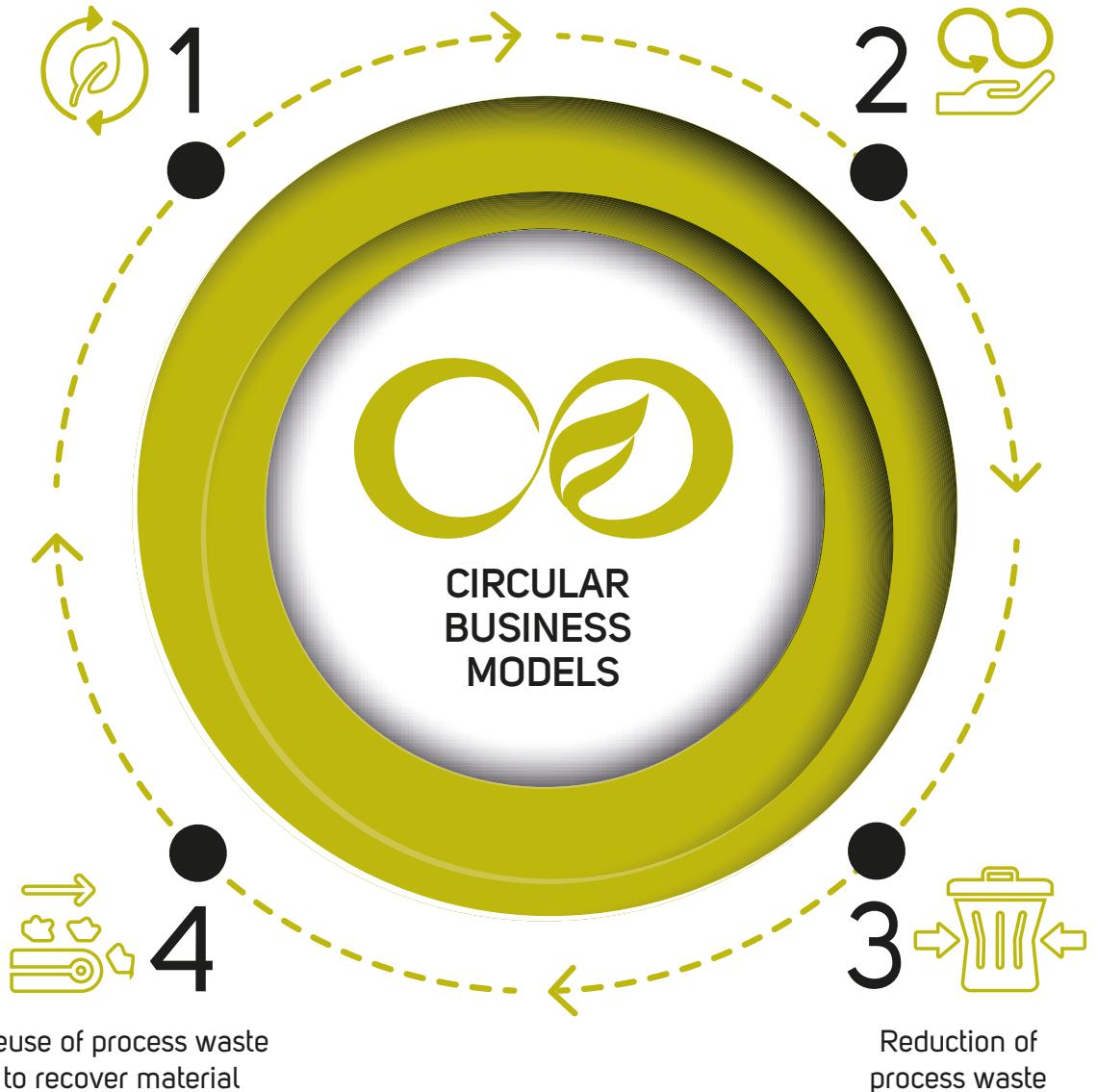
Lucart is firmly determined to speed up the transition from a linear to a circular economy.

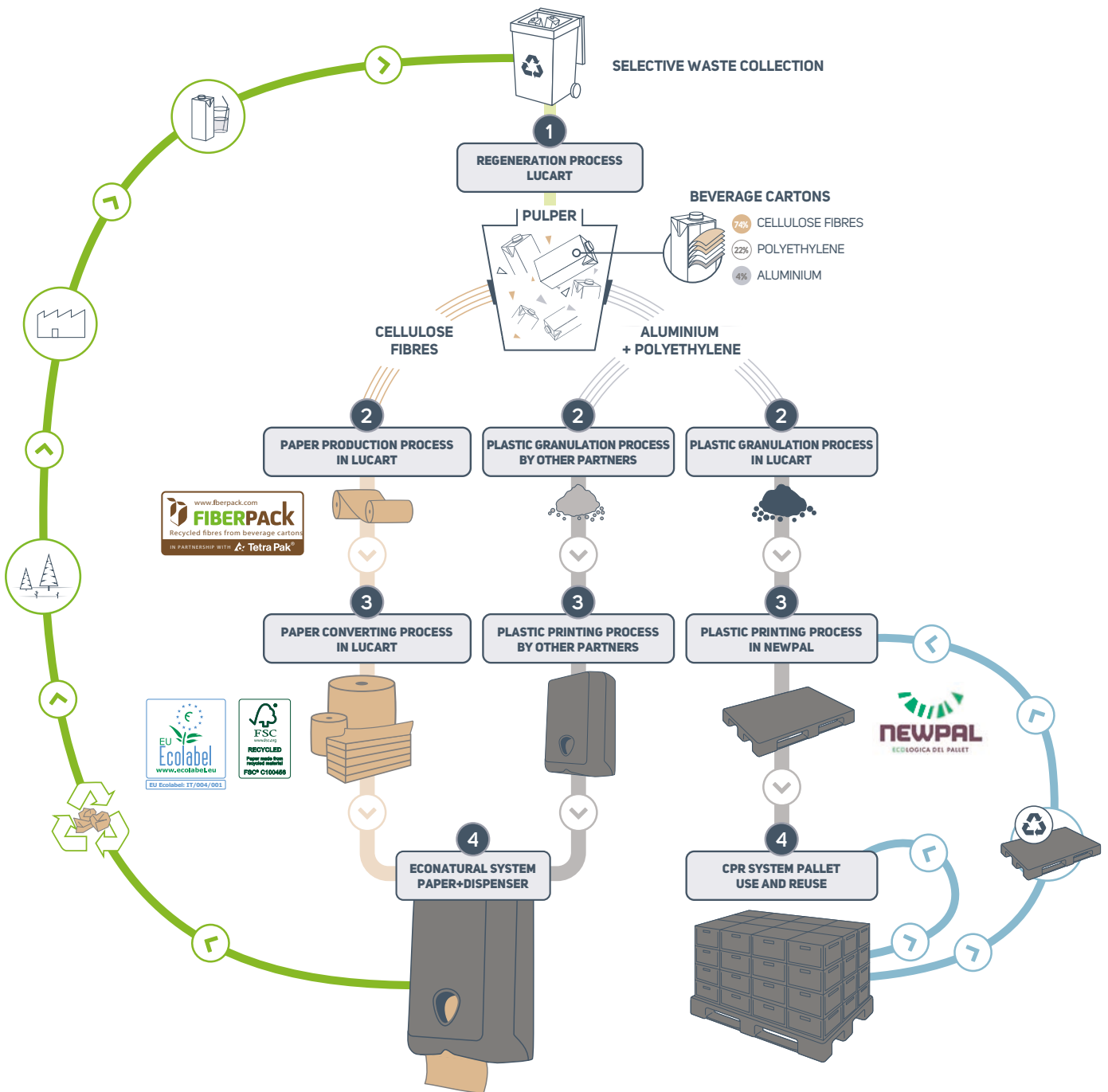
The Lucart strategy places the circularity of business models at the centre of business activities and, in particular, encourages:



Research for alternative raw materials to reduce the over-exploitation of natural resources

Analysis, design and implementation of circular business models





> The EcoNatural Project

In 2010, Lucart's R&D department dedicated to the use of fibres alternative to virgin cellulose launched an ambitious project aimed at recovering all the materials contained in Tetra Pak® type beverage cartons. This type of packaging is widely used in the food industry to protect and preserve food and for its high natural cellulose fibre content that makes it more ecological compared to other packaging materials of fossil origin.

Due to its mixed composition of cellulose fibres (74%), aluminium (4%) and polyethylene (22%), this material is often not recovered at end-of-life or is recovered only partially.



THE NEW RECLAIMED RAW MATERIALS

In the first stage of the project, Lucart hit the objective of creating two new raw materials to be used in separate recovery processes, by changing and streamlining the traditional recovery process of paper for recycling in the paper mill.



The Fiberpack® brand identifies the fibrous raw material obtained through our exclusive treatment process of the food cartons, used to produce Lucart Professional EcoNatural, Fato EcoNatural, Velo EcoNatural and Grazie EcoNatural branded products.



The AL.Pe.® brand, which identifies the homogeneous material made of the polyethylene and aluminium component in beverage cartons that other industries use to manufacture products for multiple purposes, spanning from construction and street furniture to everyday objects, such as pens and rulers, mooring poles and floating platforms in Venice, pallets for freight transport, and handtowels and toilet paper dispensers for the Away from Home sector.



THE PAPER + DISPENSER SYSTEM

The second phase of development of the EcoNatural Project saw the combination of these two new raw materials in one single value proposition to our customers with the Fiberpack® paper + AL.Pe.® dispenser system.



3

INDUSTRIAL SYMBIOSIS

The third phase consisted in the establishment of Newpal S.p.A., the joint venture with CPR System, dedicated to the moulding of high-quality recycled pallets.

In the Borgo a Mozzano plant, a new plant has been installed that is able to obtain a plastic granule from the homogeneous material composed of polyethylene and aluminium obtained from the recycling process of food cartons. The granule, called GranPlast, becomes the raw material for Newpal S.p.A., which moulds recycled plastic pallets with a plant specially designed to use non-virgin plastics. The project closes the recycling loop of poly laminated beverage containers, creating major benefits for the environment and new business opportunities.

The pallets made by Newpal are used by CPR System, a leader in Italy in the production, handling and recycling of plastic packaging with collapsible sides and pallets. CPR System **recovers** and **reuses pallets** which, at the end of their life and after multiple uses, are not disposed of in landfills but are reintroduced into the industrial process.



This collaboration between Lucart and CPR System brings new benefits for the environment and new business opportunities:

- > it makes full use of production waste and creates shared value;
- > it produces a reusable product in the circuit managed by CPR System, which at the end of its life is actually recycled to make new pallets;
- > it offers the market a quality recycled plastic pallet at a highly competitive price.



> Circular Shield: a true circular business model for local and national institutions

Lucart builds strong and strategic partnerships with private and institutional stakeholders, driving the growth of the circular economy through the cycle of beverage cartons and toilet paper - MMC® at municipal level and/or MC360 pilot at national level. The model promotes collaborative, traceable and effective circularity, already operational in Slovenia, Slovakia and France. After the success of the MMC pilot project tested in the city of Novo Mesto in Slovenia, the company Circular Shield d.o.o. was created to replicate and manage these virtuous circular economy programs.



The material cycle goes beyond pre-consumer waste and the traditional recycling economy, ensuring systematic and controlled circular flows of used beverage cartons by local communities and businesses. Residents and businesses collect used beverage cartons (UBC) within their classic collection systems. Waste producing companies separate them and send them to Lucart, where they are transformed into new Lucart Professional EcoNatural products. Through a network of circular distributors, these products return to the community - offices, schools and other institutions - or to the model companies. Within the model, local communities and companies intentionally strengthen the circularity of their UBC flow. The cartons do not leave the communities as waste, but as a resource and return as a useful product: EcoNatural. The model ensures traceability and accountability, and measures positive impacts such as CO₂e savings, tree conservation and other environmental benefits.

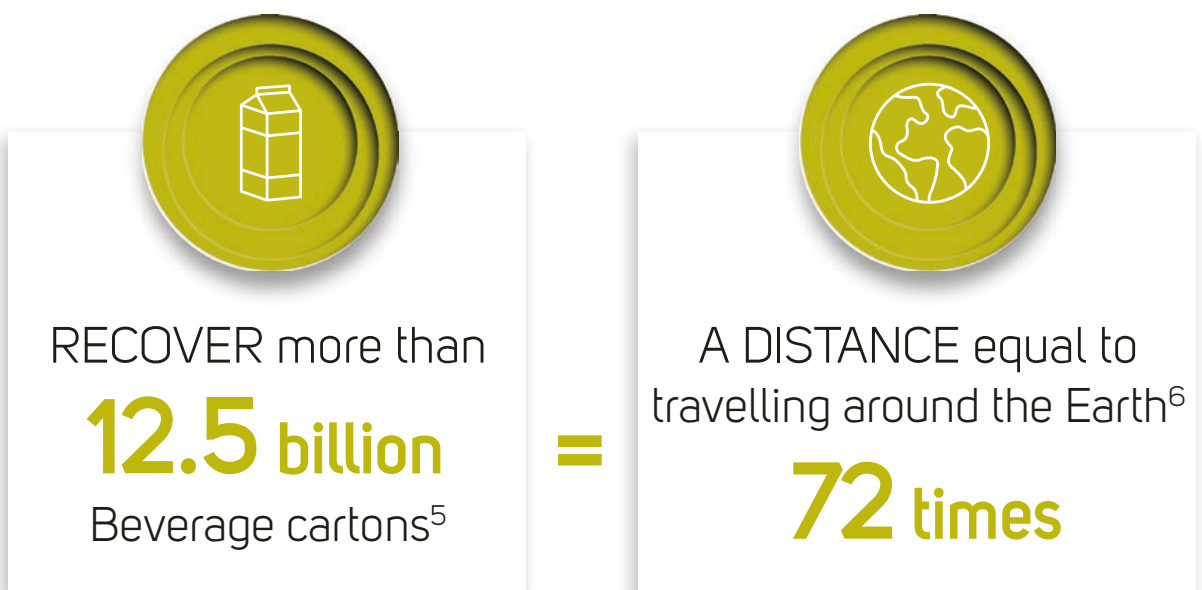


The model is fully compliant with national legislation, does not interfere with existing national waste management systems, and at the same time strengthens the circular culture among users. True circularity exists when stakeholders control material flows and ensure collaboration at every stage. In Slovenia, MMC® covers 22% of the national population, providing a scalable model for urban circularity. Its successful export to Slovakia has extended the model to 5% of the local population, with continued expansion in Europe. Starting in 2025, Slovenian stakeholders will take an important step: all EcoNatur deliveries via a participating distributor (Valtex) will officially switch to a circular model (SK360 pilot project) nationwide. This step marks a strategic evolution towards the circular economy, beyond improving recycling efficiency.

MMC® and MC360 address the organizational needs of urban waste flows, setting a new benchmark for multi-stakeholder circularity with measurable impact.

> Overall results of the EcoNatur project

In the 2013-2024 period, Lucart, considering the tonnes of Fiberpack® paper produced, has contributed to:



⁵ Considering 1 litre beverage cartons

⁶ Considering the cartons laid out one after the other

> EcoNatural achieves climate neutrality

The year 2023 marked a major milestone in EcoNatural's sustainability journey, with the achievement of product Climate Neutrality, respecting the guidelines defined by the PAS2060 standard, for all EcoNatural Lucart Professional and Velo toilet papers and handtowels produced in the Laval-sur-Vologne and Borgo a Mozzano plants and for the Grazie EcoNatural toilet paper made in the Italian plant⁷. All greenhouse gas emissions generated during the life cycle of the product in a given period have been reduced and offset to zero.

During 2024, the project continued, also including toilet paper and hand towels produced in the Aranguren, Artziniega and Nyergesújfalu plants.

According to the PAS2060 standard, the process takes place in 3 steps:

1 Measurement

In this first phase, Product Carbon Footprint, the CO₂e emissions of the entire product life cycle are measured. The collaboration with Carbonsink, a company specialising in climate strategy, is crucial.

2 Reduction

This stage involves studying the reduction of CO₂e emissions by optimising production processes, using sustainable raw materials, and switching to alternative energy sources.

3 Compensation

Finally, CO₂e emissions are calculated and offset through the support of specific climate action projects with positive environmental, social and economic impacts.

The company has decided to support projects in Uganda, Malawi, and Cambodia to facilitate the access of families and local communities to clean and safe drinking water by promoting environmentally friendly water purification technologies⁸.



⁷ The calculation of the product-level carbon footprint was performed in compliance with ISO 14067 and in accordance with PCR 2011:05 on tissue products (version 3.0.1).

⁸ Offsetting includes all residual greenhouse gas emissions from all stages of the product life cycle (including distribution and end-of-life treatments). To offset overall residual emissions, Lucart purchases certified carbon credits (projects from the CDM registry with PoA 5962 - CPA 8/22, from the Gold Standard registry with GS ID 6749 and 7436 under PoA GS ID 5658, from GS CER and VER with ID 4296; <https://cdm.unfccc.int/Registry/index.html> e <https://registry.goldstandard.org/projects>).

1.13 Organisation

GRI 2-1
2-9
2-10
2-11
2-12
2-13
2-14
2-17
405-1

> Corporate structure of the Group and the percentage of ownership

On 31 December 2024



BOARD OF DIRECTORS as of 31 December 2024

The **Board of Directors** of Lucart S.p.A., the operating company leading the Lucart Group, with its headquarters in Porcari (LU), is appointed by the Shareholders' Meeting and is composed of 9 members¹⁰ with the necessary expertise for the responsible management of the Company, in line with the strategic plan drawn up by them and approved by the Shareholders' Meeting. The non-executive directors have the requirements of independence required by Art. 148 (3) of Italian Legislative Decree 58/1998.

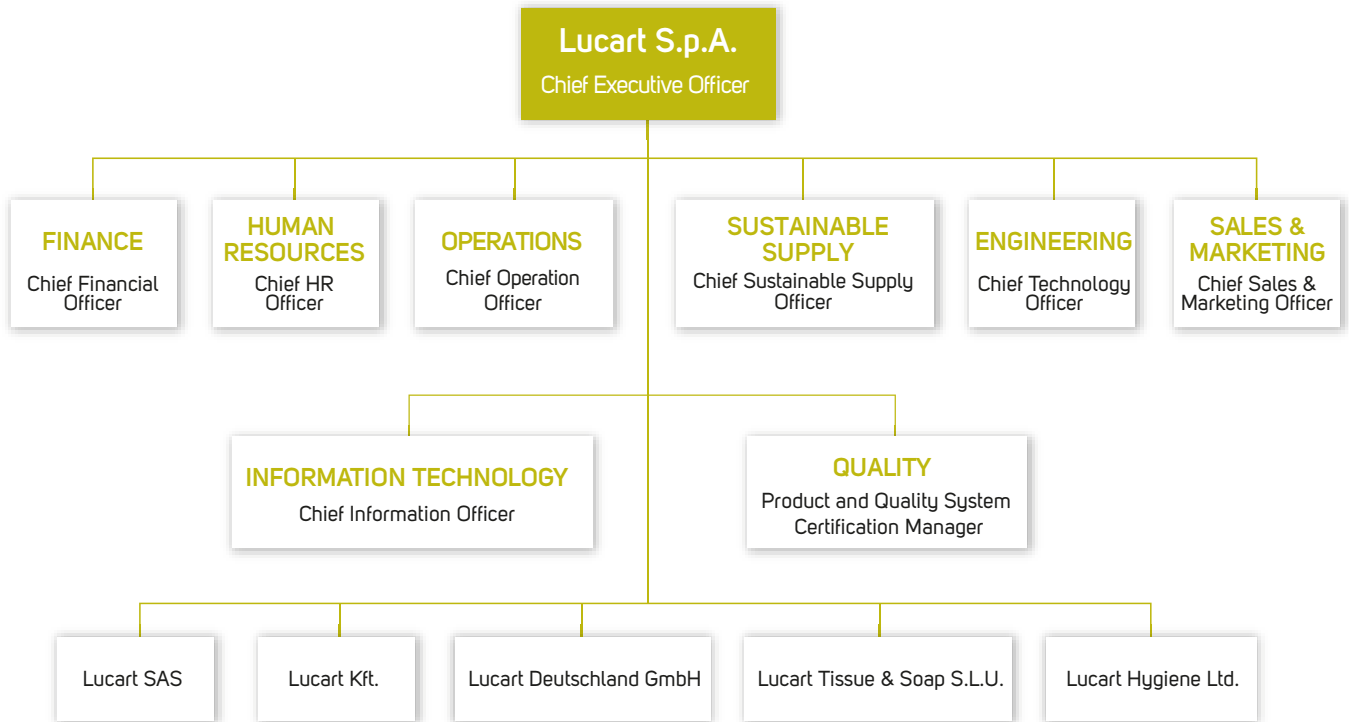
> Massimo Pasquini (President of the Board of Directors)	68 years old	Executive
> Francesco Pasquini (CEO)	45 years old	Executive
> Lorenzo Pasquini (Director)	52 years old	Executive
> Alessandro Pasquini (Director)	48 years old	Executive
> Tommaso De Luca (Director)	50 years old	Executive
> Cristina Ferrari (Director)	44 years old	Non-executive
> GianErnesto Bernardi (Director)	43 years old	Non-executive
> Federico Lovadina (Director)	45 years old	Non-executive
> Massimo Innocenti (Director)	62 years old	Non-executive

The BOD of Lucart S.p.A. is supported by a **Board of Auditors** consisting of three professionals.

⁹ In 2022, Lucart S.p.A. sold a minority stake (37%) in Lucart Hygiene Ltd. to SIMEST S.p.A., the Italian government agency supporting the internationalisation of Italian companies. The support of SIMEST S.p.A. was implemented by the forward purchase of a minority shareholding. SIMEST S.p.A. is a silent partner and on Lucart S.p.A.'s balance sheet the SIMEST participation is accounted for as "other debt" and not as a transfer of "capital".

¹⁰ The Board of Directors of Lucart S.p.A. is composed of 8 men and 1 woman: 66% aged between 30 and 50 and 34% aged over 50. The members of the Board of Directors, elected by the Assembly, unless otherwise resolved by the same, remain in office for three financial years and expire on the date of the Assembly convened to approve the financial statements for the last financial year of their office. The Directors are eligible for re-election.

> Organisation Chart



> Committees

The following committees have been created to manage the operative activities of Lucart S.p.A. and implement the company’s strategic guidelines more effectively:

STRATEGIC COMMITTEE	The Strategic Committee consists of the CEO, the executive directors of the Board of Directors, the CFO and the COO. It is in charge of monitoring the progress of the Group’s most significant and strategic projects and implementing the measures discussed and approved by the Board of Directors.
ESG (ENVIRONMENTAL, SOCIAL, GOVERNANCE) COMMITTEE	The ESG (Environmental, Social, Governance) Committee is chaired by the Chief Executive Officer. Tasks include supporting business processes related to sustainability and the circular economy and aligning them with the strategic objectives of the Group.
MANAGEMENT COMMITTEE	The Management Committee meets every two weeks and is responsible for coordinating Lucart’s operational activities to achieve maximum effectiveness.
ENVIRONMENT AND SAFETY COMMITTEES	The Environment and Safety Committees are responsible for ensuring the implementation of environmental and safety requirements at all the production facilities and workplaces of the Group.
COMMITTEE ON INNOVATION AND FACILITATED FINANCE	The Committee on Innovation and Facilitated Finance (CIFA) operates as an interface between the Grants & Benefits function, the specific technical functions and the company’s strategic management.
FINANCIAL RISK COMMITTEE	The Financial Risk Committee defines the hedging guidelines and management strategy for the Group’s financial risks: interest rate, currency, commodity and credit.
CIRCULAR MANAGEMENT AND DEVELOPMENT COMMITTEE	The Circular Management and Development Committee oversees the management of process waste to identify and develop best practices for the circular valorisation of waste and resources along the production chain.

Organisational Model

GRI 2-15
2-16

The Code of the "Organisation, Management and Control Model" introduced to prevent the company's liability under Italian Legislative Decree no. 231/2001 was approved in its first draft on 26 June 2012 and it was revised and updated on 18 March 2022. During the 2023 financial year it was integrated to incorporate the new legislative provision on Whistleblowing and subsequently constantly updated in relation to organizational changes and regulatory interventions.

The model is aimed at preventing the possibility of committing offences according to the decree – including those related to conflict of interest – and, consequently, at reducing the company's administrative liability. The implemented model, based on an accurate analysis of company activities to identify those potentially at risk, is a set of general principles, rules of conduct, control instruments and organisational procedures, training and informational activities, and disciplinary system aimed at ensuring, as far as possible, crime prevention.



> Supervisory Body

The Board of Directors has appointed a Supervisory Body, which is responsible for overseeing the proper implementation of the Organisation, Management and Control Model, its effectiveness and any needs for updates.

The Chairman of the Supervisory Body and the other members are chosen for their particular expertise in the field of administrative liability, corporate processes, corporate governance and in environmental and safety matters. In order to independently manage its activities, the Supervisory Body has its own budget, prepares an activity and audit plan, and periodically reports to the Board of Directors of Lucart S.p.A.. It regularly exchanges information with the Board of Auditors and the auditing firm.

The Supervisory Body also attends meetings of the Crisis Committee, the Safety Committee and the Environment Committee.

1.15 Code of Ethics

GRI 2-23
2-24

Lucart's core values become rules of conduct by implementing and complying with the Code of Ethics. A guide on principles, regulations and rules for directors, statutory auditors, inspection bodies, executives, employees, associates and everyone who has any kind of relationship with the companies of the Group.



In keeping with the best international practices, the latest revision of the Code of Ethics defines the fundamental principles and core values of corporate ethics, the rules of conduct and relevant implementation regulations and was approved in August 2023.

The Code is given to all company employees and associates for them to understand its content and implement its values. The Code of Ethics is binding for the conduct of all Group associates (directors, statutory auditors, employees and those who act on Lucart's behalf under specific powers of attorney or proxies). It is also brought to the attention of the people who engage in business relations with the company (customers, suppliers, consultants, etc.), in any capacity and regardless of the type, starting from the negotiation stage.

The Code of Ethics is an integral part of the "Organisational, Management and Control Model" introduced to prevent company liability under Legislative Decree 231/2001. It is an essential tool to counter any risks of abuse of fundamental human rights and all forms of active and passive corruption. Ethics in entrepreneurial activity is a key element for a company's success and credibility. It is the factor that identifies and strengthens the company's values, to turn them into the foundations and drive for competitive socio-economic development over time. The principles that have always driven and guided our way of doing business lie at the basis of the Code of Ethics: fairness, good faith, transparency, fidelity and loyalty.



**BEST
PERFORMANCE**

Legality rating

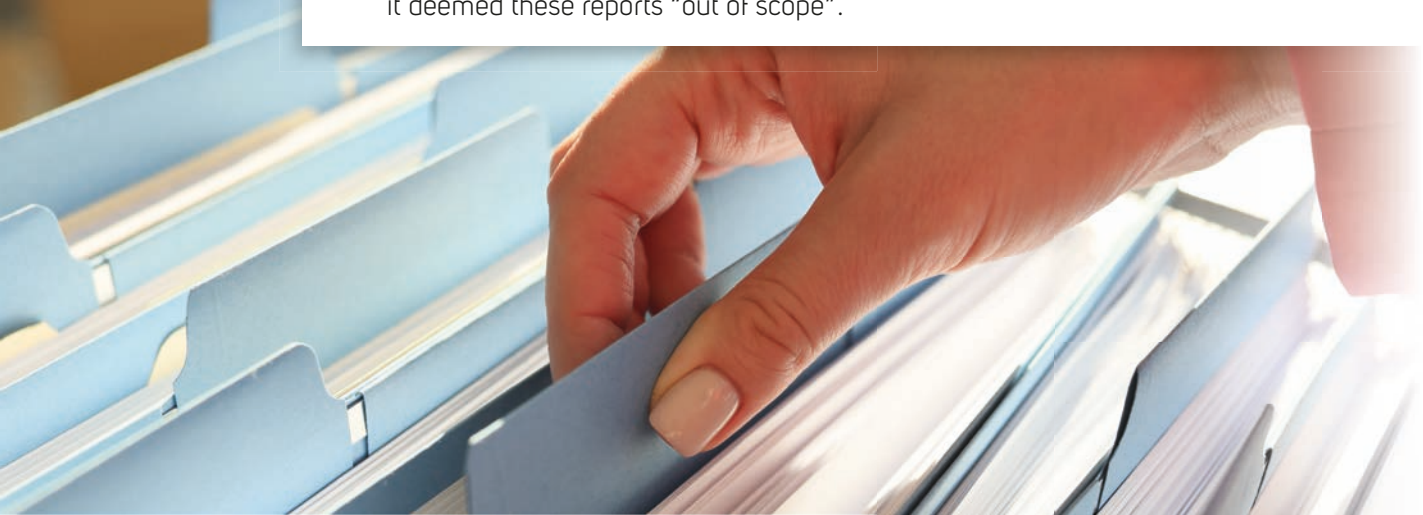


Lucart was one of the first companies in Italy to apply for and obtain the **Legality Rating** issued by the Italian Competition and Market Authority (AGCM) to companies that operate in compliance with legal and ethical principles. The score awarded at renewal on 17/12/2024 was **3 stars out of a maximum of 3.**



> Whistleblowing

- > All Recipients of the Code of Ethics can notify in writing through protected information channels of any breach or suspected breach of the Code of Ethics of Professional Conduct. Notifications can also be anonymous and all of them will be assessed by the responsible bodies which, in guaranteeing confidentiality to the person making the notification, will judge on a case-by-case basis whether it is appropriate to institute an investigation given the actual circumstances. Confidentiality is ensured, as well as the protection of the whistleblower against retaliatory or discriminatory acts, without prejudice to legal obligations. To this end, the Group has made available an alternative reporting channel (Digital PA) suitable for guaranteeing, by computerised means, the confidentiality of the reporter's identity, available at the following address: <https://Lucartgroup.segnalazioni.net>
- > During 2024, the Supervisory Body received two reports. Following further investigation, it deemed these reports "out of scope".



> Relations with Public Authorities

In relationships with government agencies, Lucart pays special attention to maintaining full compliance with national and international regulations in force. Lucart also commits to fulfil all bureaucratic procedures related to every action, behaviour, agreement or negotiation/ assignment procedure, so that all Lucart conduct focuses on maximum transparency, fairness and legality. A specific Anti-Corruption Policy was also approved by the Board of Directors in February 2022.

During pending or requested business negotiations, or in commercial relations with the government agencies, the parties representing Lucart are required to behave in such a manner not to influence the counterpart's decision unduly, in accordance with the provisions of company procedures.

Activities related to negotiation management, taking on commitments and establishing relationships of any kind with government agencies are restricted exclusively to appointed, duly authorised internal persons. Collusive behaviours and practices of any nature or kind, active or passive corruption are forbidden.

Considering or proposing job and/or commercial opportunities which may personally or indirectly favour employees of the government agencies or requesting or obtaining confidential information which may jeopardise the integrity or the reputation of both parties is not allowed. During the course of business relationships, compliance shall be maintained with what was agreed upon in the contract, avoiding unauthorised replacements and putting in place adequate control and safeguard mechanisms, cooperating only with competent and suitable persons.

The same directives valid for company employees are applied to any consultants or a third party representing Lucart in dealings with the government agencies, as far as these subjects and their personnel are concerned.

In case of controls by the Supervisory Authority, Lucart guarantees the utmost cooperation and assistance, by aiding the authorities during the inspections and striving to respond to and carry out the requests submitted in a timely fashion.

1.16 Risk Management

Due to the nature of its business, the Lucart Group is exposed to certain risks and uncertainties that the management faces through continuous analysis. This analysis is preparatory to the identification and classification of risks and the preparation of the tools necessary for their mitigation, in line with the company policy aimed at maximum caution.



Note that the information included in this section is included in the management report of the Group's consolidated financial statements. The same are not required by the GRI Standards therefore they are not subject to limited assurance.

For greater clarity, we have grouped risks and uncertainties into two macro-categories: (i) risks and uncertainties related to business, organization, and context and (ii) financial risks.

- > Business, Organisational and Context-related Risks and Uncertainties
- > Financial Risks

Business, Organisational and Context-related Risks and Uncertainties

> Risks Associated with Global Economic Trends

RISKS

(Description of risk)

As for all the companies operating in our sector, some cost factors can only be partially monitored because they are influenced by international macroeconomic trends.

The Group's target market is indirectly dependent on the economic availability and spending propensity of consumers, as well as the general economic trend. Political instability and/or economic recession in a significant geographic market for the Group's sales could adversely affect our economic, financial and asset situation.

ACTIONS

(Actions implemented for risk reduction)

Diversification of geographic markets, expansion of the customer portfolio and product mix, and customer retention and service policies are actions to mitigate the risk described.

Reference may be made to the Price Risk section for the examination of the potential impact of global economic developments on purchase prices in our main production factors.

> Competition Risks

RISKS

(Description of risk)

The Group, like any other company operating in the industry, is subject to the actions of other manufacturers that could cause its market share to shrink. This risk relates to the possibility that competitors bring new products onto the market that compete with those of the Group.

ACTIONS

(Actions implemented for risk reduction)

In addition to continuously monitoring the market to identify the entry of new competing products in good time, the Group manages risk by pursuing a policy of continuous innovation of its products and processes and expands the product portfolio.

It must not be underestimated that the know-how in processing recovered cellulose fibres and producing high-quality recycled paper, acquired over more than 70 years of business, represents a further important competitive advantage over many competitors.

> Geopolitical Risks

RISKS

(Description of risk)

In a globalised market such as the one in which we work, it is not possible to rule out in advance that events caused by the foreign policy of one country may influence the domestic political dynamics and economy of another country or region in unpredictable ways.

As the Russian-Ukrainian conflict and the situation in the Gaza Strip have unfortunately shown, this risk can also extend significantly to energy costs and/or intercontinental sea trade.

ACTIONS

(Actions implemented for risk reduction)

Geographical differentiation of suppliers of raw and auxiliary materials, as well as the expansion of our outlet markets at the European level, are part of the actions implemented to mitigate risk in all Group companies.

As far as energy costs are concerned, reference may be made to that expressed regarding climate change, but it must be said here that any interruption of gas or electricity supplies would inevitably bring the involved production plants to a standstill.

It should be noted, however, that Group companies have no exposure in the areas affected by ongoing conflicts and that the majority of raw and auxiliary materials consumed do not transit the Suez Canal.

> Climate Change Risks

RISKS

(Description of risk)

Climate change could, first and foremost, cause damage to our production facilities due to catastrophic weather events.

It is also very likely that the fight against climate change will lead to higher energy costs.

ACTIONS

(Actions implemented for risk reduction)

As regards possible damage to our production plants due to the weather, the analyses and studies carried out have not revealed situations of particular risk or danger. In addition, the spread of production activities across several plants in different locations is an indirect form of insurance on business continuity in the event of environmental disasters limited to specific geographical areas.

With regards to impacts on energy costs, in addition to pursuing a decarbonisation and energy efficiency policy at its production plants, the Group adopts specific hedging, where appropriate, also by using more and more renewable sources to protect itself against any sudden increases in energy costs.

The Group has also had an Environmental Committee for years, one of whose prerogatives is the analysis of the environmental, climatic and hydrogeological situation in the geographical areas where the production plants are located. Weather damage is also covered by a specific insurance policy.

> Risks Associated with the Set of Rules and the Regulation of Target Business Sectors

RISKS

(Description of risk)

National and EU laws and regulations can have a significant impact on various areas of the Group companies' activities, such as safety, environmental protection, tax and customs aspects, labour law, etc.

ACTIONS

(Actions implemented for risk reduction)

The Lucart Group's managers deal with the analysis of risks related to legal and regulatory obligations in their area of competence also through the support of the Group's legal department, participation in trade associations and continuous discussions with consultants and experts in the sector.

Lucart S.p.A. has adopted an organisation, management and control model to prevent predicate offences covered in (It.) Legislative Decree 231/2001 with the creation of a supervisory body appointed for this purpose.

In early 2022, the model was revised to update it to organisational changes and the latest case law and doctrine.

It should be noted that to ensure the proper behaviour of its employees in all contexts, a Group code of ethics and anti-corruption policy has been drawn up and adopted.

> Risks Associated with Disputes and Potential Liabilities

RISKS

(Description of risk)

Disputes with customers, suppliers, employees or other actors may generate contingent liabilities that must be properly estimated and evaluated.

ACTIONS

(Actions implemented for risk reduction)

Through the in-house legal department, though also with the support of external professionals for specific issues, the group assesses all potential risks associated with disputes and defines, on a case-by-case basis, the needs for any allocations to be made in the risk fund.

> Cyber Risks

RISKS

(Description of risk)

This is an issue whose relevance has grown a great deal in recent years, as have the known cases of companies suffering cyber-attacks with negative impacts on business and production continuity or even the need to pay ransoms.

ACTIONS

(Actions implemented for risk reduction)

The Group, through its IT department, has identified the main risk areas and implemented appropriate protection tools. As this is an evolving issue, the monitoring of cyber risks is done on an ongoing basis.

The Group has also taken out a specific insurance policy to cover any damages generated by cyber "attacks". Furthermore, in 2021 a 24x7 monitoring service for cyber attacks was introduced with the cybersecurity practice currently in charge of 7layers (Fastweb Group).

> Product Risks

RISKS

(Description of risk)

Although most of our products have limited risks about potential quality problems, harmfulness, the dangerousness of use or expiry, the risk of returns or the need for recalls cannot be excluded a priori, with consequent damage to image or, in the worst case, litigation in the event of customer risk.

ACTIONS

(Actions implemented for risk reduction)

The Group has defined the scope of its quality, environmental and product safety management systems, within which it applies risk management processes to identify and assess the relevant risks.

Based on the result of the evaluation, Management evaluates the need to implement possible measures to monitor and/or mitigate the specific risk.

> Market Risk

RISKS

(Description of risk)

ACTIONS

(Actions implemented for risk reduction)

Market risk is the risk related to unexpected effects on the market value of assets and liabilities generated by adverse changes in market prices.

Market risk comprises three types of risk: price risk, exchange rate risk and interest rate risk.

To mitigate the impact of market financial risks on economic and financial results, the Group regularly monitors risk exposures and resorts to instruments, mainly derivatives, for hedging purposes.

Market financial risks are supervised by a committee to ensure that the overall risk exposure does not exceed the capital and economic capacity of the Group, to ensure sustainable long-term performance.

Furthermore, the Group also set up a procedure for managing and monitoring financial market risks, defining roles and liabilities within the organisation and permitting hedging activities.

Financial risks and hedging instruments are managed and monitored centrally through the Group Treasury function.

> Price Risk (or Commodity Risk)

RISKS

(Description of risk)

ACTIONS

(Actions implemented for risk reduction)

The main raw materials we use are virgin cellulose and wastepaper, whose market price is determined by global demand and offer trends.

Our procurement policy involves an accurate selection and differentiation of suppliers and the constant search for alternative sources and raw materials. It is based on well-established supply relationships with top suppliers.

Furthermore, even with differing responsiveness and timing between our business areas, there is a correlation between the purchase price of fibrous raw materials and the selling price of products.

Finally, the Group's management always carefully assesses whether to adopt both specific hedges on the price of cellulose and changes in the stocks of these materials to benefit from more favourable price conditions.

> Exchange Rate Risk

RISKS

(Description of risk)

ACTIONS

(Actions implemented for risk reduction)

The Lucart Group is exposed to the financial risk arising from exchange rate fluctuations that originate from operating in an international context where transactions, both commercial and financial, may be denominated in a currency other than the reporting currency.

The main exchange rates against the Euro that are a risk for the Group are against the following currencies: US dollar (USD), Hungarian forint (HUF), British pound (GBP).

The Lucart Group adopts an exchange rate risk hedging policy aimed at both protecting budget margins (hedging expected flows) and protecting existing assets denominated in a currency other than the reporting currency.

The risk of exchange rate fluctuations is mainly covered by options or forward currency purchase contracts which are exclusively for hedging purposes.

> Interest Rate Risk

RISKS

(Description of risk)

The Lucart Group uses external financial resources in the form of debt and uses available liquidity in bank deposits.

Changes in market interest rate levels influence the cost and yield of various forms of financing and employment, with effects on financial expenses and income.

ACTIONS

(Actions implemented for risk reduction)

Management regularly assesses the exposure to interest rate risk and manages it by resorting to the least costly financing forms.

The cost of bank borrowing is predominantly based on the Euribor rate for the period plus a spread that depends on the type of credit line used. The margins applied are comparable to the best market standards.

The Group uses derivative financial instruments for hedging (plain vanilla) in order to reduce the risk of interest rate fluctuations on existing medium-long term loans.

> Credit Risk

RISKS

(Description of risk)

The Lucart Group is exposed to credit risk arising from its business activities with its customers.

The risk is the potential effects that would arise if one of the counterparties were temporarily or permanently unable to meet its obligations.

ACTIONS

(Actions implemented for risk reduction)

Though adopting internal commercial policies to monitor the creditworthiness of customers, the Group insures most of its receivables to further reduce the risks of non-collection with primary insurance companies.

Furthermore, a great part of our customers are international companies and facilities belonging to the large-scale retail channel for which timely information regarding economic and financial performance is available in the market.

However, the complex global economic and financial situation has had an impact on credit and therefore customer solvency is carefully evaluated also by our credit management operators, who in some cases can grant an additional line of credit concerning the one guaranteed by the insurance company.

For the sake of completeness, it should be noted that no significant credit losses were incurred in 2024.



> Liquidity Risk

RISKS

(Description of risk)

Liquidity risk concerns the availability of financial resources and access to the credit market.

The main **internal factors** affecting the Lucart Group's liquidity situation are, on the one hand, the resources generated and absorbed by operations, and, on the other hand, those used in investments made in production and strategic development and debt service.

Significant **external factors** that may affect the availability of adequate financial resources for the Group include international credit market trends, which are closely related to the trends of the global economy and the international geopolitical situation.

ACTIONS

(Actions implemented for risk reduction)

The Lucart Group constantly monitors the trend of liquidity, financial flows (actual and forecast) and available lines through appropriate treasury reports. Despite the ongoing uncertainties at a geopolitical level with a direct impact on the prices of raw materials, the good levels of profitability recorded by the company have allowed it to close the financial year with over 140 million euros of liquidity.

In any case, the management will review the timing of the investments to be made should this be required by liquidity issues, also to comply with the financial parameters envisaged in the existing contracts, reformulating it in line with the development plans, while confirming the interventions aimed at maintaining high levels of production efficiency and quality.

Finally, it should be noted that to date, the Group has credit lines with different banks that are adequate for its liquidity needs, also in light of the Group's capital structure and the balance between short- and medium/long-term sources and loans.

Consequently, the Management estimates that, given the assumed reference market trend and the expected economic-financial data for the next few years, the Group can fulfil its obligations within a foreseeable horizon.



PERSONAL DATA PROTECTION AND PRIVACY

Lucart has always placed a special focus on change and innovation and has defined an organisational model for the protection of personal data, identifying roles and liabilities both inside and outside the governance functions that process data. Procedures for managing the GDPR requirements following the Regulation were also defined and Lucart S.p.A. appointed an external Data Protection Officer (DPO) in 2021.



TRUSTING

SOCIETY AND PEOPLE

SDGs



2

We engage people by sharing our ideal for a better future with everyone. *Our company is made of people who work together following an organisational model based on the following principles: sharing, caring, accountability and vision.*

2.1 Principles

GRI 2-23



Sharing

It is the ability to share information and values accurately, transparently and comprehensively to establish and maintain long-term relationships with colleagues and all the Company's stakeholders.



Caring

It is the attitude of taking care of oneself, one's co-workers, and the community at large, creating relationships of mutual trust based on respect for people, the environment and business sustainability.



Accountability

It is the ability to fulfil commitments, to resolve unexpected circumstances, to always be a helpful and reliable reference for colleagues, co-workers and other stakeholders.



Vision

It is the will to improve one's professionalism by proposing or contributing to the success of new organisational and procedural solutions for the benefit of all stakeholders.

2.2

Communication Plan with Stakeholders

Material Topics	Medium	Owner	Frequency	Verification type
CUSTOMERS AND FINAL CONSUMERS	Newsletter	- Sales Division	Monthly	Analytics
	Conventions	- Marketing Division	Yearly	Q&A
	Meetings	- Sales Division	Miscellaneous	Q&A
	Survey	- Marketing Division - Sales Division	Yearly	Analytics
	Website	- Marketing Division - Corporate Communication	Continuous	Analytics
	Agents	- Sales Division	Miscellaneous	Q&A
	Mobile App	- Marketing Division	Continuous	Analytics
	Social Network	- Marketing Division - Corporate Communication	Continuous	Analytics
	Guided Facility Tours	- Sales Division - Corporate Communication	Yearly	No. of Visitors
	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Trade shows	- Sales Division - Marketing Division - Corporate Communication	Miscellaneous	Q&A
	Toll-free number	- Marketing Division	Continuous	No. of Calls
	Product Packaging	- Marketing Division	Continuous	-
	Catalogues	- Marketing Division	Yearly	-
	Sales Communication	- Marketing Division	Miscellaneous	-
Certifications	- Q&E Division	Continuous	-	
Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads	
SHAREHOLDERS AND INVESTORS	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Direct Contacts	- BOD - Finance Division	Miscellaneous	Q&A
	Website	- Corporate Communication	Continuous	Analytics
	Social Network	- Corporate Communication	Continuous	Analytics
	Meetings	- BOD/Finance Division	Miscellaneous	Q&A
	Survey	- Corporate Communication - Finance Division	Miscellaneous	Analytics
	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads

SOCIETY AND PEOPLE

Material Topics	Medium	Owner	Frequency	Verification type
EMPLOYEES Business integrity and sustainability Combating Climate Change Health and Safety of Workers Responsible sourcing of resources along the supply chain Development and management of human capital	Newsletter	- Corporate Communication	Continuous	Analytics
	Notice Boards and Billboards	- Plant Division/ - Corporate Communication - HR Division	Continuous	Analytics
	Working groups	- All Divisions	Miscellaneous	Q&A
	Survey	- HR Division - Corporate Communication	Miscellaneous	Q&A
	Social Network	- Corporate Communication	Miscellaneous	Distribution
	Intranet	- HR Division	Miscellaneous	Analytics
	Website	- Corporate Communication	Yearly	No. of Downloads
	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
	SUPPLIERS Business integrity and sustainability Combating Climate Change Product and process sustainability Responsible sourcing of resources along the supply chain	Press Releases	- Corporate Communication	Continuous
Sustainability Report		- Corporate Communication - Sustainability Division	Continuous	Analytics
Website		- Corporate Communication	Miscellaneous	Q&A
Social Network		- Corporate Communication	Miscellaneous	Q&A
Direct Contacts		- Corporate Communication - Plant Division	Miscellaneous	Distribution
Survey		- Corporate Communication	Miscellaneous	Analytics
Guided Facility Tours		- Corporate Communication	Yearly	No. of Downloads
LOCAL COMMUNITIES Business integrity and sustainability Combating Climate Change Health and Safety of Workers Responsible sourcing of resources along the supply chain Support to local communities	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
	Website	- Corporate Communication	Continuous	Analytics
	Social Network	- Corporate Communication	Continuous	Analytics
	Direct Contacts	- Corporate Communication - Plant Division	Miscellaneous	Q&A
	Survey	- Corporate Communication	Miscellaneous	Analytics
	Guided Facility Tours	- Corporate Communication	Yearly	No. of Visitors
	REGULATORY BODIES AND INSTITUTIONS Business Integrity and Sustainability Responsible sourcing of resources along the supply chain Health and safety of workers Product safety Support to local communities Combating Climate Change	Direct Contacts	- Heads of Division	Miscellaneous
Dedicated Meetings		- Heads of Division	Miscellaneous	Q&A
Website		- Corporate Communication	Continuous	Analytics
Sustainability Report		- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
Audit		- Heads of Division - Plant Division	Yearly	Report
Guided Facility Tours		- General Management - Heads of Division	Miscellaneous	-

SOCIETY AND PEOPLE

Material Topics	Medium	Owner	Frequency	Verification type
MEDIA Business Integrity and Sustainability Combating Climate Change Product safety Support to local communities Responsible sourcing of resources along the supply chain	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Social Network	- Corporate Communication	Continuous	Analytics
	Direct Contacts	- Corporate Communication - Direzione Marketing	Miscellaneous	Q&A
	Meetings	- Corporate Communication - Direzione Marketing	Miscellaneous	Q&A
	Website	- Corporate Communication - Direzione Marketing	Continuous	Analytics
	Survey	- Corporate Communication	Miscellaneous	Analytics
	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
SCHOOLS, UNIVERSITIES AND RESEARCH INSTITUTIONS Business Integrity and Sustainability Combating Climate Change Development and management of human capital Support to local communities Research, development and innovation	Direct Contacts	- Heads of Division - Corporate Communication	Miscellaneous	Q&A
	Dedicated Meetings	- Heads of Division - Corporate Communication	Miscellaneous	Q&A
	Guided Facility Tours	- Heads of Division - Corporate Communication	Miscellaneous	No. of Visitors
	Survey	- Corporate Communication	Miscellaneous	Analytics
	Website	- Corporate Communication	Continuous	Analytics
	Working groups	- Heads of Division	Miscellaneous	Project Targets
	Social Network	- Corporate Communication	Continuous	Analytics
Sustainability Report	- Corporate Communication/ - Sustainability Division	Yearly	No. of Downloads	
TRADE ASSOCIATIONS Business Integrity and Sustainability Combating Climate Change Development and management of human capital	Direct Contacts	- Heads of Division - Corporate Communication	Miscellaneous	Q&A
	Dedicated Meetings	- Corporate Communication - Heads of Division	Miscellaneous	Q&A
	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Website	- Corporate Communication	Continuous	Analytics
	Social Network	- Corporate Communication	Continuous	Analytics
	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
	Working groups	- Heads of Division	Miscellaneous	Q&A
TRADE UNIONS Business Integrity and Sustainability Combating Climate Change Health and safety of workers Development and management of human capital Responsible sourcing of resources along the supply chain	Dedicated Meetings	- HR Division - Plant Division	Miscellaneous	Q&A
	Press Releases	- Corporate Communication	Miscellaneous	Distribution
	Direct Contacts	- HR Division	Miscellaneous	Q&A
	Working groups	- HR Division	Miscellaneous	Q&A
	Sustainability Report	- Corporate Communication - Sustainability Division	Miscellaneous	No. of Downloads
	Bulletin boards	- HR Division	Miscellaneous	-

	Material Topics	Medium	Owner	Frequency	Verification type
NGOS	Business Integrity and Sustainability	Press Releases	- Corporate Communication	Miscellaneous	Distribution
		Website	- Corporate Communication	Continuous	Analytics
	Combating Climate Change	Social Network	- Corporate Communication	Continuous	Analytics
	Responsible sourcing of resources along the supply chain	Direct Contacts	- Corporate Communication	Miscellaneous	Q&A
	Support to local communities	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
		Guided Facility Tours	- Corporate Communication	Yearly	No. of Visitors
STRATEGIC PARTNERS FOR CIRCULARITY	Business integrity and Sustainability	Press Releases	- Corporate Communication	Miscellaneous	Distribution
		Website	- Corporate Communication	Continuous	Analytics
	Combating Climate Change	Social Network	- Corporate Communication	Continuous	Analytics
		Direct Contacts	- Corporate Communication	Miscellaneous	Q&A
	Business integrity and sustainability	Sustainability Report	- Corporate Communication - Sustainability Division	Yearly	No. of Downloads
	Combating Climate Change	Guided Facility Tours	- Corporate Communication	Miscellaneous	No. of Visitors
	Research, development and innovation	Dedicated Meetings	- Corporate Communication	Miscellaneous	Q&A
		Working groups	- Corporate Communication	Miscellaneous	Q&A
		Survey	- Corporate Communication	Yearly	Analytics
		Trade shows	- Corporate Communication - Marketing	Miscellaneous	No. of Visitors
COMPETITORS	Business integrity and sustainability	Press Releases	- Corporate Communication	Miscellaneous	Distribution
		Website	- Corporate Communication	Continuous	Analytics
	Combating Climate Change	Social Network	- Corporate Communication	Continuous	Analytics
	Customer Satisfaction Product and process sustainability	Direct Contacts in Trade Associations	- Heads of Division	Miscellaneous	Q&A
		Sustainability Report	- Corporate Communication/ Sustainability Division	Yearly	No. of Downloads

> Main stakeholder communication types and channels

In addition to the stakeholder engagement activities carried out for the purpose of the Priority Material Issues List, Lucart carries out various stakeholder engagement activities. In particular, the information channels with various stakeholders have different updating frequencies; this may be weekly for the website and social networks, monthly or quarterly for some meetings on specific topics with trade unions or annual for surveys, guided facility tours, open days and agent conventions.

2.3

Relations with personnel

GRI 2-21
403-5
404-2
404-3

At its core, Lucart Group is geared towards people.

This is why Lucart safeguards and promotes their value, growth and success to improve and increase assets and competitiveness.

Lucart is an equal-opportunity employer. Recruitment is based on professional qualifications, abilities, merit, skills and experience, with no discrimination for religion, gender, race, political beliefs or trade-union affiliation.



In 2024 the ratio of the maximum total annual salary to the median salary of the other employees (excluding the person receiving the maximum salary) was 5.17. It should also be noted that the ratio of the percentage increase in total annual remuneration to that of the median remuneration of other employees was 1,15¹¹.

> Training and transversal technical skills

All training courses which are not part of the occupational safety programme are planned following a needs analysis.

The Human Resources Department, in collaboration with the individual Business Departments, defines the requests for training requirements for the Group's employees during the annual planning.

Based on the training priority criteria and fair resource allocation, the Human Resources Department plans the training programmes to be implemented by choosing the appropriate professionals with whom they will define specific content and manage the organisational aspects of the intervention.

Any additional requests that emerge after the initial collection of training requirements or due to changes in organisational, technological and regulatory perspectives are discussed and evaluated by the Human Resources Department in conjunction with the department managers.

The training programme implemented for individual employees is not standardised for the type of business role, but it is structured on a case-by-case basis, according to knowledge and skills to bridge any gaps between what is expected and required by the role in terms of technical knowledge and transversal skills.

In 2024, an important specific program was provided in the Sustainability - ESG field, on environmental issues, well-being, personal care and digital development through the activation of the New Skills Fund call (second edition). This training involved all Lucart S.p.A. employees, managers and executives for approximately 60 hours per capita¹². Furthermore, both technical and linguistic training and refresher courses continued, as did training activities related to workplace safety, cybersecurity and AI, quality and lean manufacturing.



All newly hired personnel and managers receive a four-week induction course ("onboarding weeks"), scheduled at different times of the year. Each week is dedicated to one of the four cornerstones of Lucart's people strategy: sharing, caring, accountability and vision.

During the onboarding weeks, the newly hired person is given a practical insight into the company's vision, our commitment to sustainability, and the specifics and challenges of our business through direct reports from managers and colleagues in the various business units.

¹¹ Starting from 2024, data referring to Hungary are also included. For Lucart S.p.A., the values of the prizes paid during the year specifically linked to a special project opened and completed in the same year have been separated from the count.

¹² Considering all Lucart Group employees, 18% received specific training in sustainability during 2024 (60 hours per capita).



Skills assessment

At Lucart we firmly believe that planning and formalising the process by which workers’ skills are assessed adds significant value to our company. It is an act of transparency, clarity and loyalty that helps the organisation and its people to be fully aware of the values in which we believe and of the relationship styles that we intend to promote to improve the well-being of people and their performance.

In other words, Lucart views the Human Resource assessment as a process that guides people and helps them enhance their particular useful skills, improve their results and increase the value of the human capital.

Skill Mapping is the process by which we assess the soft and technical skills of Lucart employees to identify both potential areas of improvement and strengths to be enhanced. It is also used as a guide for people to the company’s strategic behaviours (Evaluation and Improvement).

Loyal to this vision, Lucart has structured the skills assessment process, fine-tuning its tools and extending its scope, aware that this is a constantly changing process, both concerning the underlying methodological assumptions and the progressive and inevitable technological evolution, which will make it possible to simplify the administrative part of the process and will support users (assessors and assessees) in reading, analysing and interpreting the assessments made.

During 2024, the implementation of the Performance module in the new HCM (Human Capital Management) software was completed, which allows for a standardised process at Group level for the evaluation of all internal staff. The process went live in Q2 2024. Further development of HR processes is planned in 2025, expanding the HCM perimeter to the Plant in the UK (the only remaining country for integration) and introducing a new module for integrated compensation management.

PERCENTAGE OF EMPLOYEES WHO RECEIVED A REGULAR PROFESSIONAL DEVELOPMENT ASSESSMENT BY CATEGORY AND GENDER

Qualification	Year	M	F
Managers	2022	28%	61%
	2023	38%	68%
	2024	27%	35%
White collars	2022	23%	20%
	2023	40%	31%
	2024	18%	11%
Blue collars	2022	21%	54%
	2023	21%	68%
	2024	18%	58%



Smartworking

After extensive experimentation with different Smart Working 2020s, Lucart currently has a defined Smart Working system in which all office workers can work from home one day a week, subject to individual agreement as provided for in Decree-Law 81/2017.



Internal communication

The Company Newsletter is now a consolidated tool for sharing internal information within the group. It is written by the Corporate Communication Office which, together with the involvement of the various departments, collects important news, collaborations, partnerships and objectives achieved by the various plants.

Eight issues of the Newsletter were sent in 2024 and the opening rate in various languages stood at around 50%, reaching the objectives set for the tool.

The main news concerning the Group are posted on company notice boards located in the production departments of plants, on information screens and on the "Zucchetti" web portal available to Lucart S.p.A. workers in Italy.

NEWSLETTER
OPENING RATE
OF APPROX
50%



2.4 Lucart personnel structure

GRI 2-7
2-8
401-1
401-3
404-1
405-1

The data in the following tables refer to the company's structure as of 31 December 2024.

TOTAL NUMBER OF EMPLOYEES BY GENDER

Year	M	F	Tot.
2022	1,477	234	1,711
2023	1,490	231	1,721
2024	1,510	238	1,748

TOTAL NUMBER OF EMPLOYEES PER LEGAL ENTITY

Year	Italy	France	Spain	UK	Hungary	Slovenia	Germany	Tot.
2022	985	337	214	92	74	4	5	1,711
2023	1,000	326	220	90	75	4	6	1,721
2024	982	349	232	99	74	4	8	1,748

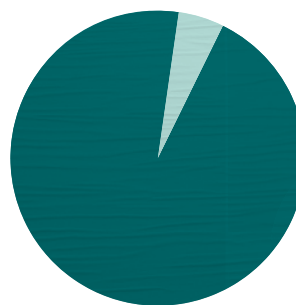
TOTAL NUMBER OF EMPLOYEES WITH RELEVANT BREAKDOWN BY CONTRACTUAL TYPE AND GENDER

Contract type ¹³	Year	M	F	Tot.
Fixed term	2022	55	18	73
	2023	53	15	68
	2024	67	14	81
Permanent time	2022	1,422	216	1,638
	2023	1,437	216	1,653
	2024	1,443	224	1,667

In 2024, the number of non-employee workers in the Lucart Group is 120, of whom 115 are on temporary contracts, 5 on traineeships.

¹³ There are no zero-hour contract employees in Lucart facilities.

**% EMPLOYEES BY
CONTRACT TYPE**



5%
Fixed term

95%
Permanent

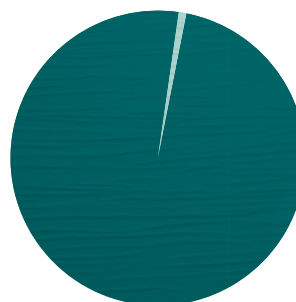
GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES BY CONTRACT TYPE ¹⁴

Contract type	Year	Italy	France	Spain	UK	Hungary	Slovenia	Germany	Europe (other countries)	Rest of the World	Total
Permanent	2023	960	285	199	76	75	2	4	29	23	1,653
	2024	959	301	196	79	73	2	6	34	17	1,667
Fixed term	2023	11	39	16	0	0	0	0	1	1	68
	2024	4	47	29	0	0	0	0	0	1	81

**TOTAL NUMBER OF EMPLOYEES WITH RELEVANT BREAKDOWN
BY TYPE AND GENDER**

Contract type	Year	M	F	Tot.
Part Time	2022	6	13	19
	2023	6	12	18
	2024	10	15	25
Full Time	2022	1,471	221	1,692
	2023	1,484	219	1,703
	2024	1,500	223	1,723

**% PART TIME AND FULL TIME
EMPLOYEES**



1%
Part Time

99%
Full Time

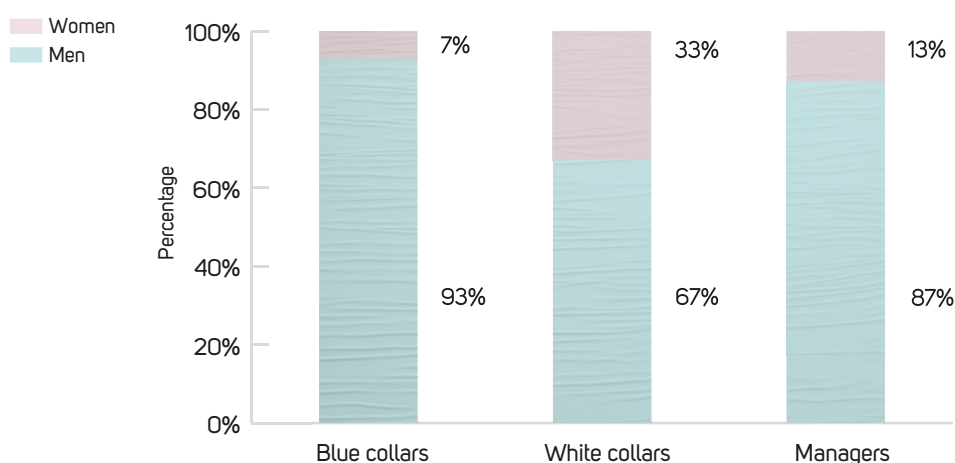
Employees with a “Full Time” contract are those whose contractual working hours correspond to the hours/days of the law of the country in which they were hired.

¹⁴ From the year 2023 onwards, the nationalities of each employee were mapped, unlike in previous reporting. Consequently, it is not possible to provide a comparison over the two-year period 2022 and 2024. Senior managers working in the companies are 100% from the local community.

BREAKDOWN OF EMPLOYEES BY AGE, QUALIFICATION, GENDER

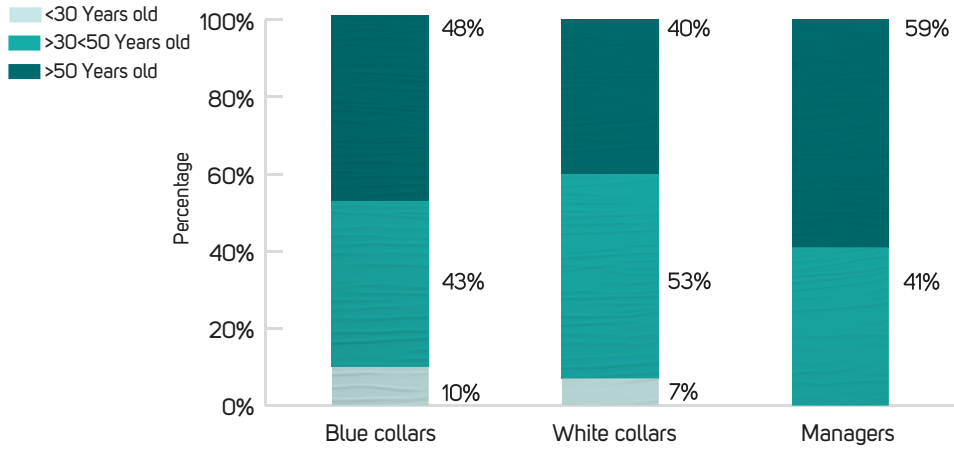
Qualification	Year	<30 years old		30-50 years old		>50 years old		Tot.
		M	F	M	F	M	F	
Managers	2022	1	0	60	15	72	6	154
	2023	1	0	59	15	71	4	150
	2024	0	0	46	16	86	4	152
White collars	2022	23	10	149	87	91	34	394
	2023	28	10	142	88	108	39	415
	2024	22	9	142	86	126	45	430
Blue collars	2022	86	12	518	44	477	26	1,163
	2023	77	9	502	37	502	29	1,156
	2024	96	15	463	37	529	26	1,166

PERCENTAGE OF MEN AND WOMEN BY QUALIFICATION (YEAR 2024)



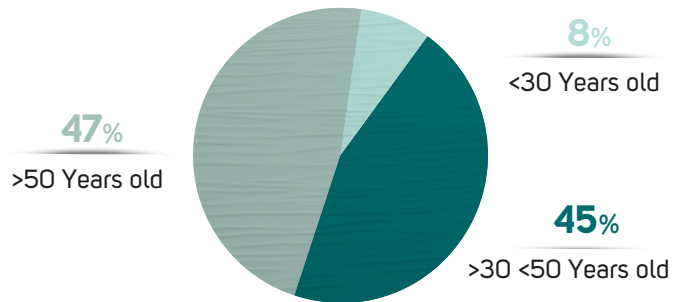
Qualification	Year	% M	% F
Managers	2022	86%	14%
	2023	87%	13%
	2024	87%	13%
White collars	2022	67%	33%
	2023	67%	33%
	2024	67%	33%
Blue collars	2022	93%	7%
	2023	94%	6%
	2024	93%	7%

PERCENTAGE OF AGE GROUPS BY QUALIFICATION (YEAR 2024)

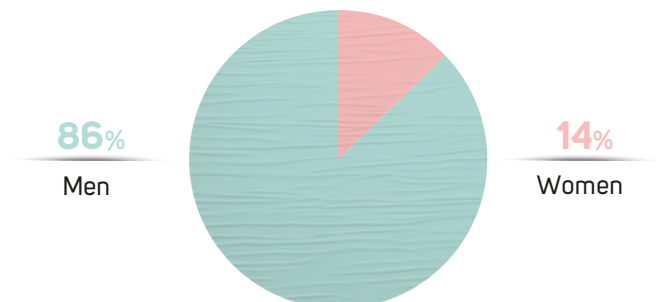


Qualification	Year	% <30 years old	% 30-50 years old	% >50 years old
Managers	2022	1%	49%	51%
	2023	1%	49%	50%
	2024	0%	41%	59%
White collars	2022	8%	60%	32%
	2023	9%	55%	35%
	2024	7%	53%	40%
Blue collars	2022	8%	48%	43%
	2023	7%	47%	46%
	2024	10%	43%	48%

**BREAKDOWN OF EMPLOYEES
BY AGE**



**BREAKDOWN OF EMPLOYEES
BY GENDER**



NEW RECRUITMENTS BY AGE AND GENDER¹⁵

Years	Gender	2022		2023		2024	
<30 years old	M	71	64.5%	53	50.0%	59	50.0%
	F	23	100%	12	63.2%	22	91.7%
30-50 years old	M	79	10.9%	67	9.5%	83	12.7%
	F	32	21.9%	16	11.4%	17	12.2%
>50 years old	M	28	4.4%	23	3.4%	31	4.2%
	F	6	9.1%	4	5.6%	1	1.3%
Total recruitment		239	14.0%	175	10.2%	213	12.2%

TERMINATIONS BY AGE AND GENDER¹⁵

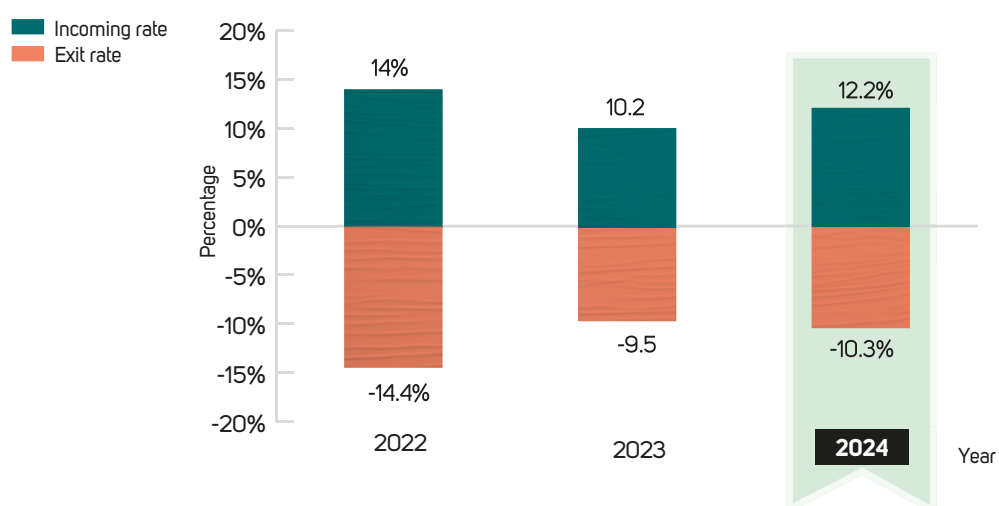
Years	Gender	2022		2023		2024	
<30 years old	M	55	50.0%	33	31.1%	29	24.6%
	F	21	95.5%	10	52.6%	10	41.7%
30-50 years old	M	76	10.5%	46	6.5%	61	9.4%
	F	24	16.4%	17	12.1%	13	9.4%
>50 years old	M	62	9.7%	50	7.3%	60	8.1%
	F	8	12.1%	8	11.1%	7	9.3%
Total terminations		246	14.4%	164	9.5%	180	10.3%

¹⁵ All percentages reported are calculated using the total number of employees by age group and gender as the denominator, except for the percentage referring to total hires which is calculated using the total number of employees as the denominator.

TURNOVER BY GEOGRAPHICAL AREA¹⁶

Incoming rates						
Geographical area	2022		2023		2024	
Italy	51	5.2%	62	6.2%	42	4.3%
Spain	42	19.6%	24	10.9%	51	22.0%
France	106	31.5%	42	12.9%	70	20.1%
UK	14	15.2%	34	37.8%	37	37.4%
Hungary	25	33.8%	11	14.7%	13	17.6%
Slovenia	1	25.0%	1	25.0%	0	0.0%
Germany	0	0.0%	1	16.7%	0	0.0%

Exit rates						
Geographical area	2022		2023		2024	
Italy	52	5.3%	37	3.7%	62	6.3%
Spain	42	19.6%	24	10.9%	13	5.6%
France	93	27.6%	53	16.3%	62	17.8%
UK	25	27.2%	36	40.0%	28	28.3%
Hungary	33	44.6%	13	17.3%	15	20.3%
Slovenia	0	0.0%	1	25.0%	0	0.0%
Germany	1	20.0%	0	0.0%	0	0.0%



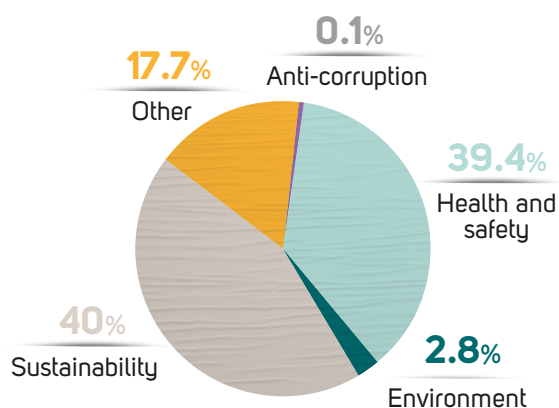
¹⁶ The rates reported by geographic area are calculated using the total number of employees per legal entity of the Group as the denominator.

AVERAGE TRAINING HOURS PER CAPITA FOR EMPLOYEES BY QUALIFICATION AND GENDER

Qualification	Year	M	F	Average hours per capita
Managers	2022	16.5	19.1	16.9
	2023	19.6	17.6	19.3
	2024	30.9	28.8	30.6
White collars	2022	12.7	6.9	10.8
	2023	17.5	15.0	16.7
	2024	27.3	37.1	30.5
Blue collars	2022	7.1	16.8	7.8
	2023	5.9	7.9	6.1
	2024	8.0	6.0	7.9

TOPICS COVERED IN TRAININGS

From the year 2024 onwards, the topics that were the subject of the training provided to employees is reported: 1) anti-corruption (as required by GRI 205-2); 2) health and safety; 3) environment (e.g. waste management, environmental management system, etc.); 4) sustainability (ESG issues, specific training on Diversity & Inclusion); 5) other (e.g. management and leadership courses, language courses, training on demand planning, etc.).



MATERNITY/PATERNITY LEAVE

	2023			2024		
	M	F	TOT.	M	F	TOT.
Total number of employees with a right to parental leave	1,490	231	1,721	1,510	238	1,748
Total number of employees who used their parental leave	25	7	32	46	11	57
Total number of employees who returned to work during the reporting period at the end of their parental leave	25	5	30	46	8	54
Total number of employees who returned to work at the end of their parental leave and who are still employed, 12 months after returning	24	5	29	23	5	28
Percentage of employees who returned to work after their parental leave	100%	71%	94%	100%	73%	95%
Retention rate	100%	83%	97%	92%	100%	93%

2.5

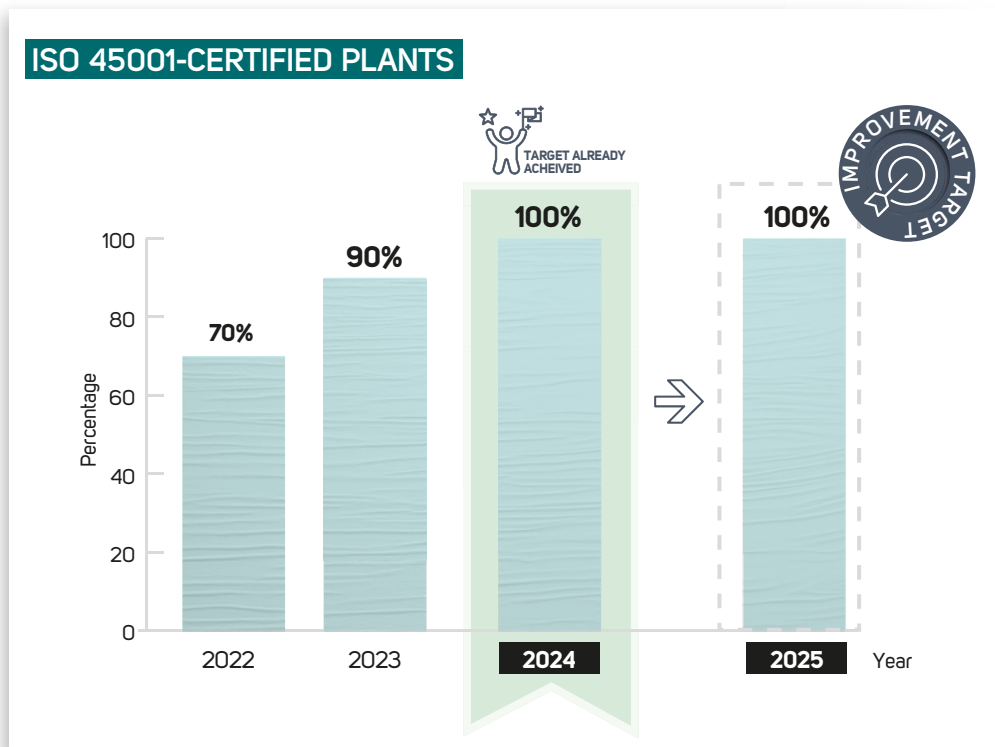
Occupational Health and safety

GRI 403-1
403-2
403-3
403-4
403-5
403-6
403-7
403-9

Lucart is committed to minimising work-related accidents and occupational illnesses, assuring a healthy and safe workplace for its employees and anybody working in its plants and offices. Structured and integrated systems have been implemented to achieve this target, within which the Lucart Safety Policy is laid out, implemented and monitored. Since 2020, all of the Group's Italian plants have had ISO 45001:2018 multisite certification. The Blackmore Park plant in the UK achieved ISO 45001:2018 certification in 2022. In 2023, the plants in Laval-sur-Vologne, Artziniega and Nyergesújfaló also achieved this certification. In 2024, the Aranguren plant also officially achieved this important result, allowing the achievement of the improvement objective of complete coverage of the group's production plants by the ISO 45001:2028 certification one year in advance.

For Lucart, the involvement of the workers and their constant awareness of safety issues in the company, together with the consolidation of positive relations with the company and local trade union organisations, are key. All this has made it possible, by mutual agreement, to pursue increasingly ambitious occupational health and safety targets.

Human Resources, through strong synergy with the Safety function, updated the ongoing training programmes as required by the 2011-2012 Agreement between the Central Government and the Italian Regions (as amended), for all the Italian plants of the Group.



> Occupational safety training

Lucart provides and guarantees its employees appropriate training on occupational safety.

The required training is planned when a new employee joins the company by homogeneous category group (identified in the risk assessment document).

The “Mandatory worker training course” precedes any operational activity and represents the first training course in the company. This type of training can last 8 or 16 hours, depending on the homogeneous category group.

The Facility Protection and Prevention Department informs the Human Resources Department of the activities that the new employee will carry out.

The company has identified Safety Roles that are associated with a specific training course that the Human Resources Department will activate for the specific employee. Therefore, employees receive both basic mandatory training and refresher courses according to current law.

This training course is not only attended when new employees join but also if there is a change/integration in tasks and/or Safety Role.

**BEST
PRACTICE**



A **Safety Committee** periodically meets with the participation of all key players, including the employer. The committee reviews all results, compares them with the objectives and defines the necessary strategic and operative actions. Each production facility is also equipped with clearly defined analysis and control tools such as the **Safety Meetings**, department and area **Audits, Improvement and Training Programmes**. Trade Union Representatives of the individual plants also take part in the Safety Meetings.

In particular, accidents are monitored in all the production facilities of the Group by recording the reference indicators, such as NUMBER of ACCIDENTS during the examined period, FREQUENCY INDEX¹⁹ and SEVERITY INDEX²⁰.

Particular attention is devoted to recording and analysing near-misses to design and implement the necessary corrective actions following the principle of prevention.

At all of the Group’s Italian plants, all the above-mentioned activities are carried out in close cooperation with the Supervisory Body according to Italian Legislative Decree 231/2011.

The trends of accidents and of the FI (Frequency Index) and SI (Severity Index) indicator trends for all Lucart Group production facilities, logistics centres and warehouses.

NUMBER OF ACCIDENTS AND ACCIDENT INDICES²¹ 2024 - EMPLOYEES

Production plant	Total number of accidents	Number of accidents > 180 days	FI	SI
Italy	14	1	8.96	0.64
France	19	0	35.81	0.00
Spain	7	0	21.26	0.00
Hungary	0	0	0.00	0.00
UK	2	0	14.39	0.00
TOTAL	42	1	15.66	0.37

It is worth noting that, for 2,682,049 hours worked by Group employees, the accident rate >180 days was 0.37. For non-employees there were 5 accidents, all of which not serious, for 161,671 hours worked (accident rate of 30.93; accident rate >180 days of 0). There were no deaths among either employees or non-employees.

> “Zero Objective”

In recent years, all the Italian plants have been considerably successful in reducing work-related accidents; in 2024 Lucart S.p.A. has, in fact, confirmed its ability in this area with the Torre di Mosto plant, which has achieved the prestigious “Zero Objective”. It should be noted that the Hungarian plant also did not record any accidents during 2024.

> Segui la Sicurezza” Campaign

As a result of the collaboration between the Group’s Prevention and Protection Service, the Human Resources Department and the Communication Office, a communication campaign will be designed in 2021 and launched in the first quarter of 2022, dedicated to individual responsibility in the prevention of occupational risks. Stars of the campaign were some colleagues and their children who were invited to take part in a special photoshoot to highlight the fundamental role of prevention in ensuring well-being and tranquillity at work, at home and during leisure time.



¹⁷ The Safety Committee members are the Directors of the Group companies, the Chief Operations Officer, the Safety Delegates, the Health and Safety Service Managers/Health and Safety Service Operatives (RSPP/ASPP) in the Italian plants, the Safety Representatives of the other Group companies, the Chief HR Officer, the Legal Counsel, the Chief Technology Officer and the Supervisory Board, HSE, HS.

¹⁸ The methodology for calculating injuries, starting from the year 2023, has been adapted to the requirements of the GRI 403 standard, which requires all injuries with a medical certificate to be counted regardless of the number of days of absence related to them, unlike the Italian legislation which considers three days of absence for the purposes of counting as an injury (approach used until 2022).

¹⁹ Frequency Index (FI): Number of accidents/Hours worked x 1,000,000.

²⁰ Severity Index (SI) (starting from 2023, the calculation of this index has been adjusted to the requirements of GRI 403-9): Days of absence due to injuries > 180 days/Hours worked x 1,000,000.

²¹ The accident count takes into account accidents with a medical certificate, regardless of the number of days of absence associated with them. Accidents on the way to work are considered only when the trip is organized by the company. The commercial branches in Germany and Slovenia are excluded from the accident count. The main types of accidents are bruises, wounds, fractures, and crush injuries.

2.6 Relationships with other stakeholders

GRI 2-29
203-1

The regulatory system of the Code of Ethics, with its principles of legality, loyalty, transparency, impartiality and independence, governs all relationships with Company stakeholders (customers, end consumers, shareholders and investors, employees, suppliers, local community, media, trade unions, regulatory bodies, non-government organisations, trade associations, schools, universities, research organisations and strategic partners for circularity). Dialogues with stakeholders focus on relevant issues as identified by the Materiality Analysis described in "Corporate identity and performance indicators" chapter.

> Customers and final consumers

Lucart is committed to satisfying its customers according to the requirements laid down by law, contracts and predetermined quality standards.

The main objectives are customer satisfaction and protection, receptiveness to specific requests, product quality improvement and the offer of new business prospects. All this within a logic of partnership geared towards innovative, value-creating solutions that are stable over time and user-friendly.

The communication activities with customers and end consumers focused on issues identified as relevant according to the Materiality Analysis and therefore concerned in particular business integrity and sustainability, combating climate change, sustainable product and process development, responsible sourcing along the supply chain, product safety and customer satisfaction.

AWAY FROM HOME AREA

Tree Challenge

The international Tree Challenge incentive was created to create greater awareness of EcoNatural and greater sensitivity towards environmentally sustainable projects.

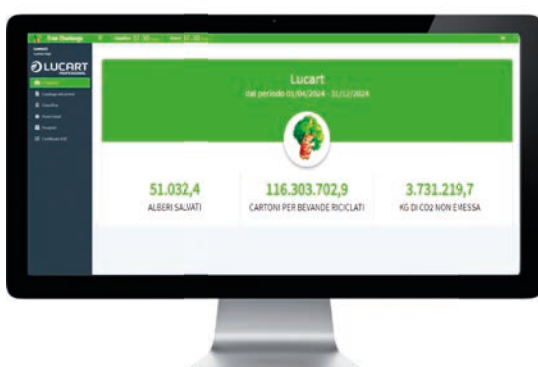
The international competition is aimed at the salespeople of our main partners by rewarding the most effective in saving trees and providing at the same time the possibility

for participants to request sustainable awards or more based on their level.

Counting the saved trees is the calculation

method of the incentive plan that preserves the fundamental characteristic of the product range on which it is based, i.e., sustainability. The vendors of participating partners can increase their personal number of saved trees by competing with each other. They are encouraged to earn an **Environmental Savings Certificate** that in addition to the trees not used also considers the CO₂ not emitted and the number of recovered beverage cartons.

In 2024, in the incentive period alone, Lucart, thanks to the Tree Challenge incentive campaign, avoided the use of 51 thousand trees and avoided releasing over 3 million kg of CO₂e into the environment.



Environmental Saving Calculator

In 2024, we renewed the Environmental Saving Calculator (ESC), an online tool that allows you to calculate the positive environmental impact resulting from the purchase of products from the EcoNatural line, made of Fiberpack, the raw material obtained from the recycling of cellulose fibers from beverage cartons. In this new version, the tool has become even more user-friendly, with an intuitive and attractive interface, thus simplifying the user experience. Furthermore, this upgrade has allowed us to strengthen the calculation method, subsequently consolidated by Ergo, a spin-off of the Scuola Superiore Sant'Anna in Pisa. Thanks to this consolidation, the data obtained through the ESC are supported by a rigorous scientific approach, ensuring greater transparency and precision in the calculation of the environmental contribution in terms of recycled beverage cartons, unused trees, and avoided CO₂e.

LAN – Lucart Accelerator Network

From 14 to 16 October, our annual meeting with Lucart “Accelerators” was held in Malta, a network of distributors across the world, great supporters of Lucart and always ready to actively and proactively receive news and stimuli from the company. “Sustainability illuminates our path towards the future” was the leitmotif of the event, because we are truly convinced that innovation is the engine of everything, but only sustainable innovation can guarantee a better future for the community and the planet, and our commercial partners know this well. The event was full of moments of exchange and sharing, as well as external interventions by university

professors and market professionals who enriched our vision with their knowledge and motivated and strengthened the belief that the key to success is belonging to a cohesive team united towards the same goal; a team that shares the same values, that recognizes the richness and strength of the group in the peculiarity of each individual and that knows how to constructively exploit the diversity of each market. As always, during the meeting, moments of high professionalism alternated with moments of pure leisure and conviviality, which further strengthened the climate of mutual respect and trust.



Convention Velo

From 5 to 12 March 2024, the traditional convention dedicated to Velo dealers took place in Thailand, an exclusive event reserved only for the historic network of distributors of the Velo brand in Italy. The event included work sessions focused on sharing company projects and the successful experiences of partners, and workshops aimed at identifying innovative solutions in pursuing common goals. In the suggestive setting of Phuket, moments of leisure and relaxation were obviously also planned, which made the experience even more complete and unforgettable. This formula stands out for the importance it gives to strengthening the partnership bond: a unique opportunity for dealers to get to know each other better, appreciate our commitment to enhancing their trust and consolidate a profitable collaboration, with the aim of developing together, year after year, the Velo business.





Starting in 2024, Lucart has chosen to entrust the brand's communication strategy to a historic communication agency, which has contributed over the decades to writing the history of Italian advertising: the Armando Testa group.

The strategy undertaken focuses on the deepest meaning of the word **"tenderness"** and its essential value in today's life.

From this consideration, a distinctive campaign was created, with a completely new language for the product category. Consumers are called to listen to the true voice of many children who "see far" and, starting from a product of everyday use, an important message is given with a much deeper value: **"Hey, grown-ups, listen to us! We all need tenderness... and not just when we do our business!"**.

A new communication strategy aimed at maximizing a premium brand positioning, which comes to perfectly support the relaunch process of this line, started and completed during the two-year period 2023-2024.

During the year, the brand participated in prize competitions and events of national importance. Thanks to the partnership with **SCJohnson**, from January to July 2024, on the packaging of a selection of toilet papers there was a €1 discount coupon, which could be used to purchase Duck Fresh Discs. From May to December 2024, the new Tenderly Pink toilet paper was launched with an on-



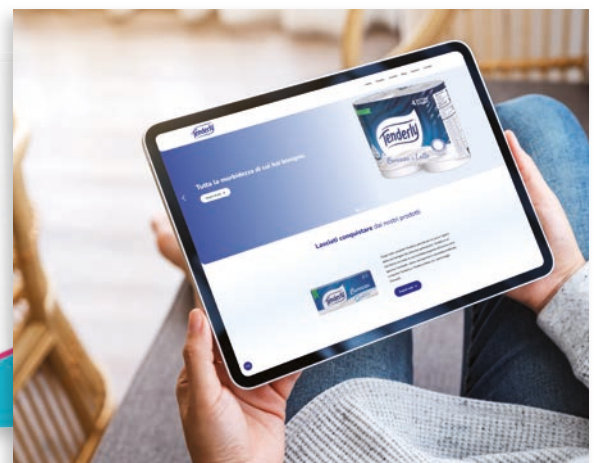
Tenderly Kilometrica. Extra durata, extra morbidezza.
Prova Tenderly Kilometrica, la carta igienica naturalmente morbida e dermatologicamente testata che dura molto più a lungo. Strappo dopo strappo, scoprirai la sua consistenza unica, data dall'unione tra le fibre di lino e la pura cellulosa. Perché la voglia di tenerezza... non finisce mai!

Tenderly
Un mondo di tenerezza

Facebook, Instagram, Twitter icons, Tenderly.it
Lucart S.p.A. Via Olcese, 77 - Pinerolo (TO) ITALIA

pack competition **"Libera di amarti"**, thanks to which it was possible to participate in the daily draw for a splendid necklace by Vivian Gioielli. At the same time, the brand was then a sponsor in the sports field alongside women and all cycling enthusiasts, in the Giro d'Italia Women 2024.

Finally, Tenderly's new website was launched in autumn, featuring an optimized user experience, designed for convenient and comprehensive mobile navigation.





Tutto

In the first part of the year, we focused on Tutto Pannocarta, moving from a narrative focused on versatility (2023) to a narrative dedicated to the consistency and uniqueness of the product.

In the second part of the year, thanks to the completion of the launch/relaunch of Cucina Più, Cucina Style and Pannocarta, an important upgrade was made: after having talked about versatility, consistency, we enter a new and unexplored territory for tissue products. 2024, after all, is the year of tech innovations: from OpenAI showing the potential of the new GPT-4 in a global live session, to Apple revealing the new features of the latest iPhone from Silicon Valley. Tutto also has its say in the cleaning category and explains the benefits of a product range that makes the difference thanks to technology with a new campaign, called **TuttoRIAL**.

This campaign explains the new technologies in the range: Airlaid with Pannocarta, and Hi-Per, the latest creation from the Lucart laboratories, regarding Cucina Più and Cucina Style. This campaign draws inspiration from the great tech launches and presents the new range with a curious and astonishing style, typical of Silicon Valley. This second campaign also uses the integration, in the narrative flow, of influencers who contribute, in a playful way and in tune with the brand's

tone of voice, to explain the role and technology of each product.

Thanks again to the partnership with SCJohnson, until September 2024, on the packaging of Tutto Pannocarta and Pannocarta Facile, there was a €1 discount coupon for the purchase of Pronto brand products.

In the first half of the year, we made several product placements in the historic cooking show Cotto e Mangiato, and in the brand-new format L'Orto di Carlotta, on Food Network (channel 33).

Some influencers were activated thanks to the collaboration with Casa Facile within the Digital Week, who gave life to a story with the most varied uses of Pannocarta, from the most classic to the most creative and original.





In 2024, Grazie EcoNatural was the protagonist on Italian and French social channels of

an innovative campaign, with an activist soul, which was divided into two distinct moments: a launch, with the aim of explaining and telling, and a recall, aimed at consolidating. After declaring itself the leader of the silent movement of **SosteNinja** (a neologism that merges the word sustainability with the word ninja), the brand tells who it is and what it does, then with a strong call to action, invites people to join the movement.

The movement's manifesto expresses its raison d'être with the following statement, traceable in the intro of the hero video: **"we are for the future of trees, because we don't cut them down in the present"**.

A status quo made possible thanks to the silent but effective moves of SosteNinja, the silent warriors who don't cut down trees because they use 100% recycled paper products.

The hero video is characterized by the rhythm used, the setting that strongly recalls the beauty of trees and nature, and an incisive voiceover that accompanies the visual and auditory narration.

In light of Grazie EcoNatural's entry into the German market, the video was then also adapted into German, maintaining its original imprinting.

Finally, in the last part of the year, the grazie.it website was relaunched, following a restyling, improving its general navigability, product search and visibility of the product range.



> Shareholders and investors

Lucart has always stood out for its constant and transparent relationship with financial stakeholders, promoting an active financial partnership based on a constant sharing of corporate and investment strategies to agree on the most appropriate and advanced solutions to support financial needs and more.

The strategic partnership with Azzurra Capital, which acquired, at the end of 2024, a stake in Pasfin S.p.A., the holding company that controls Lucart S.p.A., is an example of how the Group collaborates with financial partners to support growth.

Furthermore, the Lucart Group's high attention to ESG issues has been shared with major financial institutions by signing sustainability-linked loans.

> Suppliers

Supplier selection and the establishment of terms of purchase are based on an evaluation of quality, TCO (Total Cost of Ownership) of goods and services requested, and the ability to promptly supply and guarantee goods and services according to the specific needs of the company.

Lucart implements supplier selection criteria based on compliance with the regulations in force, with internal rules and with the code of ethics. In no case shall a supplier be preferred over another as a result of personal relationships, favouritism or advantages, other than those of exclusive interest and benefit of Lucart.

Virgin cellulose is purchased outside the European Community, in particular only after a careful evaluation under the EU Timber Regulation (No. 995/2010 as amended and integrated).

All the cellulose used derives from certified chains of custody and the adopted certifications (FSC®, PEFC and SFI®), as well as complying with proper environmental management, also guarantee compliance with the rights of workers and local communities.

Purchases are mostly concentrated in Italy, France, Spain, Hungary and the UK, the countries that currently host the production facilities of the Group. In the following table, we have considered all purchases made within the home country of the company as local purchases.

Lucart Kft is a converting-only facility and consequently imports reels of paper to be converted from the other branches of the Group. It also serves as a distribution hub for Eastern Europe for finished AFH products, some of which are produced in other facilities of the Group.

GEOGRAPHICAL DISTRIBUTION OF PURCHASES

The method of reporting the following information has been revised in order to improve the clarity of this overview. The following items are included: cost of raw materials, consumables and other goods; cost of services and use of third-party assets.

Percentage of purchases concentrated on local suppliers in relation to the most significant operating facilities.

Lucart S.p.A.		Lucart SAS		Lucart Tissue & Soap S.L.U.		Lucart Kft.		Lucart Hygiene Ltd.	
Italy	56%	France	55%	Spain	61%	Hungary	16%	UK	49%
Abroad	44%	Abroad	45%	Abroad	39%	Abroad	84%	Abroad	51%

> Local community



Lucart maintains regular relations with local organisations, voluntary associations, such as the Red Cross, the Confederazione Nazionale delle Misericordie d'Italia and Protezione Civile, and with public schools in the area to contribute to the well-being of local communities. Direct contacts make it possible to quickly get to know the actual needs and satisfy them.

Contacts with schools in the Lucca area, aimed in particular at developing a culture of recycling and conscious use of products, were also maintained by supporting the participation of schools in the "Clean up the World" initiative organised by Legambiente.

In 2024, Lucart donated paper hygiene products to local institutions and the Misericordie, in addition to its usual financial support for the Meyer Foundation. Products for hygienic and sanitary use were donated to associations active on the territory to support families in need.

As every year, in compliance with the company's Code of Ethics, gifts sent by suppliers to the employees of the Group were collected and donated to local associations.

> Media

Media relations are based on the principles of transparency and collaboration and are managed by the Corporate Communication Office, which collects requests for information from journalists and provides the requested information. The Lucart Press Office actively informed the media with particular attention to issues relating to sustainability, the circular economy, investments and activities with a social purpose carried out locally in 2024.

Coverage in the Italian media in 2024 improved in quality compared to 2023.

Media relation activities were also carried out in France, Hungary and Spain, with good results in terms of positioning.

GRI 2-30

SDG



> Trade Unions

Lucart has always maintained a structured Industrial Relations system with the Unions, based on a continuous constructive dialogue following local regulations and an international level with the EWC - European Works Council.

There were no meetings of the European Works Council in 2024 because, although there is an agreement in place, the role of international union representative has become vacant, and the unions have not yet appointed a replacement.

The national collective bargaining agreement for the paper and paper converting industry is applied in the Italian companies of the Group in addition to second-level company agreements, whose objective is to manage, in agreement with the representatives of the various plants, the growing business challenges and workers' needs.

In July 2024, negotiations were concluded for the renewal of the supplementary contract at the Diecimo plant, with a duration until 31 December 2026. In the Group's foreign affiliates, the employment relationship is governed by collective bargaining in France and Spain (for all employees) and by an individual one in other countries.

> Non-Governmental Organisations

Lucart supports non-governmental organisations with which it shares principles and values.

These include:

GRI 2-28

SDG



For several years, Lucart has been collaborating with Save the Children, the international organisation that has been fighting for over 100 years to protect girls and boys and secure a better future for them. In particular, Lucart has chosen to support three important projects dedicated to youngsters and their parents. In 2023, Lucart has supported the **"Punti Luce"** project in addition to **"Fiocchi in ospedale"** and **"Spazi mamme"** projects.

Fiocchi in Ospedale

The "Fiocchi in Ospedale" is a Save the Children project that was started in 2012 to promote the health of girls and boys and their parents during the first 1000 days of the infant's life, to listen to and accompany future and new parents in a crucial period for the development of baby's cognitive and relational abilities. The programme offers targeted services to continuously respond to the needs of future and new parents, identifying vulnerabilities that require emergency action, such as psychosocial pressure that may lead to anxiety and disorientation for which adequate and timely response is often not available.

The "Fiocchi in Ospedale" project is implemented in cooperation with local health authorities, hospitals, university polyclinics and local associations in nine Italian cities: Turin, Milan, Pescara, Rome, Naples, Bari, Sassari, Brindisi and Ancona.



Spazi Mamme

The Save the Children Spazi Mamme programme opened places where parents and their children aged from 0 to 5 can find the support they need for identifying and strengthening their skills, managing economic resources and emancipating the family unit from disadvantaged conditions. Services are offered free of charge. These are also the place where boys and girls can grow up making new experiences and socialising. The project aims to counterbalance the factors that increase child poverty and prevent educational poverty. All this is achieved by accompanying children living in vulnerable situations in some of the toughest neighbourhoods of Italian cities and through customised support plans involving families, communities and local services.



Punti Luce

The Punti Luce are spaces with high educational density where Save the Children offers free training and educational opportunities to girls and boys between the ages of 6 and 17 from the most disadvantaged neighbourhoods and city suburbs. In these spaces, children and families can take advantage of various activities, all offered completely free of charge, including study support, art, music and active citizenship education workshops, reading promotion, access to new technologies, play and motor activities. Legal, psychological, paediatric and parenting support counselling is also offered to parents or adult caregivers.



PLANT TOURS

The children of the Punti Luce in Prato and Potenza were invited to visit the Borgo a Mozzano and Avigliano plants on an educational and training tour.



Tenderly supports Make a Wish and has made 50 wishes come true from 2016 to 2024. Make a Wish's mission is to make life-changing wishes come true for girls and boys suffering from serious illnesses.

> Trade Associations and other organisations

Lucart actively participates in numerous trade associations and other institutes, including:

**TRADE
ASSOCIATIONS:**



²² Massimo Pasquini, President and CEO of Lucart S.p.A., served as Vice President in 2024.

²³ Francesco Pasquini, Chief Sales & Marketing Officer of the Lucart Group, served as Vice President in 2024.

**SUSTAINABLE
DEVELOPMENT
ASSOCIATIONS**



**OTHER
ASSOCIATIONS**



SUSTAINABLE DEVELOPMENT MODELS PROJECT BY CONFINDUSTRIA VENETO EST

The collaboration with the "Progetto Modelli di Sviluppo Sostenibili" ("Sustainable Development Models Project") promoted by Confindustria Veneto Est and coordinated by Mario Paronetto and Silvia Dal Cin continues. Through dedicated meetings and visits to companies, the 80 members illustrated their practices in the fields of sustainability and corporate social accountability.

> Schools, Universities and Research Institutions

INTERNSHIPS

Lucart is convinced that the quality of processes and products is closely linked to that of its people's skills. This is why we plan and implement internal programmes of development and partnership with external training organisations to facilitate and consolidate the development of our employees' skills and help young people build professional skills that they can use in our production plants and in the local economy.

In this sense, many collaborations have put in place with technical schools, in Italy, France, Hungary, Spain and the UK, to guide young people by promoting training courses on skills that may be used in the paper industry.

Furthermore, many of our collaborators bring their knowledge directly to the schools, holding lessons and organising seminars on the production and transformation of paper. The goal is to help students understand and recognise the practical application of the theoretical concepts they learnt during their studies.

In addition to offering careers guidance in schools, Lucart collaborates in preparing technical syllabuses and inviting students to join internship programmes. The latter step is fundamental for consolidating the theoretical skills acquired at school and integrating them with direct experience in our company's production plants and laboratories. These exchanges represent, among other things, a unique opportunity for the company to come into contact with many potential interested candidates who, in the future, will become our best-qualified technicians.



TECHNICAL HIGH SCHOOLS (ITS)

In 2019 Lucart, together with Assocarta, Confindustria and other companies in the Lucca area, completed the design and start-up of the first ITS - Paper school in Tuscany, in the scope of the Foundation that oversees the provision of courses authorised by Regional authorities. Specifically, the course aims to train highly qualified people for operating in production in the paper industry.

After having contributed to the design and organisation of the course, Lucart will continue its partnership in ITS training also with day-by-day activities, specific lectures by technical managers and training in the company to students through specific internships.

PAPER MASTER COURSE AND MASTER'S DEGREE COURSE IN PAPER AND CARDBOARD TECHNOLOGY AND MANUFACTURING

Lucart has been a partner of the Master Carta Celsius in Lucca for many years and has always contributed to the organisation with its employees as classroom teachers.

The Paper Master Course was flanked and partly replaced by the new Master's Degree Course in Paper

and Cardboard Technology and Manufacturing at the University of Pisa in 2020. Lucart contributes to the development of the university course through donations, teachers and dedicated technical tables. In the process of continuous training of its employees, it also sponsors participation in specific training modules.

AWAY FROM HOME AREA SCHOOL PROJECT

The objective of the School Project is to prepare youngsters and motivating them to work in favour of the circular economy.

The project aims at:

- > developing a circular economy curriculum for schools;
- > developing a circular economy teaching kit;
- > train the trainers on teaching the circular economy;
- > raise students' awareness of sustainability and the circular economy through active participation in practical activities.

The project was first implemented in 66 schools between Slovenia and Latvia and has been replicated and adapted in several countries.

It was particularly successful in the UK, with the cooperation and support of a network of 15 distributors who strongly believed in the project and helped Lucart spread sustainability and circular economy education to as many as 516 institutions.



> Regulatory bodies and institutions

They are the essential organisations for the regulation and development of society and the market. These are both the Regulatory Authorities at national and international level and the Agencies and Organisations supporting them.

Lucart is committed to daily compliance with the main national and international regulatory obligations, as well as to continuous research towards the adoption of increasingly innovative and effective management tools, in order to proactively anticipate future legislative obligations.

Over the years, Lucart has built a constructive relationship with authorities (e.g. municipal, provincial and regional councils and ministries) and Regulatory Authorities (e.g. the Regulatory Authority for Energy, Networks and the Environment - ARERA), the Supervisory Authorities (e.g. Regional Agency for Environmental Protection Tuscany - ARPAT) and Public Safety bodies (e.g. State Forestry Corps, Customs Offices) a constructive relationship for an increasingly concrete transition towards Sustainable and Circular Development, as well as effective collaboration for business development to guarantee ethical and transparent conduct. Dialogue with authorities and regulators took place primarily through meetings and technical tables.

> Strategic partners for circularity

For the proper creation and management of circular business models Lucart maintains relationships with a number of strategic stakeholders outside the typical paper industry chain. These relations are managed with the continuous involvement not only of the General Management, but also of the Research and Development, Communication, Sales, Purchasing, Technical and Legal areas. The topics to be addressed may cover many different aspects and require careful and continuous management of many different stakeholders.

2.7 Multi-stakeholder communication activities

GRI 2-26

> Digital Communication

WEB COMMUNICATION

During the year, the Group continued to develop and update all its websites to use this tool as an effective means of contact and interaction with our stakeholders.

Corporate websites

www.lucartgroup.com

The Lucart corporate website is the main source of information of the Group. The Newsroom section, in particular, shares with all stakeholders the main events in the Lucart world.

The website is constantly updated in six languages (Italian, English, French, Spanish, Hungarian and German) to facilitate communications and reach out to readers.

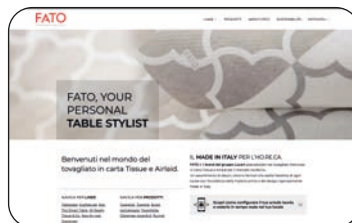


Away from home

www.lucartprofessional.com



www.fato.com

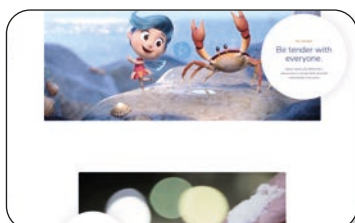


www.veloweb.it



Consumer

www.tenderly.it



www.tuttoxtutto.it

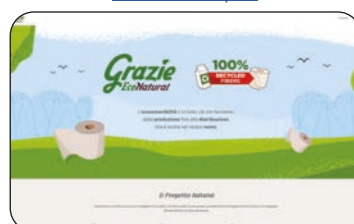


www.grazie.it



Online shopping

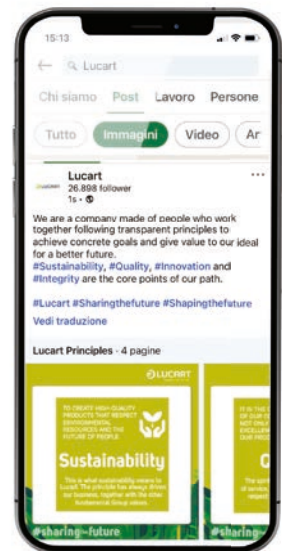
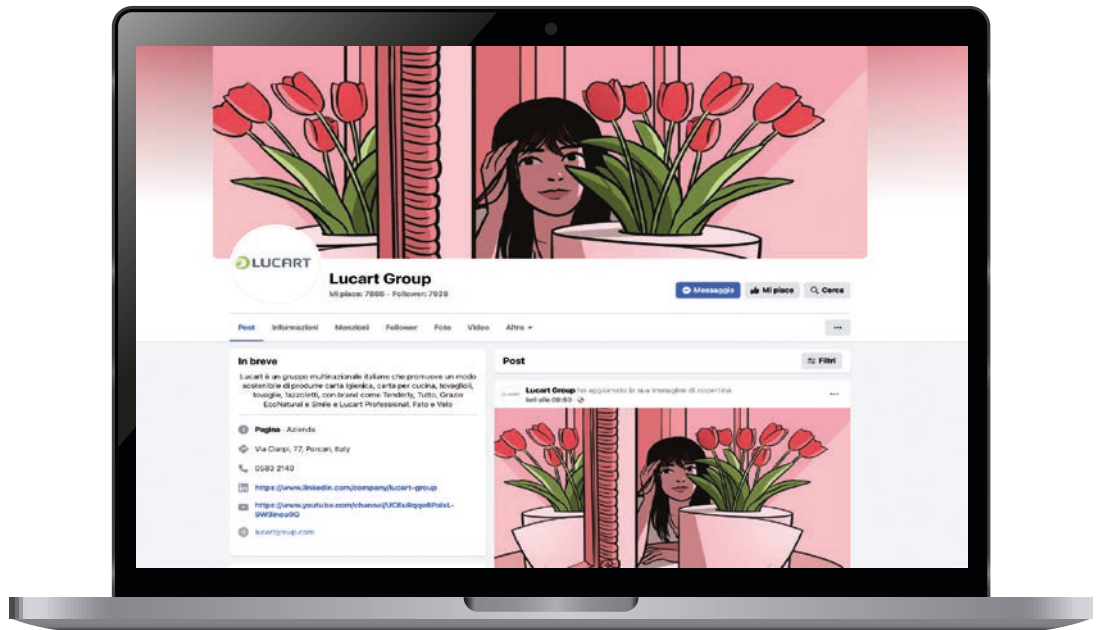
Grazieshop.it



SOCIAL NETWORK

The Lucart Group's LinkedIn account considerably increased contacts and interactions in 2024: + 23% more followers. During the year we closed our account on X and opened a corporate page on Facebook, reaching more than 5,000 followers in the first months of using the platform.

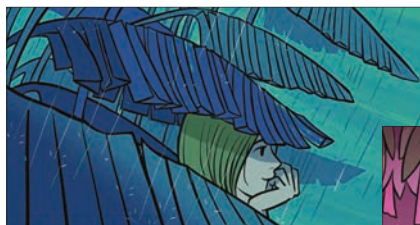
The information shared on social media and linked to the corporate website's newsroom is in Italian and English. The editorial calendar includes our main corporate events, brand campaigns, significant investments, editorial releases, environmental results of the Group and other activities related to the company and its personnel.



> Other Communications and Public Relations activities

LUCART'S CALENDAR

For the ninth year running, Lucart wanted to tell its story and identity through the creativity of an internationally renowned designer and illustrator. For 2025, Lucart turned to the pencil of **Alessandro Baronciani**.



CONFERENCES

Lucart Managers were invited to speak at many conferences and other events, including:

- > **Sustainability Week**
Treviso, Italy
- > **Legambiente EcoForum**
Rome, Italy
- > **MIAC**
Lucca, Italy
- > **Ecomondo trade show**
Rimini, Italy
- > **Susdef National Conference on the recycling industry**
Milan, Italy



TRADE SHOWS

In 2024, the Group attended the most important sector events with its own booth:

- > **Ecomondo** – Corporate Fair – Rimini, Italy
- > **Marca** – Consumer Fair - Bologna, Italy
- > **PLMA** – Consumer Fair - Amsterdam, The Netherlands
- > **The Cleaning Show** - AFH Fair - Manchester, UK
- > **Cleantek** – AFH Fair - Porto, Portugal
- > **Interclean** - AFH Fair - Amsterdam, The Netherlands

ECOMONDO

Corporate Fair – Rimini, Italy



MARCA

Consumer Fair - Bologna, Italy



PLMA

Consumer Fair - Amsterdam, The Netherlands



EVENTS

Presentation of the 2023 Sustainability Report

Lucart presented the Group's 19th Sustainability Report at the Save The Children Auditorium in Rome in the presence of many stakeholders.

The event, hosted by environmental journalist Tessa Gelisio, was enriched by the presence of key speakers and strategic project partners who shared their vision of the future of social, environmental and economic sustainability.



Riciclo Aperto

Lucart opened the doors of the plant in Borgo a Mozzano with "Riciclo Aperto", an initiative of the paper industry supply chain conceived by Comieco, as part of the fourth edition of Paper Week.

An information and awareness day where schools, individuals and citizens can discover the world of paper recycling at the only Italian tissue mill able to recycle beverage cartons like Tetra Pak®.



M'illumino di Meno

In line with its strategies, Lucart has joined M'illumino di Meno, the Italian national day for energy saving and sustainable lifestyles, promoted by the popular radio programme "Caterpillar" on Rai Radio 2, and has placed a selection of indoor plants in offices and work environments.

SPONSORSHIPS

Let's clean the world

For the fourth year, Lucart supported the initiative promoted by Legambiente, which involves groups of volunteers to rid the city of waste and neglect. Our contribution supported the collection initiatives promoted by the primary schools of Borgo a Mozzano.



EcoForum

The EcoForum was created by Legambiente to stimulate a debate and discussion between government, national, regional and local institutions, businesses, supply chain consortia, sector operators and associations. The company sponsored the event as Main Partner.



Estate Porcarese The Children's Village

Organised by the Municipality of Porcari, the event is aimed at the younger generations and provides an opportunity to have fun, but also to raise awareness among primary school children about recycling and waste. Lucart, as main sponsor, awarded a prize to the most creative contribution on the subject of recycling.



TEDx Lucca

Lucart fully sponsored the TEDx Lucca, choosing the Teatro del Giglio as the stage to contribute to the cultural offer of the city of Lucca.

TEDx is a global information programme led by thousands of people and organised in major cities around the world.



Pizzorne Christmas Market

Lucart sponsored the traditional Christmas market organised in the mountains of Villa Basilica, where all the associations in the area give life to a Christmas experience of fun and charity.

Grace Kelly Children's cancer trust

Lucart supported the charity through the sponsorship of their Christmas Gala and a fund-raising event held at the Blackmore Park plant.



Kemp Hospice

The British establishment organised various events to raise funds for this important charity based in Wyre Forest.



Hereford and Worcester Chamber of Commerce

Lucart sponsored the health and wellness forums held quarterly at the Herefordshire & Worcestershire Chamber of Commerce.





THE CHALLENGES

ENVIRONMENT

SDGs





3

We are committed to creating a circular business model to reduce our impact on the planet and to preserve and foster the growth of our natural, social and economic capital. We believe in the value of sustainability as a commitment to present and future generations.

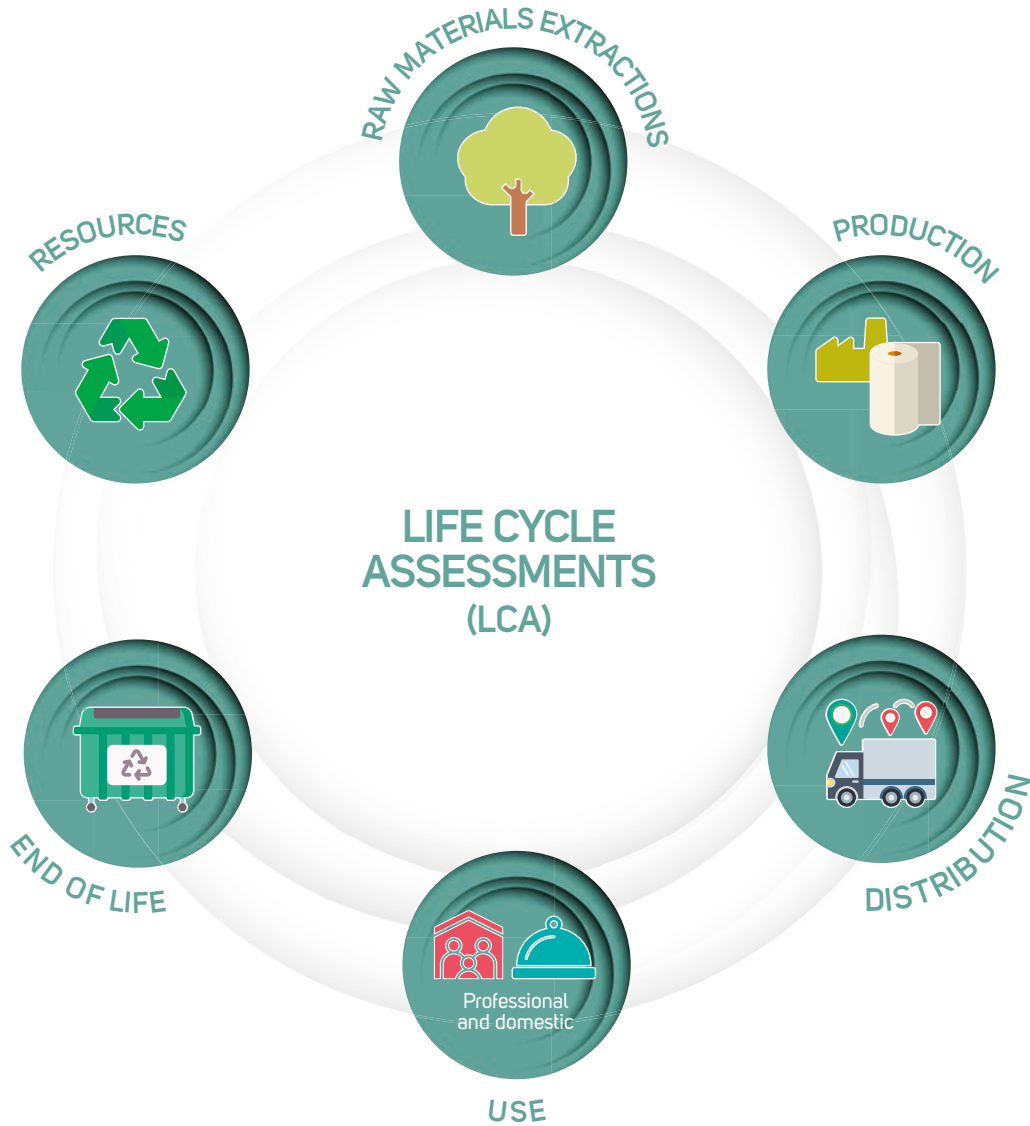
3.1 Environmental Impact Assessment

GRI 3-3

To pursue the continuous improvement of the environmental performance of its plants, Lucart has implemented an accurate Environmental Management System and constantly monitors compliance with the procedures defined by the system itself.

In particular, Lucart pays particular attention to assessing the environmental impacts of its activities to identify the most significant ones on which to intervene and to drive increasingly solid and accurate communication of the same towards the outside world.

The company periodically carries out specific product-level Life Cycle Assessments (LCAs), using third-party organisations and following internationally recognised standard methods to minimise the impacts. Analyses consider the entire life cycle, from the procurement of raw materials to the end of life of products, including production and distribution (cradle to grave).

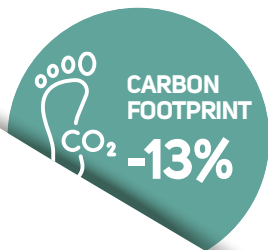


3.2

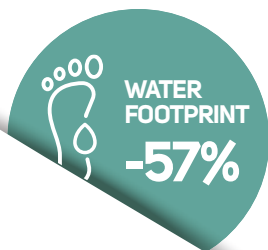
Environmental Product Declaration (EPD®)

Since 2018, Lucart has been conducting and annually updating the EPD® (Environmental Product Declaration) analysis, based on LCA (Life Cycle Assessment) study of two types of toilet paper, both made by the company and comparable in terms of grammage, number of plies, tear number and length, one of which is made from **pure virgin cellulose fibres** and the other is made from **recycled fibres**. The LCA method quantifies the resource consumption and potential environmental impacts on the environment at various stages of the life cycle associated with the examined product.

ENVIRONMENTAL PERFORMANCE OF THE TOILET PAPER MADE FROM RECYCLED FIBRES²⁴



The **Carbon Footprint**²⁵ is 13% lower than that of the virgin cellulose toilet paper, considering the supply of raw materials - manufacturing phases ("from cradle to gate"), which corresponds to a reduction in CO₂ equivalent emissions of 227.6 kg per tonne of paper produced.



The **Water Footprint**²⁶ is 57% lower than that of the virgin cellulose toilet paper, considering the supply of raw materials - manufacturing phases ("from cradle to gate"), which corresponds to a **lower consumption of water resources** of 274.79 m³ per tonne of paper produced.

To read the Declaration in full, see: <https://www.environdec.com/library/epd6894>

During the implementation process of the EPD® declaration and the LCA study on which it is based, Lucart S.p.A. sought the technical and methodological support of **Ergo s.r.l.**, a spin-off of **Scuola Sant'Anna di Pisa**. The analysis was certified by a third-party body.

²⁴ Data are calculated on 1,000 kg of paper and respective packaging.

²⁵ In the associated EPD®, reference is made to the Global Warming Potential (GWP) environmental impact. 2024 update.

²⁶ In the associated EPD®, reference is made to the "Water Deprivation Potential" environmental impact. 2024 update.

ENVIRONMENTAL PRODUCT DECLARATION

The **Environmental Product Declaration (EPD®)** is a voluntary certification scheme, developed in application of the UNI EN ISO 14025:2010 standard. The performance, reported in the EPD®, must be based on Life Cycle Assessment (LCA) following the ISO 14040 standards, which is the methodological basis for the objectivity of the information provided following the Product Category Rules "PCR: TISSUE PRODUCTS. Product Category Classification: UN CPC 32131. PCR 2011:05, VERSION 3.0.1" developed by the International EPD® System (the reference Programme Operator).

The main objective of an EPD® is to provide relevant, verified and comparable information on the environmental impact of a product or service.

> Carbon Footprint - Systematic Approach

During 2023, the company launched a new project aimed at developing a management and technical-operational tool, so called "**Carbon Footprint of Product (CFP) according to Systematic Approach**", aimed at the autonomous and rapid calculation of the carbon footprint of tissue products manufactured at the Group's plants according to the "ISO 14067:2018 - Annex C" standard certified by a third party.

This project was born with a dual objective: both to support the identification of new opportunities to be implemented to achieve the reduction of the environmental footprint of the product, and to support correct and transparent communication towards all interested parties, compliant with future European directives and requests.

This new path achieved a first important result during 2024 with the development of a third-party certified tool focusing on tissue products made at the Italian plant in Diecimo. In 2025, it is planned to extend it to the plants in Castelnuovo di Garfagnana (IT), Laval-sur-Vologne (FR) and Aranguren-Artziniega (ES).

CARBON FOOTPRINT - SYSTEMATIC APPROACH

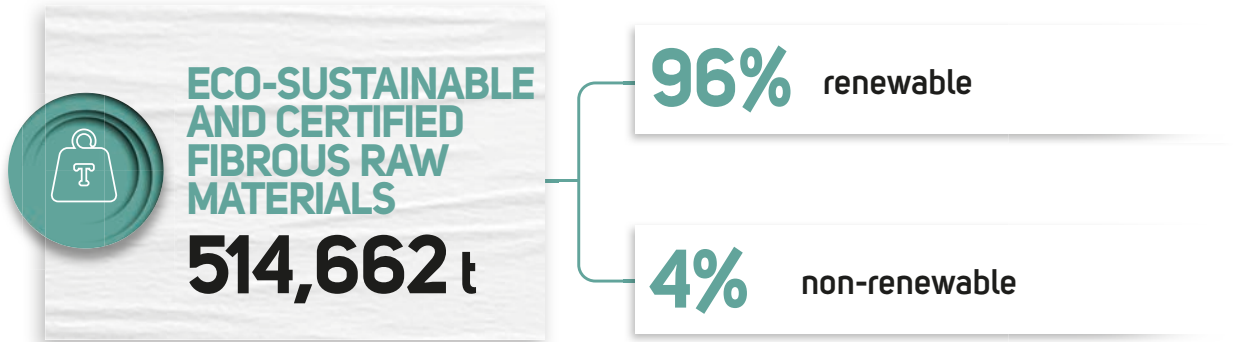
The "**Carbon Footprint of Product (CFP) according to Systematic Approach**" is an innovative element of the ISO 14067:2018 standard. Through this management tool, a company can autonomously and rapidly quantify the carbon footprint of its products (goods or services) without having to carry out a specific study for each of them. Adopting a "Carbon Footprint of Product (CFP) according to Systematic Approach" also means providing the design, research, and development function with a tool capable of rapidly and dynamically quantifying the impacts in terms of CO₂ emissions and of the various design choices that one wants to undertake.



3.3 Raw Materials

GRI 301-1
301-2

During 2024, Lucart purchased a total of 514,662 tonnes of materials for use in its production process, of which 96% were intrinsically renewable (i.e. fibrous raw materials 96% and paper/cardboard/wood and bio-material packaging 4%) and 4% were non-renewable in nature (plastic packaging and other process materials²⁸).



> Eco-Sustainable and Certified Fibrous Raw Materials

Lucart makes paper from both virgin cellulose and paper for recycling.

In the Porcari, Borgo a Mozzano, Laval-sur-Vologne and Aranguren facilities, paper is made from paper for recycling and virgin cellulose. The plant in Castelnuovo di Garfagnana processes mainly virgin cellulose and small percentages of top-quality paper for recycling.

The Avigliano plant uses only virgin cellulose for the manufacture of airlaid paper.

The Torre di Mosto, Nyergesújfalu, Artziniega and Blackmore Park facilities are dedicated exclusively to converting.

BREAKDOWN BY TYPE OF FIBROUS RAW MATERIALS CONSUMED BY THE ORGANISATION

The Company pursues the line of sustainability of its paper and commits to gradually increasing the percentage of paper for recycling used compared to virgin cellulose, consistent with market demands. The results achieved in 2024 were constant compared to the previous two years, further reasserting the company's commitment to reach the target of using 60% recycled paper as raw material input by 2030.



²⁷ The data refer to materials purchased for the paper industry. Products and raw materials that are purchased by Lucart but given to customers for use are excluded. Tertiary packaging does not include pallets. Lucart is preparing to report on materials purchased for the skin care sector in the future.

²⁸ Chemicals, lubricants, latex, etc. (note that they arrive at the factory already diluted). It is conservatively assumed that all chemicals are non-renewable. Lucart is setting up to be able to track this type of information internally for this category of auxiliary materials as well.

BEST PRACTICE



The processes and technologies implemented in the plants make it possible to use a wide range of recycled materials including cellulose fibres in food-grade cartons (EcoNatural Project). The success of EcoNatural lines saves virgin fibres by giving new life to the fibres present in bonded material containers.

VIRGIN CELLULOSE

The virgin cellulose used in Lucart comes from supply chains managed according to eco-sustainable criteria, i.e. produced by companies that adopt **sustainable forest management systems** complying with internationally recognised certification schemes, thus ensuring the continuity of the forest ecosystem without altering its balance.

The choice of suppliers, carefully selected according to Lucart standards and the procedures set up by the company management systems, means that the company avails of producers who follow recognised **sustainable forest management standards** (PEFC, FSC®, SFI®, etc.) in compliance with EU Timber Regulation (Reg. n. 995/2010 as amended and supplemented) and international regulations. Again in 2024, 100% of virgin cellulose supplied by the Group was certified according to FSC® or PEFC and/or Controlled Wood standards.



PAPER FOR RECYCLING

Paper recycling ensures better use of available resources and a lower overall environmental impact.

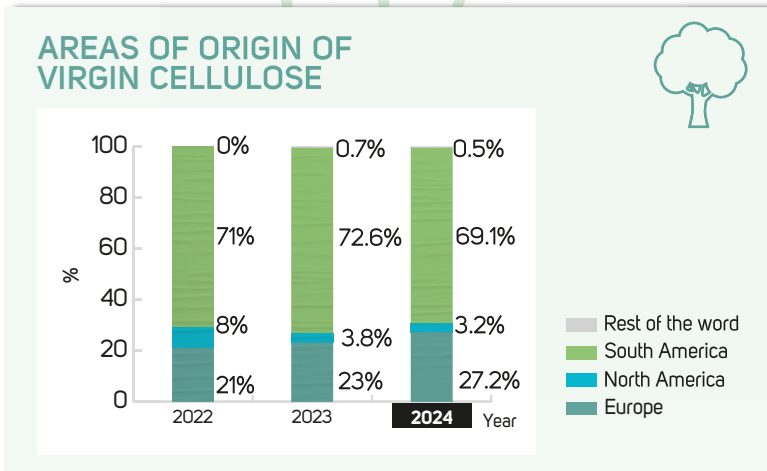
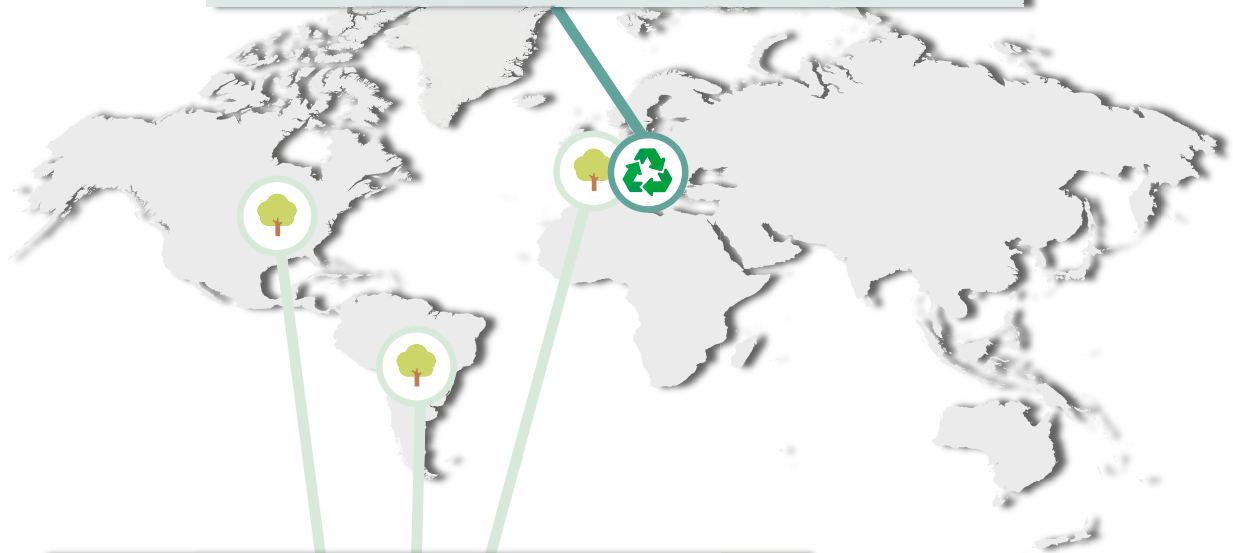
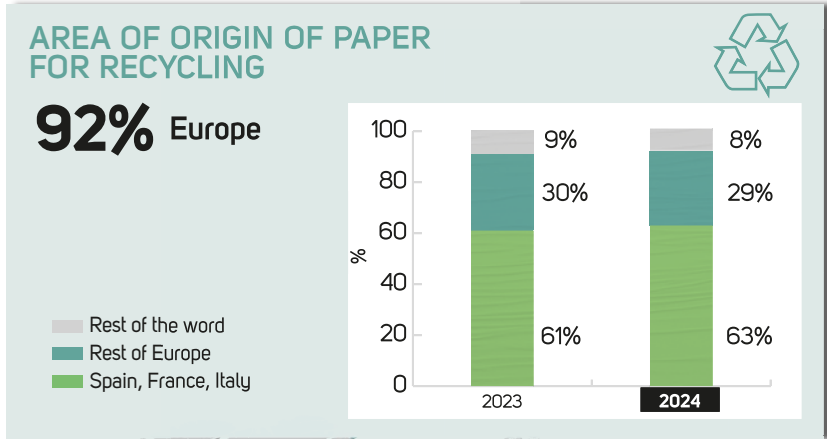
The paper for recycling undergoes **state-of-the-art stock preparation and deinking processes without the use of polluting substances**. The separation processes are mainly mechanical and thermal to make high-quality paper. The paper for recycling used in Lucart production facilities meets the requirements of the standards recognised by the PEFC and FSC® certification systems, and UNI-EN 643 standards. In 2024, 70% of the recycled paper procured by the Group was certified according to FSC® or PEFC standards.



AREA OF ORIGIN OF VIRGIN CELLULOSE AND PAPER FOR RECYCLING

The main producers of virgin cellulose are located in South America and Europe.

With regard to paper for recycling, procurement takes place primarily locally scale. In 2024²⁹, 92% of the waste paper supplied by Lucart came from Europe. It is worth noting that more than 60% came from Italy, France and Spain, the countries where the Group's most dimensionally significant operations are located.



²⁹ From 2023, the headings describing the source areas of paper for recycling have been revised to provide a more appropriate representation. For this reason, no history is given for the last three years.

3.4 Packaging

SUSTAINABLE PACKAGING GUIDELINES

Lucart has adopted a development plan with a 2020-2030 time horizon aimed at realizing a circular vision in which packaging used in the paper sector never becomes waste, pivoting on the implementation of five key points:



- 1 all problematic and/or unnecessary packaging must be eliminated by redesigning and innovating;
- 2 all packaging must be reusable or 100% recyclable or compostable;
- 3 all packaging must be reused or recycled or composted in practice;
- 4 where possible, the use of renewable resources should be preferred and the use of non-renewable resources should be reduced, if not eliminated, as a consequence;
- 5 all packaging, regardless of the material of which it is made, must comply with current regulations and must respect the health, safety and rights of everyone involved.

PACKING IS CONSIDERED PROBLEMATIC OR UNNECESSARY IF:

- 1 it cannot be reused or recycled or composted;
- 2 it can be eliminated (or replaced by a reuse model) while maintaining its usefulness;
- 3 it hinders or prevents the recyclability or compostability of other objects;
- 4 it has a high probability of being dispersed or disposed of in the natural environment.

Lucart prioritised the packaging used in the Group's plants in Italy, France and Spain, and from 2022 also those used in the plants in England and Hungary. All primary, secondary and tertiary packaging, used for paper production and for converting it into finished products and shipping, was analysed. The packaging was then divided into categories according to the materials of which it was composed, with particular attention to:



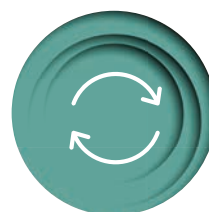
RENEWABILITY



RECYCLABILITY



PRESENCE OF RECYCLED MATERIAL



REUSABILITY



COMPOSTABILITY

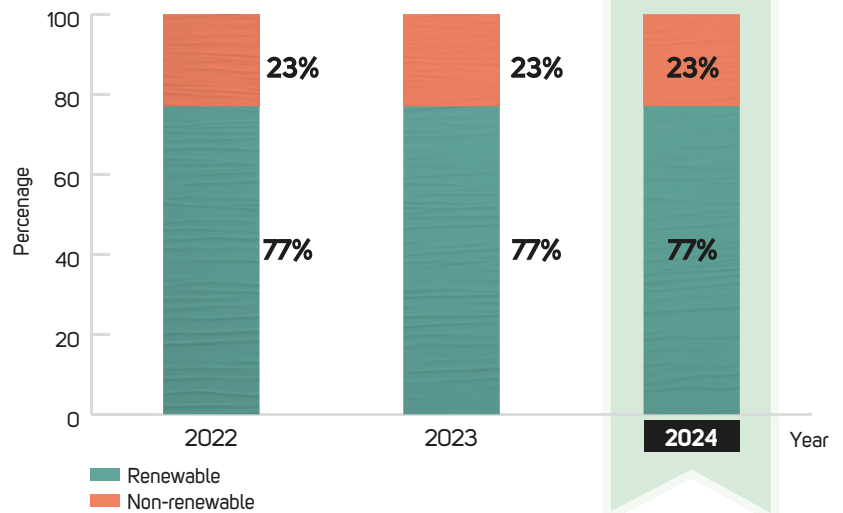
The results of the analysis and the actions taken in recent years to replace polyethylene packaging with paper packaging, reduce the thickness of packaging while ensuring the same level of performance and introduce packaging made either entirely or partly of recycled raw materials, are well represented by the following numbers³⁰, consistent with the adopted guidelines. Of particular note is the further increase achieved in 2024 in the use of packaging with a recycled raw material content of more than 30% (3% increase over 2023) and the consequent reduction in the use of virgin packaging (-13% over 2023).



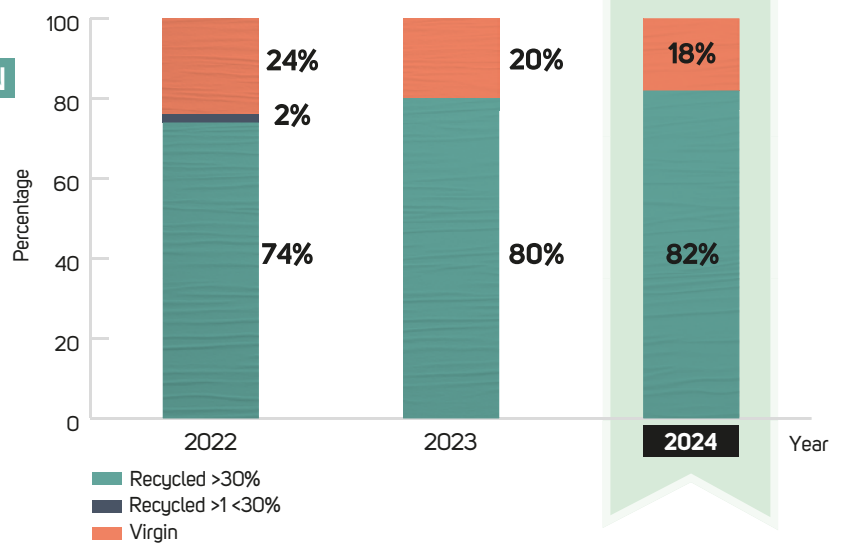
TARGET CONFIRMED AGAIN

All (100%) of the packaging used in the Lucart Group's paper business was found to be reusable or recyclable or compostable in 2024.

% BREAKDOWN OF RENEWABLE/ NON-RENEWABLE PACKAGING



% BREAKDOWN OF RECYCLED/VIRGIN MATERIAL PACKAGING




³⁰ The analyses for 2023 refer to the purchase of all primary, secondary and tertiary packaging used in the paper industry by Lucart in its paper mills in Italy, Spain, France, the United Kingdom and Hungary, and do not include pallets for transporting and shipping goods.

3.5 Water resources


GRI 303-1
303-2
303-3
303-4

SDGs 


In terms of water resources, Lucart has always been committed to:




Seeking solutions for ever greater recovery of process water



Monitoring the quality of wastewater



Monitoring consumption in the various stages of the productive process

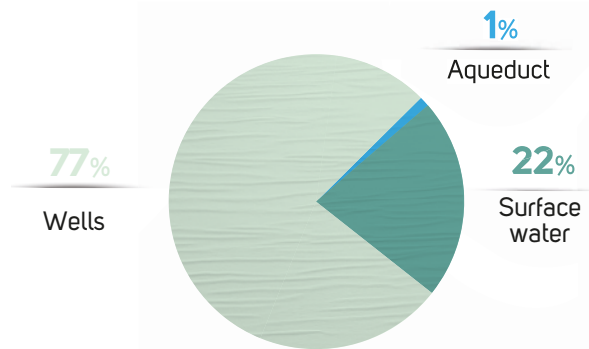


Optimising water consumption in all stages of the productive process

> Water supply sources

The paper production process generally requires large amounts of water.

Lucart plants use, for their own industrial production, water taken from wells located within the perimeter of the facility and, in some cases, also taken from surface water upon authorisation by the competent Authorities.



> Water stress analysis

Lucart used the tool provided by the Aqueduct Water Risk Atlas³¹, to analyse the water stress of the areas in which its production plants are located. Water stress refers to the ability, or lack thereof, to meet human and ecological demand for fresh water and may refer to the availability, quality or accessibility of water.

BREAKDOWN BY CLASSIFICATION OF THE STRESS LEVEL OF THE SUPPLY AREA 2024

Stress Level	Percentage
Low (0-1)	0.01%
Low	0.02%
Medium-high (2-3)	78.52%
Extremely high (4-5)	21.45%

Production facility	Risk
Porcari	Extremely high
Borgo a Mozzano	Medium-high
Castelnuovo di Garfagnana	Medium-high
Avigliano	Extremely high
Torre di Mosto	Medium-high
Altopascio	Medium-high
Laval-sur-Vologne	Medium-high
Saint-Dié-des-Vosges	Medium-high
Aranguren	High
Artziniega	Medium-high
Niergesújfalu	Extremely high
Blackmore Park	Medium-low

³¹ <https://www.wri.org/aqueduct>

SR LUCART 2024

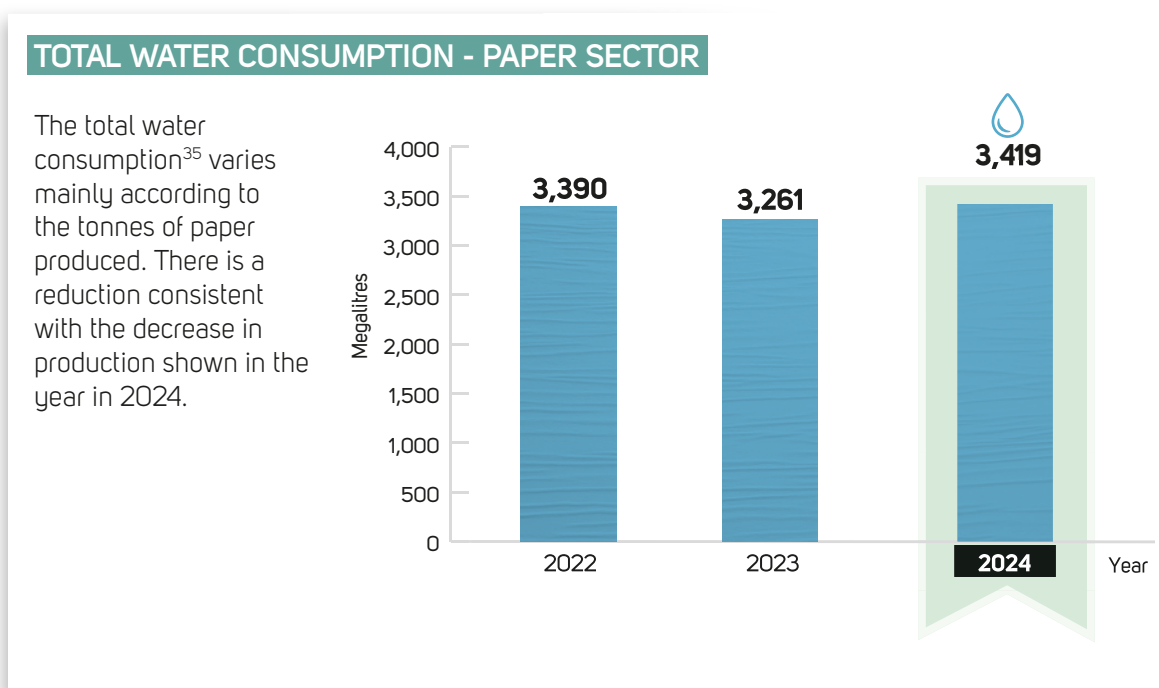
114

The following table details the different sources of supply used by the company together with an indication of the water category withdrawn for each level of water stress.

Water stress level	Total 2024	Surface water	Wells (aquifer)	Aqueduct	Water category (fresh water ³² /other water types ³³)
LOW (0-1)	0.69	0	0	0.69	100% fresh water
MEDIUM-LOW (1-2)	0.26	0	0	0.26	100% fresh water
MEDIUM-HIGH (2-3)	2,689.78	567.57	2,112.10	10.11	100% fresh water
HIGH (3-4)	0,00	0	0	0	100% fresh water
EXTREMELY HIGH (4-5)	734.76	170.98	522.23	41.55	100% fresh water
TOTAL MEGALITRES WITHDRAWN	3,425.49	738.55	2,634.33	52.61	

> Optimisation of water consumption³⁴

The desire to protect water resources, combined with the production needs of the paper making process, has led the company to invest in processes aimed at optimising consumption, encouraging the recovery of process water for reuse for industrial purposes.



³² Fresh water with a total dissolved solids level of less than 1,000 mg/l.

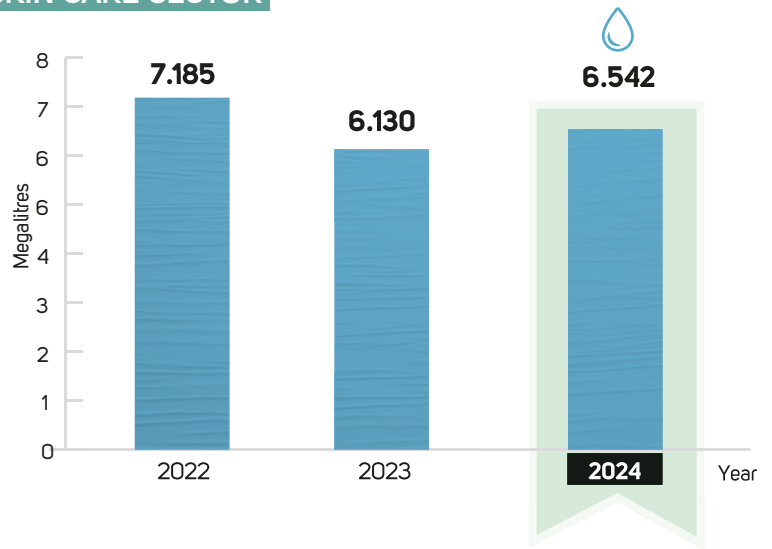
³³ Other water types with a total dissolved solids level above 1,000 mg/l.

³⁴ The water consumption discussed in the following section refers to: (1) for plants with in-house paper mill (Castelnuovo di Garfagnana, Borgo a Mozzano, Porcari, Aranguren, Laval Sur Vologne) to consumption for industrial use only. For these, it was not possible to collect reliable data on withdrawals for civil use, which were therefore excluded from this count. According to the available information, this share amounts to less than 1% of the total taken. (2) to total water consumption (civil and industrial uses) for the Torre di Mosto, Avigliano, Artziniega, Blackmore Park, and Niergesújfalú plants as well as the logistics centres in Alltopascio and Saint-Dié-Des-Vosges.

³⁵ This refers to the total water consumption for paper production

WATER CONSUMPTION - SKIN CARE SECTOR

Although minimal compared to the total water consumption for paper production, the company shows specifically in the Skin Care sector an increase in 2024 that reflects the production trend. As a result of the measures taken to optimise water consumption, the specific water consumption of the Skin Care sector decreased by 1% compared to 2023.



WATER RECYCLING

Reusing water produces a lower environmental impact, namely:

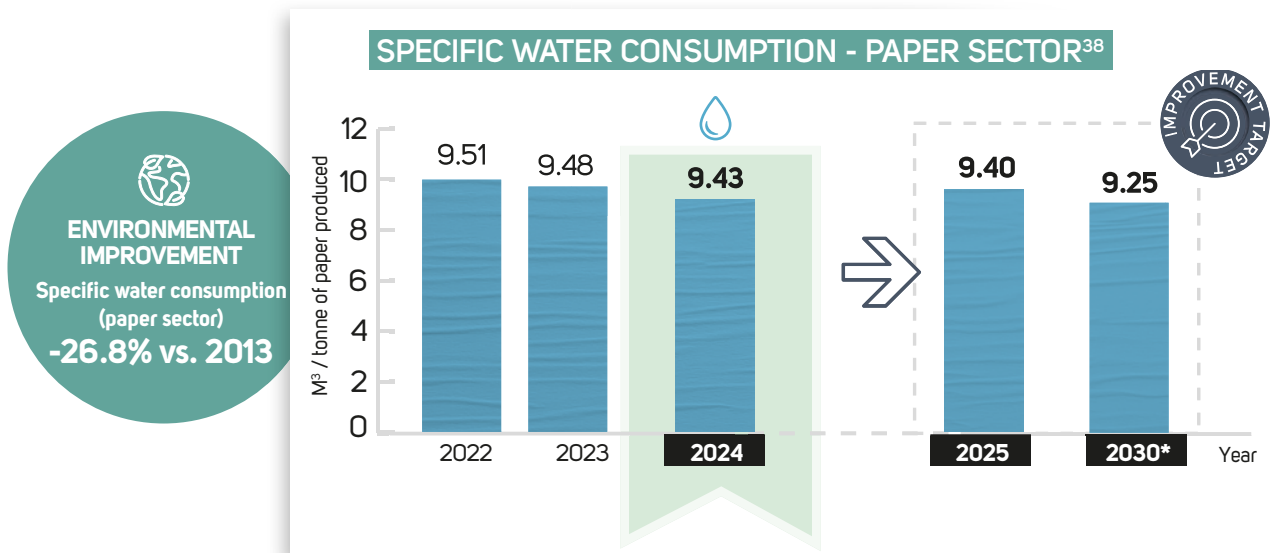
- > reduction of the extraction of aquifer water resources;
- > reduction of the extraction of surface water resources;
- > resource consistency and reliability as a result of purified water produced on an ongoing basis;
- > reduction in wasting natural resources.



Lucart has focused particularly on actions aimed at reducing the specific consumption of water for production purposes to achieve a consumption of 9.4 m³ of water per tonne of paper produced by 2025 and of 9.25 m³ of water per tonne of paper produced by 2030³⁶.

Compared to 2023, specific water consumption was further reduced by 0.5%, reaching 9.43 m³/t of paper by adopting a policy of recycling and rational use of the resource at all production facilities. With this result, Lucart demonstrates that it is getting closer to the improvement target set for 2025.

Specific water consumption is well below the average values for the sector³⁷.



BEST PRACTICE



During 2024, actions were implemented in the Borgo a Mozzano, Porcari, Castelnuovo di Garfagnana and Laval-sur-Vologne plants aimed at recovering part of the treated water from the final discharge for reintroduction into the production process instead of replenishment with fresh water. The aforementioned actions allowed respectively:

- 3%
specific water consumption vs. 2023 for **Borgo a Mozzano**

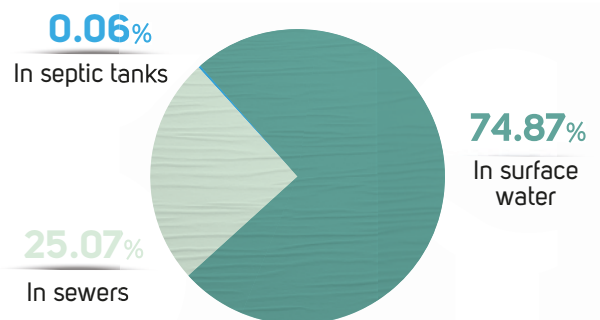
- 3%
specific water consumption vs. 2023 for **Porcari**

- 8%
specific water consumption vs. 2023 for **Castelnuovo di Garfagnana**

a recovery of 5 m³/ton produced for **Laval-sur-Vologne**

> Water discharges³⁹

Furthermore, most of the Lucart facilities are equipped with wastewater treatment plants that guarantee the quality of the water fed into the receptors in compliance with the authorised limits. The main water discharges occur mainly in surface water or sewage and to a minimum extent in septic tanks.



³⁶ The improvement target for 2030 has been recalibrated on the basis of the updating of the sales trends of finished products and the quality of raw materials, maintaining a very ambitious reduction target that is well above the sector averages, in line with the best available technologies and which represents a reduction of 28% compared to the start of the improvement program in 2013.

³⁷ According to the Assocarta 2020 Environmental Report, the industry average is approximately 26 m³ per tonne of paper produced.

³⁸ Specific water consumption is given by the ratio of m³ of water withdrawn to tonnes of paper produced at the paper mill. Tonnes of paper converted into stationery are not taken into account as they are not relevant and respective water consumption.

³⁹ Total water discharges for the year 2024 amounted to 2,442 ML (of which 1,829 ML in surface water, 612 ML in sewers e 2 ML in septic tanks).

3.6 Energy Resources

GRI 302-1
302-3
302-4

> Total energy consumption (direct + indirect)

STATIONARY COMBUSTION AND SELF-GENERATION OF EE FROM RENEWABLE SOURCES⁴⁰

		2022	2023	2024
Purchased EE	GJ	622,774.49	590,361.45	622,173.03
Purchased EE of renewable origin	GJ	178,189.80	185,018.85	228,986.03
Diesel Fuel	GJ	110.01	185.83	202.51
Fuel oil⁴¹	GJ	4,208.23	3,180.67	3,547.06
Natural gas	GJ	4,010,529.76	3,794,092.00	3,887,292.88
Produced EE from renewable sources	GJ	4,706.64	13,794.32	19,292.65
EE produced by cogeneration	GJ	919,513.95	860,191.94	883,481.72
EE transferred	GJ	-45,161.92	-31,485.81	-27,793.41
Total		4,597,167.21	4,370,128.46	4,504,714.72

SDGs 

MOBILE COMBUSTION

		2022	2023	2024
Diesel - internal mobility	GJ	13,984.52	14,141.84	14,007.20
LNG - internal mobility	GJ	1,744.85	1,191.20	1,723.02
Diesel - company vehicles	GJ	7,984.94	8,200.43	8,778.82
Petrol - company vehicles	GJ	270.91	453.65	799.53
Total		23,889.51	23,987.12	25,308.57

The energy balance of the Group – for processing purposes – is made up of electricity purchased from the national grid, diesel fuel and the fuel oil consumed for industrial purposes, methane purchased from the network, electricity produced from renewable sources and electricity sold to the grid. Electricity is mainly purchased by production facilities that do not have an in-house methane gas-fired cogeneration plant.

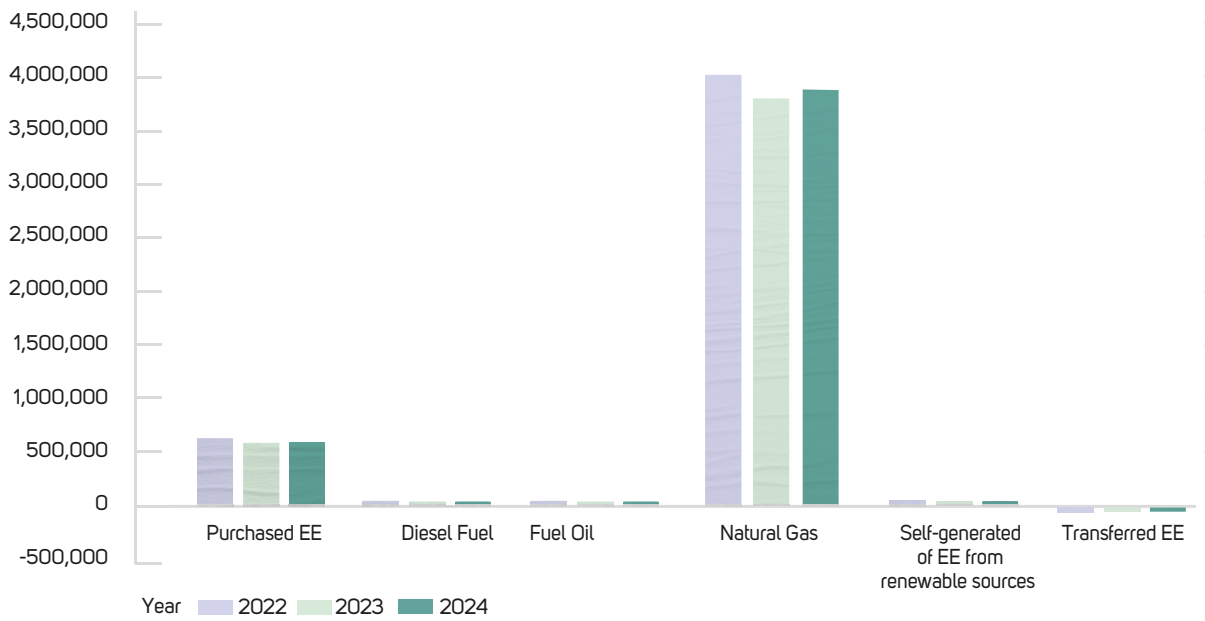
Energy consumption related to internal mobility (e.g. forklifts) and the company car fleet is primarily represented by the consumption of diesel, petrol and LNG.

In 2024, total energy consumption – for process purposes – showed an increase consistent with production trends. Overall, specific consumption decreased by 2.12% compared to 2023. This is an indication of the virtuous circle that the company has been following for a long time to improve its energy efficiency.

⁴⁰ Electricity from cogeneration is not counted in the total because it is already included under the "Natural Gas" heading. Purchased renewable electricity is a portion of the total purchased electricity

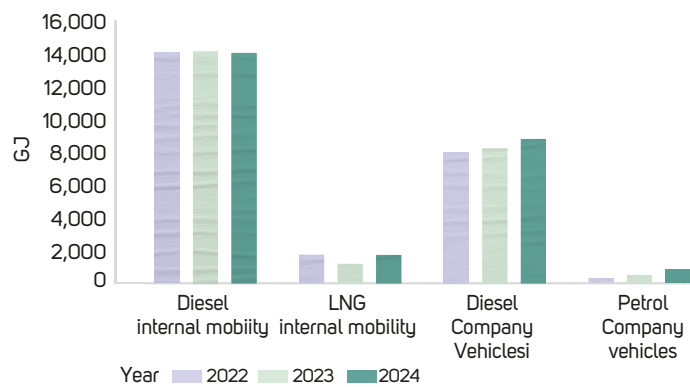
⁴¹ Fuel oil consumption refers only to the Artziniega plant for space heating.

ENERGY CONSUMPTION (DIRECT AND INDIRECT) (GJ)*



* Energy consumption at industrial process level: direct (stationary combustion and self-generation of electricity from renewable sources) and indirect (purchase of electricity)

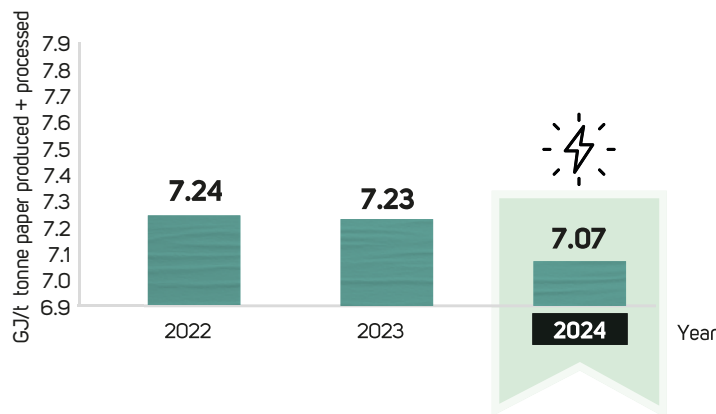
MOBILE COMBUSTION (GJ)



ENVIRONMENTAL IMPROVEMENT

- 2.12% energy intensity vs. 2023
- 21% energy intensity vs. 2014
- +24% electricity purchased from renewable sources vs. 2023
- +40% self generated electricity from renewable sources vs. 2023

SPECIFIC ENERGY CONSUMPTION (INTENSITY)⁴²



⁴² Specific energy consumption is the ratio of total energy consumption – for process purposes – to tonnes of paper produced and converted in the plants of the Group.

> Energy efficiency in the production processes

The significant energy consumption, typical of the paper industry, is essentially due to the requirements of operating paper machines.

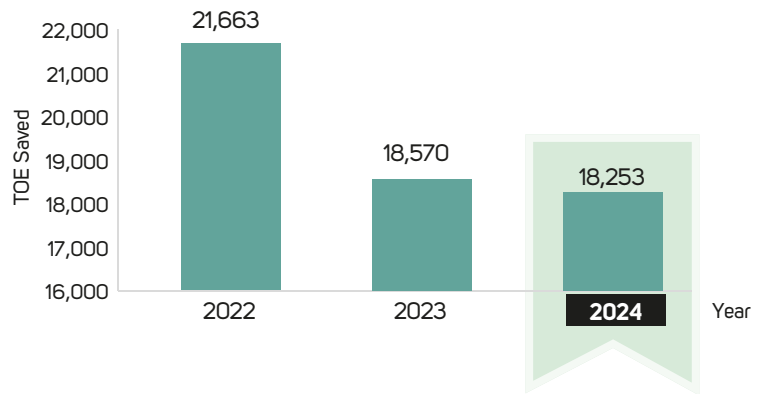
One of the goals of Lucart is to constantly improve the energy efficiency of its production processes.

SAVED TOE (TONNES OF OIL EQUIVALENT) OF PRIMARY SOURCE WITH HIGH-EFFICIENCY COGENERATION

Lucart was one of the first European paper groups to focus on the technique of self-generation of electrical and thermal energy through high-efficiency cogeneration plants fuelled by natural gas, which today have a total installed Electrical Power of 32.5 MWe corresponding to a total Thermal Power of 92 MWT.

In the production cycle, thermal energy is essential for drying the paper, so the simultaneous use of electrical and thermal energy means that the operation of the plants in optimal conditions allows for high overall efficiency (on average around 85%). This represents significant benefits in terms of primary source savings, indicated below in Tonnes of Oil Equivalent saved.

TOE SAVED WITH HIGH-EFFICIENCY COGENERATION



It can be seen how the trend in this figure is superimposable to the trend of the Group's production, as the cogeneration operating regime is strictly correlated.

SUSTAINABLE DATA CENTRES

In 2021, Lucart moved its internal data centres, previously located at the Borgo a Mozzano and Porcari plants, to the TIM data centre in Acilia (Rome), which is ISO 27001 certified for its information security management system.

The move improved performance and safety levels but also brought savings in terms of energy and CO₂ emissions. The Acilia data centre is powered exclusively by renewable sources. Compared to the use of in-house data centres, the computational capacity doubled but energy consumption decreased by 50%. Today, around 80% of the Group's computing capacity is powered by renewable energy.

- 44 tCO₂e/year
emissions avoided through the adoption of the new data centre

The company also supports its environmental commitment through the increasing use of renewable energy sources.

In detail, particularly noteworthy are the two installed photovoltaic systems, one in the Avigliano plant (active since 2013), and one recently commissioned in the Borgo a Mozzano plant (operational since December 2022), which have avoided the atmospheric emissions of 2,679 tCO₂e⁴³ in 2024. The photovoltaic installations at the Avigliano and Borgo a Mozzano plants were further expanded during 2023 to consolidate Lucart's commitment to reducing its environmental impact. The Decimo plant has been officially connected since May 2024, while the Avigliano plant is awaiting official connection⁴⁴.

Since 2021, Lucart has been on a path towards purchasing green electricity (Guarantees of Origin). In 2024, this commitment was further strengthened by expanding the purchase of certified electricity from renewable sources. In 2024, about 37% of the total electricity purchased by the company was of renewable origin⁴⁵.



⁴³ Source data "AIB European Residual Mix 2023 IT" for the Avigliano plant; for Borgo a Mozzano the tCO₂e was calculated using the specific emission factor referred to the self-production of EE (methodology for calculating avoided emissions from self-production of EE from renewable sources: Location Based).

⁴⁴ The final power of the Avigliano photovoltaic plant amounts to 981.96 kWp + 1,971.81 kWp = 2,953.77 kWp which corresponds to an annual production forecast – once running at full capacity – of approximately 3,192.07 MWh. The final power of the Borgo a Mozzano photovoltaic plant amounts to 2,421.21 kWp + 1,551.54 kWp = 3,972.75 kWp which corresponds to an annual production forecast of approximately 4,314.32 MWh.

⁴⁵ 14,159 MWh purchased with PPA stipulated with Plenitude and 15,000 MWh purchased with guarantees of origin by Lucart S.p.A.; 27,407 MWh purchased with Guarantees of Origin by Lucart SAS; 1,548 MWh purchased with guarantees of origin by Lucart Hygiene Ltd.; 5,512 MWh purchased with Guarantees of Origin by Lucart Tissue & Soap S.L.U.

3.7 Emissions into the Atmosphere

GRI 305-1
305-2
305-4
305-5

SDGs 

The atmospheric emissions of a paper production facility are necessary for process continuity but, an efficient use of energy, a rational use of raw materials, and the presence of technologically advanced abatement plants that comply with Best Available Technologies (BAT) make it possible to achieve results from the point of view of environmental impact reduction.

The main sources of atmospheric emissions are cogeneration plants, paper drying plants, sludge drying plants and suction points in production areas to protect the health and safety of workers.

All atmospheric emission plants are managed in compliance with the Integrated Environmental Authorisations (IEAs) issued by the competent authorities and, where applicable, constantly monitored through suitable Continuous Emission Monitoring Systems (CEMS).

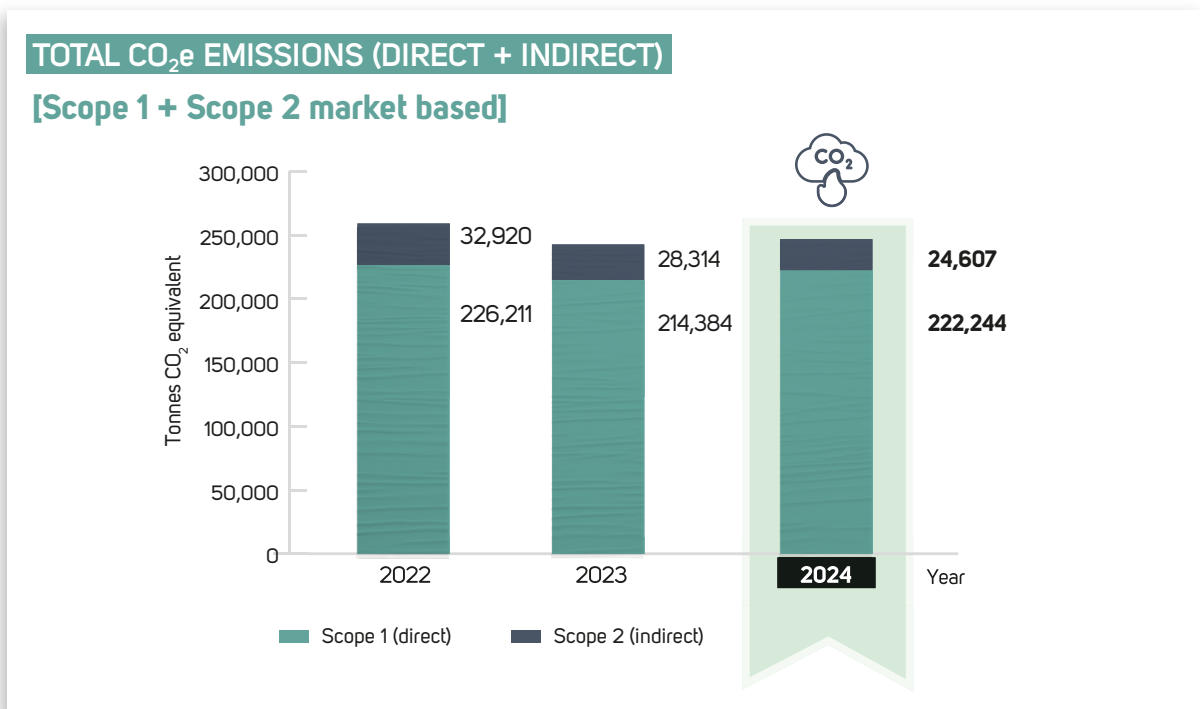
Combustion plants use methane gas, which is the fossil fuel with the lowest environmental impact both in terms of energy efficiency and because it avoids the release of secondary pollutant compounds, such as SO₂ and H₂S.



> CO₂e emissions

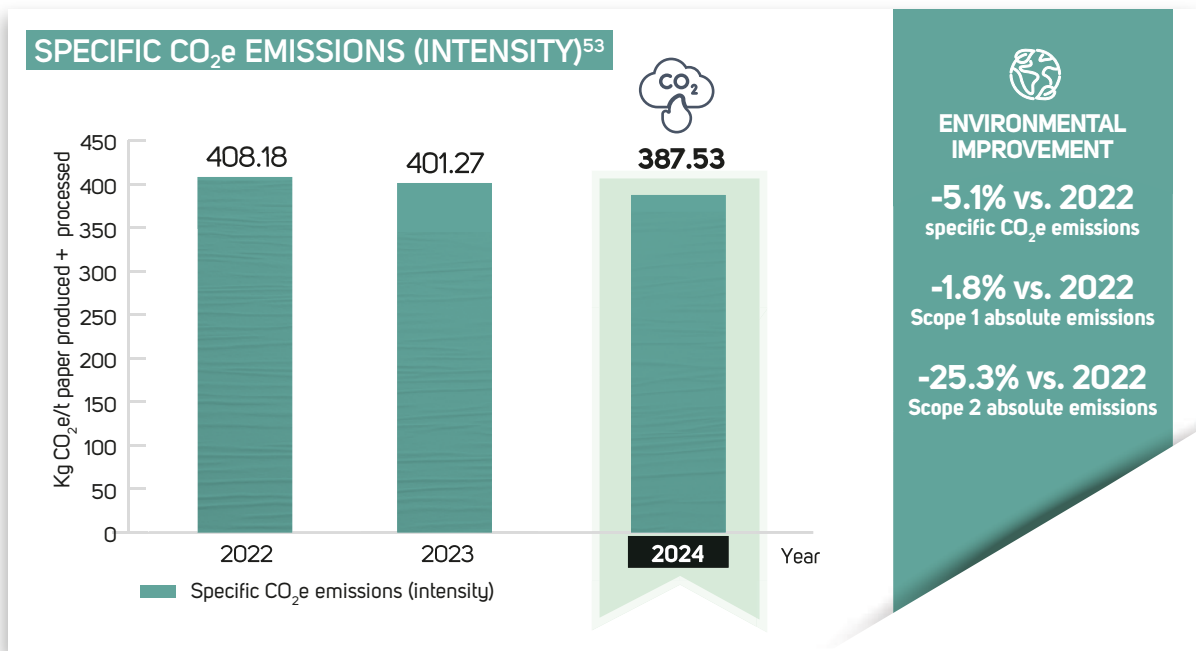
The following graph shows direct and indirect CO₂ emissions produced by Lucart in 2024.

According to the accounting rules provided by GHG Protocol, direct GHG emissions (Scope 1) are all CO₂e emissions from assets owned by the company or that the company operationally controls. In the calculation



specific to the Lucart context, direct emissions from the combustion of fuels (mainly natural gas and a small part diesel/fuel oil) for industrial uses and from combustion for both internal and company car fleet mobility were considered. Indirect GHG emissions (Scope 2) are CO₂ emissions deriving from the purchase of electricity from the national power grid⁴⁷.

Direct emissions derived from combustion at production plants (Scope 1) were computed following the European Union Emissions Trading Scheme (EU ETS) regulates CO₂ emissions in Europe for high-emitting industry sectors^{48,49}. Scope 1 emissions from non-ETS installations were estimated using the appropriate conversion coefficient for the various consumed fuel types⁵⁰. Scope 1 emissions related to mobility under direct control of Lucart were also calculated using specific conversion factors⁵¹. The Market based⁵² method was adopted for calculating indirect Scope 2 emissions.



SBTi Commitment

At the beginning of 2024 Lucart partnered with the Science Based Target Initiative (SBTi) to reassert the commitment to sustainability and develop a greenhouse gas reduction strategy by the end of 2025 based on the latest scientific evidence and validated by a third-party body.

⁴⁶ WBCSD and WRI, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard revised edition" (2004).

⁴⁷ The calculation of emissions for the purchase of electricity (Scope 2) from the power grid can be carried out using two different approaches. **Location-based:** this emission calculation method involves the use of average emission factors relating to specific national power generation mixes. **Market-based:** this approach involves the use of emission factors defined on a contractual basis with the electricity supplier. In the absence of specific contractual instruments, the emission factor related to the electricity supplier's residual mix is used after the removal of the component linked to energy traceability systems, such as Guarantees of Origin (GO) or other renewable energy certification systems (RECS). The national average emission factors used by the location-based approach are usually lower than the corresponding ones calculated based on the residual mixes required by the market-based methodology.

⁴⁸ EU EUTS Directive 2003/87/EC et seq.

⁴⁹ For the plants subject to ETS, the tonnes of CO₂ correspond to those declared to the national body (MISE for Italy) and validated by a third-party certifying body. They were corrected by appropriate correction factors to include all GHG and not just CO₂.

⁵⁰ DEFRA, 2024 (Diesel-average biofuel blend; fuel oil e Natural Gas).

⁵¹ DEFRA, 2024 (Diesel-average biofuel blend e LNG).

⁵² Scope 2 market-based emissions were calculated with the coefficients of the residual mixes (AIB European Residual Mix 2023). Scope 2 emissions calculated using location-based 2024 method amount to 21,998.55 tCO₂e for the same perimeter. For this calculation, emission factors for national mixes were used (for coherence the following source was used: AIB European Residual Mix 2023). The 2023 values have been aligned in line with the update of the AIB conversion factors.

⁵³ The numerator is the sum of Scope 1 and Scope 2 market-based emissions. The denominator is the sum of the paper produced and converted in the paper mills of the group. Skin care productions are not included in the denominator.

3.8 Logistics

> Sustainable mobility

The “**Sustainable Mobility: transferring transport of raw materials from road to rail**”, project to use the railway network to significantly reduce road transport of raw materials and end products. The project was presented in 2015 and continued in 2024. The project involves the Borgo a Mozzano facility, which has an internal railway station that we have been using for years, and the production facility in Castelnuovo di Garfagnana.

SDGs



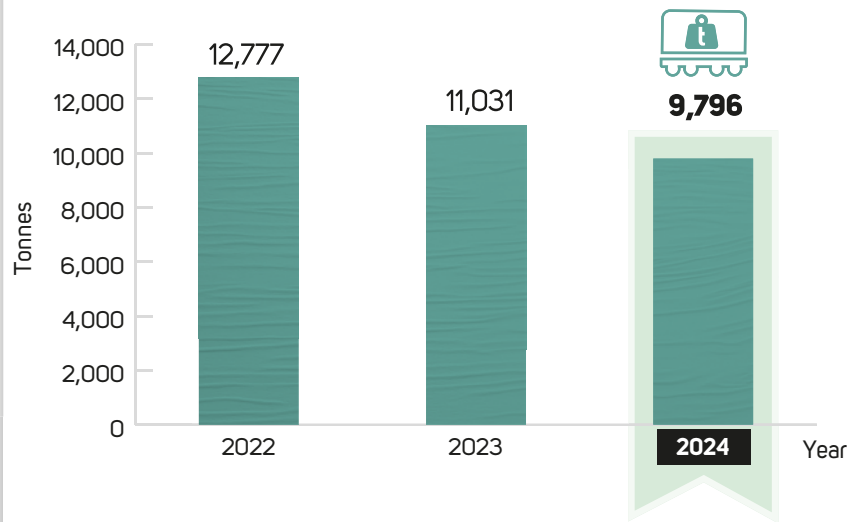
Lucart entered into an agreement with the Municipality of Castelnuovo di Garfagnana, the Region of Tuscany and RFI to restore the railway yard in April 2019. Work is currently in progress.

The tons of finished and semi-finished products transported last year suffered from the deteriorated quality of the offered service, motivating the company to use conventional means of transport to guarantee delivery deadlines agreed with the customers. However, the emission of **420 tCO₂e** into the atmosphere was avoided during 2024 by using the railway.

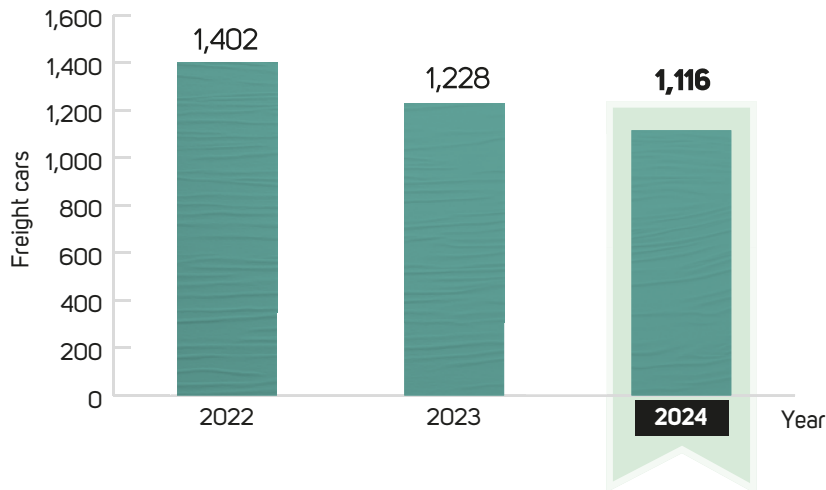
The tonnes of finished product delivered by rail from an external platform were included in the calculation.

ENVIRONMENTAL IMPROVEMENT
-420 tCO₂e
 avoided emissions
 in 2024

TONNES TRANSPORTED BY RAIL (t)



TOTAL FREIGHT CARS USED (n)



BEST PRACTICE



REDUCTION of 95% of tCO₂e for transporting goods to and from the Altopascio Logistics Hub

In 2023, the company started a new project to replace LNG (Liquid Natural Gas) with BIO-LNG (Liquid Natural Gas generated by the recovery process of pig slurry and animal by-products) in cooperation with the shuttle service provider to and from the Altopascio Logistics Hub. In the past year, 100% of the trips made to and from the Altopascio hub were made by BIO-LNG fuelled vehicles. These trips avoided the release of **137.5 tCO₂e** (BIO-LNG vs EURO VI) into the atmosphere.

3.9 Waste management

GRI 306-3
306-4
306-5

Waste from a paper manufacturing plant mainly consists of pulper waste and paper mill sludge, which is directly derived from the paper manufacturing process and process wastewater recovery.

Other waste is generated by paper-converting activities (packaging waste) and auxiliary activities (mainly maintenance, internal logistics).

SDGs 



As of 2023, the Group has set up the **Circular Management and Development Committee** to support the identification of the most virtuous ways of managing the residues and waste generated in the plants and the most virtuous ways of managing water resources.

Committee include EHS Manager, CEO, CFO, COO, CTO, Sustainability Programme Sr. Advisor, Chief Sustainable Supply Officer, Group Waste and Water Management & Strategic Project Engineer, Borgo a Mozzano and Porcari Plant Managers.

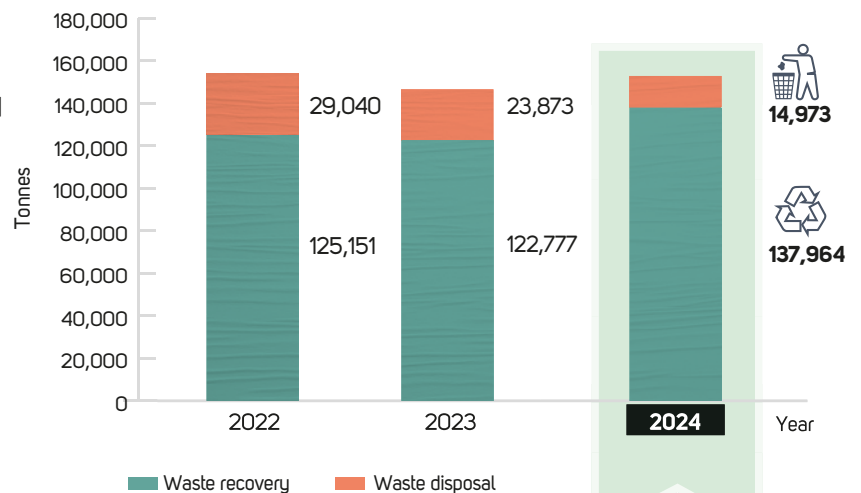
The Committee is informed about the management of waste and industrial residues and water resources. It monitors the progress of new research or industrial projects aimed at maximising waste recovery, recovering residues as by-products and reducing the specific consumption of the water resource. It examines market dynamics and related regulatory changes, in line with the Company's circular development strategies.

GENERATED WASTE ⁵⁴

Waste generation per tonne of paper produced decreasing by 1% compared to 2024

In 2024, The percentage of waste sent for recovery increased by +7.8 % (equal to 90.2% ⁵⁵).

The achievement of the improvement objective for the share of waste sent for recovery is therefore completed ⁵⁶.



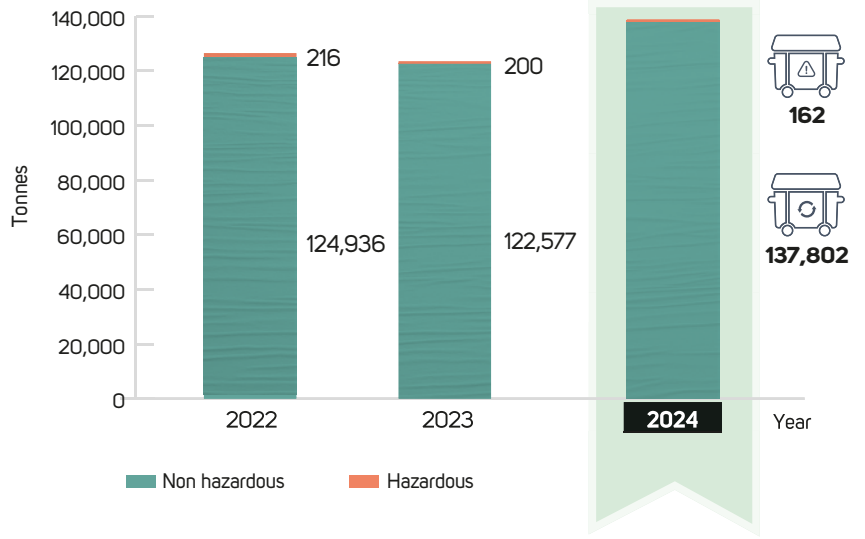
⁵⁴ Note that waste is expressed as such and not as dry.

⁵⁵ The share of waste sent to energy recovery operation (R1) was also counted in the calculation of waste sent for recovery coherently with the company's internal monitoring methods. An increase in waste sent for recovery by Lucart in 2024 of +8.5% (87.0% waste sent for material recovery in the reporting year is confirmed even including operation R1 in disposal operations, as required by GRI 306-4.5. In 2022, according to GRI 306-4.5, the percentage was 80.1%.

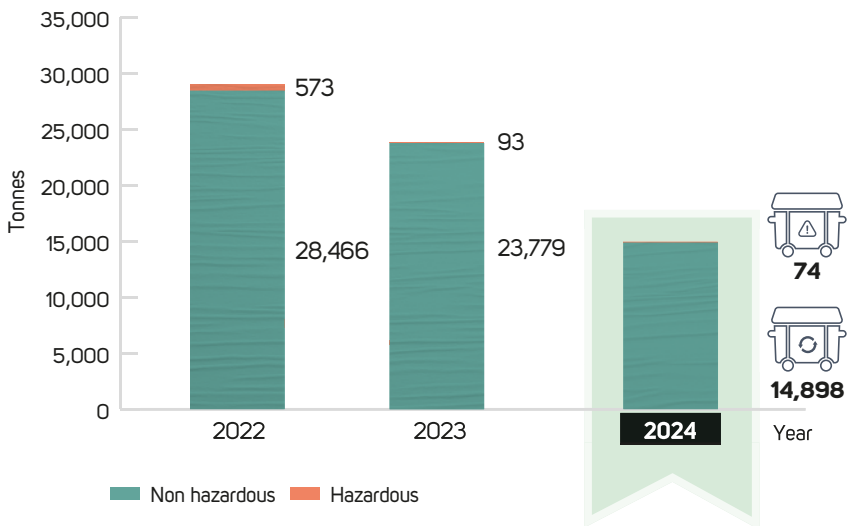
⁵⁶ It should be noted that the 2024 result (in advance compared to the target) is the result of a contingency linked to spaces on recovery plants acquired with difficulty; the achievement of the 2030 objective requires the consolidation of current outlets and the search for new ones to limit oscillations on the result achieved that we cannot exclude for the next few years.



WASTE RECOVERY



WASTE DISPOSAL



BEST PERFORMANCE

In the Borgo a Mozzano facility:

There was a significant increase in pulper and sludge waste sent to recovery operations

96% in 2024

vs.

74% in 2023

It is reported that in 2024 only 1% of sludge was sent to disposal operations

In the Porcari plant

There was a further increase in pulper and sludge waste sent to recovery operations

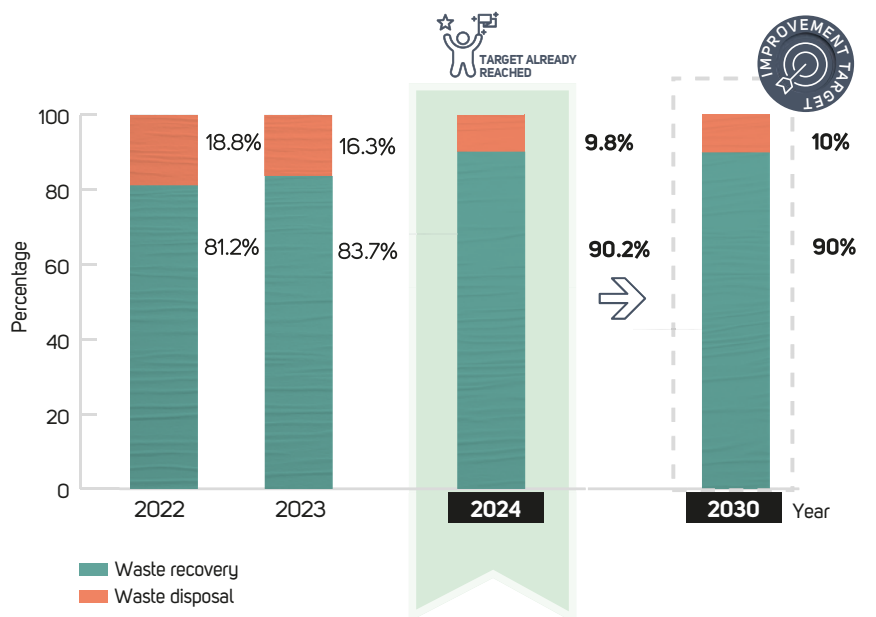
94% in 2024

vs.

86% in 2023

It is reported that in 2024 only 4.7% of sludge was sent to disposal operations

GENERATED WASTE - IMPROVEMENT TARGETS



> Waste generated per category

Waste category and composition	Waste generated	Waste recovery	Waste recovery (excluding R1) ⁵⁷	Waste disposal	Waste disposal (including R1) ⁵⁸
03 Waste from wood processing and the production of panels, furniture, pulp, paper and cardboard	143,535.9	129,868.4	124,979.7	13,667.5	18,556.2
07 Waste from organic chemical processes	118.7	43.4	43.4	75.3	75.3
08 Waste from the manufacture, formulation, supply and use of coatings (paints, varnishes and glazes), adhesives, sealants and printing inks	862.9	19.6	19.6	843.3	843.3
10 Waste from thermal processes	0.4	0.0	0.0	0.4	0.4
12 Waste from physical and mechanical surface treatment and processing of metals and plastics	573.9	554.9	554.9	19.0	19.0
13 Spent oils and liquid fuel residues	24.9	18.5	18.5	6.4	6.4
14 Organic solvents, refrigerants and waste propellants	0.2	0.2	0.2	0.0	0.0
15 Packaging waste, absorbent material, rags, filter materials and protective clothing	5,001.8	4,975.1	4,948.0	26.7	53.9
16 Waste not otherwise specified	154.0	95.5	95.5	58.5	58.5
17 Waste from construction and activates	484.2	471.9	471.9	12.3	12.3
19 Waste from waste treatment plants, off-site waste water treatment plants and water treatment and preparation for industrial use	99.7	99.7	99.7	0.0	0.0
20 Municipal wastes (household waste and similar commercial, industrial and institutional wastes) including separately collected fractions	2,079.6	1,816.4	1,774.6	263.2	305.0
TOTAL	152,936.2	137,963.6	133,006.0	14,972.6	19,930.3

90.2%

87.0%

9.8%

13.0%

⁵⁷ As required by GRI 306 – 4,5.

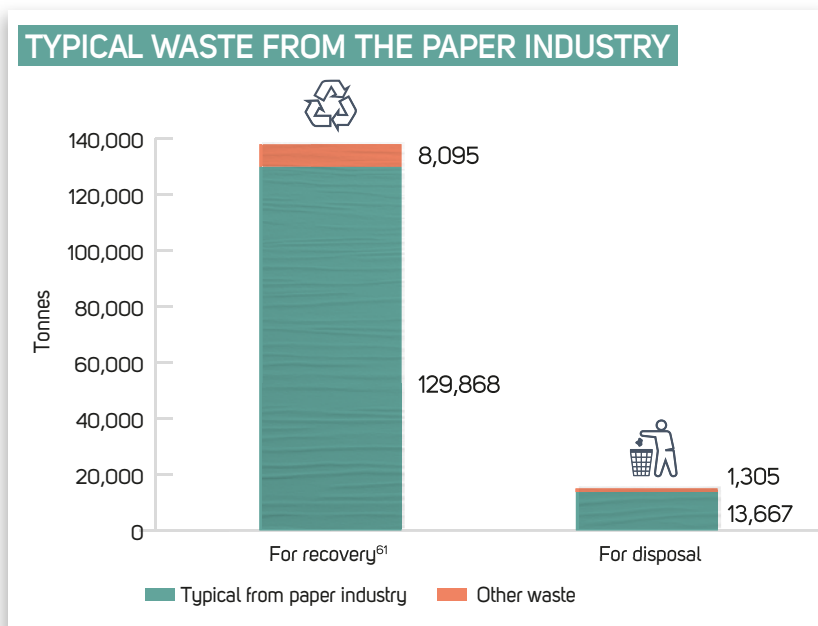
⁵⁸ As required by GRI 306 – 4,5.

> End-of-life waste management detail at Group level:

Recovery (R) or Disposal (D) operation	% of total generated waste
R1 Use principally as a fuel or other means to generate energy	3.24%
R3 Recycling/reclamation of organic substances which are not used as solvents (including composting and other biological transformation processes)	44.41%
R4 Recycling/reclamation of metals or metal compounds	0.16%
R5 Recycling/reclamation of other inorganic materials	0.97%
R9 Oil re-refining or other reuses of oil	0.003%
R10 Spreading on soil for the benefit of agriculture	6.94%
R12 Exchange of waste for submission to any of the operations numbered R 1 to R 11	0.62%
R13 Storage of waste pending any of the operations numbered R 1 to R 12 (excluding temporary storage, pending collection, on the site where the waste is produced)	33.87%
D5 Specially engineered landfill (e.g. placement into lined discrete cells which are capped and isolated from one another and the environment, etc.)	6.78%
D9 Physical-chemical treatment not specified elsewhere in this Annex which results in final compounds or mixtures which are discarded by means of any of the operations numbered D 1 to D 12 (e.g. evaporation, drying, calcination, etc.)	0.73%
D10 Blending or mixing prior to submission to any of the operations numbered D 1 to D 12	0.0001%
D13 Storage pending any of the operations numbered D 1 to D 14 (excluding temporary storage, pending collection, on the site where the waste is produced)	1.25%
D15 Specially engineered landfill (e.g. placement into lined discrete cells which are capped and isolated from one another and the environment, etc.)	1.03%

> Typical waste from the paper industry

	Waste generated	Waste recovery	Waste recovery (excluded R1) ⁵⁹	Waste disposal	Waste disposal (included R1) ⁶⁰
Typical waste from the paper industry	143,536	129,868	124,980	13,667	18,556
Other waste	9,400	8,095	8,026	1,305	1,374
TOTAL	152,936	137,964	133,006	14,973	19,930



Typical wastes from the paper industry are those identified by the first two digits 03 of the European Waste Catalogue (EWC) as per European Commission Decision 2000/532/EC as amended and supplemented.

⁵⁹ As required by GRI 306 – 4.5.

⁶⁰ As required by GRI 306 – 4.5.

⁶¹ The share of waste sent to energy recovery operation (R1) was also counted in the calculation of waste sent for recovery coherently with the company's internal monitoring methods.

3.10 Final Quantity Balance

GRI 302-3














Units of measurement

2022

2023

2024

Sustainable development goals

	TOTAL PRODUCTION					
	Paper mill	t	355,905	343,237	361,827	
	Paper converting	t	278,943	261,591	275,152	
	WATER RESOURCES					
	Water per tonne of paper produced	m ³ /t	9.51	9.48		9.43
	ENERGY RESOURCES					
	Energy intensity	Gj/t	7.24	7.23		7.07
	EMISSIONS INTO THE ATMOSPHERE					
	CO₂e emissions intensity	Kg CO ₂ e/t	408.18	403.75		387.32
	WASTE				 	
	Waste produced per tonne of paper	t/t	0.243	0.242		0.240
	Percentage of waste for disposal out of total generated waste	%	18.80	16.28		9.79
	Percentage of waste for disposal out of total generated waste (inc R1)⁶²	%	22.78	19.87		13.03
	RAIL HANDLING				 	
	Total tons transported by rail	t	12,777	11,031		9,796
	SKINCARE SECTOR					
	Total production	t	7,358	6,323		6,829
	Total water consumption	m ³	7,185	6,130		6,542
	Specific water consumption	m ³ /t	0.98	0.97		0.96

⁶² According to GRI 306-4,5 standard.

SUMMARY TABLES

Methodological note

GRI 2-2
2-3
2-4

Lucart is publishing the Sustainability Report for the twentieth year running. The objective is to disseminate economic, environmental and social information and to highlight the Company's improvement goals for all its stakeholders.

This Sustainability Report was written voluntarily, published annually and produced following GRI (Global Reporting Initiative) standards.

Within this sustainability report, all changes or revisions of information quantitative and qualitative compared to previous reports are specifically described in the dedicated thematic sections.

The analysed reporting period goes from **1 January 2024** to **31 December 2024**. The detailed list of GRI Standards in the text is summarised in the Content Index at the end of the document.

The Report considers Lucart S.p.A. and the following companies controlled by it: Lucart SAS, Lucart Tissue & Soap S.L.U., Lucart Deutschland GmbH, Lucart Kft., Lucart Hygiene Ltd. and Circular Shield D.o.o.. Reference is made in the Report to **all the companies** as **the Group** or the Lucart Group. The reporting period and the companies reported in the Sustainability Report coincide with the reporting period and the companies reported in the Consolidated Financial Statements of the parent company Pasfin S.p.A. net of the latter as a holding company and therefore not significant. Facts referring to the Group or to one or more Companies which are part of Lucart are appropriately highlighted in the text.

The Report contains qualitative and quantitative information on issues considered "material" for Lucart and its stakeholders and identified through a materiality analysis. Data was calculated promptly based on the results of the general accounting and other information systems used. Specifically, the data and information in the document were collected by the contact persons of the company departments involved, through data collection forms filled in with data extracted from the IT systems and other working tools of the Group's companies.

Data for previous periods (2022 e 2023) are provided - when available - in the Sustainability Report for comparative purposes, to enable stakeholders to assess the performance of activities over time. To ensure the reliability of the data, the use of estimates and boundary limitations was limited as much as possible and, if present, these are appropriately reported and based on the best available methodologies.

This document was drawn up by the Corporate Communications Team and the Sustainability Team collecting the reported data by involving all the relevant executive roles.

This Sustainability Report was submitted for subsequent approval by Lucart's Board of Directors on 19 May 2025. The Sustainability Report 2024 was subjected to a brief review by PricewaterhouseCoopers Business Services S.r.l. to improve the effectiveness of the reporting process and to guarantee the reliability of the reported information to all stakeholders. This activity ended with the release of the "Independent Reviewer's Report on the 2024 Sustainability Report". The report, referenced in the final section of the document, describes the adopted principles, the performed activities and their conclusions.

For further information about the data, please contact us at: communication@lucartgroup.com

Analysis of impacts related to material topics

Material topic	Impacts	Perimeter
Research, Development and Innovation	Contribution to the creation of new material recycling opportunities	Local communities Customers and final consumers Strategic partners for circularity
Combating Climate Change	Direct and indirect contribution to climate change through greenhouse gas emissions	Local communities Shareholders and investors Suppliers
	Air pollution	Local communities
Customer and End-Consumer Satisfaction	Distribution of wealth and value in the local community	Customers and final consumers
Support to Local Communities	Improving the local socio-economic environment for quality employment opportunities	Local communities
	Support of the local economy	Local communities
	Distribution of wealth and value in the local community	Local communities
	Damage to the local community from activities that could generate conflicts over the use of resources, such as soil and water, landscape depletion, pollution, etc.	Local communities
Responsible sourcing of resources along the supply chain	Consumption/depletion of material resources	Local communities
	Generation of negative impacts along the supply chain	Suppliers
Product and process sustainability	Consumption of non-renewable energy resources	Local communities
	Contribution to the creation of new material recycling opportunities	Local communities
	Consumption of renewable energy resources	Local communities
	Competition in the use of water resources	Local communities
	Depletion of water resources	Local communities
	Generation of waste	Local communities
	Air and soil pollution	Local communities
Health and safety of workers	Damage to workers' safety - accidents	Employees
	Damage to workers' health - occupational illnesses	Employees
Business Integrity and Sustainability	Developing a more ethical society	Local communities Employees Suppliers
	Improving the local socio-economic environment for quality employment opportunities	Local communities Employees Suppliers
	Distribution of wealth and value in the local community	Local communities Employees Suppliers
Development and management of human capital	Skills development	Employees
	Developing a more inclusive society	Employees Local communities
Product safety	Generation of negative impacts along the supply chain	Customers and final consumers Local communities (in the supply chain)
	Damage to the health and safety of customers	Customers and final consumers

GRI Content Index

Declaration of use	Lucart prepared a report in accordance with GRI Standards for the period from 1 January 2024 to 31 December 2024
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard	Not applicable

Topic / GRI Standards	Disclosure	Page	Requirement omitted	Reason	Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organisational details	22-27, 55		
	2-2	Entities included in the organisation's sustainability reporting	131		
	2-3	Reporting period, frequency and contact point	131		
	2-4	Restatements of information	131		
	2-5	External assurance	137		
	2-6	Activities, value chain and other business relationships	6, 7, 28-45		
	2-7	Employees	76, 77		
	2-8	Workers who are not employees	76		
	2-9	Governance structure and composition	55-56		
	2-10	Nomination and selection of the highest governance body	55		
	2-11	Chair of the highest governance body	55		
	2-12	Role of the highest governance body in overseeing the management of impacts	17, 55-56, 60-65		
	2-13	Delegation of responsibility for managing impacts	17, 55-56, 60-65		
	2-14	Role of the highest governance body in sustainability reporting	55		
	2-15	Conflicts of interest	57		
	2-16	Communication of critical concerns	57		
	2-17	Collective knowledge of the highest governance body	55		
	2-18	Evaluation of the performance of the highest governance body	There are currently no formal procedures in place to evaluate the performance of the senior governing body.		

Topic / GRI Standards	Disclosure	Page	Requirement omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-19	Remuneration policies			There are currently no formalised policies in place on the remuneration of governing bodies and senior executives.
	2-20	Process to determine remuneration			There are currently no formal procedures in place for determining remuneration.
	2-21	Annual total compensation ratio	73		
	2-22	Statement on sustainable development strategy	2, 10		
	2-23	Policy commitments	58, 68		
	2-24	Embedding policy commitments	8, 9, 12-16, 46-54, 56		
	2-25	Processes to remediate negative impacts	17, 60-65		
	2-26	Mechanisms for seeking advice and raising concerns	98, 99		
	2-27	Compliance with laws and regulations			During the reporting period, there were no significant cases of non-compliance nor were any fines paid for non-compliance with laws and regulations.
	2-28	Membership associations	93-95		
2-29	Approach to stakeholder engagement	17-19, 69-72			
2-30	Collective bargaining agreements	92			

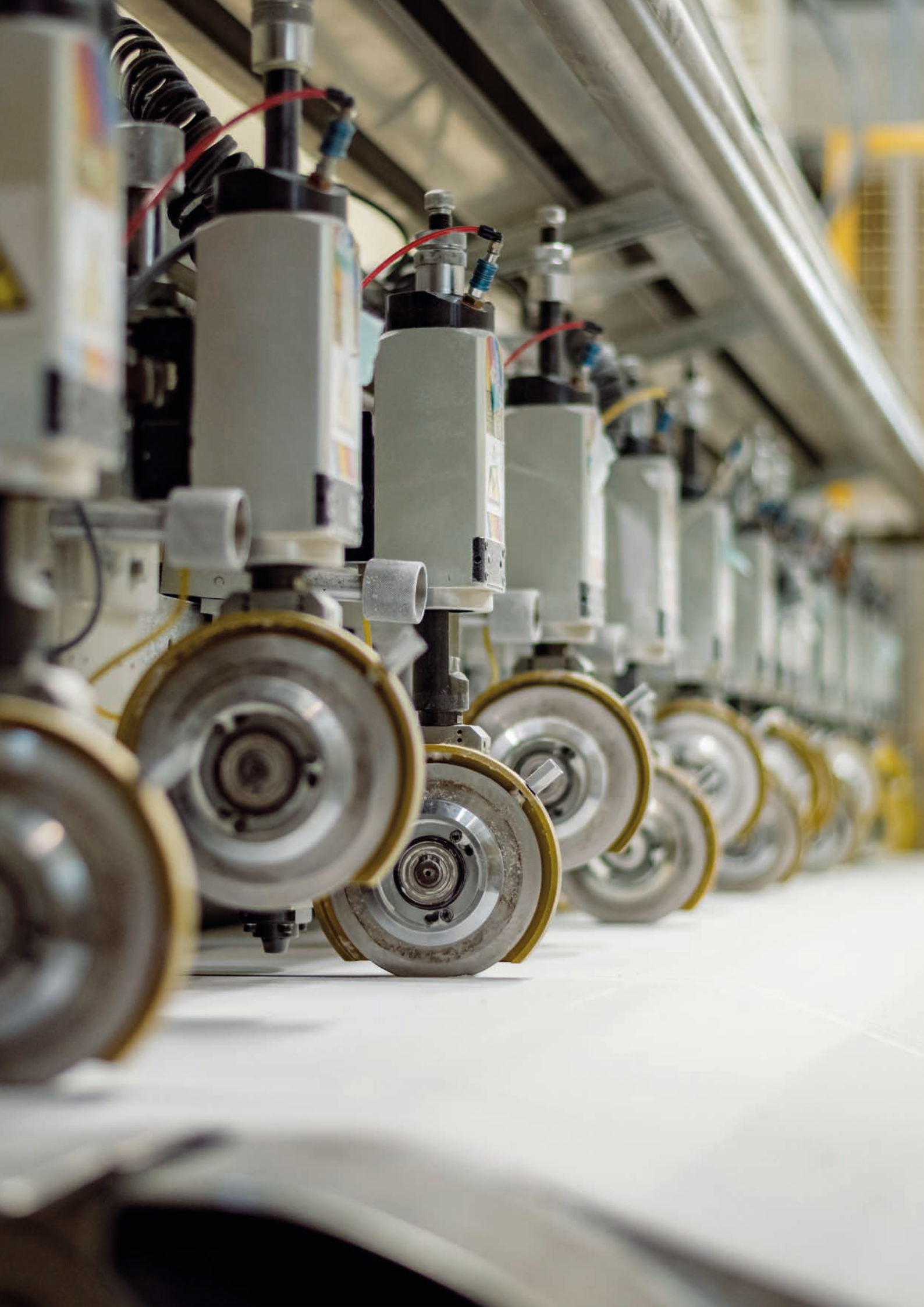
MATERIAL TOPICS

GRI 3: Material topics 2021	3-1	Process to determine material topics	17-19, 131		
	3-2	List of material topics	18		
Product safety					
GRI 3: Material topics 2021	3-3	Management of material topics	69-71, 86-90		
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			During the reporting period, there were no significant cases of non-compliance regarding impacts on health and safety of products and services.
	GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling		The information provided on the product labels complies with the provisions of the relevant national legislation.
		417-3	Incidents of non-compliance concerning marketing communications		There were no significant incidents of non-compliance regarding marketing communications during the reporting period.
GRI 418: Privacy del cliente 2016	418-1	Substantiated complaints regarding privacy breaches of customers and loss of customer data			There were no cases of violation of customer privacy during the reporting period.

Topic / GRI Standards		Disclosure	Page	Requirement omitted	Reason	Explanation
Business integrity and sustainability						
GRI 3: Material topics 2021	3-3	Management of material topics	57-59			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	7			
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	77			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and anti-corruption procedures	82			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	86-97			
Health and safety of workers						
GRI 3: Material topics 2021	3-3	Management of material topics	83-85			
	403-1	Occupational health and safety management system	83			
	403-2	403-2 Hazard identification, risk assessment, and incident investigation	84			
	403-3	Occupational health services	83			
GRI 403: Occupational Health and Safety 2018	403-4	Worker participation, consultation, and communication on occupational health and safety	84			
	403-5	Worker training in occupational health and safety	84			
	403-6	Promotion of worker health	85			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	85			
	403-9	Work-related injuries	84			

Topic / GRI Standards		Disclosure	Page	Requirement omitted	Reason	Explanation
Combating Climate Change						
GRI 3: Material topics 2021	3-3	Management of material topics	16, 106, 122, 123			
GRI 305: Emissions 2016	305-1	Direct GHG emissions (Scope 1)	122, 123			
	305-2	Indirect GHG emissions from energy consumption (Scope 2)	122, 123			
	305-4	GHG emissions intensity	122, 123			
	305-5	Reduction of GHG emissions	122, 123			
Development and management of human capital						
GRI 3: Material topics 2021	3-3	Management of material topics	26-75			
GRI 401: Employment	401-1	New hires and turnover	80,81			
	401-3	Parental leave	82			
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	82			
	404-2	Programmes for upgrading employee skills and transition assistance programmes	73			
	404-3	Percentage of employees receiving regular performance and career development reviews	73			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	55, 56			
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	No cases of discrimination were reported during the reporting period			
Responsible sourcing of resources along the supply chain						
GRI 3: Material topics 2021	3-3	Management of material topics	91			
GRI 204: Non-Discrimination 2016	204-1	Proportion of spending on local suppliers	111			
Research, development and innovation						
GRI 3: Material topics 2021	3-3	Management of material topics	48-54			
Product and process sustainability						
GRI 3: Material topics 2021	3-3	Management of material topics	106-130			

Topic / GRI Standards	Disclosure	Page	Requirement omitted	Reason	Explanation
GRI 301: Materials 2016	301-1	Materials used by weight or volume	109-113		
	301-2	Recycled input materials used	7, 109-113		
GRI 302: Energy 2016	302-1	Energy consumed within the organisation	118-121		
	302-3	Energy intensity	119		
	302-4	Reduction of energy consumption	119		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	114-117		
	303-2	Management of water discharge-related impacts	48-54, 114-117		
	303-3	Water withdrawal	114		
	303-4	Water discharge	117		
GRI 306: Rifiuti 2020	306-2	Management of significant waste-related impacts	48-54, 126		
	306-3	Waste generated	126-129		
	306-4	Waste diverted from disposal	126-129		
	306-5	Waste directed to disposal	126-129		
Customer and End-Consumer Satisfaction					
GRI 3: Material topics 2021	3-3	Management of material topics	86-90		
Sostegno alla comunità locale					
GRI 3: Material topics 2021	3-3	Management of material topics	92		
GRI 413: Comunità locali 2016	413-1	Operations with local community engagement, impact assessments, and development programs	92		





Independent auditor's report on sustainability reporting

To the board of directors of Lucart SpA

We have undertaken a limited assurance engagement on the Sustainability Report of Lucart SpA (hereinafter the "Company") and of its subsidiaries Lucart SAS, Lucart Tissue & Soap SLU, Lucart Deutschland GmbH, Lucart Kft, Lucart Higiene Ltd and Circular Shield Doo, (hereinafter also the "Group" or "Lucart Group") for the year ended 31 December 2024.

Responsibilities of the directors for the Sustainability Report

The directors of Lucart SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

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

The directors are also responsible for defining the sustainability performance targets of the Lucart Group as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Management

We are independent in accordance with the principles of ethics and independence set out in the 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 (ISQM Italia 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.

PricewaterhouseCoopers Business Services Srl

Società a responsabilità limitata a socio unico

Sede legale: Milano 20145 Piazza Tre Torri 2 Tel. 02 725091 Cap. Soc. Euro 100.000,00 i.v. - C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 06234620968 - Altri Uffici: **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640311 Fax 080 5640349 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Bolzano** 39100 Via Alessandro Volta 13A Tel. 0471 066650 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Cagliari** 09125 Viale Diaz 29 Tel. 070 6848774 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 Fax 055 2482899 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873431 Fax 049 8734399 | Rubano 35030 Via Belle Putte 36 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 6256313 Fax 091 7829221 | 90139 Via Roma 457 Tel. 091 6752111 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 Fax 0521 781844 - **Pescara** 65127 Piazza Ettore Troilo 8 - **Roma** 00154 Largo Fochetti 29 Tel. 06 6920731 - **Torino** 10122 Corso Palestro 10 Tel. 011 5773211 Fax 011 5773299 - **Trento** 38121 Viale della Costituzione 33 Tel. 0461 237004 Fax 0461 239077 | 38121 Via Adalberto Libera 13 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 315711 Fax 0422 315798 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 Fax 040 364737 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001

Società soggetta all'attività di direzione e coordinamento della PricewaterhouseCoopers Italia Srl
www.pwc.com/it

Auditor's Responsibilities

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with “International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information” (hereinafter also “ISAE 3000 *Revised*”) issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement. The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Company's environment, the identification, assessment and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
2. comparison of the financial data and information reported in the “Lucart at a glance” section of the Sustainability Report with the data and information included in the consolidated financial statements of the parent company Pasfin SpA;
3. understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management personnel of Lucart SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial data and information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a parent company level:
 - a. with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
 - b. with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation;
- for the companies Lucart SpA (plant of Borgo a Mozzano – Diecimo) and Lucart SAS, which we selected on the basis of their activities, their contribution to performance indicators at a consolidated level and their location, we carried out discussions with the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.



Limited Assurance Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Lucart Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Methodological note” section of the Sustainability Report.

Rome, 20 May 2025

PricewaterhouseCoopers Business Services Srl

Signed by

Francesco Candelise
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the Sustainability Report referred to in this report.

 **LUCART S.P.A.****ADMINISTRATIVE AND LEGAL PLACE OF BUSINESS:**

Via Ciarpi, 77
I - 55016 Porcari (Lucca)
Tel. +39 0583 21 40
Fax +39 0583 29 90 51

PLANTS AND COMMERCIAL OFFICES:

55016 **PORCARI** (Lucca)
Via Ciarpi, 77
Tel. +39 0583 21 40

55023 **BORGIO A MOZZANO** (Lucca)
Z.I. Diecimo
Tel. +39 0583 83 701

30020 **TORRE DI MOSTO** (Venezia)
Via G. Galilei, 4 -Z.I.
Tel. +39 0421 31 28 11

55032 **CASTELNUOVO DI GARFAGNANA** (Lucca)
Via E. Fermi, 13
Tel. +39 0583 64 01

85021 **AVIGLIANO** (Potenza)
Loc. Serra Ventaruli
Tel. +39 0971 70 31 11

LOGISTICS CENTRE:

55011 **ALTOPASCIO** (Lucca)
Via del Palazzaccio, 56
Tel. +39 0583 83 701

 **LUCART SAS****PLANT:**


F - 88600 Laval-sur-Vologne
10, Rue Maurice Mougéot BP35
Tel. +33 (0)3 29 55 78 78
Fax +33 (0)3 29 55 78 76

LOGISTICS CENTRE:

F- 88100 Saint-Dié-des-Vosges
12, Rue Pierre Mendes France
ZI Hellieule 4

 **LUCART KFT.**

HU - 2536 Nyergesújfalu
Iparos utca 1
Tel. +36 33 428 128 // +36 33 428 129
Fax: +36 33 428 130

 **LUCART TISSUE & SOAP S.L.U.**

E - 48850 Aranguren (Bizkaia)
Nicolás María Urgoiti s/n
Tel. +34 946 670 000
Fax +34 946 390 985

E - 014474 - Artziniega (Alaval)
Barrio Barretaguren 12
Tel. +34 945 398 100

 **LUCART DEUTSCHLAND GMBH**

DE - 60487 Frankfurt
Tilsiter Straße 1

 **LUCART HYGIENE LTD.**

UK - WR8 OEF Worcester
Blackmore Park Rd, Hanley Swan
Tel. +44 (0) 1684 893 797

www.lucartgroup.com

This document is the property of Lucart. Any reproduction, even partial, is prohibited without prior written authorisation.

Graphic design
© Corberi Sapori Editori Sas

Photographs
© Giorgio Leone
© O-Zone
@ Osvaldo Domenici

Print
Pacini Editore Srl

Document printed on
"Shiro Echo bright white"
recycled paper

The Corporate Communication and Sustainability teams, which produced this document, would like to thank all the colleagues who took an active part in writing it and those who took part in the photo shoot.



We share a sustainable future, step by step.

A deep sense of responsibility
has always guided our choices, because we know
that trust must be earned day by day.

www.lucartgroup.com

 LUCART
PROFESSIONAL

 Velo

 FATO

 Tenderly

 Grazie
EcoNatural

 Tutto

 Smile

 LUCART
SHARING THE FUTURE