



ILCAMGROUP
ONE PARTNER, ALL FRONTS

Sustainability Report 2024





ILCAM
ILCAM GROUP

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Letter to stakeholders from the Chairman

[2-22]

Dear Stakeholders,

Sustainability today is an advanced construction, an unfinished house that we aspire to make more habitable.

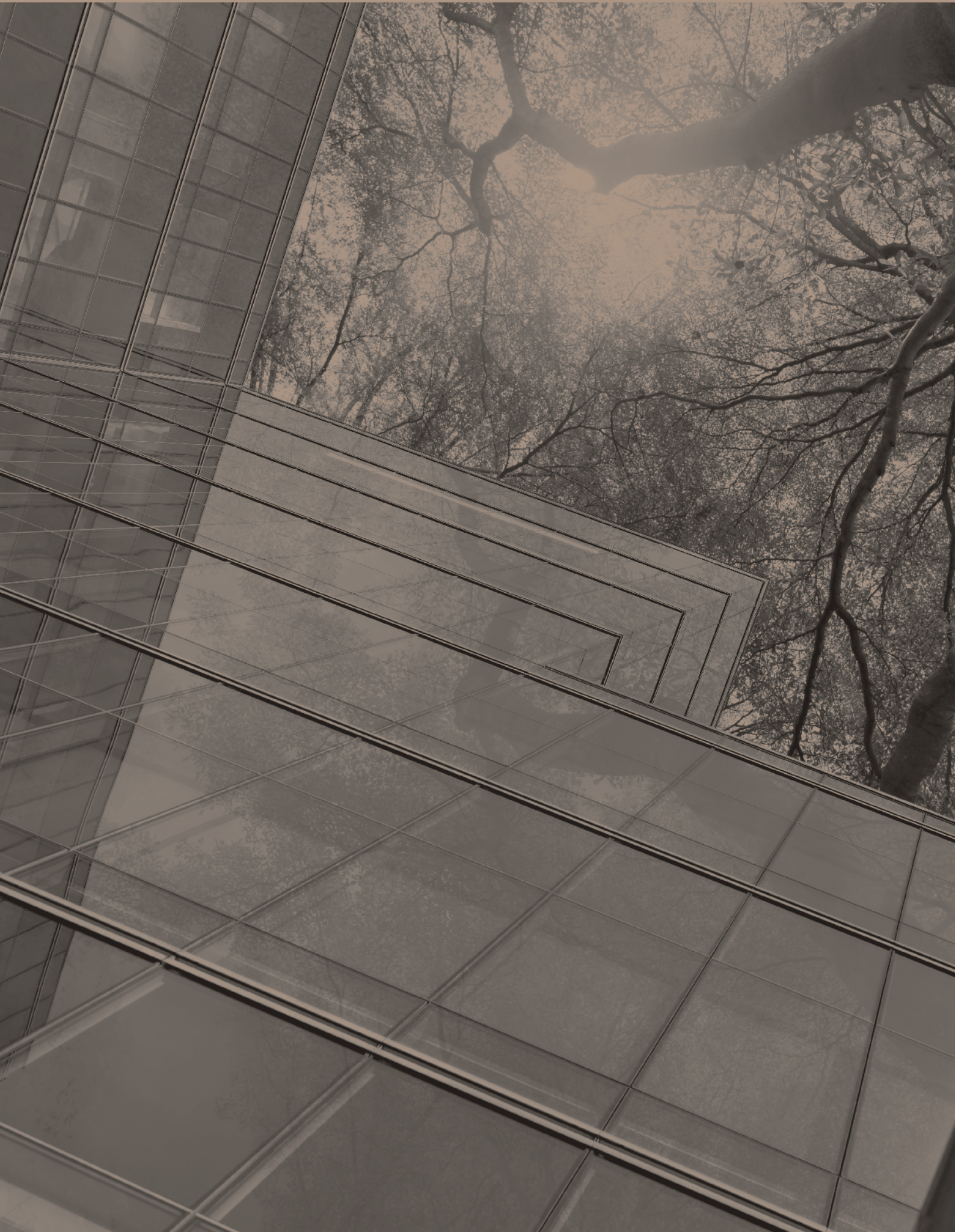
It is important to have a historical memory of the moment in which perception became responsibility and responsibility took on the commitments that we today list as consequent actions completed.

I find traces written in 1993, the year of birth of the *Forest Stewardship Council*, but in speech, the term *sustainability* (strictly in English; it did not appear in any dictionary and Wikipedia had not yet been created) entered into the reflections and planning of the company's future 1996, when the evolution began from the language which was enriched with further terms such as biodiversity, ecosystem, conservative and socially useful management, traceability of raw materials, containment of CO₂ emissions, circularity of products, renewable energy sources. Awareness has been a long time coming, and we have no second thoughts about the path we've taken.

Technological research and innovation, financial investments, customers, suppliers, and partners, whom we thank, help us evolve. Our greatest resource is the commitment and expertise of our employees, including a new addition, the *Sustainability Manager* of the Group that will help us successfully pursue improvement objectives.

Pierluigi Zamò
Chairman Ilcam S.p.A.





Letter to stakeholders from the Sustainability Manager



Dear Stakeholders,

It is with great pleasure that I take this opportunity to express the enthusiasm with which I am taking on this role. I deeply believe that sustainability is not simply a goal to be achieved, but a true magnifying glass that allows us to fully understand the many facets and aspects of our company.

From this perspective, we can observe and analyse everything that makes up the Ilcam Group: relationships with our suppliers, internal organisational processes, the well-being of our employees, careful analysis of production processes, logistics, customer relations, and, last but not least, the dialogue with and impact on, the local communities we serve.

For the Ilcam Group, sustainability isn't just a "department" or a separate function, but the only true way of doing business: a cross-functional and integrated approach that allows us to critically analyse ourselves, while continuing to learn, and improve every day.

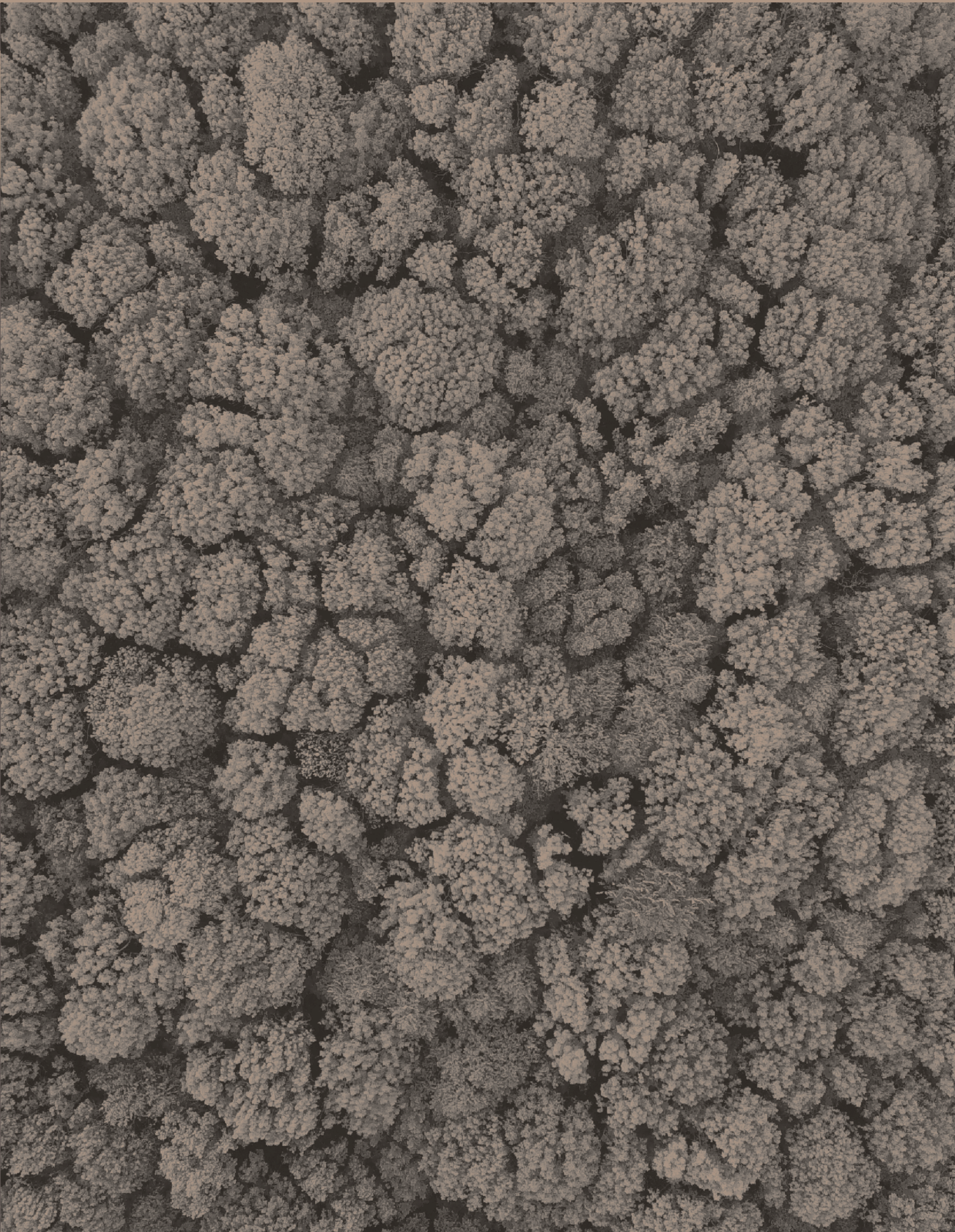
This year we have carried out numerous activities and achieved many improvements in various areas. I invite you to read this Sustainability Report to discover in detail the steps we've taken together, the choices we've made, and the projects we've launched.

With gratitude and trust for the collaboration that we will continue to build together,

Elisa Zamò
Sustainability Manager
ILCAM Group



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1. THE ILCAM GROUP

THE GROUP IN NUMBERS



€274 million
Turnover
financial year 2024



5
Countries where the Group's
core companies are present



94%
Renewable
raw materials

ENVIRONMENTAL PROTECTION



+46%
Energy usage
coming from renewable sources
compared to 2023



-10%
GHG Emissions Scope 1
compared to 2023



386.234 t
Scope 3 GHG Emissions
2024

THE STRENGTH OF THE GROUP: THE VALUE OF OUR PEOPLE



1.006
Employees (2024)



98%
Permanent employees
(2024)

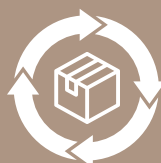


5.155
Training hours (2024)

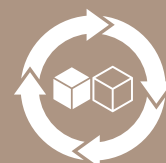
RESPONSIBLE MANAGEMENT OF THE VALUE CHAIN



61%
Raw materials purchased
with certifications (2024)



35%
Packaging purchased
from recycling (2024)



43%
Recycled raw materials
+ 32% compared to 2023

1.1 THE IDENTITY OF THE ILCAM GROUP

[2-1, 2-2, 2-28]

The Group, a leader in the European market for the production of furniture components, addresses a wide range of customers: furniture manufacturers, component distributors, retailers and companies specialised in furniture contract supplies, or tailor-made solutions designed to meet specific customer needs.

Thanks to the use of advanced technologies and cutting-edge production processes, the Group has earned the trust of international markets over time. Its success is based on solid teamwork and the ability to build relationships based on mutual respect with all stakeholders, promoting transparency, active listening, and collaboration. These values are the fruit of a corporate history spanning over sixty years.

1959

Ilcam S.p.A. (Industria Lavorazione Curvati e Affini Manzano) was founded in 1959 by Tullio Zamò and three partners in Manzano, the heart of one of Italy's main furniture manufacturing districts. It was a small company that produced curved backrests. Thanks to the founder's experience in industrial design and mechanics, he developed an original method for bending backrests, even building a dedicated machine.

1960

After a few years, the company changed its product range and began supplying the furniture factories in Brugnera and Pesaro, which were then gaining ground in the mid-1960s, in the wake of Italy's first economic boom. The product range consisted primarily of table legs and bases.

1970

The 1970s were a turning point. The company, which by then had approximately 180 employees and was establishing itself as a leading supplier in the Italian furniture industry, expanded its product range. It was precisely in the second half of the 1970s that production of oak doors began. In 1975, the founder's eldest son, Pierluigi Zamò, now President, joined the company, followed shortly thereafter by his brother Silvano Zamò, Vice President. Growth and expansion into Europe had begun, thanks in part to the strategic and industrial expertise acquired from foreign co-workers and entrepreneurs. As demand for doors grew, production focused on this product line. It was a resounding success; Ilcam was the first company to industrialise the production of solid wood doors.

1980

In the 1980s, production expanded, reflecting the evolution of doors: the all-solid wood version was joined by a version featuring a veneered and embossed central panel. In the mid-1980s, Ilcam acquired the best painting line in Europe and began creating innovative products. Specifically, it began producing PVC doors, becoming the first industrial company in the sector to manage all door protection and decoration technologies in one place.

1990

The 1990s were the first years of investment outside of Italy: Ilmest was founded in Slovenia, followed shortly thereafter by Ilrom in Romania. The opening of new production facilities was part of an integrated supply chain strategy and the proximity of initial product processing to forestry resources.

2000

In 2000, the new Cormons facility was opened, consolidating production processes previously spread across multiple facilities in Cormons, Manzano, and San Giovanni al Natisone. This move reflects both the company's growing size and the need to optimise production and logistics.

2010

The following years were marked by significant investments, with acquisitions and the founding of new companies, giving the Ilcam Group the fruit of a strategic vision based on the combination of expertise and product offerings. In 2011, the first photovoltaic system was installed at the parent company, demonstrating the Group's long-standing and concrete commitment to sustainability.

2014

In 2014, Licar was acquired to expand its offering and strengthen its presence in the English and American markets. The following year, Lanta was established and became part of the Group. Investments also included industrial aspects, such as the launch of the Lean Manufacturing Project and the acquisition of new cutting-edge production technologies.

2018

In 2018, the Ilcam Group created a joint venture with the Canadian group Olon, creating the OL Frontal Solution company with a production site in the USA.

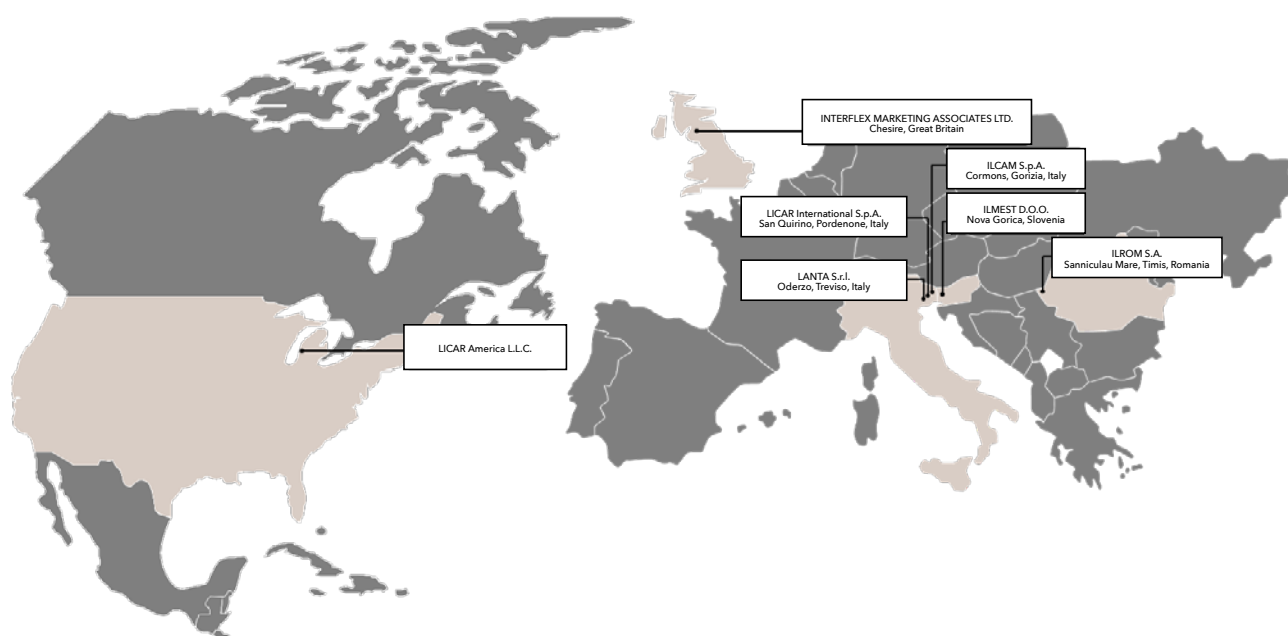
2022

Ilbord2 was established as a production unit of the parent company Ilcam S.p.A. to better meet the demand for edged square products. The following year, OL Frontal Solution - now known as Licar America LLC - joined the Ilcam Group.

2024

PS Zeta Holding Srl is established as the new industrial holding company of the Ilcam Group, effective December 2024.

The core companies that comprise the Ilcam Group are located in three European countries: Italy (in the Veneto and Friuli-Venezia Giulia regions), Slovenia, and Romania. In 2023, the Group began an expansion into the United States, thus broadening its geographic presence in U.S.A.. Below is a detailed summary of the entities that comprise the Ilcam Group:



Ilcam S.p.A. (Cormons, Italy), parent company, is specialised in the production of fronts and components for the furniture industry. It manages all woodworking processes, from painting to edgebanding, pressing, and calendering. The plant occupies a 90,000 m² area.

- **Licar International S.p.A. (San Quirino, Italy)**
Dedicated to the production of doors and components that combine aesthetics and functionality through the use of wrap technology. The company is constantly engaged in research into new materials and technological solutions. The industrial facility covers approximately 60,000 m².
- **Lanta Srl (Oderzo, Italy)**
Specialising in the production of carcasses, doors, and panels, it operates from a 40,000 m² industrial site. The company is recognised for its commitment to scratch-resistant recycled and recyclable materials and has also implemented an innovative customer connection system for strategic supply in recent years.
- **SP20 Srl (Udine, Italy)**
Italian company active in the production of electricity from renewable sources.
- **Ilmest D.O.O. (Nova Gorica, Slovenia)**
It produces veneered panels and raw materials, maintaining a natural look. The company covers a 21,000 m² facility and provides, among other services, logistics and packaging support for the entire Group.

- **Ilrom S.A. (Sanniculau Mare, Romania)**

Located in a region rich in forest resources, it manages the entire production process, from the sawmill to the production of solid wood components; the production process takes place within a facility of approximately 20,000 m².

- **Licar America LLC (Jeffersonville, Indiana, USA)**

Specialising in the production of furniture doors and components using wrap technology. Its presence in the United States not only expands the Group's geographic reach but also strengthens its ability to meet the needs of the North American market with customised and technically sophisticated solutions.

- **Interflex Marketing Associates LTD (Cheshire, Great Britain)**

Based in Knutsford, Cheshire, Interflex is the agency created to provide the Group's UK Client base with a prompt, immediate and effective service.



LICAR
ILCAM GROUP



LANTA
ILCAM GROUP



ILMEST
ILCAM GROUP



ILROM
ILCAM GROUP



LICAR America
ILCAM GROUP

TRADE ASSOCIATIONS

The Ilcam Group, through its companies in Italy and abroad, is associated with various trade organisations; among the main ones, **Federlegno** and **Confindustria**:

- **Federlegno**: it is the Italian federation that **represents and promotes the interests of companies in the wood-furniture sector**. It plays a fundamental role in providing regulatory and economic support, offering institutional representation and promoting the competitiveness of member companies;
- **Confindustria**: it is the main organisation representing Italian companies, active at the local, national, and international levels. **It promotes and protects the interests of companies, supporting them in their growth, innovation and development of corporate culture.** At the Italian level, Ilcam is a member of the local branches of Confindustria Udine and Confindustria Alto Adriatico, holding senior roles in both. Internationally, the Group is a member of Confindustria Romania, through the company Ilrom, and of Confindustria Slovenia, through Ilmest.

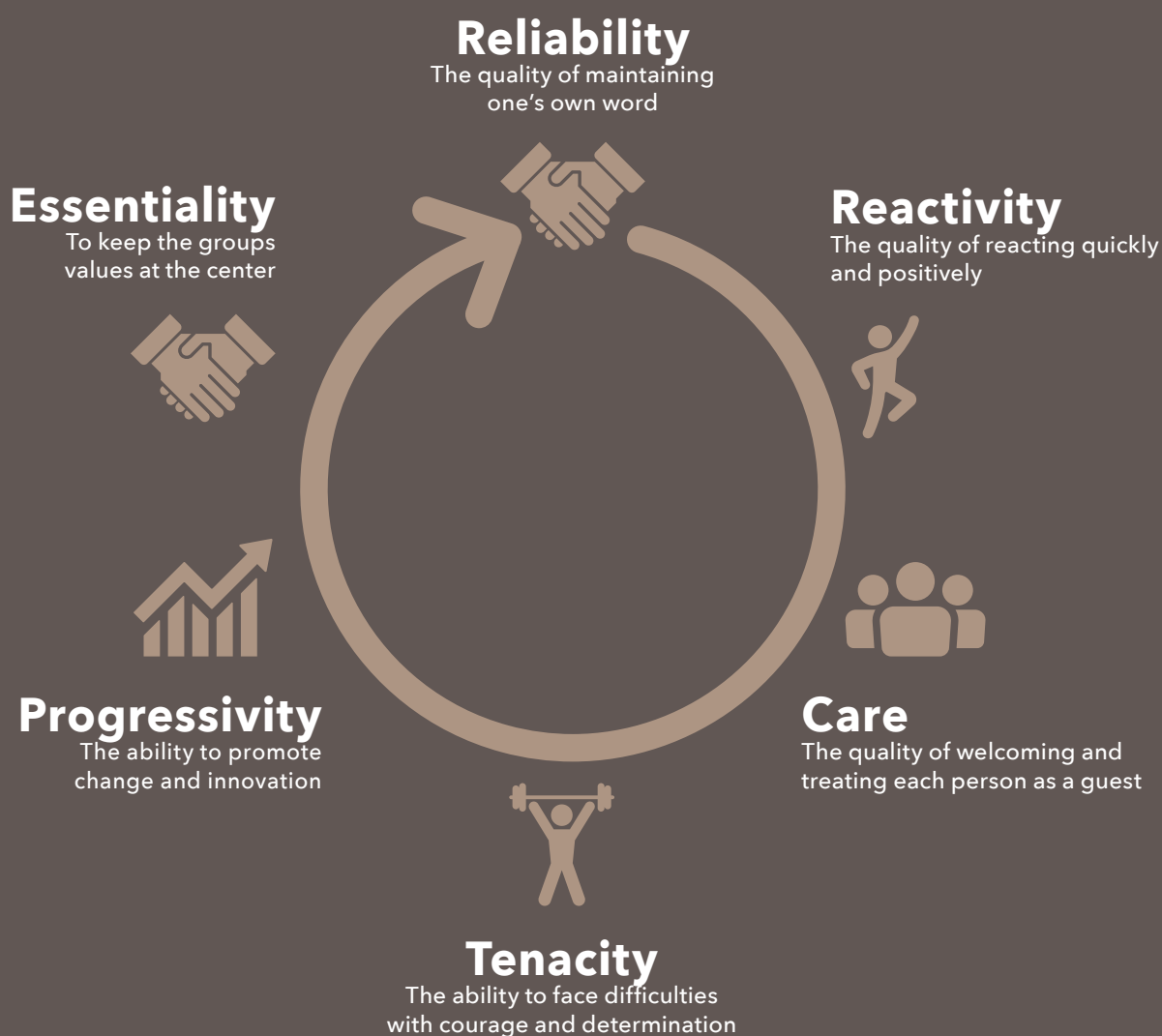
Membership in these associations allows the Group to access platforms *networking* and exchange of knowledge, facilitating comparison with other realities in the sector: this promotes the sharing of *best practices*, building strong business relationships and identifying new opportunities for collaboration and access to potential new markets.

1.2 VALUES AND TRANSPARENCY

The Group's **mission** is deeply rooted in the desire to transform homes into more welcoming and functional spaces. This goal is achieved through the production of furniture fronts that express the excellence of craftsmanship and the elegance of Italian style, distinctive attributes of the brand.

At the same time, the Ilcam Group's **vision** is to establish itself as the leading supplier of high-quality furniture fronts, tailor-made to meet the needs of retailers, distributors, builders, and manufacturers. This goal is pursued while maintaining solid values that guide every phase of current and future design.






Thanks to this approach, the Group is now recognised as a European leader in the woodworking sector and in the production of high-quality furniture components.



1.3 THE GOVERNANCE STRUCTURE

[2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-19, 2-20, 405-1]

In 2024, the Ilcam Group recorded a turnover of €274 million. Given the complexity and strategic role the Group plays nationally and internationally in its sector, it is essential that it have an effective and efficient corporate governance structure. The following are the governing, management, and supervisory bodies of the parent company Ilcam S.p.A.:

	Board of Shareholders	Made up of 6 members, 3 women and 3 men, it constitutes the internal collegial body of the company, within which the company's will is formed.
	Board of Directors (BOD)	Made up of 10 members, it represents the main decisionmaking and supervisory body; as the governance body, it is responsible for making strategic decisions and ensuring effective, responsible, and long-term management.
	Board of Auditors	It is the supervisory body responsible for overseeing compliance with laws and company bylaws, and plays a key role in employee representation. It is composed of three members, two men and one woman + 2 male substitute auditors.
	Supervisory Board	Composed of three members, one woman and two men, it constitutes the external corporate body responsible for monitoring the effectiveness and functioning of the organisational model pursuant to Legislative Decree 231/2001.
	Auditing Firm	Registered in the Register of Auditors at the Ministry of Economy and Finance, it performs statutory audits in accordance with current legislation. It is an independent body pursuant to Article 2049-quinques of the Italian Civil Code.

Specifically, at the end of the reporting period of this Financial Statement, the Board of Directors¹ is composed of 10 members, including 9 men over 50 and one woman under 30. Gender diversity within the Board of Directors, expressed as the ratio of female members to total members, is 10%.

It should also be noted that some of these members also hold positions on the Boards of Directors of other companies in the Group.

¹ There is no formalised procedure governing the prevention and mitigation of conflicts of interest within the Board of Directors. As of December 31, 2024, no cases of conflicts of interest have occurred.

The following is the structure of the Board of Directors as of December 31, 2024:

Members and positions of the Board of Directors

Pierluigi Zamò		<i>Chairman</i>
Silvano Zamò		<i>Deputy chairman</i>
Elisa Zamò		<i>Board member</i>
Giuseppe Dal Cin		<i>Board member</i>
Alberto Felice De Toni		<i>Board member</i>
Giuliano Gabrielli		<i>Board member</i>
Lindo Malisan		<i>Board member</i>
Giorgio Nadalutti		<i>Board member</i>
Maurizio Zanette		<i>Board member</i>
Fabio Candussio		<i>Board member</i>

 *Executive Member*

Among its various duties, the Board of Directors plays a central role in defining corporate strategies and policies, ensuring effective governance compliant with current regulations, and pursuing the Group’s strategic objectives. Its members are appointed by the Board of Shareholders, which evaluates their competence, experience, and integrity, thus ensuring optimal composition. The Board of Directors is reevaluated every three years, with the exception of Ilmest, which follows an independent review schedule.

All members of the Board of Directors possess in-depth knowledge of the sector and the local context, as well as diverse and complementary skills in strategic, legal, and financial matters. This diversity of experience allows for informed and mindful management, geared towards achieving the company’s mission and vision.

All Board members are actively involved in the approval and selection of management positions and in handling extraordinary situations, thus contributing to the consolidation of consistent and responsible leadership. To support the decision-making process, the Board of Directors relies on the senior management of the Group companies, who serve as a key point of contact for sharing information, discussing strategies, and aligning the activities of the various corporate entities.

The Board of Directors’ performance evaluation is conducted by the Chairman and the Board of Shareholders, who also define the remuneration system. Specifically, a total “ceiling” for remuneration is set,, which is then assigned in proportion to individual responsibilities and commitment. Specifically, Pierluigi Zamò, who holds both the positions of Chairman and CEO, receives a fixed allowance, as does Vice Chairman Silvano Zamò, who holds equal powers. The other members, however, receive an attendance fee based on actual meeting attendance. This remuneration structure is designed to ensure fairness, transparency and to incentivise a high level of engagement.

Starting from 2024, the Group has introduced the figure of the Sustainability Manager. This resource has also been included as a member of the Board of Directors, with the aim of supporting the entire Group's sustainability efforts, as well as assisting the Board of Directors in assessing and making decisions regarding the management of impacts, risks, and opportunities identified as significant during the materiality analysis phase, and enhancing the expertise of all members in this area.

Among the various tasks of the function of Sustainability Manager, the following responsibilities are also included:

- supervision of sustainability issues, connected to the exercise of business activities and the dynamics of the latter's interaction with its stakeholders;
- analysis of the main company rules and procedures that are relevant to stakeholders;
- report opinions on sustainability issues to the Board of Directors;

The Board meets periodically, more than once a year, to discuss the definition and management of significant impacts, risks, and opportunities, with the aim of monitoring progress.

Given the ongoing regulatory evolution and the current context, the Group promotes training plans to effectively guide the actions of individual companies in managing the impacts, risks, and opportunities related to sustainability. In 2024, the Sustainability Manager organised numerous training sessions at various corporate levels, also involving the Boards of Directors of the Group companies (for further information see Chapter 4 - "People and the community").

Finally, the Group regularly engages external consultants and suppliers, who offer ongoing outsourced assistance in developing and consolidating its sustainability journey.

2. THE GROUP'S COMMITMENT TOWARDS SUSTAINABILITY

With this Sustainability Report, the Ilcam Group intends to summarise and make concrete its commitment to sustainable development and a business model attentive to social, environmental, and economic dimensions.

The Sustainability Report is therefore not just a summary document, but a dynamic tool that guides the Group towards continuous improvement, strengthening its role as a responsible actor within the socioeconomic and environmental context in which it operates.

2.1 MATERIALITY ANALYSIS

[2-6, 2-29, 3-1, 3-2]

Taking into account the evolution of the European regulatory context, the Ilcam Group has preliminarily and voluntarily chosen for this reporting exercise to update the materiality analysis in accordance with the new ESRS (European Sustainability Reporting Standards) and following the EFRAG (European Financial Reporting Advisory Group) Guidelines for the application and implementation of these standards.

The Ilcam Group, which currently does not fall within the scope of the new European CSRD (Corporate Sustainability Reporting Directive), has therefore chosen to combine the analysis of the impacts generated, already carried out in the previous year in line with the GRI Standards, with that of the sustainability risks and opportunities to which it is exposed (IRO - Impacts, Risks and Opportunities).

The key elements of the conducted materiality process are described below: the value chain, the Group's stakeholders and the material topics.

THE VALUE CHAIN

The Ilcam Group, which employs 1,006 people, is the European leader in the production of fronts for the furniture industry. This leadership has been achieved thanks to a method and working style that make this Italian industrial group an international entity, bringing together diverse languages, skills, and knowledge.

Specifically, the Group produces furniture fronts, employing all currently available technologies, with the aim of offering customers the widest variety of solutions. Among the main technologies used are: woodworking, wood veneering, spray painting, curtain painting, edging, lamination, coating, and membrane pressing.

A quality product is born from the combination of advanced technologies and top-quality materials. Thanks to its consolidated experience, the Group favours four primary materials, which guarantee attention to detail, high standards of compliance, and a wide range of aesthetic solutions, from the most classic to the most innovative.

SIX TECHNOLOGIES OF ILCAM GROUP EXPERTISE

1. **WOOD** (ILROM + ILMEST + ILCAM)

The production process begins with sawing the logs in Romania to obtain the elements. These are then processed at the parent company's headquarters, where veneered panels are also added in Slovenia. Once the front, known as a five-piece, is created, it can be offered to the customer either as a raw material or painted.

2. **PAINTING** (ILCAM)

In addition to wood-based products, the Cormons plant also paints wood fibreboard based products using a lacquering process.

3. **THERMOFORMED** DOORS (ILCAM)

The production system is fully integrated within the Cormons plant. Starting with the raw material, it is processed using a pantograph process, followed by thermoforming of the final covering using a membrane press. The finishes that can be obtained are: gloss, matt or with a wood effect

4. **EDGING** (ILCAM + LANTA)

Starting from purchased panels, or ones we transform ourselves, we perform the edge banding process at Ilcam to achieve a smooth front. The same process is also performed at LANTA, which produces not only fronts but also the structural components for the furniture.

5. **WRAPPED** (LICAR + LICAR AMERICA)

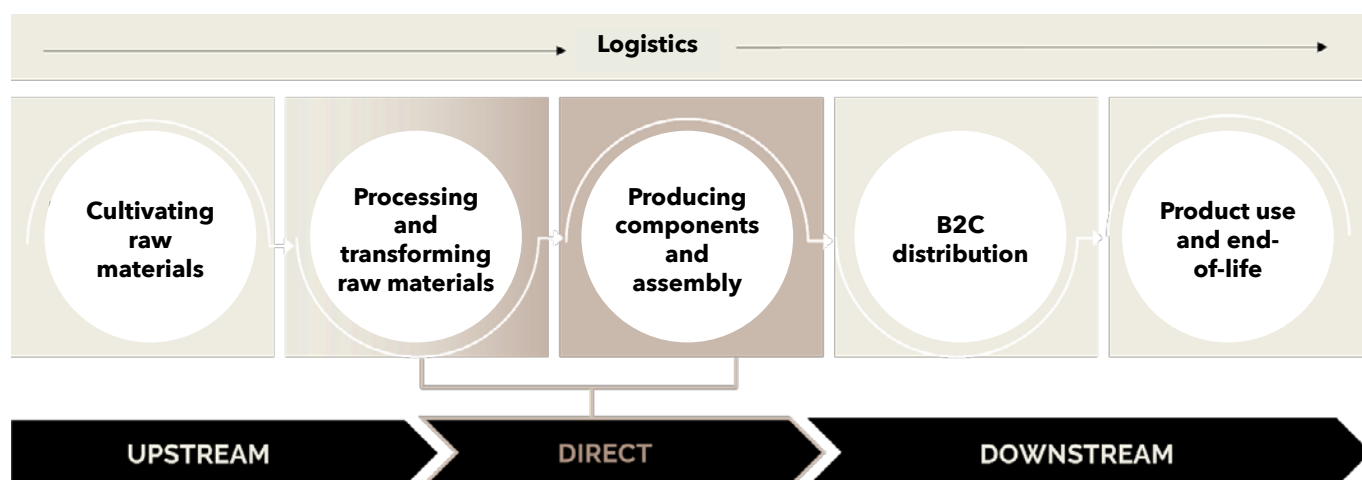
This technology consists of covering the wood fibreboard core with a decorative sheet, to obtain smooth fronts, or semi-finished products, which are then assembled together with a panel, thus obtaining a front with a 5-piece aesthetic.

This product may undergo a painting process, but not necessarily.

6. **CALENDERING** (LANTA)

Starting from raw wood fibreboard, the flat surfaces are covered with matt or gloss sheets. Using the same process, sheets can be used to create textured, embossed, or glass-effect surfaces. These panels can then be used either as raw material for furniture fronts or as decorative elements for any living space.





In such a complex production environment, it is essential for the Group to clearly identify its value chain and its relationships with all stakeholders involved along it. Specifically, the Group's value chain is composed of the following phases:



- **Upstream phase:** includes the activities of growing and cutting wood, as well as the production and processing of accessory materials used by the Group for production, such as paints;
- **Direct phase:** includes the Group's core production activities. These include primary wood processing at Ilrom SA, which specialises in sawmilling, and—on a larger scale—the production of components such as MDF panels for all Group companies. This is followed by component production, part assembly, and, finally, sales to customers;
- **Downstream phase:** concerns the distribution and retail sale of the finished product, as well as its use and end-of-life management.

Transversal to all the above mentioned phases, logistics accompanies companies and supports the entire production process.

THE GROUP'S STAKEHOLDERS

Stakeholder	Role in the value chain	Stakeholder engagement methods
 Shareholders and governing, management and supervisory bodies	They ensure the correct ordinary and extraordinary management of the Group.	<ul style="list-style-type: none"> • Board of shareholders • Board of Directors • Training meetings • Meetings with other stakeholders of the Group
 Employees	Employees influence productivity, quality, innovation, corporate culture, customer service, risk management, sustainability, and operational efficiency. Their contribution is critical to longterm success and sustainability.	<ul style="list-style-type: none"> • Company noticeboards • Training meetings • Internal surveys • Business applications • Company emails • Company brochures • Corporate events • Company website –employee section
 Trade associations and trade union bodies	Trade associations and trade union bodies represent and defend the interests and rights of workers within the company perimeter	<ul style="list-style-type: none"> • Periodic meetings with the Associations • Union meetings • Industrial relations
 Lenders and banks	Lenders provide capital and can also influence decisions up and down the value chain.	<ul style="list-style-type: none"> • Company documents (e.g. Financial Statement, Sustainability Report) • Periodic meetings with banks • Corporate events
 Clients	Customers influence demand by providing feedback to innovation, and influencing the Group's reputation. For these reasons, customer satisfaction is crucial in determining corporate strategies.	<ul style="list-style-type: none"> • Shareholders' meeting • Board of Directors • Training meetings • Company website - customer section
 Suppliers	Suppliers influence service quality, innovation, operational flexibility, and sustainability. In the upstream phases, they provide essential raw materials and components, ensuring quality and reliability. Downstream, they support distribution and business continuity	<ul style="list-style-type: none"> • Company website – suppliers section • Supplier questionnaire • Corporate documents (e.g. Code of Ethics, Corporate Organisation, Management and Government, Management and Supervisory Model)
 Local communities, NGOs, Media	Local communities, NGOs, and the media can support the company by collaborating along the entire value chain, providing ongoing support to improve business practices. In particular, these stakeholders can facilitate the Group's transparency and social responsibility.	<ul style="list-style-type: none"> • Press Office activities: conferences and press releases • Support for initiatives • Interventions at cultural events • Targeted interventions in schools

MATERIAL TOPICS

In accordance with the standards, a topic is material if it is related to one or more relevant IROs, or to an impact that has emerged as relevant from the impact materiality assessment or to a risk or opportunity that has emerged as significant from the financial materiality assessment. The aggregate results of the analyses and the associated sustainability themes were validated by the Sustainability Manager and the Board of Directors.

Impact materiality

A sustainability issue is considered material from an impact perspective when it has significant effects – actual or potential, positive or negative – on people or the environment in the short, medium or long term.

To this end, the Group analysed any actual or potential impacts related to its activities and its value chain, both upstream and downstream, including products and commercial relationships.

The analysis was conducted through an in-depth understanding of the company's operating context, a benchmark analysis of the sector's leading companies, a study of sustainability trends, and the current regulations applicable to the Group.

For current **negative impacts**, the significance was assessed based on the severity of the impact; for potential impacts, both the severity and the probability of occurrence were considered.

Severity was defined by considering:

- **scale**: how severe the impact is;
- **scope**: how widespread the impact is (geographical scope, number of people involved, extension along the value chain);
- **irremediable character**: how difficult it is to repair the damage caused by the impact.

The probability of potential negative impacts was calculated using a "gross" approach, ignoring the actions already taken by the Group to prevent or mitigate them. Furthermore, in the case of negative impacts related to human rights, in assessing materiality, the severity of the impact outweighs its likelihood.

Regarding positive impacts, materiality was defined considering:

- **scale and scope** for current impacts;
- **scale, scope and likelihood** for potential impacts.

Financial materiality

A sustainability issue is considered material from a financial perspective when it involves, or could reasonably be expected to involve, risks or opportunities that could significantly affect the Group's development, financial position, economic performance, cash flows, access to financing, or the cost of capital, in the short, medium, or long term.

To identify risks and opportunities, as a preliminary and voluntary exercise, the Ilcam Group has adopted the following factors as a reference:

- impact: a risk or an opportunity can be generated by an impact of the company on people and the environment, already identified in the impact materiality analysis;
- dependencies: dependencies represent the link between the organisation and the resources or relationships on which it depends to operate and achieve its objectives Dependencies can create risks and opportunities in two ways:
 - affecting the company's ability to access or continue to use essential resources, with effects on quality and costs;
 - by impacting the ability to maintain strategic relationships under favourable conditions.
- actions related to sustainability issues: initiatives undertaken by the company to mitigate negative impacts or enhance positive ones can also generate financial risks or opportunities. Once the risks and opportunities had been identified, the Group assessed which of them were to be considered material for reporting purposes, based on two main criteria:
 - the potential magnitude of the financial effects, determined on the basis of appropriate thresholds;
 - the probability of occurrence.

Una volta identificati i rischi e le opportunità, il Gruppo ha valutato quali di essi fossero da considerare materiali ai fini della rendicontazione, sulla base di due criteri principali:

- la magnitudo potenziale degli effetti finanziari, determinata sulla base di soglie adeguate;
- la probabilità di accadimento.

Results of the double materiality analysis

The following table lists all the impacts, risks, and opportunities identified as significant, along with a description of each, details on the time horizon in which they may occur, and the stage of the value chain in which they arise

Material topic	IRO	Description	Time horizon	Stage of the value chain
Climate change and energy	Actual impact: Contribution to climate change due to the generation of GHG emissions	The procurement, processing, manufacturing, and transportation processes required to produce the Group's products result in the release of greenhouse gas emissions. These emissions arise primarily from the use of fossil fuels and the purchase of electricity from the grid to operate the plants, negatively contributing to climate change.	Medium-long term	Direct activities and value chain
	Risk. Increase in operating costs caused by physical damage due to climate change which may have an impact on owned assets	The increasing frequency and severity of extreme weather events, which are linked to climate change, pose a tangible threat. This has been confirmed by recent research published by ISPRA regarding hydrogeological risk, particularly in the regions of Friuli-Venezia Giulia and Veneto, as well as by the most recent floods in Romania. These natural disasters can compromise the integrity of Ilcam Group's infrastructures, forcing the company to incur significant costs to repair the damage.	Medium-long term	Direct activities

Climate change and energy	Risk: Increase in operating costs resulting from suppliers' need to adapt to climate change laws and regulations	The EU Deforestation Regulation (EUDR) represents a significant potential financial risk for the Ilcam Group, as it introduces new traceability and environmental compliance requirements for Eastern European wood suppliers. To comply with the Regulation's requirements, suppliers are required to implement more rigorous certification systems, conduct thorough legal audits, and monitor forestry practices more closely. These actions could lead to increased operating costs along the entire wood supply chain.	Medium-long term	Direct activities
	Risk: Increase in related operating costs linked to the evolution of external pressures in theme of change climate	Evolving external pressures related to climate change represent a significant potential risk for the Ilcam Group, as they could lead to increased operating costs. Increasingly stringent environmental regulations, government policies to reduce carbon emissions, and growing customer and investor expectations regarding sustainability may require the company to adopt new, more environmentally friendly technologies and production processes.	Medium-long term	Direct activities
	Actual impact: Reduction in water resource availability caused by water consumption, especially in areas with water stress	Water consumption within the Group's plants, while limited, has a significant impact on the area in which the company operates, contributing to increased water stress in an area already classified as medium risk.	Medium-long term	Direct activities and Value Chain
Biodiversity and ecosystems	Actual impact: Biodiversity loss and threats to ecosystems due to the supply of raw materials	Intensive cultivation of raw materials could lead to deforestation, soil and natural resource depletion, and habitat loss for many animal and plant species. These activities could exacerbate deforestation, compromise the ability of ecosystems to provide vital services such as climate regulation, water purification, and soil conservation, negatively impacting human quality of life and environmental resilience.	Medium-long term	Value Chain
	Risk: Increase in operating costs related to the reduced availability of raw materials due to regulations on sustainability and biodiversity protection (e.g. CSDDD, EUDR)	The introduction of legislative instruments aimed at preserving biodiversity could limit the availability of some resources by imposing traceability and certification requirements to ensure that raw materials are sustainably sourced. Consequently, the resulting knock-on effect, reduced supply and increased competition for compliant materials, could lead to increased raw material prices, directly impacting overall operating costs.	Medium-long term	Direct activities
	Opportunity: Increase in revenue deriving from developing products which contribute to the protection of biodiversity	The development and sale of products that protect biodiversity and support ecosystem services represents an opportunity to improve the Ilcam Group's market positioning. With growing international interest in these products, adopting certifications such as FSC and PEFC can offer a competitive advantage and foster customer loyalty.	Medium-long term	Direct activities

Raw materials	Actual impact: Contribution to exhaustion and to scarcity of natural, virgin resources	The Group's use of wood and wood-based products contributes to the depletion and scarcity of natural resources. Despite recycling practices, the impact on deforestation, although limited, persists, given the demand for virgin raw materials. This causes the destruction of natural habitats and ecosystem disruptions that can harm local communities, wildlife, and biodiversity.	Medium-long term	Direct activities
	Risk: Increase in operating costs resulting from the reduced availability of raw materials following acute and chronic climatic events	The forestry sector of Eastern Europe, a crucial region for the Ilcam Group's supply, is facing increasing exposure to acute climate risks. Extreme weather events, such as droughts, fires, storms, and pest infections, enhanced by climate change, can cause significant disruptions in the timber supply chain. These climate risks have the potential to reduce the availability of quality timber and increase market prices due to reduced supply.	Medium-long term	Direct activities
Waste management	Potential impact: Negative effects on the environment due to limited recycling/reuse of waste	Waste generated during the manufacturing process and throughout the value chain has negative impacts on the environment and human health, which can extend far beyond the generation and disposal sites. This waste can contaminate surrounding soil and water resources, increasing the risk of environmental pollution and exposure to harmful substances for people and wildlife. This diffusion can have long-term effects on air, water, and soil quality, compromising the local ecosystem and the health of nearby communities.	Medium-long term	Direct activities and Value Chain
Well-being of the workers	Potential impact: Failure to protect the wellbeing of its workers due to the lack of dedicated company initiatives	Inadequate work conditions, low wages and a lack of initiatives aimed at improving the psychological and physical wellbeing of employees could undermine the serenity of workers.	Short term	Direct activities
Health and safety	Actual impact: Negative effects on health and safety of our workforce	Group workers may be subject to accidents or occupational diseases due to inadequate working conditions or the lack of adequate safety equipment. The Ilcam Group has recorded accidents related to its direct operations.	Short term	Direct activities
Human rights within our own operations	Potential impact: Failure to comply with human rights in our own workforce	Inappropriate, stressful, and discriminatory working conditions may arise among the Group's employees, which may harm the psychological integrity of workers.	Short term	Direct activities
Diversity and equal opportunities	Actual impact: Failure to comply with diversity and equal opportunity principles in our workforce	A non-inclusive work environment and a failure to respect diversity and equal opportunities could lead to discrimination in terms of pay, well-being, and professional growth, negatively impacting personal and professional development opportunities, as well as human dignity.	Short term	Direct activities
Training and development of employees	Actual impact: Personal growth and professional development of the employees of our workforce through training	Developing employee skills through adequate training hours increases the operational capabilities of each individual worker, along with their awareness and responsibility. Furthermore, new talents are also more attracted to the Group's companies.	Medium-long term	Direct activities

Health and safety in the value chain	Actual impact: Negative effects on health and safety of workers in the value chain	Workers in the Group's value chain may be subject to accidents or occupational diseases due to inadequate working conditions or the lack of adequate safety devices.	Short term	Value Chain
Human rights in the value chain of the Group	Potential impact: Failure to comply with human rights in the Group's value chain	Inappropriate, stressful, and discriminatory working conditions may arise along the Group's value chain, potentially damaging the psychological well-being of workers, without any respect for diversity and equal opportunities.	Short term	Value Chain
Local communities	Actual impact: Contribution to the socioeconomic development of the territory	The Ilcam Group generates jobs, promotes volunteer work in the area, and funds local associations, fostering the socioeconomic development of its host communities.	Short term	Direct activities
Health and Safety of Consumers	Potential impact: Adverse effects caused by toxic chemical substances in products that may determine damage to the health and safety of consumers	The presence of toxic chemicals in the Company's products may have health consequences for consumers who may develop allergies or skin irritations (e.g. due to paint).	Short term	Direct activities
Supply practices	Actual impact: Promoting stable and long-lasting relationships with our suppliers	Thanks to the stable relationships it has established over the years with its suppliers, the Ilcam Group guarantees them and their employees a permanent job. This is made possible by Ilcam's constant need for incoming raw materials.	Medium-long term	Direct activities
Business ethics	Risk: Operational and reputational risk relative to unethical practices in the conduct of business	Adopting or engaging, directly or indirectly, in unethical practices in conducting business could compromise the Group's reputation and reduce the trust of customers, partners, and other stakeholders. This could lead to a decline in revenue and a loss of market share. From an operational standpoint, such practices may result in fines, contractual restrictions, or business interruptions, with increased costs for managing the consequences and implementing the corrective measures necessary to restore compliance and corporate integrity.	Short term	Direct activities

 Negative impact / Risk

 Positive impact / Opportunity

For a more detailed description of how the Group monitors, manages, prevents, or promotes significant IROs, please refer to the individual thematic chapters. Exceptions are risks and opportunities identified as significant in the medium to long term. Given the preliminary nature of the exercise, the Group has set itself the goal of evaluating the best management and prevention methods to implement in the coming years.

2.2 THE GROUP'S SUSTAINABILITY PLAN

[2-23, 2-24, 2-25]

The Ilcam Group has formalised its commitment to sustainable development through the development of a Sustainability Plan. This initiative is driven by the desire to proactively manage both current and potential sustainability impacts, considering its own operations and those along the entire value chain.

The definition of the sustainability pillars represents the direct result of the analysis the Group has conducted of its sustainability impacts on the environment, the economy, and people, including respect for human rights throughout its value chain.

The subsequent prioritisation of these impacts allowed us to identify the most significant issues, on which the Group decided to focus its objectives and develop its Sustainability Plan. Each pillar is associated with a series of short, medium and long-term activities and initiatives involving various types of stakeholders and aimed at actively and responsibly contributing to the mitigation of impacts identified as significant through the materiality analysis.

Within this strategic framework, the Group has defined three sustainability pillars on which the related actions and objectives have been built:

- 1. Environmental protection:** the goal is to make increasingly efficient use of the natural resources the Group uses in its business activities and to reduce the resulting environmental impacts, ensuring a constant and active commitment to the fight against climate change.
- 2. Caring for people:** promoting well-being, safe working environments, and ensuring equal opportunities for all individuals are the cornerstones of this pillar, through which the Group aims to create a positive impact on the lives of its employees, the communities in which it operates, and the entire Ilcam ecosystem.
- 3. Responsible management of the value chain:** the third pillar focuses on raising awareness of one's responsibility throughout the entire supply chain, including attention to the protection of biodiversity and the integration and promotion of the concept of a circular economy in all areas of one's business.

Governance and business integrity: there is also a fourth pillar, transversal to all areas, which focuses on the importance of conducting business activities ethically, correctly, and aligned with a system of good governance. Governance and integrity represent the framework that guides the Group's decisions, strategy, and Sustainability Plan.

SUSTAINABILITY PURPOSE

We have **always** worked with the purpose of creating **value** in the **furniture** sector, with an **innovative** outlook on the **future**, **protecting the environment** around us and **taking care of our people**, while **working responsibly** along the entire production chain.

PILLAR



The initiatives adopted and planned by the Ilcam Group to actively contribute to the achievement of the Pillars of the Sustainability Plan are illustrated in the respective dedicated chapters.

I SUSTAINABLE DEVELOPMENT GOALS

SDGs, acronym for "Sustainable Development Goals": **they are at the heart of the 2030 Agenda, as they represent a series of 17 ambitious and interconnected goals that aim to end poverty, protect the planet and ensure prosperity for all, promoting peace and justice.**

The Ilcam Group has decided to align its actions in the Sustainability Plan with 6 of the 17 SDGs, in order to provide a clear interpretative framework in line with the one offered by this United Nations instrument.

- Goal 3 of the SDGs focuses on **health and well-being of people**. Its aim is to ensure healthy lives and promote well-being for all, at all ages, by improving access to health services, **reducing maternal and infant mortality**, fighting infectious and non-communicable diseases and providing **universal and quality care**.
- Goal 7 of the SDGs aims to ensure **universal, sustainable and modern access to energy**. It focuses on promoting the use of renewable energy sources, improving energy efficiency, and providing electricity to all.
- SDG Goal 8 aims to promote **sustainable and inclusive economic growth**, promoting full and productive employment and decent work for all. It focuses on reducing unemployment, eliminating forced labour and human trafficking, and improving working conditions and social protection.
- SDG Goal 12 aims to ensure sustainable **production and consumption models**. It focuses on promoting resource efficiency, **waste reduction and sustainable waste management**, thus contributing to preserving the environment and promoting responsible development.
- Goal 13 of the SDGs concerns the **fight against climate change and its impacts**. It focuses on promoting actions for **mitigate the effects of greenhouse gases**, adapt to climate change and increase the resilience of communities and ecosystems.
- SDG Goal 15 focuses on the **protection and restoration of terrestrial ecosystems**. **Aiming to stop deforestation, conserve biodiversity and promote sustainable management of natural resources**, we seek to preserve the health of the planet and ensure a sustainable future for the generations to come.








3. ENVIRONMENTAL PROTECTION

We want to respect the environment through increasingly responsible management of our impacts, efficient use of natural resources, and a constant and active commitment to the fight against climate change.

The Ilcam Group recognises that every stage of its production process can have a significant impact. For this reason, it adopts a responsible approach to environmental management, oriented toward continuous improvement and compliance with international standards, with the goal of progressively reducing its ecological footprint.

This commitment translates into concrete actions on multiple fronts: efficient use of resources, reduced energy consumption, waste reduction, and responsible management of chemicals. With this in mind, this chapter provides an overview of the Group's environmental impacts, supported by a data analysis, a description of current policies, and the initiatives launched to promote more sustainable management of industrial activities.

The main phases of the Group's production process are presented below:

Process phase	Description
 Processing of raw materials	The process begins with the selection of materials such as solid wood, MDF, chipboard, decorative foils, and polymer edges, prepared through cutting, slicing, or laminating.
 Processing wood and semi-finishes products	Transforming materials into components through cutting, shaping, sanding, and finishing. The processing of raw wood is centralised at Ilrom S.A., while the other locations process the panels.
 Assembly	Putting together doors and panels by joining different elements, including the application of edges or decorative finishes depending on the product.
 Finish and treatment	Application of paints, lacquers or coatings by pressing or spraying.
 Quality control	Technical and visual checks throughout the process to ensure strength, aesthetics, and compliance with technical requirements.
 Packaging and shipping	Protection and handling of finished products, with careful selection of packaging materials.

3.1. ENERGY AND CLIMATE CHANGE

3.1.1 SIGNIFICANT IMPACTS ON CLIMATE CHANGE

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topic: climate change and energy.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis".

In the current economic and industrial context, the consumption of natural resources and the impacts associated with production processes are issues of growing importance, with direct consequences on climate change.

In line with its strategic vision, the Group focuses on responsible energy management, adopting targeted measures to improve energy efficiency within its production processes. Reducing consumption leads to a proportional reduction in associated greenhouse gas emissions.

To achieve these objectives, the Group is committed to progressively introducing innovative technologies and long-term strategies aimed

Emissions monitoring is a crucial element for informed management and constitutes the starting point for developing effective reduction strategies.

To this end, the Ilcam Group monitors **direct GHG** (greenhouse gas) **emissions Scope 1**, that is, emissions produced directly by the company through the use of fossil fuels for production and heating, including those deriving from the company's car fleet, and **indirect energy emissions Scope 2**, related to the purchase of electricity from the grid. These are calculated according to the two approaches provided by the Greenhouse Gas Protocol² (GHG Protocol):

- **the location-based approach**, which is based on the average intensity of emissions associated with the national electricity grid in which the energy is consumed, reflecting the characteristics of the local energy mix;
- **the market-based approach**, which takes into account the specific supply sources chosen by the company on the market, differentiating, for example, between electricity purchased from renewable and nonrenewable sources, and thus promoting the most sustainable purchasing decisions.

In addition, for some years the Ilcam Group has also been monitoring indirect emissions along the value chain, known as other **Scope 3 indirect emissions**. Through a detailed analysis of upstream activities, such as the purchase of raw materials and services, and downstream activities, such as product disposal, the Group is able to identify key areas for action to reduce its carbon footprint. The effort invested in calculating Scope 3 indirect emissions demonstrates the company's commitment to taking responsibility for the entire life cycle of the products and services it offers.

² The Greenhouse Gas Protocol (GHG Protocol) is the leading international standard for quantifying and reporting greenhouse gas (GHG) emissions. It was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) to provide a consistent, transparent, and comparable methodological framework for companies, public bodies, and organisations wishing to measure, manage, and communicate their climate-altering emissions.

For the 2024 reporting year, the Ilcam Group has identified the main sources of indirect greenhouse gas emissions along the value chain, following the guidelines of the GHG Protocol - Corporate Accounting and Reporting Standard, specifically "Appendix D - Industrial Sectors and Areas of Application," which lists emission sources and activities by sector and area. The protocol defines 15 categories of indirect emissions, divided between the organisation's upstream and downstream activities. The categories included in the Ilcam Group inventory, i.e., all those applicable to the company's business, are described below:

- **category 3.1 - Products and services purchased:** all emissions resulting from the production of goods and services purchased or acquired by the Ilcam Group in the reporting year. Products include both tangible goods and intangible services;
- **category 3.2 - Capital goods:** all upstream emissions resulting from the production of capital goods purchased or acquired by the Ilcam Group in the reference year;
- **category 3.3 - Activities related to fuels and energy:** emissions related to the production of fuels and energy purchased and consumed by the Ilcam Group in the reference year, not included in Scope 1 or 2. This category includes upstream emissions from purchased fuels and energy, as well as transmission and distribution (T&D) losses;
- **category 3.4 e 3.9 - Downstream transport and distribution:** emissions deriving from inbound, outbound and intercompany transport and distribution, carried out with means not owned by the Ilcam Group (including multimodal transport);
- **category 3.5 - Waste generated:** emissions resulting from the disposal and treatment by third parties of waste generated by activities owned or controlled by the Ilcam Group in the reference year;
- **category 3.6 - Business travel:** emissions resulting from the transportation of Ilcam Group employees for work-related activities, carried out using vehicles owned or operated by third parties, such as planes, trains, buses and cars (travel using company vehicles is not included as the related emissions are included in Scope 1);
- **category 3.7 - Employee travel:** emissions resulting from the transport of employees between their homes and the Ilcam Group's workplaces;
- **category 3.10 - Processing of products sold:** emissions generated by the processing of products sold to third parties. Intermediate products require further processing or aggregation before final use, generating emissions after sale but before use by the consumer;
- **category 3.12 - End-of-life treatment of products sold:** emissions from the disposal and treatment of products sold by the Ilcam Group in the base year, at the end of their life cycle. This category includes the total emissions expected for the end-of-life phase of all products sold in the base year;
- **category 3.13 - Downstream Rentals:** emissions arising from the management of assets owned by the Ilcam Group (as lessor) and leased to other entities in the reporting year, not already included in Scope 1 or 2;
- **category 3.15 - Investments: Emissions associated with investments** of the Ilcam Group in the reference year, not included in Scope 1 or 2. Investments are classified as Scope 3 downstream as the provision of capital or financing is a service provided by the company.

3.1.2 POLITICHE RELATIVE AL CAMBIAMENTO CLIMATICO

ISO 50001

ISO 50001 is the international standard for Energy Management Systems, which supports organisations in continuously improving energy efficiency, reducing consumption and environmental impacts.
Ilcam S.p.A. (2022) Licar International S.p.A. (2023)

Ilcam S.p.A. and Licar International S.p.A. have obtained ISO 50001 certification for energy management. This recognition has led the two companies to create an energy team composed of internal staff from various functions and led by an external consultant (Energy Manager). The teams meet regularly for updates, training, and internal audits, actively involving employees in improving energy efficiency and environmental performance.

Ilcam S.p.A.'s Integrated Policy also includes a strong commitment to responsible energy and environmental management. Specifically, it focuses on identifying and monitoring the direct and indirect environmental and energy impacts of both current and future activities, such as the introduction of new processes, machinery, or substances. The policy includes objectives and actions aimed at continuous improvement, adopting the most innovative technologies available on the market, and promoting communication and collaboration with suppliers and customers. Finally, a key element of the policy is employee motivation, training, and empowerment, ensuring everyone actively contributes to environmental protection and energy savings.

At the same time, Licar International S.p.A. has adopted its own policy for energy savings and efficiency. This policy is based on principles such as responsible energy management, compliance with current regulations, optimisation of energy consumption, constant monitoring of indicators, and promotion of awareness among all employees, suppliers, and customers. This approach ensures continuous improvement of energy efficiency standards, with particular attention to introducing advanced technologies and limiting the energy impacts of new operations.

3.1.3 CLIMATE CHANGE MITIGATION ACTIONS

The Ilcam Group is committed to managing its operations responsibly, focusing on optimising energy consumption in its production facilities. Energy efficiency is integrated into company processes with the aim of progressively improving impact along the value chain.

First, in 2024, the Group further strengthened its commitment to energy management: Ilcam S.p.A. and Licar International S.p.A. purchased electricity from the grid certified through Guarantees of Origin (GO). This supply was complemented by energy produced by Ilcam S.p.A.'s cogeneration plant, which contributed to improving the overall efficiency of the company's energy system.

In the area of corporate mobility, the Group's fleet has been expanded with the introduction of three new petrol-powered hybrid vehicles. Furthermore, the purchase of a low-impact truck is planned, confirming the Group's commitment to more sustainable transport solutions.

An important step forward for the Parent Company is represented by the entry into operation, in October 2024, of the photovoltaic panels installed in 2021: their impact on the parent company's energy mix will be evident starting in 2025.

Other initiatives underway at Ilcam S.p.A. include the remodeling of its compressed air power plants and the design of an engine modulation system based on actual power demand. This project is in the preliminary phase and some actions are subject to obtaining the necessary regional authorisations.

Finally, in compliance with the requirements of the new Integrated Environmental Authorisations (AIA), Ilcam is implementing targeted interventions to monitor energy consumption at the department level. These actions are accompanied by planning aimed at more effectively correlating energy consumption with production levels, taking into account the operational complexities associated with managing urgent orders.

Regarding Licar International S.p.A., the main innovation introduced in 2024 concerns the transition from low sulfur (BTZ) fuel to a dual-fuel system consisting of LPG and diesel, implemented towards the end of the year. This change was necessary in anticipation of the entry into force, in 2025, of new regional emission limits incompatible with the use of BTZ. The new system is integrated with the use of diesel fuel only when necessary.

3.1.4 CLIMATE CHANGE DATA

[302-1, 305-1, 305-2]

Energy consumption

302-1 | Energy consumption within the organisation (GJ)

	2023	2024
Electricity	116.292	116.409
Natural gas	102.216	89.719
Fuel oil	15.319	12.155
Diesel	9.242	11.356
Petrol	-	359
Biomass	18.148	9.454
LPG	1.652	1.841
Biodiesel	90	-
Total	262.959	241.293

In 2024, the Group's total energy consumption recorded a decrease of -8.2%.

Electricity consumption is in line with 2023, and a 12.2% reduction in natural gas consumption was observed. This decrease was also influenced by the closure of the Pravisdomini plant of Società Lanta Srl, which led to a structural change in consumption. It should also be noted that, during the year, the natural gas cogenerator located at Ilcam S.p.A.'s headquarters experienced a period of downtime due to a fault and subsequent maintenance. Diesel consumption, however, increased by 22.9%, attributable to both its use as a thermal fuel and its use for transportation. Furthermore, during the year, Società Lanta Srl's generator was decommissioned.

Regarding LPG, there was an 11.4% increase, mainly due to the replacement of heat exchangers in both units at the site, which led to a slight increase in consumption.

Electricity is the Group's primary source of energy consumption, contributing 48.2% to the total, and is used primarily to power the machinery and equipment used in wood working and production processes, as well as for civil uses within the plants.

Natural gas is the second most important energy source, accounting for 37.2% of total consumption and primarily used in the cogeneration plant of the parent company Ilcam S.p.A., where it fuels the production of thermal and electrical energy, as well as the heating systems required, for example, during the wood drying phase at the Ilrom facility.

Other minor energy sources include biomass (3.9%), fuel oil (5.0%), diesel (4.7%), and LPG (0.8%), used to power furnaces, transportation vehicles, and mobile equipment within facilities, respectively.

KPI Environment-1 | Electricity consumption (GJ)

	2023	2024
Electricity purchased from the grid	112.127	111.092
which certified renewable energy sources (GO)	44.496	66.073
Self-generated electricity	4.730	6.159
of which consumed	4.165	5.317
of which sold	565	842
Tot. consumed	116.292	116.409
Tot. renewable energy consumed	48.661	71.390

In 2024, electricity purchased from the grid remained in line with the previous year, with a 48.5% increase in the share from certified renewable energy sources (GO). At the same time, self-generated electricity increased by 30.2%, of which 86.3% was consumed internally and 13.7% fed into the grid.

This growth is supported by the photovoltaic systems installed at Ilcam S.p.A. and Ilmest D.O.O., which generated a large portion of this self-generated renewable energy in 2024, covering approximately 5.3% of the Group's total electricity needs. Furthermore, two new photovoltaic systems entered into operation at Ilcam S.p.A. during the year, further contributing to the increase in internal renewable energy production.

It should also be noted that, with regard to the English company Interflex Marketing Associates Ltd, operating exclusively as a sales office, the energy supply is managed directly by the owner of the building in which the company is based, who guarantees that all the energy supplied comes 100% from renewable sources, attested by renewable energy certificates.

KPI Environment-2 | Energy consumption from renewable vs. non-renewable sources (GJ)

	2023	2024
Energy from non-renewable sources	196.059	160.448
Energy from renewable sources	66.899	80.845
Total	262.958	241.293

In 2024, 66.5% of the Group's electricity came from renewable energy sources. In this regard, since 2020, the parent company Ilcam S.p.A. has been using electricity exclusively from renewable sources certified through Guarantee of Origin³.

GRI 305-1 | Direct GHG emissions - Scope 1 (tCO₂e)

	2023	2024
Natural gas	5727	5053
Fuel oil	1105	877
Diesel	653	802
from car fleet diesel	336	335
from production plants	317	467
Petrol	-	23
from car fleet diesel	-	23
from production plants	-	-
LPG	105	118
Biomass	54	30
Biodiesel	0.1	0
Refrigerant gas	89	40
Total	7.733	6.943

³ The Guarantee of Origin (GO) is an electronic certification that attests to the renewable origin of the sources used, coming from IGO-qualified plants (Plants with Guarantee of Origin). For each MWh of renewable electricity fed into the grid by IGO qualified plants, the relevant national authority issues a GO certificate, in accordance with European Directive 2009/28/EC.

The calculation of Scope 1 emissions includes emissions from sources owned or directly controlled by the Group. In 2024, these emissions decreased by 10.2% compared to the previous year.

Specifically, 72.8% of emissions are attributable to natural gas, 12.6% to fuel oil, 11.5% to diesel, 1.7% to LPG, while refrigerant gases and biomass contribute 0.6% and 0.4%, respectively. In 2024, biodiesel did not contribute to emissions, being absent from the Group's energy consumption.

It should be noted that, in line with the principles of the GHG Protocol and the GRI international standards, CO₂ emissions from the combustion of biomass and biodiesel are classified as biogenic emissions and therefore excluded from the calculation of Scope 1 emissions. These greenhouse gases are considered part of a natural carbon cycle: the CO₂ released during combustion is reabsorbed by plants during their growth through photosynthesis. However, during the combustion of biomass or biodiesel, other climate-altering gases not related to the carbon cycle are also released, such as methane (CH₄) and nitrous oxide (N₂O). These are included in the calculation of Scope 1 emissions, as they have a significant impact on global warming.

The table below shows the biogenic carbon emissions outside the perimeter and resulting from the combustion of biomass and biodiesel, expressed in tCO₂.

KPI Environment-3 | Biogenic emissions from biomass and biomethane (2023-2024) (tCO₂)

	2023	2024
Biomass	1,782	928
Biodiesel	6	-
Total	1,788	928

Biogenic emissions from biomass and biodiesel decreased from 1,782 tCO₂ in 2023 to 928.49 tCO₂ in 2024. This significant decline is mainly due to the reduction in the use of biomass as an energy source, while biodiesel was no longer used in 2024.

GRI 305-2 | Indirect GHG emissions - Scope 2 (tCO₂)

	2023	2024
Location-based	8,963	7,207
Market-based	8,426	4,958

Scope 2 emissions decreased in 2024 according to both the location-based and market-based approaches. Specifically, location-based emissions decreased by 19.6%.

Market-based emissions, on the other hand, which instead consider emissions associated with the actual purchase of electricity and renewable energy certification tools, show a more marked decline,

4 The 2023 figure has been restated following the adoption of a more accurate and specific emission factor, which allows for a more precise estimate of the Group's biomass emissions.

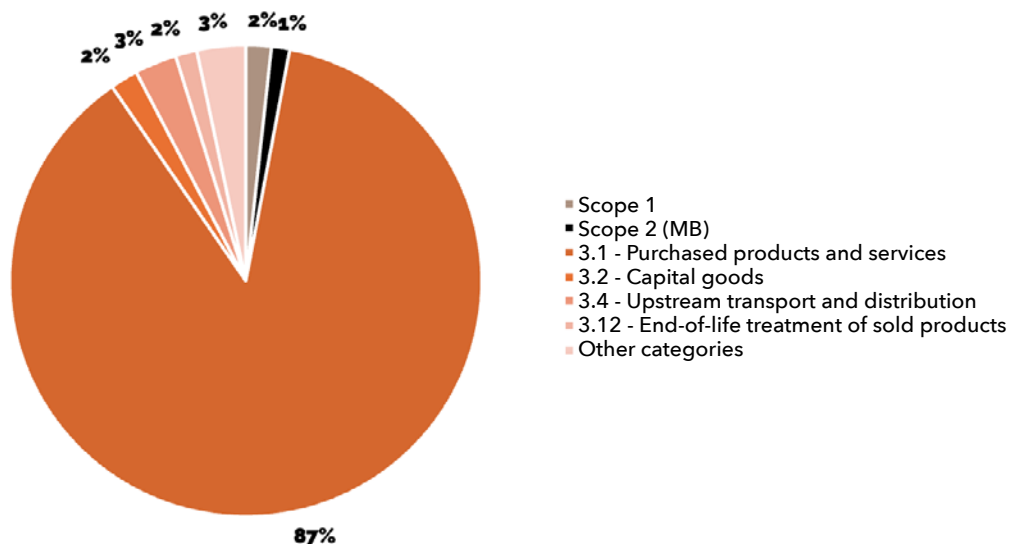
equal to a 41.2% reduction. This significant decrease is indicative of the increased use of electricity from certified renewable sources purchased by the Group.

KPI Environment-4 | Other indirect GHG emissions (Scope 3)

	2023	2024
3.1 - Purchased products and services	327.455	348.045
3.2 - Capital goods	6.655	7.567
3.3 - Activities concerning fuels and energies	3.380	2.561
3.4 - Upstream transport and distribution	11.652	11.471
3.5 - Waste generated	1.237	701
3.6 - Business trips	141	184
3.7 - Employee transport	2.501	2.479
3.9 - Downstream transport and distribution	5.318	4.260
3.10 - Processing sold products	2.074	1.450
3.12 - End-of-life treatment of sold products	5.917	5.851
3.13 - Downstream rentals	799	915
3.15- Investments	1.511	751
Total Scope 3	368.640	386.234

In 2024, the Ilcam Group decided to publish the results of its GHG emissions inventory for the first time, following the previous two calculation exercises, which were used exclusively as an internal exercise.

GHG emissions attributable to Scope 3 account for 97% of all emissions generated by the Ilcam Group in 2024. The main category is 3.1 - Purchased products and services, which represents 87% of total emissions along the value chain.



3.2. RESPONSIBLE MANAGEMENT OF WATER RESOURCES

[303-1, 303-2, 303-3, 303-4, 303-5]

3.2.1 SIGNIFICANT IMPACTS ON WATER RESOURCES

The impacts significant for the Group, identified following the impact materiality analysis, are related to the following topic:

- Consumption of water resources.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis".

The Group uses water not only for sanitary and civil purposes, but also as an indispensable element in its operations. Specifically, water is used for plant cooling and for cleaning operations integrated into production processes. Thanks to these functions, water plays a crucial role in maintaining the optimal temperature of industrial plants, ensuring their proper functioning and maximum efficiency.

3.2.2 DATA RELATING TO WATER CONSUMPTION AND DISCHARGES

GRI 303-3 | Water withdrawal (ML)

Type of water withdrawal	2023	2024
Total withdrawal from surface water, including rainwater reuse	-	-
from areas with high water stress	-	-
Total withdrawal from groundwater	0.73	1.10
from areas with high water stress	-	-
Total withdrawal from sea water	-	-
from areas with high water stress	-	-
Total withdrawal from produced water	-	-
from areas with high water stress	-	-
Total withdrawal from third parties (e.g., public water supply)	30.58	47.93
from areas with high water stress	-	-
Total water withdrawal	31.31	49.04
from areas with high water stress	-	-

GRI 303-4 | Water discharges (ML)

Type of water discharge	2023	2024
Water discharge to surface waters	-	-
Water discharge to groundwater	-	-
Water discharge to marine waters	-	-
Water discharge to sewer systems	32,81	48,72
Total water discharge	32,81	48,72

GRI 303-5 | Water consumption (ML)

Water consumption	2023	2024
Total water withdrawal	33,20	49,04
Total water discharge	32,81	48,72
Total water consumption	0,39	0,32

In 2024, the Group recorded a 47.7% increase in total water withdrawals compared to the previous year. This increase is partially attributable to the losses that occurred during the reporting year, described below.

Specifically, Licar International S.p.A. recorded an abnormal spike in water volumes due to a significant leak in the firefighting water network. The event resulted in an estimated loss of approximately 1.5 million gallons and an increase in apparent consumption. The rupture was identified and repaired in March 2025.

Ilcam S.p.A. also reported a significant water leak in its fire prevention network, amounting to approximately 18.53 ml, caused by a technical fault. The leak, identified as water dispersed onto the ground (and not discharged to the sewer system), was subsequently contained and repaired. Excluding the event, actual consumption was 11.44 ml, while discharge without the leak was 11.13 ml.

Following these events, both companies adopted preventative measures to prevent similar leaks from recurring. Specifically, they installed dedicated alarm and monitoring systems for the fire-fighting water network, with the aim of promptly detecting any leaks and taking action to minimise waste and the impact on consumption.

Lanta Srl also contributed to the increase in withdrawal volumes, due to an extraordinary maintenance intervention on the fire prevention system, which made it necessary to empty and then refill the entire circuit.

Lastly, Licar America LLC has seen an increase in water consumption due to production needs. Specifically, the transition to a new product type that requires the use of water as a cleaning agent has significantly contributed to the increased water requirement.

In 2024, total water consumption decreased to 0.32 ML compared to the previous year. This result highlights how, despite a slight increase in withdrawal and discharge volumes, the Group's water management remained effective, ensuring the stability of the net consumption of this fundamental resource.

3.3. PROTECTION OF BIODIVERSITY AND ECOSYSTEMS

3.3.1 SIGNIFICANT IMPACTS ON BIODIVERSITY

The impacts significant for the Group, identified following the impact materiality analysis, are related to the following topics:

- Biodiversity and ecosystems.

Although this is an indirect impact, the Ilcam Group recognises its significance and is committed to monitoring it carefully, integrating it into its evaluation processes.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis".

The Ilcam Group recognizes that production activities along the value chain can have significant– indirect– impacts on biodiversity. Such impacts may arise, for example, from the sourcing of virgin raw materials such as wood, a natural resource whose unsustainable management can compromise the balance of ecosystems. For this reason, Ilcam adopts a careful and responsible approach, monitoring and evaluating these dynamics as part of its commitment to greater environmental sustainability.

Biodiversity is the variety of life forms on Earth and is essential for the balance of ecosystems and for essential services such as water purification, soil fertility, and climate regulation. However, it is increasingly threatened by human activities such as pollution, deforestation, and over-exploitation of resources. Its protection is therefore crucial to guarantee the resilience of ecosystems, the capacity to absorb CO₂ and the response to the effects of climate change.

3.3.2 ACTIONS TO PROTECT BIODIVERSITY AND ECOSYSTEMS

The Group is committed to operating with care and respect for the environment, aiming to maintain high environmental standards and obtain recognised certifications to guarantee the quality and sustainability of its operations. In confirmation of this commitment, the Group has responded concretely to the need for forest conservation by certifying its wood custody and supply chain according to internationally recognised standards: **FSC®** (Forest Stewardship Council) and **PEFC™** (Programme for the Endorsement of Forest Certification). Compliance with these standards guarantees that the virgin wood used comes from sources managed responsibly, with full respect for forest heritage and biodiversity.

The **FSC** certification plays a central role in the responsible management of forest resources. It is an internationally recognized forest certification system, established in 1993, which promotes environmentally, socially, and economically sustainable forest management. The certification is based on rigorous principles and criteria that include the protection of biodiversity, respect for the rights of local and indigenous communities, safeguarding working conditions, and the adoption of effective and transparent forestry practices.

FSC-certified products are recognized on the market as ethical and sustainable choices, helping to combat illegal deforestation and promote more informed consumption. In this context, the Group's European companies have held FSC certification since January 2001 for the production of furniture fronts and semifinished products, with the designations FSC 100% and FSC MIX. The certificate, currently valid for the five-year period 2021-2026, attests to the companies' continued compliance with FSC standards and reinforces their commitment to a transparent, traceable supply chain that respects forestry.

The **PEFC** certification is a recognized international system that promotes and verifies sustainable forest management. Founded in 1999, PEFC is the world's largest forest certification organisation, with the aim of ensuring that forests are managed according to rigorous environmental, social, and economic standards. Through this system, PEFC is committed to preserving forest ecosystems, protecting biodiversity, and supporting the rights of forest owners and local communities. Products bearing the PEFC label assure consumers of responsible sources, offering them the opportunity to choose wood and paper products that contribute to the conservation of forest resources and the wellbeing of forest communities.

The European companies of the Ilcam Group began the PEFC certification process in 2015, successfully renewing the standard in 2023 for the production of fronts and semi-finished products, with validity until 2026. Both FSC and PEFC certifications also extend to the entire supply chain, thus ensuring the application and dissemination of sustainability principles throughout the production chain. In 2025, the Group's European companies are currently in the process of recertifying both certifications, demonstrating their ongoing commitment to environmental sustainability and the traceability of raw materials.

FURNITURE PACT - Sustainability Lab SDA Bocconi

In 2023, the Ilcam Group signed the Furniture Pact, a voluntary agreement promoted by the Sustainability Lab at SDA Bocconi, designed to support companies in the wood and furniture sector along a structured path to sustainable transition. The pact is based on a rigorous evaluation method covering seven thematic areas and over thirty key elements, developed with the contribution of leading companies in the panels, paper, woodworking machinery, and furniture sectors.

In 2024, Ilcam confirmed and strengthened its commitment by joining the Furniture Pact Manifesto, through which its partners pledge to promote positive change along the entire value chain by improving relationships with all stakeholders. Specifically, each participating company has committed to developing a sustainability strategy by 2025, formally approved by the highest decision-making body. This strategy contains concrete objectives and targets, consistent with an environmental and social management plan, and is supported by reporting tools compliant with the most accredited international standards.

For Ilcam, being part of the Furniture Pact means:

- Strengthening transparency and accountability: thanks to a rigorous evaluation system and continuous monitoring of ESG performance.
- Promoting sustainable innovation: through the introduction of low environmental impact technologies and processes.
- Increasing competitiveness: in line with the industry's best practices, strengthening our reputation with stakeholders and markets.
- Contributing to a positive impact along the supply chain: collaborating to generate shared environmental and social value.

Compared to the previous year, the analysis conducted by the Sustainability Lab highlighted a significant improvement among companies participating in the Furniture Pact, with significant progress in the categories "Strategy for sustainable transition" and "Community and territory - Shared value."

Ilcam, in 2024, continues to actively contribute to the success of the Furniture Pact, recognising the project's value as a lever for a concrete, measurable, and shared evolution of sustainability in the wood-furniture sector.

3.4 CIRCULAR WASTE MANAGEMENT

[306-1, 306- 2, 416-2]

3.4.1 SIGNIFICANT IMPACTS ON CIRCULAR ECONOMY

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topics:

- Consumer health and safety,
- Raw materials,
- Waste management.

For further details on the impacts, please refer to chapter “2.1 Materiality analysis”.

The Ilcam Group addresses the issues of circular economy with an integrated approach that encompasses all phases, from the use and processing of raw materials—including recycled materials—to waste management. This commitment begins with the careful selection of raw materials, aimed at minimising environmental impact from the source, and translates into the design of durable and resistant products, designed to reduce resource waste and limit the need for maintenance over time. At the same time, particular attention is paid to industrial waste management, promoting the reuse and recycling of waste materials, thus reducing the amount of waste produced and improving the overall efficiency of the production process.

At the same time, the Group also pays close attention to product health and safety, actively working to prevent any incidents of non-compliance. This commitment is confirmed by the fact that no incidents related to these issues resulting in warnings, fines, or penalties were detected in 2024.

3.4.2 POLICIES RELATING TO THE USE OF RESOURCES AND CIRCULAR ECONOMY

Within the Group, Ilcam S.p.A. and Licar International S.p.A. are covered by an Environmental Management System certified to ISO 14001, which guarantees a structured and systematic approach to environmental protection. This system includes the integrated and responsible management of all waste-related phases, from generation to final disposal, ensuring compliance with applicable regulations and minimizing environmental impacts. Thanks to this system, the two companies constantly monitor environmental performance, promoting waste prevention, reduction, and proper management practices, in line with the principles of sustainability and circularity.

Specifically, Licar International S.p.A. has adopted an environmental policy consistent with the ISO 14001 Management System, which places strong emphasis on reducing waste and enhancing separate waste collection within its production and logistics processes. The policy prioritises recycling over disposal, enhancing material recovery and thus reducing overall environmental impact. This commitment translates into concrete actions aimed at continuously improving the sustainability of corporate operations, actively involving all staff and suppliers in the pursuit of shared environmental objectives.

Furthermore, Ilcam S.p.A., as part of its integrated policy, places great emphasis on waste reduction and the promotion of recycling, with a growing focus on eco-sustainable product design.

3.4.3 ACTIONS TO PROTECT RESOURCES AND CIRCULAR ECONOMY

Raw materials

As part of its initiatives supporting circular economy, the Group actively promotes the use of recycled materials, where compatible with product technical and quality requirements. Suppliers are also progressively integrating secondary raw materials into their production processes, thus contributing to strengthening the sustainability of the entire supply chain. To support a more systemic approach, Ilcam has developed the first Life Cycle Assessments (LCAs) for its production processes, shared internally as a preliminary exercise aimed at ensuring transparency, traceability, and measurability of environmental impacts. With a view to continuous improvement, the need has emerged to engage suppliers in a more structured manner, integrating primary data and reducing reliance on generic databases, thus improving the accuracy of assessments. Another area of focus concerns the traceability of materials between different production plants, a key aspect for the correct assignment of product certifications, which will be subject to optimization efforts in the coming years.

Given the growing focus on products with low environmental impact, the Group is evaluating product certifications such as the Blue Angel, a German environmental label that adopts stringent criteria across the entire life cycle, with a particular focus on reducing resource consumption, minimizing waste, and limiting overall environmental impact. This certification is complemented by the Nordic Swan, an official certification from the Nordic countries. However, due to the complexity and length of the certification process, the Group currently prefers to focus on general environmental declarations that still reflect a concrete commitment to sustainability.

Waste

The Italian companies of the Group collaborate on a stable basis with **RECYCLA** partner specializing in waste management and recycling, with the goal of reducing the environmental impact of its production processes. Thanks to this collaboration, part of the incoming waste is transformed into biofuel, thus contributing to the production of alternative energy and generating periodic reports that monitor the CO₂ emissions saved.

Among the initiatives promoted, the Rewind project represents a concrete example of a circular economy: through the recovery of stretch film, the material is reintroduced into the production cycle in the form of new plastic film. Similarly, particular attention is paid to the recovery of MDF dust, a residue generated during wood processing. This material is recycled along two main lines: one part is used as thermal fuel for cement factories, under an agreement with a specialised disposal company; the another part is reused in plastic extrusion processes, thanks to a partnership with a client company that periodically collects the bins of dust and integrates them with plastic or PVC materials to produce tiles and other products. Although the quantities recovered in this way are limited compared to the total waste produced, it is a positive example of waste recycling and reduced environmental impact.

To support more sustainable management, the Companies actively promote internal waste sorting, with the aim of maximising material recovery and avoiding disposal. In parallel, digital experiments are underway to reduce paper usage in production and administrative processes, fostering a more efficient and sustainable approach. Panel recovery is also being pursued, although it presents some energy challenges. However, the plastic component is separated and recovered, contributing to further reuse and strengthening the Group's commitment to a more circular economy.

3.4.4 DATA RELATING TO INCOMING AND OUTGOING RESOURCE FLOWS [301-1, 301-2, 306-3, 306-4, 306-5]

GRI 301-1 | Materials used by weight (t)

Raw materials used	2023	2024
renewable raw materials		
Panels	93.014	69.271
Wood	13.500	1.405
Fibreboard panels	-	30.091
Veneers	716	1.579
Wedges	-	21
Raw elements	-	4.525
Planed elements	-	16
Dowels	-	64
Cardboard	-	770
Total renewable raw materials	107.230	107.742
Non-renewable raw materials		
Edges	481	2.298
Laminates	234	-
Foils	1.922	2.965
Adhesives	-	81
Processed materials	-	70
Solvents	-	8
Glues	506	722
Paints	729	553
Straps	-	3
Total non-renewable raw materials	3.872	6.700
Total raw materials	111.102	114.442

In the two-year period 2023-2024, there were significant changes in the overall volume of raw materials purchased, in line with evolving market conditions. In 2023, purchases stood at 111,000 tons, and in 2024, they stood at 114,000 tons.

94.1% of the raw materials used by the Group's companies are of renewable origin, such as wood and its derivatives, while only 5.9% come from non-renewable sources. Renewable raw materials, if managed responsibly, guarantee sustainable use over time, unlike non-renewable ones, which are by their nature exhaustible.

Among the Group's most important resources are wood panels (60.5%), raw elements (4.0%), and fiberboard (2.3%), essential materials for the production of doors and fronts due to their strength, workability, and aesthetic quality. These are followed by veneers (1.4%) and raw wood (1.2%), used in various stages of the production process, while foils make up approximately 2.6% of the raw materials used, primarily for surface coverings.

The picture is completed by some auxiliary materials, such as paints (0.5%) and glues (0.6%), for which the Group is promoting more sustainable solutions, including greater use of water-based paints, capable of reducing emissions of volatile organic compounds (VOCs) and improving environmental conditions in the workplace.

Packaging used	2023	2024
Packaging	11.373	6.971

Regarding packaging, in the current reporting year, only the overall figure is reported, without detailing its composition due to the lack of precise information. The total volume of packaging essentially follows production trends. In 2023, due to a reduction in production and the resulting drop in raw material purchases, the quantity of packaging stood at 11,000 tons. In 2024, the figure decreased by a further 39%.

Over the years, the Group has significantly changed the materials used for packaging: polystyrene has been progressively replaced by cardboard. Previously, packaging contained polystyrene, a material subject to a recovery fee due to its difficult disposal. Today, the use of polythene, a material similar to Tetra Pak, has ensured adequate quality for transport and allows for disposal as paper, thanks to its composition, which falls within the percentage limits set by regulations.

Regarding recycling, the percentage of recycled material used in packaging reached 18% of the total in 2023, while in 2024 this figure saw a further increase of 17% compared to 2023.

GRI 301-2 | Materials used from recycling (t)

	2023	2024
Raw materials		
Total raw materials sourced from recycling	36.994	48.849
% raw materials sourced from recycling	33%	43%
Packaging		
Total packaging sourced from recycling	2.083	2.429
% packaging sourced from recycling	18%	35%

Over the past two years, the Ilcam Group has intensified its commitment to recycling, recording a steady increase in the percentage of recycled materials used in its production processes. This share increased from 33% in 2023 to 43% in 2024, corresponding to an equal percentage of total purchases.

This progress reflects the Group's ongoing commitment to reducing the environmental impact of its operations.

The increase recorded in just two years represents a significant milestone towards more sustainable resource management, helping to reduce dependence on virgin raw materials and promote a more circular and responsible production model.

GRI 306-3 | Waste generated (tons)

GRI 306-4 | Waste not intended for disposal (tons)

GRI 306-5 | Waste destined for disposal (tons)

	2023	2024
Wood	23,277	23,145
Paints	493	350
Mixed packaging	359	322
Paper and cardboard packaging	320	297
Plastic	352	232
Glues	157	220
Liquid waste	-	187
Iron and steel	-	139
Plastic packaging	98	100
Organic waste	61	70
Sludge	71	68
Plastic materials	-	58
Contaminated packaging	55	52
Metal packaging	57	44
Solvents	30	40
Absorbent materials	22	22
Paper and cardboard	7	10
Glass	7	9
Abrasive materials	-	8
Ashes	-	7
Oils	2	5
Wooden packaging	2	5
End-of-life equipment	-	3
Aluminium	-	2
Lead batteries	1	1
Construction waste	-	0.4
Grease	-	0.2
Toners	-	0.1
Mixed waste	9	0.1
Insulating material	-	0.1
Pharmaceuticals	-	0.1
Neon lights	-	0.04
Dry waste	-	0.004
Metals	139	-
Water solutions	87	-
Electronic waste	97	-
Dust	2	-
Waxes	-	-
Insulation	3	-

continues on next page

Total	25,708	25,397
quantity not destined as waste	12,342	21,038
hazardous part	220	238
quantity prepared for reuse	-	-
quantity sent to recycling	-	12
quantity sent to other recovery methods	203	226
quantity left in storage	17	-
non-hazardous part	12,122	20,800
quantity prepared for reuse	-	-
quantity sent to recycling	367	12,805
quantity sent to other recovery methods	7,731	7,995
quantity left in storage	4,024	-
quantity destined as waste	13,366	4,359
hazardous parts	9	-
quantity sent to be incinerated (with energy recovery)	-	-
quantity sent to be incinerated (without energy recovery)	-	-
quantity sent to landfill	9	-
sent to other disposal methods	-	-
quantity left in storage	-	-
non-hazardous parts	13,357	4,359
quantity sent to be incinerated (with energy recovery)	1,092	2,722
quantity sent to be incinerated (without energy recovery)	-	-
quantity sent to landfill	11,703	1,057
sent to other disposal methods	555	580
quantity left in storage	7	-

Given its size, the sector in which it operates, and its production volume, the Ilcam Group generates a significant amount of waste every year. For this reason, the Group's Italian companies have always paid particular attention to responsible waste management, promoting recovery and ensuring disposal in compliance with current regulations.

In 2024, total waste will show a slight decrease compared to 2023 (-1.2%). This reduction is linked, among other things, to a decline in industrial production and the irregular management of certain types of noncontinuous waste, such as electronic waste or obsolete equipment.

91.1% of the waste consists of wood waste (23,145 tons), resulting from the processing of solid wood, MDF, and particleboard. This is followed by mixed packaging and cardboard (2.3%), plastic waste (0.9%), and paint (1.4%). The remaining 4.3% includes a variety of other materials such as glues, sludge, oils, absorbent materials, electronic waste, and glass.

In 2024, 99.1% of waste was classified as non-hazardous. The hazardous waste (0.9%) consisted primarily of paint waste, contaminated packaging, and some industrial waste such as oils and solvents.

On the treatment front, 82.8% of the waste was sent for recovery, while the remainder was disposed of: 10.7% through incineration, 4.2% in landfill, and 2.3% through other means.

4. PEOPLE AND THE COMMUNITY

4.1 OUR PEOPLE

We take care of the people who, directly or indirectly, are part of the **Ilcam ecosystem**, assuring them **well being**, **safety** and **equal opportunities**. Furthermore, we preserve our bond with the **territory**, enhancing and supporting the **communities** that welcome us.

4.1.1 STAKEHOLDERS' INTERESTS AND OPINIONS

The Ilcam Group recognizes the importance of integrating the interests, opinions, and rights, including human rights, of its workforce into defining its strategy and business model. Human resources represent a fundamental and essential asset, and the individual contribution of each employee is considered the company's true capital.

Caring for people is a fundamental priority for the Ilcam Group, so much so that it is one of the pillars of its Sustainability Plan. The company's efforts to care for its resources focus on the following areas:



The **protection** and **safety** of employees and co-workers.



The Group's resources must be able to operate in a secure environment which fosters **well-being** and promotes the development of their growth potential in a condition of **equal opportunities**.



Creating value in the places where the Group is present, within the company and in relationships with external stakeholders.

To achieve these goals, it is essential that each employee and staff member embody the Group's values, actively contributing to the creation of a positive and collaborative work environment. This involves acting and behaving in accordance with the spirit of Ilcam People, namely: hospitality, transparency, loyalty, and enthusiasm, both within the company and in relationships with customers, suppliers, and all other stakeholders, implementing teamwork in the broadest sense of the word.

To achieve this goal, the Ilcam Group has begun distributing an internal journal, twice a year, to all its companies. This journal outlines company news, past and upcoming events, and the company objectives achieved. This document is not only a means of sharing company life, but also a tool for conveying the Group's values and its corporate spirit to all internal resources.



The image on the left shows the cover of the July 2024 edition of the company's house organ.

An evening to celebrate Ilcam employees

Confirming the values that guide the Ilcam Group and its constant commitment to enhancing the contribution of its people and strengthening the bond with the community, in September 2024 Ilcam S.p.A. organised a **company dinner party** dedicated to its employees.

During the evening, the co-workers and former co-workers who reached the milestone of **40 years of service in the company**, were awarded in recognition of their dedication and long professional career.

During the event, the president and vice president of Ilcam received a letter from the employees, which communicated a donation to **UTEM - University for All Ages of Manzanese APS**, a social promotion organisation active since 2015. The association's headquarters, located on Via Piave in Manzano, is named in memory of Cavalier Tullio Zamò, entrepreneur and co-founder of the company.

The building, currently used for theoretical and practical activities in restoration and woodworking courses, was saved thanks to the crucial financial contribution of Ilcam, which made it possible for the association to acquire the property. This initiative, strongly supported by brothers Pierluigi and Silvano Zamò, the company's current owners, has allowed UTEM to continue its educational activities in a suitable space.

4.1.2 SIGNIFICANT IMPACTS ON THE GROUP'S OWN WORKFORCE

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topics:

- Workers' well-being,
- Health and safety,
- Human rights within own operations,,
- Diversity and equal opportunities,
- Employee training and development.

For further details on impacts, please refer to chapter "2.1 Materiality Analysis."
 Ilcam Group personnel are divided into the following categories:

1. **workers:** they represent the heart of the company's production and are directly involved in the transformation of raw materials through the various phases of the production process;
2. **administrative and management staff:** including office employees, managers of administrative, financial and commercial functions, as well as the team dedicated to customer care;
3. **managers and executives:** figures with strategic and decision-making roles, essential to ensuring the operational efficiency and development of the company..

As of December 31 of the reporting year, the Ilcam Group primarily employs staff on permanent contracts, confirming its commitment to building stable working relationships based on mutual investment. Alongside these resources, there are also temporary workers, fully integrated into the teams, who contribute generic or specific skills based on needs. The picture is completed by several highly specialised external collaborations, activated in response to specific project or operational needs

The Ilcam Group recognizes the value of its people, considering them a central element of the company's identity and growth. Through active participation in projects and their daily contribution to achieving goals, employees play a fundamental role in the company's journey.

With this in mind, the Group is committed to ensuring a dynamic, safe work environment that complies with health and safety regulations, while also paying attention to the personal and professional needs of its employees. Therefore, resources are invested in creating a working environment that fosters collaboration, the development of skills, and the well-being of individuals.

4.1.3 POLICIES RELATING TO THE COMPANY'S OWN WORKFORCE

Ilcam S.p.A. adopts an integrated policy that recognizes Quality, the Environment, and Occupational Health and Safety as strategic elements for promoting sustainable and responsible development, in line with the highest national and international standards. This document represents a fundamental reference for mitigating significant impacts on the workforce and is based on strict compliance with current occupational health and safety regulations, with the goal of preventing accidents and occupational diseases and aiming for zero accidents.

The policy is disseminated to all those who operate under the organisation's control, ensuring they are fully aware of Ilcam S.p.A.'s objectives. Furthermore, it promotes the involvement, motivation, and professional development of all personnel, while ensuring the efficiency of machinery that impacts workplace health and safety.

ISO 45001

ISO 45001 focuses on occupational health and safety management, providing a framework for implementing an effective management system. This allows organisations to identify, assess, and control the occupational health and safety risks of its workers.

Ilcam S.p.A. (2021)

With this in mind, the Group was among the pioneers in the industry in implementing, as early as 2013, an Occupational Health and Safety Management System compliant with the OHSAS 18001 standard. This voluntary international standard was designed to support organisations in monitoring and managing work activities, with the aim of reducing risks related to worker health and safety and preventing workplace accidents. Obtaining this certification is a significant milestone for the Group, strengthening its reputation and helping improve market competitiveness through the adoption of best practices.

This dedication is also formalised through the migration from OHSAS 18001 to ISO 45001 certification in 2021, which attests to an effective and constantly improving management system for occupational health and safety.

Although Licar International S.p.A. is not currently certified to the ISO 45001 standard, it has undertaken a structured process to achieve certification. At this stage, the company has already adopted policies, procedures, and training activities consistent with the standard's requirements, demonstrating a concrete and systematic commitment to promoting a safe work environment that complies with the highest international health and safety standards.

Additionally, each Ilcam Group company has adopted its own Code of Ethics, which defines the behavior expected of the organisation and its employees, inspired by the core values of fairness, transparency, and legality. The company guidelines are based on the principles of the international standard SA8000, whose eight fundamental requirements are fully implemented: combating child and forced labour, protecting health and safety at the workplace, freedom of association, non-discrimination, fair disciplinary practices, and respect for working hours and pay conditions.

Through these choices, the Ilcam Group strengthens its role as a responsible company, attentive not only to production performance, but also to the well-being of its people and the social sustainability of its activities.

4.1.4 WORKER INVOLVEMENT AND REPORTING [2-26]

Over time, the Ilcam Group has developed and consolidated various tools aimed at promoting active listening, engagement, and effective communication with its employees. To ensure ongoing and transparent dialogue, the Group uses multiple communication channels, both direct and indirect, including company noticeboards, training sessions, internal surveys, corporate applications, email communications, information brochures, dedicated events, and, in some cases, employee-only sections on company websites.

These tools allow all employees to express opinions, share needs, and receive updates on issues relevant to the company, offering an important opportunity to gather useful input for defining organisational strategies and decisions.

It is important to emphasise that, given that the Group is composed of diverse operating entities, the level and methods of adopting these tools may vary from company to company. At the same time, discussion is also fostered through meetings with employee representatives, who are key figures in facilitating dialogue between employees and management and ensuring that the needs of the entire workforce are adequately considered in decision-making processes.

The Group's Italian companies have also implemented a whistleblowing system compliant with the Organisational and Management Model required by Legislative Decree 231/2001. This system is designed as a confidential and protected tool to allow employees and stakeholders to securely report any violations, irregularities, or unethical behavior. This channel, managed by the Supervisory Board, is a key tool for promoting a corporate culture based on transparency, integrity, and accountability.

Reports are carefully analysed and evaluated, with targeted corrective actions taken when necessary and, where appropriate, prior and timely reporting to trade unions. Many internal conflicts are also resolved through direct dialogue, strengthening a positive and collaborative corporate climate.

Currently, the Group's Italian companies maintain ongoing contact with internal trade unions on issues of personal and collective interest. Experiments are underway to adopt new digital platforms to further facilitate employee use of reporting tools.

4.1.5 ACTIONS TO PROTECT THE WELL-BEING AND RIGHTS OF PEOPLE

HEALTH AND SAFETY

[403-1; 403-2; 403-3; 403-4; 403-5; 403-6, 403-7]

The Ilcam Group adopts key initiatives to ensure compliance with health and safety principles, including analysing current and future risks related to company operations and implementing targeted preventative measures. The potential dangers of accidents, accidental events, and emergency situations are also carefully assessed.

Continuous and specific training for all staff, along with the dissemination of knowledge on safety issues and related technical and organisational procedures, is an integral part of the management system. This is complemented by the constant monitoring of maintenance activities and the timely updating of national, local, and international regulations regarding occupational health and safety.

Given the high level of risk in manufacturing operations, the Group has identified the hazards associated with various tasks, developing customised training plans based on identified needs. Responsibility for monitoring the implementation of prevention measures lies with production managers and the Prevention and Protection Service Managers (PPSM) at each plant, supported by a Prevention and Safety Service representative (PSS), who is also responsible for recording accidents.

To report anomalous situations or behaviors, formal procedures are in place with forms available in both paper and digital formats, accessible through the Human Resources office or the HSE platform. Finally, the Group has a qualified physician who defines the health protocols to be applied, and a nursing unit is active at the Ilcam S.p.A. headquarters⁵.

⁵ Tale presidio è rimasto attivo fino a luglio 2024 e ne è prevista la riattivazione nei primi mesi del 2025.

WORKERS' WELL-BEING

Regarding benefits, initiatives have been undertaken to improve employee well-being, particularly at Ilcam S.p.A. and Licar International S.p.A.. In these two companies, the welfare platform provided for by the national collective bargaining agreement has been made available, in line with previous years' policies. Furthermore, all employees are offered the option to convert performance bonuses into welfare services.

Additionally, employees of Italian companies are covered by the Altea Fund, as well as the health insurance established by the National Collective Bargaining Agreement. This benefit includes services such as life insurance, accident and disability coverage, and pension plans.

INITIATIVES FOR EMPLOYEE WELL-BEING AND WORK-LIFE BALANCE

In 2024, **Ilcam** and **Lycar** launched a voluntary physical activity programmes for all employees, aimed at promoting physical and mental well-being. The programmes, structured in two ways -**Walk** and **Walk&Run**- involves a combination of walking and light jogging, managed via a dedicated app that monitors individual performance (frequency, intensity, and duration), also providing personalised advice with the support of a remote personal trainer. Participants choose their own times and routes, making the activity easily compatible with work commitments. The project, accompanied by support communications and a final test, has been positively received as a concrete initiative to promote health and prevent a sedentary lifestyle and stress.

The average age of the participants was 51.7 for Ilcam and 42.9 for Licar, who together covered a total distance of 519 km.

DEVELOPMENT OF SKILLS

Training activities are planned periodically and consistently through discussions between the Human Resources department and the various department heads. This process can be complemented by programmes offered by industry trade associations, such as Confindustria. Furthermore, to promote active and participatory involvement among all employees, specific courses can be proposed directly to the relevant departments based on individual needs and professional aspirations..

To maximise the effectiveness of training programmes, the Group's Italian companies organize training programmes taking into account the specific characteristics of the various job categories. Among the key initiatives for 2024 are a personalised online English course to improve international communication, technical and practical courses for line operators in collaboration with specialised suppliers, a leadership and communication programmes for managers and supervisors focusing on autonomy, feedback, and team management, and a sustainability training module focusing on ESG principles and environmental impact.

FOCUS: SUSTAINABILITY AND ENVIRONMENTAL IMPACT

In 2024, Ilcam and Licar launched an introductory training programmes for their employees, aimed at disseminating in-depth knowledge of ESG principles. The training module placed particular emphasis on key topics such as circular economy, responsible resource management, reducing the environmental footprint, and regulatory compliance. The training was conducted by the Group's Sustainability Manager, who guided the participants (including some members of the administrative, management, and supervisory bodies, such as the Board of Directors and the executives of some Group companies) through a structured process. This process began with a detailed update on the latest regulatory developments in the environmental and sustainability fields, focusing on the concrete operational impact these regulations have on the company's daily operations. This direct connection between current legislation and the Group's ESG strategy allowed sustainability initiatives to be contextualised within the company's regulatory and strategic framework.

Subsequently, an in-depth analysis was presented of the **Sustainability Report 2023**, highlighting the most significant findings and key lessons learned over the past year. Participants were able to discuss emerging sustainability trends and the practical implications for their specific areas of responsibility, thus fostering shared reflection on how to effectively integrate the Report's findings into their daily activities.

The module concluded with an interactive session, which gave participants the opportunity to express feedback, suggestions for improvement, and any difficulties encountered in applying the principles covered. This opportunity for discussion helped strengthen collective awareness of the importance of an integrated and participatory approach to sustainability, laying the foundation for further in-depth analysis and the implementation of increasingly effective and shared strategies within the Group.

The training is also complemented by a mandatory section dedicated to health and safety at work, delivered in accordance with current agreements between the State and the Regions, and coordinated by the safety office (PPSM).

For the Group's three foreign companies, mandatory health and safety training is managed in accordance with the regulations in force in their respective countries. Each company adapts its training programmes to local regulations, thus ensuring full compliance with national laws and the safety of its workers.

ADEQUATE WAGES

In 2024, the Group guaranteed all its employees adequate remuneration, in line with the benchmarks in the countries in which it operates, in full compliance with local regulations and applicable collective bargaining agreements. In Italy, as well as in Slovenia, Romania, the UK, and the United States, all workers receive a salary equal to or higher than the minimum benchmark standards.

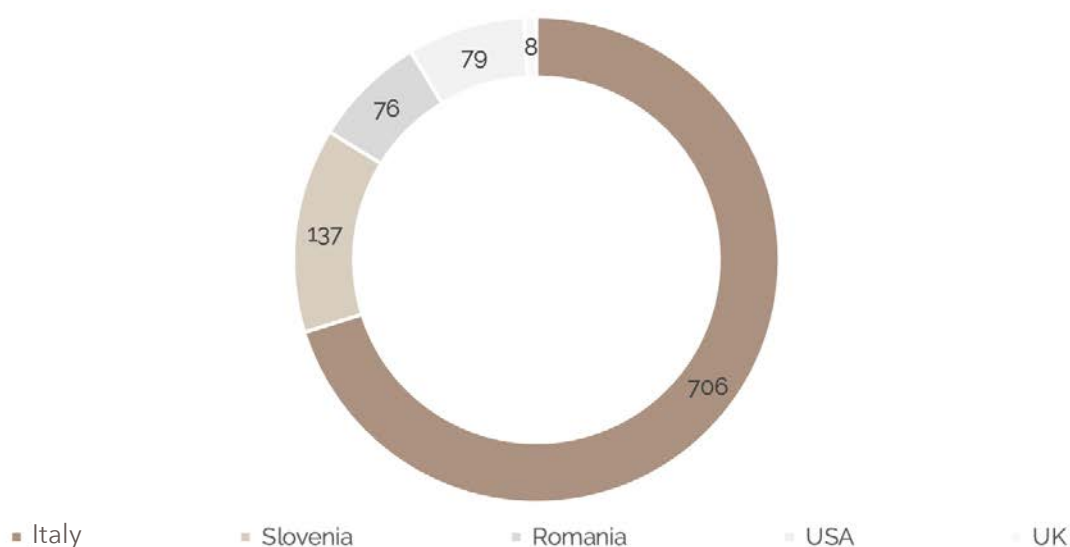
SOCIAL PROTECTION

In 2024, all Group employees, with the sole exception of the staff of the American company Licar America LLC, are covered by social protection, through public programmes or benefits, against the main risks related to loss of income. Coverage includes protection in the event of illness, unemployment, work-related injuries, disability, parental leave, and retirement. In the United States, however, parental leave coverage remains unavailable, in line with the local system.

4.1.6 HUMAN CAPITAL NUMBERS

[2-7; 2-8; 2-30; 401-1; 405-1; 401-1; 401-2; 403-9; 403-10; 404-1; 406-1]

As of December 31, 2024, the Ilcam Group had a workforce of 1,006, a moderate decrease from the previous reporting year (-3%). The workforce is 65.5% male and 34.5% female, a ratio that reflects the nature of the sector in which the Group's companies operate, which traditionally has a greater male presence due to the prevalence of manual labour.



43.7% of the Group's employees are employed by the parent company Ilcam S.p.A., a figure that rises to 70.2% considering the entire Italian territory, including the production sites of the subsidiaries Licar International S.p.A. and Lanta Srl, located in the Italian regions of Friuli-Venezia Giulia and Veneto, respectively. Internationally, the Group is present with Ilmest D.O.O. in Slovenia, which accounts for 13.6% of its employees, and Ilrom SA in Romania, which accounts for 7.6% of its employees. The American company Licar America LLC, acquired in 2023, contributes 7.9% of its employees. Finally, the UK company Interflex Marketing Associates Ltd. contributes 0.8% of its employees.

GRI 2-7 | Employees (headcount)

Type of contract		2023		2024		
Employees per type of contract -	Permanent contract	Geographical area	Man	Woman	Man	Woman
		Italy	488	244	466	235
		Slovenia	73	56	69	56
		Romania	57	32	48	28
		USA	56	20	60	19
		UK	-	-	5	3
		Group	674	352	648	341
	Fixed-term contract	Italy	1	-	1	-
		Slovenia	4	3	7	5
		Romania	-	-	-	-
		USA	-	-	-	-
		UK	-	-	-	-
		Group	5	3	8	5
	Hourly-based (continuous collaboration contract Co.co.co)	Italy	2	2	3	1
		Slovenia	-	-	-	-
		Romania	-	-	-	-
		USA	-	-	-	-
		UK	-	-	-	-
		Group	2	2	3	1
	Totale		681	357	659	347
Employees per type of contract -	Full-time contract	Italy	487	214	468	208
		Slovenia	76	56	75	59
		Romania	56	32	48	28
		USA	56	20	60	19
		UK	-	-	5	2
		Group	675	322	656	316
	Part-Time contract	Italy	4	32	2	28
		Slovenia	1	3	1	2
		Romania	1	-	-	-
		USA	-	-	-	-
		UK	-	-	-	1
		Group	6	35	3	31
	Total		681	357	659	347

During the reporting period, 98.3% of the Group's employees were employed on permanent contracts (65.5% men, 34.5% women), while only 1.3% had fixed-term contracts (61.5% men, 38.5% women). Furthermore, within its workforce, the Group employed another 0.4% (75% men and 25% women) with whom it had signed a coordinated and continuous collaboration contract (co.co.co).⁶ These data demonstrate the Group's commitment to building strong, long-lasting relationships with its employees and co-workers, based on mutual trust and aimed at promoting a path of professional growth aimed at a sustainable, long-term future. Finally, the majority of the workforce is employed full-time (96.6%), while 3.4% works part-time, a solution promoted to foster flexibility and a better work-life balance.

GRI 2-8 | Non-employee workers (headcount)

Type of contract	2023	2024
Interns	1	3
Temporary workers (e.g. temporary staff)	284	357
Self-employed workers	22	31
Total	307	391

In addition to employees, in 2024, the Group also counted on the collaboration of temporary workers, self-employed workers, and interns, for a total of 391 employees who make an indispensable contribution to the Group's success. Specifically, temporary workers are primarily involved in production activities, typically supporting the company during peak work periods. Self-employed workers, on the other hand, primarily perform consulting roles; among these, at the parent company, are long-time former employees who, thanks to their experience and in-depth knowledge of the internal dynamics of company processes, continue to make a valuable contribution today.

GRI 405-1 | Composition of employees by age and gender (headcount)

Job category		2023			2024		
Employees per work category and age		<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
	Executives	0	1	8	0	1	7
	Managers	0	5	15	0	7	14
	White-collar workers	9	85	69	10	90	63
	Blue-collar workers	77	370	399	62	344	408
	Total employees		461	491	72	442	492
Employees per work category and gender		Women	Men	Total	Women	Men	Total
	Executives	0	9	9	0	8	8
	Managers	5	15	20	3	18	21
	White-collar workers	76	87	163	75	88	163
	Blue-collar workers	276	570	846	269	545	814
	Total employees	357	681	1038	347	659	1006

⁶ The acronym co.co.co. generally refers to coordinated and continuous co-workers, that is, workers who work permanently with the company without, however, being hired as employees. The law defines co.co.co. as collaboration relationships that involve the worker performing a service that is continuous over time, performed primarily on a personal basis, and coordinated.

Analysing the composition of the company's professional categories, 80.9% of employees are blue-collar workers. This reflects the very nature of the Group's business sector, which is characterised by a strong presence of operational roles related to the production of wooden fronts. The second most represented professional category is that of white-collar workers with 16.2%, followed by managers with 2.1% and executives with 0.8%. In terms of age distribution, the largest group is represented by employees over 50, who make up 48.9% of the total. They are followed by workers in the 30-50 age bracket (43.9%), while employees under 30 make up a smaller share, equal to 7.2%.

Collective bargaining coverage and social dialogue

Collective bargaining coverage			Social dialogue
Coverage rate	Employees - EEA (for countries with over 50 employees representing more than 10% of total employees)	Employees - non EEA (estimate for regions with over 50 empl. representing over 10% of total employees)	Representatives on the workplace (for EEA only) (for countries with over 50 empl. representing over 10% of total employees) Italy
0-19%		USA	Romania Slovenia
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

The Group fully guarantees freedom of association and respect for the right to collective bargaining. In Italy, 100% of employees are covered by the national collective bargaining agreements applicable to their sector. At the Group's other locations, where collective bargaining agreements are not in place, high labour standards are implemented in line with local regulations.

Furthermore, the Group's Italian companies have a strong trade union presence. Specifically, at the parent company, the number of Union Representatives (Unitary Trade Union Representation) is deliberately higher than required by the sector's National Collective Bargaining Agreement (CCNL). This decision demonstrates the company's commitment to ensuring widespread union coverage in every department, facilitating rapid and direct communication between workers and the Unitary Trade Union Representation. To support this, specific WhatsApp groups have been established to facilitate the timely exchange of information.

Diversity and inclusion

The Ilcam Group is actively committed to creating an inclusive and safe work environment where every person feels recognized and valued. To support this commitment, inside its plants and through electronic noticeboards placed in strategic locations, the principles contained in the company's Code of Ethics are clearly communicated, which firmly affirm total opposition to any form of discrimination.

The Group adopts a zero-tolerance policy towards behavior that could undermine respect, diversity, and employee safety. To this end, a dedicated process has been established to manage reports of discrimination or harassment. This process requires that, once a report is received, the Supervisory Board (SB) carefully evaluates the information received, collaborating with the Human Resources department and ensuring privacy protection, in order to analyse the reported incidents and take the most appropriate action.

In 2024, the Group addressed two isolated incidents of discrimination among workers, reaffirming its commitment to a respectful, inclusive work environment that prioritises quality relationships. The first case involved ethnically discriminatory remarks during an argument between colleagues, which was resolved with disciplinary action and subsequent monitoring. The second, lacking objective evidence, nevertheless led to the implementation of corrective and awareness-raising measures, implemented with the support of the Supervisory Board.

KPI HR-1 | Total number of reported incidents of discrimination, including harassment

	Unit of measurement	2023	2024
Total number of discriminatory incidents, including harassment , reported in the reference period	number	5	2
Number of complaints submitted through the company's own channels for workers to raise concerns (including grievance mechanisms) and, where applicable, to the OECD National Contact Points for Multinational Enterprises in relation to the issues referred to in paragraph 2 of this principle, excluding incidents already reported in accordance with point (a)	number	0	0
Total amount of fines, penalties and damages resulting from the above incidents and complaints, together with a reconciliation of the monetary amounts indicated with the most relevant amount recorded in the balance sheet	€	0	0

WORK-LIFE BALANCE

KPI HR-2 | Percentage of employees entitled to and using family leave

		2023		2024	
	Gender	Headcount	Percentage	Headcount	Percentage
a) percentage of employees entitled to family leave:	All	822	82%	786	78%
b) percentage of entitled employees who have benefited from family leave, divided by gender	Men	13	2%	29	4%
	Women	9	1%	15	2%
	Other*	0	0%	0	0%
	Not communicated	0	0%	0	0%
	Total	22	3%	44	6%

HIRING AND TERMINATIONS

GRI 401-1 | Total and hiring rate by gender and geographical area in 2024 (headcount)

Geographical area	Women		Men		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	8	3.4%	26	5.5%	34	4.8%
Slovenia	9	14.8%	9	11.8%	18	13.1%
Romania	0	0.0%	10	20.8%	10	13.2%
USA	3	15.8%	19	31.7%	22	27.8%
UK	2	66.7%	1	20.0%	3	37.5%
Group total	22	6.3%	65	9.9%	87	8.6%

In 2024, the workforce welcomed 87 new employees, including 22 women and 65 men, resulting in a turnover rate of 8.6%, up from the previous year (7%). In 2024, in a market context characterised by a natural slowdown compared to previous years, the Ilcam Group focused its strategies on enhancing internal resources. Within this framework, priority was given to strengthening organisational well-being and developing existing skills within the company, adopting a more conservative approach even in the processes of onboarding new talents.

Specifically, in the reporting year, the company primarily hired personnel between the ages of 30 and 50 and under 30 (10.8% and 26.8% of hires, respectively). To attract young talents and foster generational turnover, Licar International S.p.A. strengthened its employer branding and recruitment efforts in 2024, focusing on initiatives such as workshops with schools, open days, visits to the company, and participation in career days, with the goal of combining tradition and innovation in the manufacturing sector.

GRI 401-1 | Total and cessation rate by gender and geographic area in 2024 (headcount)

Geographical area	Women		Men		Total	
	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)	Tot. (n.)	Tot. (%)
Italy	18	7.6%	47	10.0%	65	9.2%
Slovenia	7	11.5%	10	13.2%	17	12.4%
Romania	4	0.0%	19	39.6%	23	30.3%
USA	4	21.1%	15	25.0%	19	24.1%
UK	1	33.3%	0	0.0%	1	12.5%
Group total	34	9.8%	91	13.8%	125	12.4%

At the same time, 125 employees left the company, including 34 women and 91 men, with a turnover rate of 12.4%, slightly down from 16.5% the previous year (171 employees). This trend was primarily driven by the increase in terminations among employees over 50, who recorded a turnover of 13.2% due to numerous retirements, and among those under 30, who recorded a turnover of 25.4%.

To monitor and contain employee turnover, the Group has implemented retention strategies aimed at consolidating stable employment relationships and enhancing its resources. In addition to these initiatives, the company continuously invests in the dissemination of corporate culture, fostering a sense of belonging among its employees.

GRI 401-1 | New employees hired and turnover (headcount)

2023						2024				
	age <30	age 30-50	age >50	Total	Turnover %	age <30	age 30-50	age >50	Total	Turnover %
Women	8	5	7	20	5.6%	6	13	3	22	6.3%
Men	17	23	9	49	7.2%	13	35	17	65	9.9%
Other	-	-	-	-	-	0	0	0	0	0
Unspecified	-	-	-	-	-	0	0	0	0	0
Total	25	28	16	69	6.6%	19	48	20	87	8.6%
Turnover %	29.1%	6.1%	3.3%	6.6%		26.8%	10.8%	4.1%	8.4%	
Women	7	21	17	45	12.6%	6	10	18	34	9.8%
Men	36	54	36	126	18.5%	12	32	47	91	13.8%
Other	-	-	-	-	-	0	0	0	0	0
Unspecified	-	-	-	-	-	0	0	0	0	0
Total	43	75	53	171	16.5%	18	42	65	125	12.4%
Turnover %	50.0%	16.3%	10.8%	16.5%		25.4%	9.5%	13.2%	12.0%	

TRAINING

GRI 404-1 | Average number of hours of training per year per employee (number of hours)

		2023		2024	
	Job category	Training hours	Average training hours	Training hours	Average training hours
Employees by job category and age	Executives	29,00	3,20	65,01	8,13
	Managers	625,00	31,30	289,96	15,26
	White-collar workers	1259,00	7,70	1599,31	9,93
	Blue-collar workers	4080,00	4,80	3200,72	3,93
	Total	5993,00	5,80	5155,00	5,14
	Job category	Training hours	Average training hours	Training hours	Average training hours
Average training hours by gender	Women	1356,00	3,80	4104,00	11,97
	Men	4637,00	6,80	1051,00	1,59
	Total	5993,00	5,80	5155,00	5,14

The Ilcam Group places great value on the professional development of its employees, offering personalised training programmes aimed at strengthening the individual skills of each employee.

In 2024, the company provided a total of 5,155 hours of training, averaging 5.14 hours per employee, an 11.3% decrease from 2023.

The Ilcam Group prioritises training through virtual classrooms to ensure flexibility, complemented by in-person sessions, especially for soft and technical skills. In 2024, a digital microtraining platform was launched with short content on operations, safety, and quality, primarily for onboarding. Feedback has been positive, and the plan is to extend its use to existing employees to promote ongoing training.

HEALTH AND SAFETY

[403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10]

GRI 403-9 | Workplace accidents (number of hours and accident rates)

Information		2023	2024
Employees	Total hours worked	1,705,765	1,656,177
	Accidents	33	31
	Commuting accidents	0	1
	Accidents with serious consequences	2	1
	Fatal accidents	0	0
	Frequency rate of accidents	19,35	18,72
	Frequency rate of accidents with serious consequences	1,17	0,60
	Mortality rate	0	0
Self-employed workers	Total hours worked	386,818	394,641
	Accidents	10	10
	Commuting accidents	2	4
	Accidents with serious consequences	0	1
	Fatal accidents	0	0
	Frequency rate of accidents	25,9	25,3
	Frequency rate of accidents with serious consequences	0	2,5
	Mortality rate	0	0

GRI 403-10 | Occupational diseases

		2023	2024
Number of occupational diseases recorded	Employees	7	25
	Self-employed workers whose job and/or workplace is controlled by the organisation	-	-
Number of deaths due to occupational diseases	Employees	-	-
	Self-employed workers whose job and/or workplace is controlled by the organisation	-	-
Total		7	25

All injuries reported in 2024 were minor and primarily involved strain injuries, impacts and blows, slips and trips, crushing injuries, cuts, and burns. In 2024, the injury trend at Ilcam S.p.A. was generally stable; the injuries reported were attributable to unforeseeable events, with greater consequences for older workers.

During the two-year period 2023-2024, no fatal accidents were recorded within the Group⁹, neither among employed nor among non-employed workers.

In 2024, 25 cases of occupational diseases were certified among the Group's employees, with a marked incidence of musculoskeletal disorders, particularly hernias and tendinopathies, related to the manual handling of loads and the repetitive nature of certain tasks. Although there has been an overall increase in occupational diseases—in some cases, even multiple cases involving the same person (six reports from a single employee)—the majority of cases are concentrated among a limited number of workers. However, a reduction in cases attributable to manual handling is noteworthy thanks to the introduction of new machinery. To further mitigate these risks, the Group has launched targeted training programmes for the most exposed roles, with the aim of preventing improper operational behavior.

4.2. THE WORKERS OF THE VALUE CHAIN

4.2.1 4.2.1 SIGNIFICANT IMPACTS ON VALUE CHAIN WORKERS

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topics:

- Health and safety in the value chain,
- Human rights in the Group's value chain.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis".

4.2.2 POLICIES RELATING TO VALUE CHAIN WORKERS

As part of its integrated Quality, Environment, Health, Safety & Ethics policy, the Group places a fundamental role in selecting and monitoring its suppliers, ensuring they comply with the safety and responsibility principles to which the organisation adheres. To this end, the Group enters into an Agreement with its suppliers that includes a commitment to comply with fundamental labour requirements, including: compliance with the rights and obligations established by national regulations; the prohibition of child labour and, in the case of workers under 18, the protection of their health, development, and right to education by avoiding strenuous or dangerous tasks; the rejection of any form of forced or compulsory labour, ensuring that employment relationships are based on free and informed consent; the promotion of equal treatment regardless of gender, job title, profession, or age, excluding any form of discrimination; and finally, the guarantee of freedom of association and the right to collective bargaining for all employees.

These principles are reinforced by the contents of Ilcam S.p.A.'s Code of Ethics, which defines shared values and responsibilities and serves as a tool for promoting consistent conduct throughout the value chain. The Code is actively disseminated among stakeholders through accessible channels, and the company encourages dialogue, welcoming reports and suggestions as an opportunity for continuous improvement. It is currently being updated to increasingly reflect corporate values and emerging stakeholder expectations.

4.2.3 VALUE CHAIN WORKER INVOLVEMENT AND REPORTING

With a view to continuously improving sustainability along the value chain, a dedicated supplier questionnaire is planned, which will include specific questions related to ESG criteria. This tool will gather useful information to assess business partners' commitment to crucial issues such as respect for human rights, working conditions, and environmental management, and to mitigate the negative impacts of workers.

Furthermore, the Group already holds FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) environmental product certifications, which not only guarantee the environmental sustainability of raw materials but also include social requirements, the "FSC Core Labour Requirements or ILO, starting in 2022. These include, for example, respect for workers' rights, occupational health and safety, freedom of association, the prohibition of forced or child labour, and the enhancement, training, and development of individuals. These standards help protect workers throughout the supply chain, strengthening the company's commitment to responsible and sustainable management.

In compliance with Legislative Decree 231/2001, the Group has adopted a whistleblowing channel that allows external stakeholders to report, in a safe and confidential manner, any unlawful conduct or conduct that does not comply with ethical and regulatory principles. This tool represents a further commitment to transparency and accountability (for more information, please see the "Our People" section).

4.3. OUR INITIATIVES FOR LOCAL COMMUNITIES [203-1]

4.3.1 SIGNIFICANT IMPACTS ON LOCAL COMMUNITIES

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topic:

- Local communities.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis".

4.3.2 ACTIONS IN FAVOUR OF LOCAL COMMUNITIES

The Ilcam Group is firmly committed to maintaining and strengthening its ties with its homeland, actively contributing to the well-being and development of local communities. This dedication translates into concrete actions, such as supporting prestigious cultural institutions and sponsoring local amateur sports associations, aiming to generate a positive and lasting impact in the areas where the company operates.

ILCAM S.p.A., STRATEGIC PARTNER FOR THE UNIVERSITY OF GASTRONOMIC SCIENCES OF POLLENZO

Founded in 1959 by Tulio Zamò, Ilcam S.p.A. has established itself as a leading parent company, distinguished by a strong family ethos that has guided the growth of the entire Ilcam ecosystem across generations. This legacy, deeply rooted in the founder's passions, continues to guide the company's decisions today.

In line with these values, Ilcam confirms its collaboration with the University of Gastronomic Sciences of Pollenzo for 2024, maintaining its role as the institution's Strategic Partner. This partnership represents a concrete commitment to supporting research projects, training programmes, and innovation initiatives related to Italy's gastronomic and cultural heritage.

For Ilcam, investing in this long-term alliance means enhancing Italian excellence and actively contributing to the growth of transversal skills, paying homage to the pioneering spirit and passion that inspired its founder.

ILCAM SUPPORTS TELETHON: TOGETHER FOR GENETIC RESEARCH

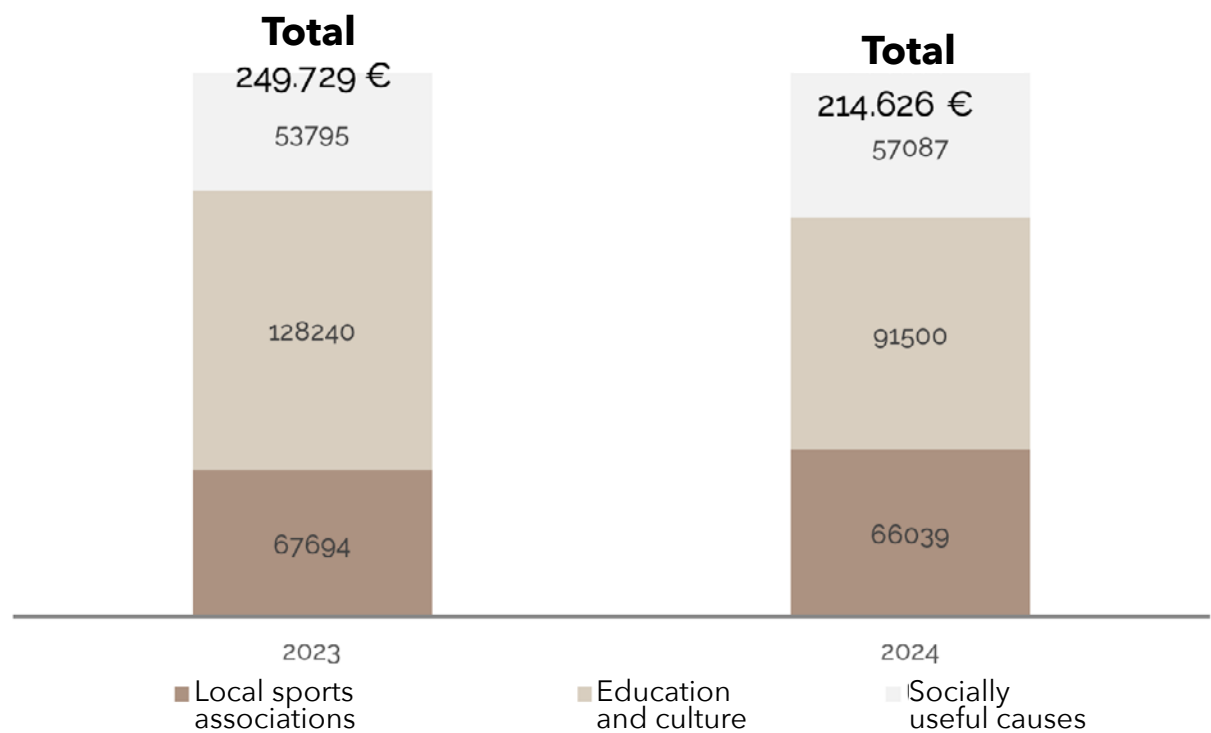
In 2024, the three Italian companies of the Ilcam Group—Ilcam S.p.A., Licar International S.p.A., and Lanta Srl—chose to support the Telethon Foundation, a leading national organisation in scientific research into rare genetic diseases. Through this initiative, the Group wanted to provide a concrete sign of solidarity, supporting an organisation that for over thirty years has funded excellent research projects with the aim of providing diagnosis and treatment to people affected by currently untreatable diseases.

ILCAM FOR THE TREEART FESTIVAL: ROOTS IN SUSTAINABILITY

In 2024, Ilcam S.p.A. supported the TreeArt Festival, a cultural and environmental event promoted by the Municipality of Buttrio with the contribution of the Autonomous Region of Friuli-Venezia Giulia. The festival stands out for its ability to combine art, science, and education, fostering a shared reflection on the value of trees as a symbol of sustainability, connection with nature, and collective well-being. The events take place in the setting of the 18th-century Villa di Toppo Florio and its park, transformed for the occasion into an open laboratory of ideas, connections, and creativity.

Ilcam's support for this initiative stems from a dual understanding: on the one hand, the importance of actively contributing to the promotion of a participatory environmental culture; on the other, the recognition of the central role that trees play as essential virgin raw materials for the wood and furniture sector. Valuing trees not only as productive resources, but also as vital elements for the balance of ecosystems, reflects the Group's commitment to an increasingly sustainable, responsible, and locally-rooted development model.

DONATIONS MADE BY THE ILCAM GROUP (2023-2024)



During 2024 the Group¹⁰It has supported numerous social, cultural, and sporting initiatives, providing donations totaling €214,626, distributed in the following categories: 30.8% to local sports associations, 42.6% to education and culture, and 26.6% to socially useful causes.

¹⁰ The liberal donations made by the Ilcam Group involve only Italian companies: Ilcam S.p.A., Lanta Srl and Licar International S.p.A.

5. GOVERNANCE

[2-26, 205-1, 205-2, 205-3, 406-1]

5.1. ROLE OF THE GOVERNING, MANAGEMENT AND SUPERVISORY BODIES

In ensuring the ethical and responsible conduct of the Ilcam Group, a central role is entrusted to the parent company's governance and supervisory bodies. The Board of Directors, through strategic direction and oversight of corporate management, promotes a culture of legality, ethics, and long-term sustainability. The Board of Statutory Auditors oversees regulatory and statutory compliance, contributing to the organisation's transparency and proper functioning. Finally, the Supervisory Board is responsible for monitoring the effective implementation of the Organisation and Management Model pursuant to Legislative Decree 231/2001 and of the Code of Ethics, ensuring constant adherence to the principles of integrity and responsibility. These bodies, working together, represent a fundamental pillar in promoting corporate conduct based on fairness, risk prevention, and compliance with regulations.

For specific information on the role and responsibilities of the administrative, management and control bodies, please refer to Chapter 1.3 'The Governance Structure'.

5.2. SIGNIFICANT IMPACTS ON GOVERNANCE

The significant impacts for the Group, identified following the impact materiality analysis, are related to the following topics:

- Procurement practices,
- Business ethics.

For further details on the impacts, please refer to chapter "2.1 Materiality analysis". The Ilcam Group ensures responsible management of its activities, based on principles of legality, transparency, and fairness. Each Italian company within the Group has its own Code of Ethics, developed consistently with its organisational structure and operational scope, with the aim of promoting ethical behavior throughout the entire value chain. However, a harmonisation process is underway to align all the Codes of Ethics of the Group's Italian companies with the principles and content of the Ilcam S.p.A. Code of Ethics, in order to ensure consistent and coherent ethical oversight.

5.3 BUSINESS AND ANTI-CORRUPTION POLICIES

CODE OF ETHICS

Currently, the Italian companies of the Ilcam Group have their own Code of Ethics, developed on the specific operational and organisational characteristics of each entity. In line with the evolution of corporate governance, Ilcam S.p.A.—as the parent company—is initiating an update of its Code of Ethics, which will become the benchmark for the other companies as well. Once this revision is completed, these companies will be required to harmonise their ethical documents in line with the principles and content defined at the Group level.

The various Codes of Ethics currently in force at the Group's Italian companies encompass the principles and rules of conduct that directors, auditors, employees, external co-workers, and consultants must adhere to, each within the scope of their respective responsibilities. Compliance with these rules is essential to ensuring integrity, transparency, and efficiency in corporate management, contributing to the protection of reputation and the creation of an ethical and responsible operating environment. The documents represent a central tool for promoting a culture of legality, honesty, and compliance with regulations, and are part of a broader system of internal governance and control. Specifically, the Codes are an integral part of the Organisation, Management and Supervisory Model established by Legislative Decree 231/2001, providing its ethical foundation and inspiring the management of activities in compliance with applicable regulations.

The core values set forth in the Codes of Ethics include compliance with the law (legality), fairness and transparency in relationships with third parties (integrity), faithfulness to commitments and protection of company assets (loyalty), protection of confidential information (confidentiality), and the absence of conflicts of interest. The Companies also promote safe and healthy work environments, valuing merits and skills by ensuring equal opportunities, and paying particular attention to environmental and social sustainability, integrating responsibility towards the local area and the community. Specifically, in their relationships with the Public Administration, they operate with the utmost transparency and fairness, respecting institutional roles and applicable regulations. This principle is fundamental to ensuring legality and integrity, preserving the trust of institutions and the community in the Group. For this reason, employees and co-workers are prohibited from offering or promising any benefit to public officials or public service representatives in order to influence administrative decisions or actions, as such behavior would compromise the company's reputation and pose legal and reputational risks.

The Codes also prohibit any form of corruption, collusion, or undue solicitation of advantages. All accounting and financial transactions must be managed with rigour, responsibility, and transparency, in accordance with the organisation's ethical standards. Any activity related to money laundering or illicit assets is expressly prohibited, and employees are required to verify the reliability of business partners and suppliers in advance.

The dissemination and effective implementation of the Codes are ensured through communication and information activities aimed at all internal and external stakeholders. The Company Supervisory Bodies are responsible for monitoring compliance with the Codes, managing any reports, and proposing updates or corrective actions, reporting to each Company's Board of Directors

ORGANISATION AND MANAGEMENT MODEL

The Italian companies of the Ilcam Group have adopted an Organisation and Management Model (MOG), in compliance with Legislative Decree 231/2001. This model represents a complex system

of principles, procedures, and controls aimed at ensuring compliance with current regulations and preventing the commission of illegal activities, such as corruption and other crimes covered by the decree itself. By implementing this Model, Companies intend to protect both their integrity and their reputation, ensuring transparent and responsible corporate management.

The Model is constantly updated to adapt to regulatory changes and organisational developments, and is communicated clearly and continuously both within the organisation—through tools such as the company intranet—and externally, through websites and contractual clauses with third parties.

To ensure the effective application and monitoring of the Model, there is a Supervisory Body (OdV)¹¹, a multi-subject body that oversees the correct implementation of procedures and verifies the compliance of company activities with the provisions of the Model itself. The Supervisory Body has an independent and autonomous role and collaborates with external trade unions. In line with the requirements of Model 231, the Group has also activated a whistleblowing channel, designed as a confidential and protected tool, allowing employees and stakeholders to report improper conduct or regulatory violations. This channel is a fundamental element in promoting a corporate culture based on transparency, ethics, and shared responsibility, helping to prevent risks and continuously improve internal governance. Corruption prevention activities are also formally included in the new Organisation and Management Model (MOG) adopted by the Group's Italian companies. To date, a detailed analysis of the functions at risk of corruption has not been conducted. However, supervision by the Supervisory Bodies (SBs) of the Italian companies remains active, monitoring the effective implementation of the Model and associated preventive measures.

As a confirmation of the effectiveness of the measures adopted and the constant commitment to preventing illicit conduct, it should be noted that during 2023 and 2024 no reports or cases of non-compliance, neither of a disciplinary nor pecuniary nature, were recorded within any of the Group's companies¹². This result demonstrates the effectiveness of the internal supervisory system, the diffusion of a corporate culture based on integrity and fairness, as well as the effectiveness of the Code of Ethics and the anti-corruption and antimoney laundering policies implemented by the Group companies.

The Codes of Ethics and the Organisational and Management Models pursuant to Legislative Decree 231/2001 are distinct yet closely integrated tools within the governance system. While pursuing different objectives, they synergistically contribute to promoting a corporate culture based on ethics, legality, and transparency, strengthening the overall effectiveness of internal control systems.

11 It should be noted that the Supervisory Body of the companies Licar International S.p.A. and Lanta Srl is constituted in a monocratic form, that is, composed of a single responsible figure.

12 By virtue of Ilcam's business, turnover volumes, and sector, a threshold of €10,000 has been set for the purpose of identifying significant financial penalties for Group companies.

5.4. MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

[308-1, 414-1]

Over time, the Ilcam Group has built a network of solid and long-lasting relationships with its raw material suppliers, based on trust, continuity, and collaboration. The longevity of these relationships not only allows for greater financial stability for both parties, but also more effective quality control of the materials used in production processes. This approach has enabled Group companies to improve resource planning, reduce risks related to supply chain disruptions, and ensure high quality standards in final products, helping to meet customer expectations and strengthen the Group's market reputation.

While not currently adopting formal ESG (Environmental, Social, and Governance) criteria in the supplier selection process, the Group recognizes the growing importance of integrating environmental, social, and governance aspects within the value chain. With this in mind, a self-assessment questionnaire for suppliers is being developed, which will include specific sections on ESG issues. The tool will collect relevant information on the level of commitment of business partners in crucial areas such as respect for human rights, working conditions, environmental management, and the prevention of negative impacts on workers and local communities.

This initiative is part of a gradual evolution aimed at promoting more responsible practices throughout the supply chain and fostering a more sustainable procurement system, in line with the ethical values and long-term vision of the Ilcam Group.

METHODOLOGICAL NOTE

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

This document, published in October 2025, constitutes the Ilcam Group's Sustainability Report and aims to account for the company's efforts towards sustainable development and a business model that respects social, environmental, and economic realities.

The preparation of the Report was led by a dedicated working group and saw the active involvement of top management and various corporate functions. This joint contribution allowed for the identification of relevant topics, the definition of the document's structure, and the collection of data and information necessary for reporting.

The reporting scope of this Sustainability Report coincides with the scope of the Group's consolidated financial statements, therefore excluding the companies TPS Srl, Mobilclan S.p.A., and Voice Tec Srl as they are not fully consolidated.

The Group's registered office is located in Via Volta, 9 (34071) Cormons, Gorizia, Italy.

The Ilcam Group's 2024 Sustainability Report includes data relating to the reporting period from January 1 to December 31, 2024 and was prepared in compliance with the Global Reporting Standards (GRI:2021), according to the "In accordance" approach.

The document has not been reviewed by an independent third-party company.

The content of this Sustainability Report was defined based on a materiality analysis. Qualitative and quantitative social, environmental, and economic-financial data were collected annually through dedicated data collection forms and interviews with the active involvement of the Parent Company's functions. For further information on the materiality analysis, please refer to Chapter 2.1 Materiality Analysis.

The report also includes performance data for the 2023 reporting year to provide a comparison with the current year. Please note that, for 2023, the GRI 305-1 indicator—with particular reference to emissions from the use of biomass—has been reclassified following the adoption of new emission factors, introduced to refine the calculation methodology.

As of the date of publication of this Report, no significant events have occurred in 2025 that are relevant for the purposes of sustainability reporting.

The principles and scope of the budget

The sustainability reporting content described in this document was defined based on the results of a materiality analysis in line with the GRI Standard and updated for the 2024 reporting year. It was based on the identification of the actual and potential impacts generated by the Group's activities on the economy, the environment, and people. The principles used to ensure the quality and accurate presentation of the information reported in this Report are the Reporting Principles defined by the GRI Standard 1: Foundation 2021 (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability).

Main calculation criteria

The main calculation criteria and methodologies used in reporting the social and environmental indicators included in this Sustainability Report are reported below, along with any limitations on scope and the use of estimates for certain indicators.

Energy consumption

The Ilcam Group’s energy consumption is expressed in GigaJoules (GJ). To standardise the various energy sources, the conversion factors published in the UK Government’s DEFRA (Department for Environment, Food and Rural Affairs) database for the years 2023 and 2024 were used.

Energy conversion factors

Category	Source
Fuel density (litres/tonne)	DEFRA - Fuel properties, 2023, 2024
Fuel density (kg/m³)	DEFRA - Fuel properties, 2023, 2024
Net CV (GJ/tonne)	DEFRA - Fuel properties, 2023, 2024

Direct emissions (Scope 1), indirect energy emissions (Scope 2) and indirect emissions along the value chain (Scope 3)

Greenhouse gas (GHG) emissions were calculated in terms of CO₂ equivalent (CO₂e) following the indications of the GHG Protocol.

Scope 1 emissions

For emissions from fuels (e.g. petrol, diesel and natural gas) and emissions from the release of refrigerant gases into the atmosphere, the emission factors published by DEFRA for 2023 and 2024 were used.

Please note that, in accordance with the GHG Protocol and the GRI standard, regarding biogenic emissions from biomass and biomethane, the GHG Scope 1 emissions reported in this Report include CO₂ (e.g., CH₄ and N₂O) emissions resulting from the combustion of these two fuels. Conversely, the CO₂ resulting from the combustion of biomass and biomethane has been appropriately excluded from the Scope 1 emissions calculation and reported in a specific table, as required by the GRI Standard.

Emission factors for Scope 1 GHG emissions

Category	Source
Diesel	DEFRA - Fuels - Diesel 2023, 2024
Petrol	DEFRA - Fuels - Petrol 2023, 2024
Natural gas - Methane CH ₄ (gaseous)	DEFRA - Fuels - Gaseous fuels 2023, 2024
LPG	DEFRA - Fuels - Gaseous fuels 2023, 2024
Combustion Oil	DEFRA - Fuels - Burning Oil 2023, 2024
Wood chips	DEFRA - Bioenergy - woodchips 2023, 2024
Biodiesel HVO	DEFRA - Bioenergy - Biodiesel HVO 2023, 2024
Wood chips	DEFRA - Outside of scopes - Wood Chips 2023, 2024
Biodiesel HVO	DEFRA - Outside of scopes - Biodiesel HVO 2023, 2024
R407C	DEFRA - Refrigerant & other 2023, 2024
R134A	DEFRA - Refrigerant & other 2023, 2024
R32	DEFRA - Refrigerant & other 2023, 2024
R140A	DEFRA - Refrigerant & other 2023, 2024
R404A	DEFRA - Refrigerant & other 2023, 2024
R410A	DEFRA - Refrigerant & other 2023, 2024

Scope 2 emissions

Emissions related to purchased energy were calculated using the following methods:

- **Location-Based:** For European countries, excluding the United Kingdom, the updated 2023 national emission factors were used for the 2024 data, as reported by the European Environment Agency (EEA) in the online report "Greenhouse gas emission intensity of electricity generation in Europe." For the same countries, the 2022 factors were used to calculate 2023 emissions, since the most up-to-date data were not yet available when the 2023 Sustainability Report was prepared. For the United Kingdom and the United States, the national factors reported in the "International Comparisons" document published by Terna in 2020 were used for both reference years.
- **Market-Based:** for the Market-Based approach, the Residual Mixes reported in the document "European Residual Mixes" published by AIB (Association of Issuing Bodies) - 2023 and 2024 editions were used.

Emission factors for Scope 2 GHG emissions

Category	Source
Location-based	
Italy	EEA 2022, 2023
Romania	EEA 2022, 2023
Slovenia	EEA 2022, 2023
United States	TERNA 2020
United Kingdom	TERNA 2020
Market-based	
Italy	AIB 2023, 2024 - residual mix
Romania	AIB 2023, 2024 - residual mix
Slovenia	AIB 2023, 2024 - residual mix
United States	TERNA 2020
United Kingdom	TERNA 2020

Scope 3 emissions

They include emissions generated along the value chain, upstream and downstream of the Ilcam Group's activities, and the calculations were performed using the emission factors published by DEFRA, for 2023 and 2024 and the emission factors available in the Ecoinvent database, version 3.11 IPCC cutoff 2021 (no LT).

Scope 3 GHG emissions emission factors

Category		Source
Category 3.1	Purchased products and services	Ecoinvent 3.11 cuoff - IPCC 2021 no LT (2025) DEFRA - Standard Industrial Classification Multipliers 2021, 2022
Category 3.2	Capital goods	DEFRA - Standard Industrial Classification Multipliers 2021, 2022
Category 3.3	Activities related to fuels and energy	DEFRA - WTT fuels 2023, 2024; WTT bioenergy 2023, 2024; WTT overseas electricity (generation) 2021; WTT overseas electricity (T&D) 2021
Category 3.4 3.9	Upstream and downstream transport and distribution	DEFRA - Freightng goods 2023, 2024; WTT deliery vehs & freight 2023, 2024
Category 3.5	Generated waste	Ecoinvent 3.11 cuoff - IPCC 2021 no LT (2025) DEFRA - Waste disposal 2023, 2024
Category 3.6	Business travel	DEFRA - Business travel air 2023, 2024; Business travel land 2023, 2024; Business travel sea 2023, 2024; WTT business travel air 2023, 2024; WTT pass vehs & travel land 2023, 2024; WTT business travel sea 2023, 2024; Hotel stay 2023, 2024
Category 3.7	Employee travel	DEFRA - Business travel land 2023, 2024; WTT pass vehs & travel land 2023, 2024
Category 3.10	Processing of products sold	DEFRA - Fuels 2023, 2024; Bioenergy 2023, 2024 AIB 2023, 2024 - residual mix
Category 3.12	End-of-life treatment of products sold	Ecoinvent 3.11 cuoff - IPCC 2021 no LT (2025) DEFRA - Waste disposal 2023, 2024
Category 3.13	Downstream rentals	DEFRA - Standard Industrial Classification Multipliers 2022
Category 3.15	Investments	DEFRA Conversions 2023, 2024; Fuel 2023, 2024; Fuel properties 2023, 2024; Refrigerant & other 2023, 2024 EEA 2022, 2023 AIB 2023, 2024 - residual mix

ASSUMPTIONS, ESTIMATES AND SCOPE LIMITATIONS

The assumptions, estimates, and limitations made for certain indicators in the document are described below:

Environmental indicators:

- **GRI 301-1: Materials:** indicator was partially reported, excluding the office supplies category, due to the unavailability of such quantities expressed in weight (kg or multiples).
- **GRI 303-4: Water discharges:** the precise reporting of the data was carried out only by the parent company Ilcam S.p.A.. For the remaining companies of the Group, an estimate was made based on the total water withdrawals, assuming that the latter and the discharges were equivalent, given the limited water consumption during the production process.
- **KPI Environment-4: Other indirect GHG emissions (Scope 3):** for some categories, due to the lack of complete primary data, estimation methodologies in line with the provisions of the GHG Protocol were applied.

Indicatori sociali:

- **GRI 404-1: Training:** For Lanta, Licar America, and Ilmest, the hours of training provided by employee category (Managers, Executives, white-collar and blue-collar workers) were proportionate to the percentage of training hours provided by other Group companies for the various categories. This estimate was made because the breakdown of training hours by category, required by the GRI standard, was not available.

Contacts

This Sustainability Report is available on the website www.ilcamgroup.com. For further information or clarifications, please send an email to elisa.zamo@ilcam.com.

GRI CONTENT INDEX

Statement of use	The Ilcam Group has presented a report in compliance with the GRI Standards for the period 01.01.2024 - 31.12.2024
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard applicable	Not applicable

GRI Standard	Information	Reference	Notes and omissions
General information			
GRI 2: General information 2021	2.1 Organisational details	Nota metodologica 11. L'identità del Gruppo Ilcam	Methodological note 1.1 The identity of the Ilcam Group
	2.2 Entities included in the organisation's sustainability report	Nota metodologica 11. L'identità del Gruppo Ilcam	Methodological note 1.1 The identity of the Ilcam Group
	2.3 Period covered by report, frequency and point of contact	Nota metodologica	Methodological note
	2.4 Modifying information	Nota metodologica	Methodological note
	2.5 External assurance	Nota metodologica	Methodological note
	2.6 Activities, value chain and other business relationships	2.1. Analisi di materialità	2.1 Materiality analysis
	2.7 Employees	4.1 Le nostre persone	4.1 Our people
	2.8 Non-employee workers	4.1 Le nostre persone	4.1 Our people
	2.9 Governance structure and composition	13. La struttura di Governance	1.3 The Governance Structure
	2.10 Appointment and selection of highest governing body	13. La struttura di Governance	1.3 The Governance Structure
	2.11 Chairman of the highest governing body	13. La struttura di Governance	1.3 The Governance Structure
	2.12 Role of the highest governing body in supervising impact management	13. La struttura di Governance	1.3 The Governance Structure
	2.13 Delegation of responsibility for impact management	13. La struttura di Governance	1.3 The Governance Structure
	2.14 Role of the highest governing body in reporting on sustainability	13. La struttura di Governance	1.3 The Governance Structure

	2.15 Conflicts of interest	1.3 The Governance Structure
	2.16 Communicating of critical issues	1.3 The Governance Structure
	2.17 Collective knowledge of the highest governing body	1.3 The Governance Structure
	2.18 Assessing the performance of the highest governing body	1.3 The Governance Structure
	2.19 Rules regarding remunerations	1.3 The Governance Structure
	2.20 Procedure to determine salaries	1.3 The Governance Structure
	2.21 Total yearly salary report	- Requirements: a.;b.;c: Information unavailable or incomplete: the indicator was not reported due to lack of complete information at the Group level.
	2.22 Declaration on the sustainable development strategy	Letter to stakeholders from the Chairman Letter to stakeholders from the Sustainability Manager
	2.23 Policy commitment	2.2 The Group's Sustainability Plan
	2.24 Integration of policy commitments	2.2 The Group's Sustainability Plan
	2.25 Procedures to remedy negative impacts	2.2 The Group's Sustainability Plan
	2.26 Mechanisms to request clarifications and raise concerns	5. Governance 4.1 Our people
	2.27 Compliance to laws and by-laws	1.3 The Governance Structure
	2.28 Membership in associations	1.1 The identity of the Ilcam Group
	2.29 Approach to stakeholder involvement	2.1 Materiality analysis
	2.30 Collective bargaining contracts	4.1 Our people
Material topics		
GRI 3: Material topics 2021	3.1 Procedure to determine material topics	2.1 Materiality analysis
	3.2 List of material topics	2.1 Materiality analysis
Business ethics		
GRI 3: Material topics 2021	3.3 Management of material topics	5. Governance

GRI 205: anti-corruption 2016	205-1 Operations evaluated to determine corruption risks	5.Governance
	205-2 Communication and training on anti-corruption regulations and procedures	5.Governance
	205-3 Confirmed corruption incidents and measures adopted	5.Governance
Raw materials		
GRI 3: Material topics 2021	3-3 Management of material topics	3.4 Circular waste management
GRI 301: Material topics 2016	301-1 Materials used per weight or volume	3.4 Circular waste management
	301-2 Materials used sourced from recycling	3.4 Circular waste management
Climate change and energy		
GRI 3: Material topics 2021	3-3 Management of material topics	3.1. Energy and climate change
GRI 302: Energy 2016	302-1 Energy consumptions within the organisation	3.1. Energy and climate change
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	3.1. Energy and climate change
	305-2 Indirect GHG emissions from energy consumptions (Scope 2)	3.1. Energy and climate change
Consumption of water resources		
GRI 3: Material topics 2021	3-3 Management of material topics	3.2. Responsible management of water resources
GRI 303: Water and water discharge 2018	303-1 Interactions with water as a shared resource	3.2. Responsible management of water resources
	303-2 Management of water discharge related impacts	3.2. Responsible management of water resources
	303-3 Water withdrawal	3.2. Responsible management of water resources
	303-4 Water discharges	3.2. Responsible management of water resources
	303-5 Water consumption	3.2. Responsible management of water resources
Biodiversity and ecosystems		
Procurement practices		
GRI 3: Material topics 2021	3-3 Management of material topics	4.2. Workers in the value chain 5.4. Management of relationships with suppliers

Environmental assessment of suppliers 2016	308-1 New suppliers assessed using environmental criteria	4.2. Workers in the value chain 5.4. Management of relationships with suppliers
Waste management		
GRI 3: Material topics 2021	3-3 Management of material topics	3.4 Circular waste management
GRI 306: Waste 2020	306-1 Waste production and significant impacts relating to waste	3.4 Circular waste management
	306-2 Management of significant impacts connected to waste	3.4 Circular waste management
	306-3 Waste produced	3.4 Circular waste management
	306-4 Waste not sent to the landfill	3.4 Circular waste management
	306-5 Waste sent to landfill	3.4 Circular waste management
Well-being of workers		
GRI 3: Material topics 2021	3-3 3-3 Management of material topics	4.1 Our people
GRI 401: Occupation 2016	401-1 New hires and turnover	4.1 Our people
	401-2 Benefits for full-time employees that are not available for fixed-term or part-time employees	4.1 Our people
Health and safety		
GRI 3: Material topics 2021	3-3 Management of material topics	4.1 Our people
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	4.1 Our people
	403-2 Identification of hazards, assessment of risks and investigations into accidents	4.1 Our people
	403-3 Occupational health services	4.1 Our people
	403-4 Worker participation and consultation, and communication on occupational health and safety	4.1 Our people
	403-5 Worker training on occupational health and safety	4.1 Our people
	403-6 Promoting the health of workers	4.1 Our people

	403-7 Prevention and mitigation of occupational health and safety impacts in business relationships	4.1 Our people
	403-9 Occupational accidents	4.1 Our people
	403-10 Occupational diseases	4.1 Our people
Training and development of employees		
GRI 3: Material topics 2021	3-3 Management of material topics	4.1 Our people
GRI 404: Training and education 2016	404-1 Average hours of training per year for each employee	4.1 Our people
Diversity and equal opportunities		
GRI 3: Material topics 2021	3-3 Management of material topics	4.1 Our people
GRI 405: diversity and equal opportunities 2016	405-1 Diversity in the governing bodies and amongst employees and other workers	1.3 The Governance Structure 4.1 Our people
Human rights within our own operations		
GRI 3: Material topics 2021	3-3 Management of material topics	4.1 Our people 5. Governance
GRI 406: Discriminatory incidents 2016	406-1 Discriminatory incidents and corrective measures adopted	4.1 Our people 5. Governance
Health and safety in the value chain		
Human rights in the Group's value chain		
Procurement practices		
GRI 3: Material topics 2021	3-3 Management of material topics	4.2. Workers in the value chain 5.4. Management of relationships with suppliers
GRI 414: Social assessment of suppliers 2016	414-1 New suppliers that are assessed by social criteria	4.2. Workers in the value chain 5.4. Management of relationships with suppliers
Local communities		
GRI 3: Material topics 2021	3-3 Management of material topics	4.3. Our initiatives in favour of local communities
GRI 203: Indirect economic impacts 2016	203-1 Investments in infrastructures and supported services	4.3. Our initiatives in favour of local communities
Consumer health and safety		
GRI 3: Material topics 2021	3-3 Management of material topics	3.4 Circular waste management
GRI 416: Customer health and safety 2016	416-2 Occurrences of non-conformities regarding impacts on health and safety of products and services	3.4 Circular waste management







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ONE PARTNER, ALL FRONTALS

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