
GRUPPOMASTROTTO
Sustainability Report 2025



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GRUPPOMASTROTTO

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President's Letter to Stakeholders

Shaping the future

The choices that make responsibility tangible.

The future takes shape one step at a time, thanks to carefully considered choices. When an investment moves from the planning stage to the construction site. When a resource is measured so that it can be used more effectively. When a service really becomes accessible to people.
2025 was a year of this kind for Gruppo Mastrotto. A year in which our sustainability journey continued to translate into industrial decisions, joint projects and tools capable of influencing the organisation's day-to-day life.
It is with this spirit that we present our **sixth Sustainability Report**, drawn up once again on a voluntary basis, with the aim of providing clarity on the results achieved, alongside the priorities, responsibilities and areas on which we continue to work.
We believe that transparency is an integral part of the quality of our relationships. With our customers, who seek reliable supply chains and information that can be confirmed. With the authorities, with whom we address challenges that extend beyond the boundaries of our business. With the people within the Group, who must be able to recognise a clear and consistent direction in the choices made by the company.
A major plan dedicated to renewable energy has taken shape over the year. A 6.4 million euro investment will lead to the installation of solar panels at eight of our eleven Italian plants, with an estimated annual output of almost five million kWh at full capacity.
To give you a better idea, this is equivalent to the energy consumed in a year by around 1,850 households. Most of the energy produced will be used for our own operations and will **prevent the emission of around 1,000 tonnes of carbon dioxide every year, the equivalent of the emissions produced by over 850 cars travelling a distance of 10,000 kilometres.**
The scale of the investment reflects a firm belief: for a manufacturing group, **the energy transition is an integral part of the industrial development.** Reducing our impact, gaining autonomy and strengthening our production model are all goals that now move in the same direction.
The same approach applies to water, a resource that is essential to our business and an asset that we share with the local communities in which we operate.

Our participation in the European LIFE "Svolta Blu" Project in 2025 led us to explore new methods for measuring our water footprint and to prepare for the collection of data relating to leather and our processes. The project also aims to try out a voluntary "blue credits" scheme, designed to channel private investment towards measures to save, recover and protect water resources.
The process is constantly evolving, and this is precisely what makes it so valuable. Because managing a resource responsibly means, first and foremost, knowing exactly how it is used, identifying where action is needed, and partnering with universities, institutions and local organisations to develop solutions capable of generating greater benefits.
In this sense, measurement goes beyond just collecting data. It means taking responsibility for improvement.
In 2025, this principle also guided **our relationship with people.**
Gruppo Mastrotto is an international community, made up of different cultures, experiences and family histories. This is why the tools dedicated to personal wellbeing need to be understandable, accessible and capable of meeting real needs.
In Italy, we have introduced a monthly direct support service and made the dedicated platform available in 64 languages. At our international offices, initiatives focusing on health, education, parenting, inclusion and mobility have continued, tailored to the specific characteristics of each country.
Every context requires its own response, yet one principle applies to them all: listening to people and translating what we hear into useful tools. This is how a global organisation also becomes a community capable of recognising differences and building stronger cohesion around them.
After all, there is a strong relationship between what we do and the way we do it. We work with a material that originates from the repurposing of a by-product and which, thanks to the skilled hands and expertise of those who transform it, becomes beautiful and durable. This concept of durability also guides the way we run our business, characterised by a long-term vision of the future and cautious decision-making.
Energy, water, people and the local area are all part of the same understanding of the company's future: a future in which our ability to compete will depend increasingly on **the way we use resources, nurture relationships and address the consequences of our decisions.**
The Report also covers much more**: safety, supply chain traceability, product quality, the upcycling of by-products, collaboration with suppliers and**



engagement with local communities. Some processes are already well established, while others still require time and effort. Reporting requires clear acknowledgement of this fact, because the credibility of a commitment is measured as much by the results achieved as by the ability to identify what remains to be done.
This document provides a transparent account of where we stand and the direction we have chosen to take.
On behalf of the Board of Directors, I would like to thank everyone at Gruppo Mastrotto and all our stakeholders who, with their hard work, exchange of ideas and trust, help to make this journey a tangible reality every day.
Because, above all, shaping the future means taking responsibility for building it today.

Chiara Mastrotto
President of Gruppo Mastrotto

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About us

Founded

1958

2025 revenue

€341 Million

Million m² produced

14.6

Countries we sell in

+110



An overview of the group

Gruppo Mastrotto has been processing the finest quality bovine hides since 1958. With more than sixty-five years' experience, it has become an international leader in the tanning sector, with a turnover of Euro 341 million at the end of 2025, and 16 production facilities located in Italy, Brazil, Indonesia, Mexico, Portugal and Tunisia, exporting its products to over 110 countries worldwide.

The tannery is the heart of the organisation, defining its industrial identity. It is also the reason sustainability is an integral part of the Group's operations: the management of water, chemicals and energy is part of the production process, not a separate function.
Leather production is carried out by three Group companies: Gruppo Mastrotto S.p.A., which supplies leather for fashion, interiors and design, the automotive sector, aviation and the nautical sector, Mastrotto Brasil, for interiors and design, and Mastrotto Indonesia, for the automotive sector, interiors and design.

Two others specialise in processing leather that has already been tanned. Gruppo Mastrotto Mexico and Mitech Tunisie cut it for the upholstery of steering wheels, seats and other components of car interiors.
The acquisition of Coindu in October 2024 expanded the Group's scope and strengthened its position in the automotive sector. With highly technical cutting and sewing operations for seats and upholstery, using leather, fabrics and other materials, Coindu brings the Group closer to the end customer and to the stages of the supply chain where the product takes its final form.

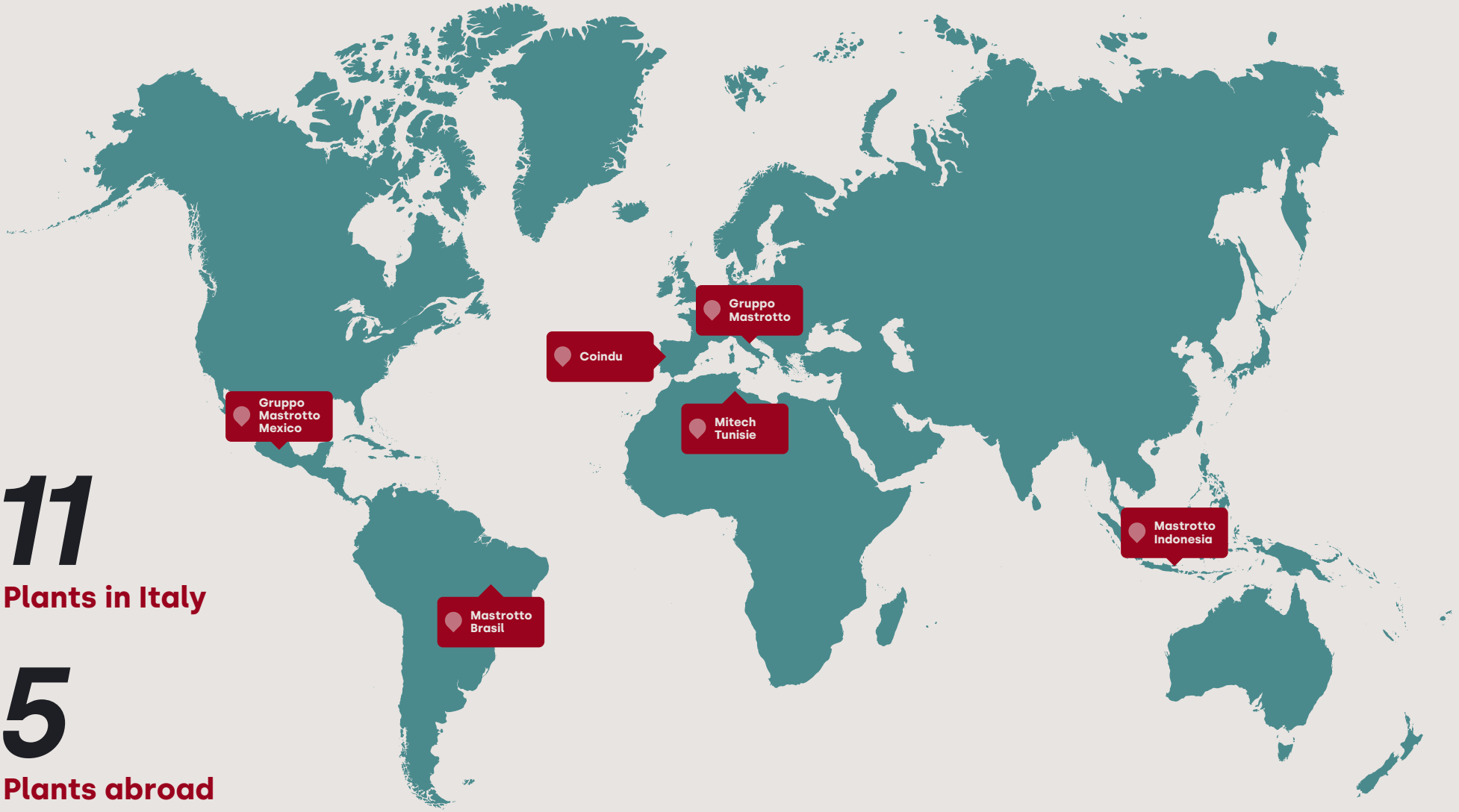
The result is an integrated organisation, in which tanning continues to form the foundation, while cutting and sewing operations represent a long-term developmental choice, designed to meet the needs of automotive customers with a more comprehensive and industrially sound range of products.



The Sustainability Report

Now in its sixth edition, the Sustainability Report is the tool used by Gruppo Mastrotto to provide a transparent and structured account of its commitment. The document describes the projects launched to reduce environmental impacts, strengthen social responsibility and promote governance based on integrity and ethics. Alongside the results achieved, it outlines the Group's path towards improvement and its ESG targets, in keeping with the leading international reporting standards.
The scope of reporting includes Gruppo Mastrotto S.p.A., Mastrotto Brasil S.A., PT Mastrotto Indonesia, Gruppo Mastrotto Mexico S. de R.L. de C.V. and Mitech Tunisie Sarl, referred to collectively as "Gruppo Mastrotto". A specific chapter is dedicated to Coindu – Componentes Para a Indústria Automóvel S.A., which joined the Group in October 2024.

Business Overview



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Plants in Italy

5

Plants abroad



3 Business Units

Fashion

The Fashion Business Unit develops leather collections for footwear, leather goods and accessories, serving premium and luxury brands. Each collection is the result of research carried out seasons before its market launch, bringing together tanning, finishing, colour and hand feel into a coherent offering designed to be explored and selected by design teams as their creative concepts take shape.

Research is the foundation of the unit's work. A new finish is developed through repeated testing and the gradual refinement of the desired result, which must then be reproducible on an industrial scale. The leather approved during the development phase is the same leather that will ultimately enter production. Alongside its collections, the Business Unit also develops bespoke articles, created in collaboration with customers around a specific product and its identity.

In fashion, time is as variable as the material itself. Ensuring the availability of leather when a collection is being defined is an integral part of the development process, not its conclusion. This is one of the reasons why research into colours and finishes is continuous rather than organised into discrete cycles.

Interior & Design

The Interior & Design Business Unit develops leather collections for furniture, design and contract applications. Its customers include upholstered furniture brands, architects and design studios that select materials as an integral part of interior design projects, as well as companies responsible for their implementation.

For these stakeholders, each article is developed starting from the customer's specific requirements, ensuring that the material approved during the design phase corresponds exactly to the material ultimately produced. Once the process and product characteristics have been defined, the performance of the leather in use, under light exposure and throughout everyday wear is also established. Consistent leather quality, reliability and long-term reproducibility are essential characteristics and constitute key production specifications for Interior & Design leathers.

The in-house laboratory supports the development of every article through tests for durability, colour fastness and long-term stability. For contract applications, these are complemented by fire reaction requirements applicable to public and shared spaces. Internationally recognised product certifications further extend verification from performance to material composition, as in the case of Blue Angel, the German environmental label that certifies the limitation of substances and emissions in leather intended for interior environments.

Within this framework lies research, which is where the Business Unit defines its own language and identity. Collections emerge from the study of tanning, finishing, colour and hand feel, and include special processes, surface effects and applications that expand the expressive potential of the material. Alongside these collections, bespoke articles can be developed for individual projects, in collaboration with architects or furniture manufacturers, jointly defining colour, texture and finish until the desired result is achieved. This is the stage at which leather ceases to be a catalogue selection and becomes an integral element of the design itself.





Automotive

The Automotive Business Unit develops and manufactures leather for vehicle interiors, including seats, steering wheels, armrests and other cabin components. This sector is characterised by particularly stringent specifications: before a leather article can even be proposed, it must pass the tests required by the vehicle manufacturer, covering abrasion resistance, lightfastness, performance under temperature fluctuations and emissions within the vehicle interior.

Time is also measured differently in this industry. The development of a material involves an approval phase carried out in collaboration with the manufacturer's technical centres. Once approved, the article accompanies the vehicle model throughout its entire lifecycle, with planned production volumes and no tolerance for variation. Consistency therefore becomes a product specification.

Automotive is also the area in which the Group oversees the greatest number of stages within the value chain. In addition to leather production, cutting operations are carried out at Gruppo Mastrotto Mexico and Mitech Tunisie, while Coindu provides the sewing of seats and upholstery. As a result, the leather produced in the tannery reaches the customer in a form that is ready for installation as a finished component.

Target industries

Interior & Design

The natural beauty of leather for every design project, from classic to modern, elegant to industrial, enhancing and complementing every style.

Fashion

Footwear, leather goods and apparel: a comprehensive range of leathers designed to deliver the perfect material for developing every creative idea.

Automotive

Durability, comfort and refinement are the defining characteristics of leathers for vehicle interiors.

Nautical

Elegance and longevity come together in leathers that retain their timeless appeal even on the most refined vessels.

Aviation

High-altitude luxury with elegant and durable leathers that meet the industry's stringent safety and maintenance requirements.

Gruppo Mastrotto Express

The tannery traditionally operates on a work-to-order basis. This approach requires set volumes and involves waiting times. However, a growing segment of the market operates differently, with shorter production runs, fast development cycles and frequent use of prototyping, requiring small quantities delivered quickly.
Gruppo Mastrotto Express meets this demand with a range of finished leathers that are always in stock. Customers order the quantity they need, with no minimum order requirements, and receive the material without having to wait for production. The leathers serve the same markets as the tanning processes: fashion, interiors and design, automotive, marine and aviation.

Over 40 items and more than 1,700 colours are available, totalling over 600,000 square metres of leather. The dedicated logistics system extends over more than 2.5 kilometres of shelving and enables the dispatch of orders within 48 hours of confirmation.
Using the Express model, the Group makes the same leather destined for industrial production available to small-scale buyers, with the same technical specifications and certifications. This means that designers, design studios and small businesses can work with the same material and enjoy the same quality standards as customers who place custom orders.



Our history

1958

Company

Arciso Mastrotto, along with his sons Bruno and Santo, establishes "Conceria Mastrotto" in Arzignano, pioneering the processing of crust for footwear.

1983-1995

Company

The company grows, with two new production units in Arzignano, Duma and Mastrotto Italia, for the production of leathers for interiors and design and for the automotive industry.

1997

Company

Two additional production facilities, Tecnoconciaria and Ellepi, were acquired, dedicated to the manufacturing of leather for the interiors and design sector.

1999

International Development

Foundation of Mastrotto Brasil, a local branch dedicated to the processing of leather for the interiors and design sector.

2003

Company

Establishment of "Gruppo Mastrotto" merging Conceria Mastrotto, Duma, Mastrotto Italia and Ellepi.

2010

Company

Start of operations of Mastrotto Italia Automotive (MIA), specializing in the production of leather for the automotive sector.

International Development

Establishment of Mitech Tunisie, a local subsidiary specialising in leather processing for the automotive sector.

2013

Company

Foundation of Gruppo Mastrotto Express, a service for the supply of readily available leathers in over 600 colours, now more than 1,700 all over the world.

2015

International Development

Establishment of Gruppo Mastrotto Mexico, a company specializing in leather cutting for the automotive sector.

2019

Company

Creation of the new Gruppo Mastrotto production facility in Santa Croce sull'Arno (PI).

2024

International Development

Acquisition of the majority stake in the Portuguese company Coindu, specialised in the production of leather and fabric upholstery for the automotive industry.

System certifications



	Gruppo Mastrotto S.p.A.	Mastrotto Brasil	Mastrotto Indonesia	Gruppo Mastrotto Mexico	Mitech Tunisie
ISO 9001 Quality Management System	1996	2015	2012	2019	2015
IATF 16949 Quality Management System automotive industry	2010	—	2012	2019	—
ISO 14001 Environmental Management System	2010	2019	2021	—	2017
ISO 45001 Occupational Health and Safety Management System	—	—	2021	—	2021
LWG Standard Environmental Management System	2017	2015	—	—	—
ISO 28000 Supply chain safety system	2021	—	2020	—	—
TISAX Information security in the automotive industry	2024	—	—	—	—

System certifications

System certifications serve two purposes:

- to encourage innovation processes and constant improvement in all areas of the company, with the introduction and refinement of advanced organisational models, thanks particularly to the constant involvement of people;
- to guarantee transparent and science-backed disclosure to all stakeholders, with certification by independent third-party organisations.

Certification is an instrument of cultural and organisational evolution that represents a tangible value both for Gruppo Mastrotto and for its customers and employees, the territory and the local community.



LEATHER WORKING GROUP
LWG Gold Rating

Gruppo Mastrotto S.p.A.'s best practices in the areas of the environment and safety have been acknowledged as Gold Rated, the highest rating under international LWG certification. The Leather Working Group's main aim is to develop and maintain a protocol that assesses environmental compliance and corporate practices relating to sustainability in the leather industry.

ISO 9001
Quality Management System

This is the international standard for quality management systems (QMS). It provides a framework for improving customer satisfaction through consistent in-house processes and a continuous commitment to improvement.

ISO 14001
Environmental Management System

Part of the ISO 14000 family of standards, this certification focuses on environmental management systems (EMS). It helps organisations improve their environmental performance through more efficient use of resources and waste reduction.

ISO 28000
Supply chain safety management system

Specific standard for supplier safety management. It helps organisations assess safety risks in their supply processes and implement measures to mitigate them, improving overall supply chain safety.

IATF 16949
Quality management system for the automotive sector

IATF 16949 is a specific standard for the automotive industry and sets out the requirements for a quality management system aimed at continuous improvement, the prevention of faults and the reduction of variability and waste within the supply chain.

TISAX
Information security in the automotive industry

TISAX® (Trusted Information Security Assessment eXchange) is an information security assessment approach based on a maturity model and tailored specifically to the needs of the automotive sector. The standard is accredited by the ENX Consortium.

Product certifications

Gruppo Mastrotto's leathers are backed by internationally recognised certifications, providing assurance of their environmental performance. This allows customers to make informed sourcing decisions, supported by qualified materials and transparent documentation, while strengthening compliance and credibility across the value chain.

MARINE EQUIPMENT
Council Directive 2014/90/EU

Also known as the Marine Equipment Directive (MED), it establishes safety and performance criteria for equipment on board ships sailing in international waters, ensuring uniform standards for maritime safety in the EU.

IMO / MER
UK Marine Equipment Regulations

Following Brexit, the United Kingdom has ceased to apply the European Marine Equipment Directive (MED 2014/90/EU) and has introduced its own certification system through the Merchant Shipping (Marine Equipment) Regulations (MER) 2025, which came into force on 5 January 2026.

The aim of the MER regulations is to ensure that equipment installed on UK-registered ships meets the technical and safety requirements set out in international and UK standards, through specific and controlled conformity assessment procedures.

DER BLAUER ENGEL
Ecological leather quality

German government certification that rewards products and services that have a reduced environmental impact, promoting sustainable production and consumption practices. Blauer Engel-certified products and services protect the environment and people's health through the careful use of resources in production and the absence of harmful effects.

OEKO-TEX
LEATHER STANDARD

This is an independent and globally recognised certification system for leather and leather goods at all stages of their processing, from semi-finished leather to finished articles such as bags, gloves, clothing, etc. The certification applies to the leather production process and identifies substances that are used in the processing that are harmful to humans.

BIODEGRADABLE LEATHER
Biodegradability verified in accordance with the UNI EN ISO 20136 standard

The certification attests, through scientific criteria and third-party verification, to the material's ability to be broken down by microorganisms, thereby facilitating its return to natural cycles and reducing its persistence in the environment.

The certification process includes analytical tests and audits, ensuring the robustness and credibility of the result. For automotive customers, it provides a useful technical and documentary basis for transparently communicating the material's environmental characteristics and distinguishing it within the automotive market.

USDA
Biobased certification

Certification issued by the United States Department of Agriculture confirming the percentage of biobased content in a product. It promotes the use of renewable raw materials of organic origin, helping to reduce dependence on fossil resources and encourage the development of more sustainable products.

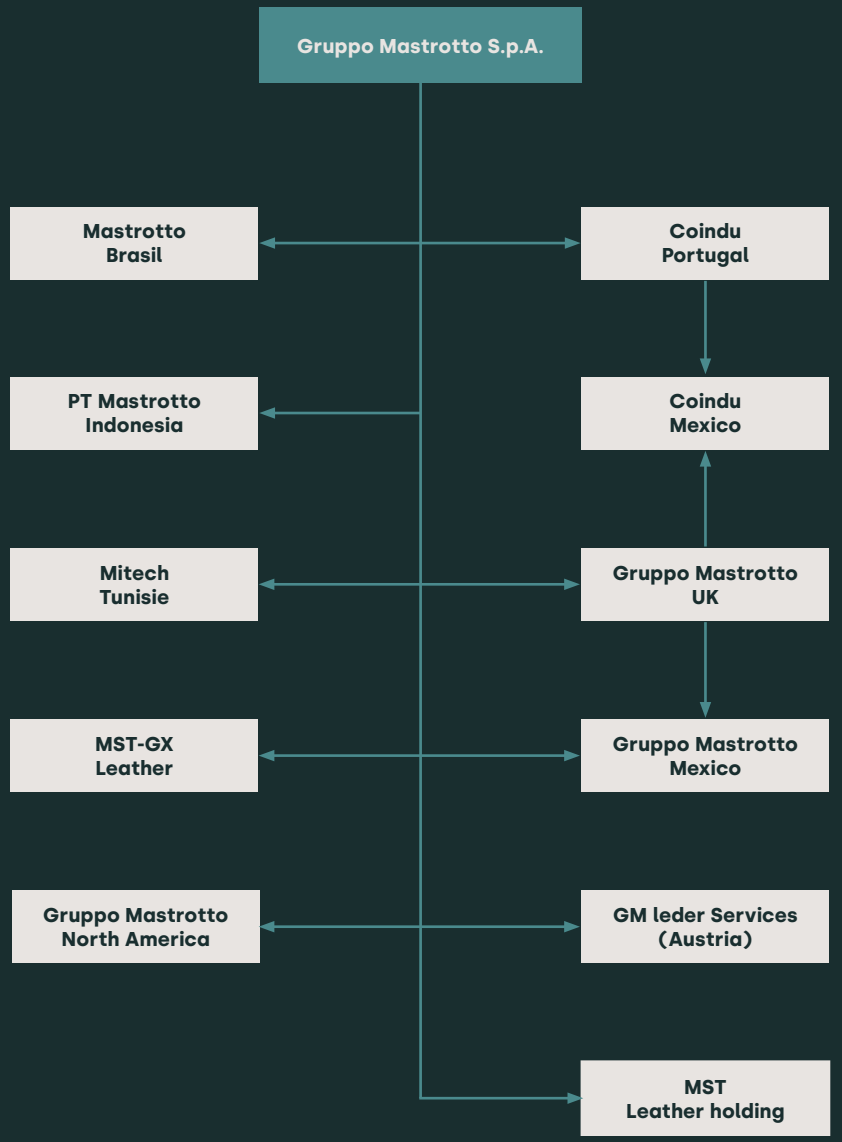
Corporate governance

Gruppo Mastrotto S.p.A. is a joint-stock company with a share capital of 600,000 ordinary shares with a value of 51.65€ each and a total value of €30,990,000.

The share capital, which is fully paid up, is held on a permanent basis by the family through a sub-holding company, Gruppo Mastrotto Holding S.p.A., and is divided as follows:

Shareholder	No. of shares
Gruppo Mastrotto Holding S.p.A.	480,000
Mastrotto Graziano	60,000
Azalea Srl	60,000

The Group's structure is shown in the following organisation chart



The governing bodies



The governing bodies of Gruppo Mastrotto S.p.A. are:

- the **Shareholders' Meeting**, responsible for passing resolutions on matters reserved to it by law and by the Articles of Association in force, both in ordinary and extraordinary session
- the **Board of Directors**, empowered for the ordinary and extraordinary management of the Company with a view to fulfilling the business purpose. This is the body that approves the Sustainability Report and the sustainability plan, regularly checking its correct implementation.

The composition of the Board of Directors pays particular attention to the development of specific business skills, something which is of particular importance considering the specialised nature of the tanning industry within different and differentiated global value chains.

As of 31/12/2025, the Board of Directors was made up of six members, as follows

Chiara Mastrotto	Chair and Managing Director
Giovanna Mastrotto	Managing Director
Graziano Mastrotto	Managing Director
Santo Mastrotto	Managing Director
Renata Sartori	Managing Director
Fabio Soldà	Managing Director

In particular:

- **Chiara Mastrotto** is mandated for matters of "Sustainability" and "Environment"
- **Giovanna Mastrotto** is responsible for managing the inclusive workshop and for activities aimed at enhancing and promoting cultural and social initiatives in the local area.
- **Fabio Soldà** holds the mandate for "Occupational Health and Safety", also holding the office of Employer pursuant to Legislative Decree no. 81/2008, which regulates this matter in Italy.

Period reporting addresses the Board of Directors or to individual Managing Directors in periodical reports issued by the Oversight Committee, pursuant to Legislative Decree 231/01, Company Managers mandated with matters relating to the environment and to occupational health and safety, and Heads of Department.

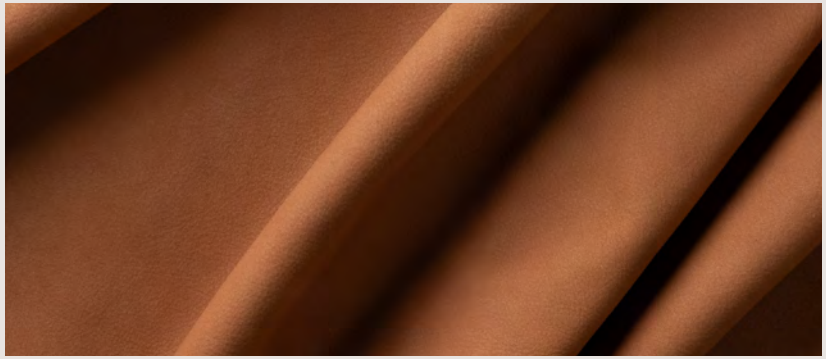
Similarly, the foreign companies have a Board of Directors with the necessary powers for the ordinary and extraordinary management of the Company with a view to fulfilling the business purpose and in coordination with the strategies developed at corporate level.

The control bodies

The main control bodies for Gruppo Mastrotto S.p.A. are the Board of Statutory Auditors and the Oversight Committee, pursuant to Legislative Decree 231/2001.

As of 31/12/2025, the Board of Statutory Auditors was made up of

Nevio Dalla Valle	Chair
Primo Ceppellini	Auditor
Antonio Pasquino	Auditor
Davide Lombardi	Substitute Auditor
Alessandro Pegoraro	Substitute Auditor



The independent auditing of the accounts is entrusted to PricewaterhouseCoopers S.p.A.

Pursuant to Legislative Decree 231/2001 (the provision which regulates the administrative liability of legal persons)

Gruppo Mastrotto S.p.A. has an Oversight Committee made up of three members, two of whom are external.

To rule out the company's liability for criminal offences, Legislative Decree 231/01 envisages:

- the adoption and effective application of an "Organisation, management and control model (M.O.G.), which has been in place at Gruppo Mastrotto for some years
- the appointment of an Oversight Committee (O.D.V.), responsible, among other things, for overseeing the correct application of the provisions of the model.

As of 31/12/2025, the Oversight Committee, pursuant to Legislative Decree 231/01, was made up of

Nevio Dalla Valle	Chair
Francesco Falavigna	External Member
Anna Cosaro	Internal Member

Driven by a passion for leather

We offer our customers high-quality, innovative and lasting solutions. We believe in collaboration, constant improvement and an active commitment towards sustainability. We embrace future challenges with the boldness of those capable of imagining and creating things that don't exist yet.

Purpose and values

This is Gruppo Mastrotto's purpose, a clear declaration of intent that guides the strategic decisions and the definition of the company's goals, inspiring employees to go beyond the customer's expectations and make a positive contribution to society and the environment.

It is a statement made by Management following an in-house brainstorming process involving representatives from every company department, with a view to ensuring a shared vision consistent with the essential values of the organisation and the expectations of the stakeholders. In this sense, the purpose represents the nucleus around which the company's values develop, key principles that guide the day-to-day actions of all Gruppo Mastrotto employees.

The purpose goes beyond simply expressing a vision; it serves as a concrete point of reference for the company's operations and long-term development. Its characterising values of quality, innovation, collaboration and sustainability translate into a commitment to responsible growth, capable of generating value for customers, people and local communities.



Focus: Adhesion to the Global Compact

Gruppo Mastrotto's commitment to the United Nations Global Compact represents a natural extension of the principles expressed in the Group's purpose. By means of this initiative, Gruppo Mastrotto strengthens its commitment to promoting a development model based on respect for human and labour rights, environmental protection, and ethical and transparent conduct.

The alignment between the company's purpose and the principles of the Global Compact highlights the Group's desire to incorporate sustainability into its activities, actively contributing to the creation of a more inclusive, responsible and forward-looking economy.

The United Nations Global Compact is the world's largest corporate citizenship initiative. Promoted by former Secretary-General Kofi Annan, it aims to promote an international economy based on respect for human and labour rights, environmental protection and the fight against corruption.

To date, over 25,000 organisations from more than 160 countries have adhered to the Global Compact, with the aim of promoting collaboration on a global scale.

Gruppo Mastrotto joined the initiative in September 2022, in the belief that lasting, balanced and inclusive development requires an economy founded on solid ethical principles and respect for human dignity and the environment.

Adhesion requires a commitment to share, support and apply the ten fundamental principles of the Global Compact in activities and strategies.

Human rights

1. Promote and respect universally recognised human rights within their respective spheres of influence.
2. Ensure avoidance of being, even indirectly, complicit in the abuse of human rights.

Employment

3. Uphold the freedom of association of workers and recognise the right to collective bargaining.
4. Eliminate all forms of forced and compulsory labour.
5. Effectively eliminate child labour.
6. Eliminate all forms of discrimination in employment and occupation.

Environment

7. Support a precautionary approach to environmental challenges.
8. Undertake initiatives that promote greater environmental responsibility.
9. Encourage the development and dissemination of environmentally friendly technologies.

Fight against corruption

10. Work against corruption in all its forms, including extortion and bribery.

The context

The tannery recovers and ennobles a by-product of the food industry, turning it into the characterising element of bags, interior design and car interiors.
It is part of extremely complex international supply chains, acting almost as a link between the primary sector and the worlds of fashion, interior and design and car manufacturing.

OECD[1] and FAO[2] forecasts predict continued growth in the consumption of beef over the next few years, with positive effects on global turnover in the industry. The value of the world's tanning production can be estimated at around Euro 17-18 billion. The main producer countries include Italy, China, Brazil, South Korea and India.

Looking at the situation here in Europe, the European tanning industry is a leader in terms of quality, innovation and environmental and social responsibility.

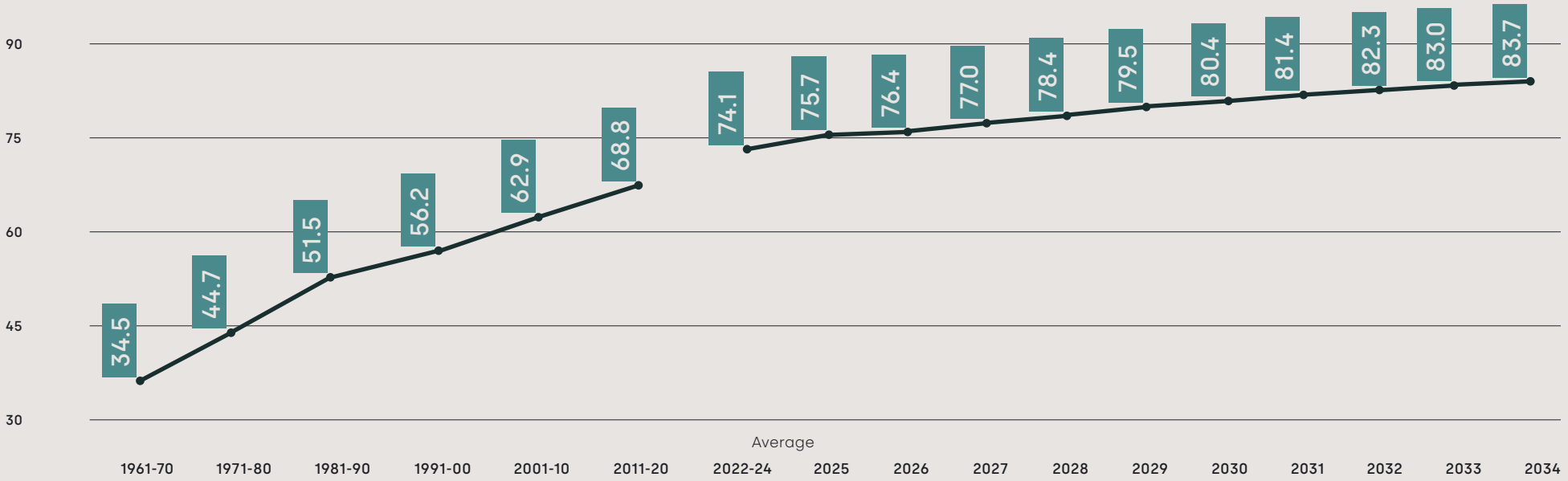
The 3,000 tanneries operating in Europe employ around 50,000 people and generate a turnover of almost eight billion euros[3].

Most of the leathers produced are used in the footwear industry, which accounts for 38% of production; recent years have witnessed increases in other significant industries, such as leather goods (22%) and car interiors (13%).

European tanners supply all the major specialisations and areas of use in the high-end market segments. 25% of all European production is for high-end customers, with the mid-high end segment accounting for 34%.

The use of European leather also drives the creation of value downstream. The production of almost eight billion euros of leather generates a turnover of around 125 billion euros for the industry's customers, creating value and employment for over 40,000 companies and two million people.

Global beef consumption – forecasts to 2034 – (million tonnes)



[1]OECD: Organisation for Economic Co-operation and Development
[2]FAO: United Nations Food and Agriculture Organization
[3] Cotance: Confederation of National Associations of Tanners and Dressers of the European Community

The Italian tanning industry

The Italian tanning industry plays a key role at international level in the worlds of fashion, car interiors and home furnishings.

It is characterised by small and medium-sized enterprises, almost all of which are located within three industrial districts specialised by the type of leather processed and by product destination:

- **Arzignano** (Vicenza - Veneto), specialised in the processing of bovine hides for the fashion, automotive and interior design sectors;
- **S. Croce sull'Arno** (Pisa - Tuscany), characterised mainly by the processing of calfskins for the fashion industry;
- **Solofra** (Avellino - Campania), known primarily for the processing of sheep and goat skins for clothing.

These tanning districts are also home to chemical companies, machinery manufacturers, companies that process the by-products of the tanning industry, service companies/consortia, and consortium-run purification plants which, together with the tanneries, represent a supply system that is unique in the world.

Turnover for 2025 was approximately Euro 4 billion, down 5.8% compared to 2024; production of finished leather was 115.8 million square metres, falling by around 3.6%.

Italian exports totalled Euro 2.70 billion, down 5%. They account for 67% of the total production value.

The trend in Italian exports of leather also showed a 3% drop in value compared to the same period of the previous year.

Looking at product categories, bodywork, interiors and design recorded the most significant declines (-11.8% and -5.3% respectively); declines in the fashion sector were more modest, ranging between -1% and -2%.

Among the top 10 export destinations, France (up 3% at Euro 347 million) and Germany (up 5.3% at Euro 161 million) recorded growth; all the others recorded a decline, particularly China (down 26.5%), Serbia (down 13.4%), the US (down 13.4%) and Romania (down 11.6%).



The production process

The tanning process is the sequence of operations that transforms a perishable material, in this case raw hide, into a strong, durable material suitable for various uses, such as footwear, leather goods, furniture or car interiors.

It is a complex process that combines chemical and mechanical treatments designed to give the leather the aesthetic and functional characteristics required by the end product.

The process can be divided into five main phases: **preparation, tanning, retanning and dyeing, mechanical operations and finishing.**

Preparation

Preparation is the initial phase, in which the leather is cleaned, rehydrated and prepared for tanning. During this phase, salt, impurities, organic residues and unwanted elements are removed, restoring the material to a condition suitable for subsequent treatments. A number of mechanical operations, such as fleshing and splitting, are also carried out to condition and even out the material.

Tanning

Tanning is the heart of the process: this step ensures that the leather remains stable over time, preventing its deterioration and increasing its resistance to water and external agents. Before the actual tanning process begins, preparatory treatments are carried out to facilitate the even absorption of the tanning agents.

Retanning and dyeing

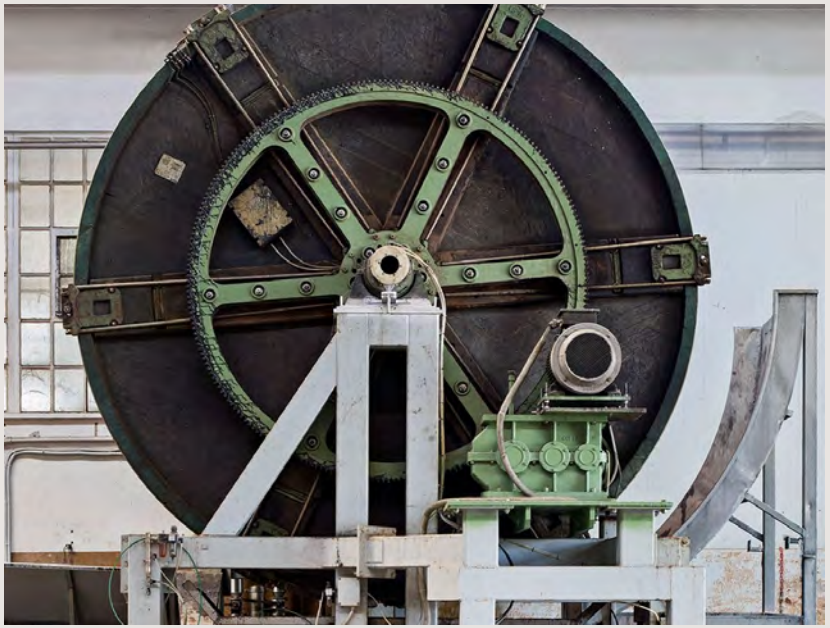
Retanning and dyeing operations give the leather most of its final characteristics. During this phase, colour, softness, body, elasticity and behaviour in use are defined through processes such as neutralisation, retanning, dyeing and greasing. This phase ends with drying, which stabilises the material and prepares it for the next steps.

Mechanical operations

Mechanical operations are then carried out to further improve the leather's uniformity, feel and appearance. Processes such as buffing, staking and mill drying make the leather softer, more supple and even, playing a decisive role in the perceived quality of the product.

Finishing

The final stage is finishing, the sequence of surface treatments that complete the leather in terms of both appearance and performance. Special products are applied to the surface to give it colour, protection, uniformity and durability. Specific decorative effects, such as prints or special finishes, can also be achieved at this stage.



Overall, the tanning cycle is a process of gradual transformation, in which each stage prepares the next and contributes to the end result.

The expertise of our staff, control of the process and the use of technologically advanced equipment enable us to transform raw hides into high-quality finished leather, suitable for a wide range of highly specialised applications.

Finished leather, particularly that intended for the automotive sector, can be **cut and sewn** to produce components such as seats, steering wheels or other interior fittings.

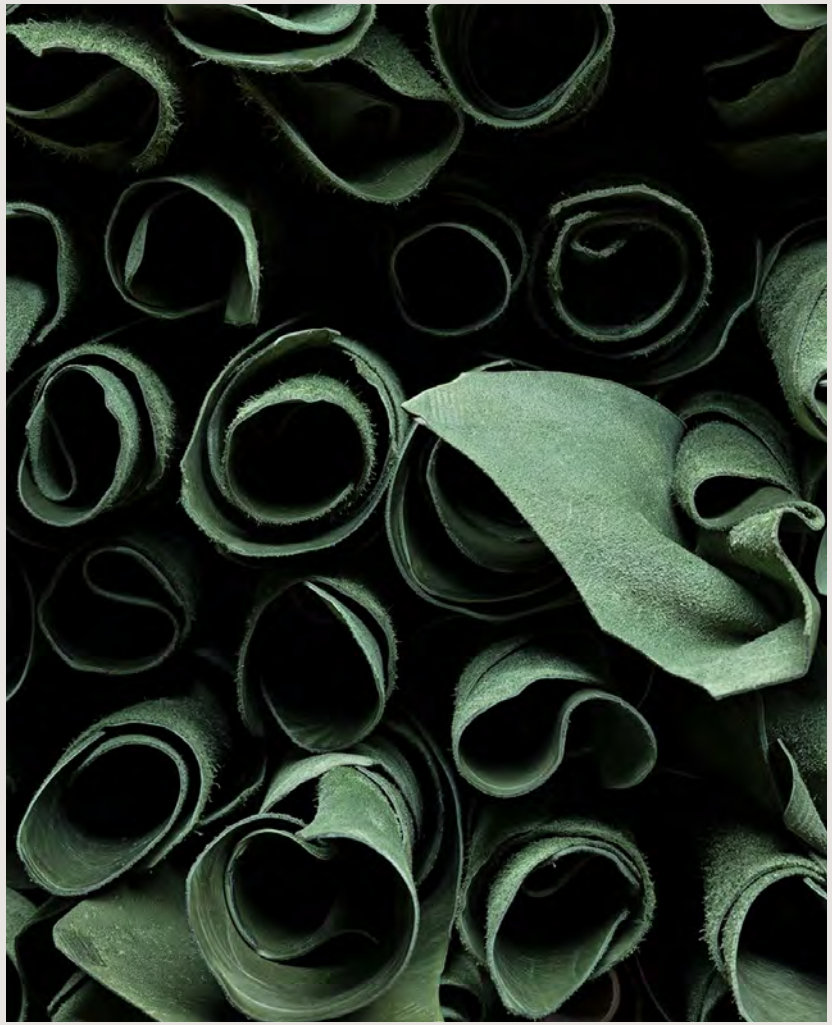
The hides undergo thorough checks before cutting to ensure their quality, thickness and uniformity.

Cutting is carried out using automated systems and dedicated software, which guide laser tools precisely along predefined contours.

Where required, the semi-finished products can then be sewn using industrial machines to produce complete components, ready for assembly.

02

Sustainability KPIs



Environment 27
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Governance 29

Environment

Mitigating climate change:

5,000,000

kWh from new solar panels

Declining energy intensity of production:

-14.5%

over the 2023–2025 period

Obtained UNI EN ISO 20136 biodegradability certification for leather intended for the automotive sector

The European LIFE Project "Svolta Blu":

measuring and reducing our water footprint

Declining carbon footprint:

-19%

over the 2023–2025 period

Circular Economy: Enhancing the value of by-products

900 tonnes

of protein-based materials recovered to produce biostimulants for agriculture

Social

96%

of employees have permanent employment contracts

+40

different nationalities represented across the Group

Building integration through work:

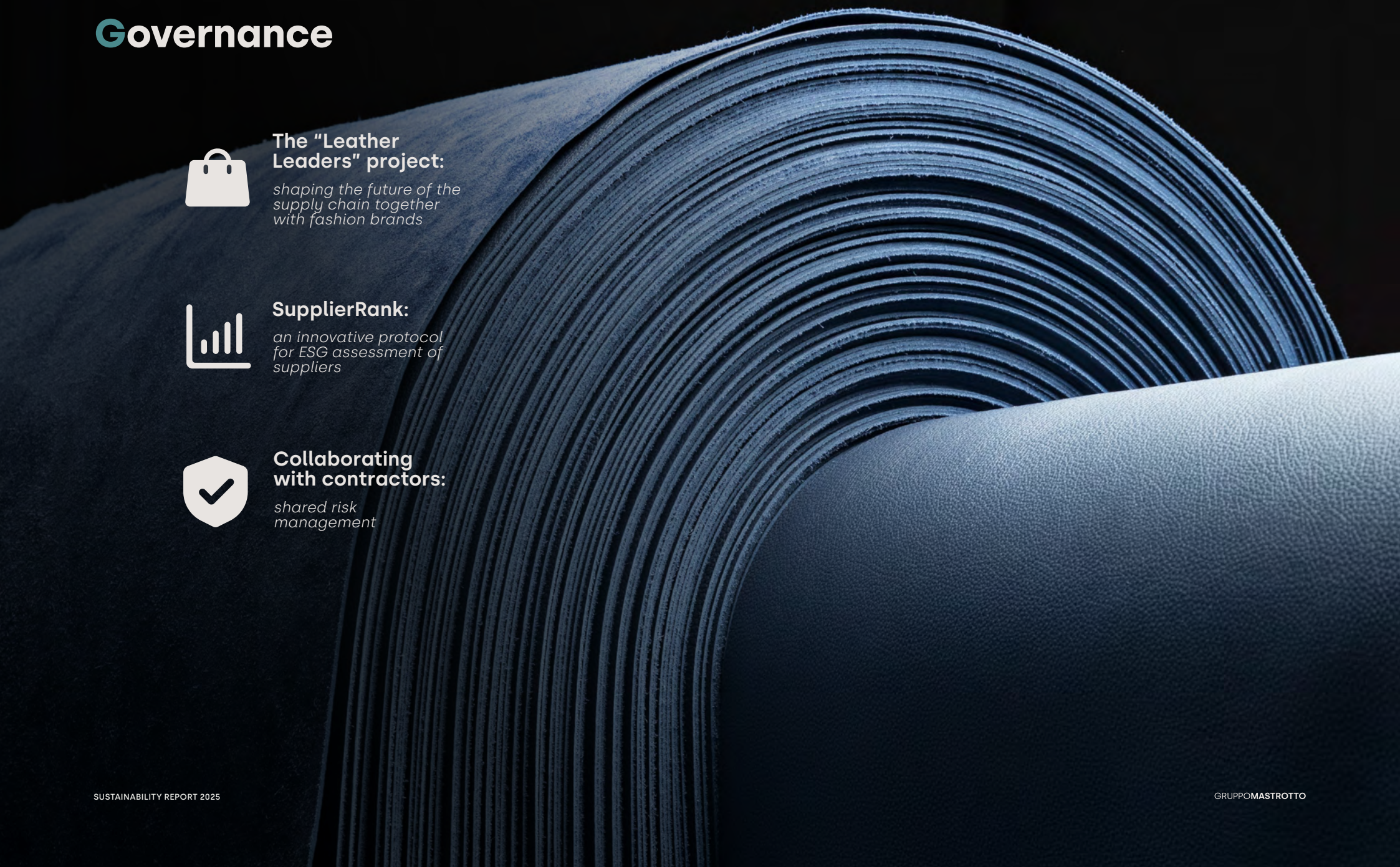
the workplace and social inclusion workshop

Welfare, wellbeing, and initiatives supporting employees and their families

Department heads at the centre of a development programme to strengthen skills and responsibilities

Donation of an innovative device for pediatric surgery

Governance



The “Leather Leaders” project:

shaping the future of the supply chain together with fashion brands

SupplierRank:

an innovative protocol for ESG assessment of suppliers

Collaborating with contractors:

shared risk management

03

The Sustainability Journey

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“Sustainability Leader” Award 40



The journey embarked upon in recent years has led to the development of a systematic approach to sustainability, which has gradually become an integral part of the company’s management.

This approach has not been limited to individual initiatives but has progressively spread to decision-making processes and operational activities throughout the organisation, marking a shift towards models capable of striking a balance between environmental, social and governance (ESG) aspects.

At the same time, sustainability has gradually taken root within the organisation, strengthening awareness and engagement throughout the various business functions.

During 2025, this process took a further step forward, strengthening the approach to sustainability and making it progressively more systematic in Gruppo Mastrotto’s overseas offices. This development has enhanced the initiatives and practices already in place in the various local contexts, while promoting greater consistency and a more robust alignment at Group level.

Our stakeholders

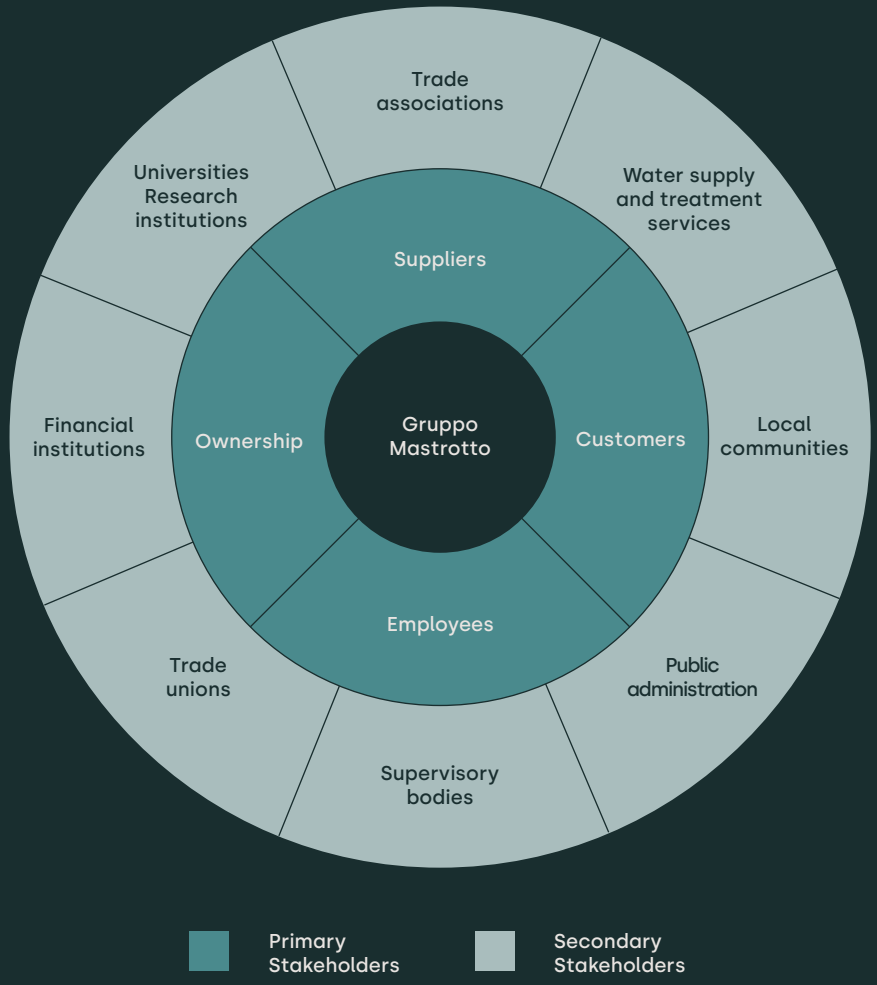
The term "stakeholder" refers to the group of individuals, groups and institutions that can influence an organisation's ability to achieve its goals and which may, in turn, be influenced by its activities. These are parties linked to the organisation through interdependent relationships in which interests, expectations and impacts are dynamically linked.

In this context, no journey of growth or organisational development can be truly effective without the involvement and support of stakeholders. This is why the structured mapping of these stakeholders and attention to their expectations are fundamental. These activities enable a better understanding of the quality of existing relationships and help steer business decisions towards more informed and inclusive solutions.

Depending on their relationship with Gruppo Mastrotto, stakeholders can be divided into two main categories:

- **primary stakeholders**, all those clearly identifiable individuals and groups on whom the company directly depends for its operations and continuity;
- **secondary stakeholders**, who may influence the organisation's activities or be influenced by them, particularly in relation to products, policies and processes.

This classification helps to organise engagement activities more effectively and to define priorities for intervention that are consistent with the importance and level of interaction of the various stakeholders.



The sustainability context

Sustainability is now the most important strategic pillar around which the tanning industry must build its future.

For the Italian tanning industry, it is an essential prerequisite for maintaining a competitive advantage, capacity for innovation and international leadership. In an increasingly complex environment, the industry is faced with constantly evolving European regulations, growing market demands for transparency and greater attention to environmental and social impacts along the entire value chain.

Alongside the management of the environmental factors traditionally of greatest relevance to the industry, such as the use and purification of water, waste management and atmospheric emissions, other issues are now becoming increasingly central.
These include mitigating and adapting to climate change, traceability of raw materials, monitoring environmental and social impacts along procurement chains, preventing deforestation and ecosystem conversion, and protecting biodiversity.
Growing attention from key customer sectors, particularly the fashion, luxury goods and automotive industries, confirms that these aspects are now an integral part of market requirements. Tanneries are required to guarantee the origin of their materials, the soundness of their control processes and the consistency of their sustainability statements. In this context, traceability plays a key role as a tool for strengthening transparency, the ability to manage risk and the overall credibility of the production chain.

At the same time, regulatory developments impose an increasing focus on the accuracy of the information disclosed to the market. The national transposition of *EU Directive 2024/825* (Empowering Consumers for the Green Transition) makes objective and verifiable communication increasingly important in order to combat "greenwashing".



Legislative Decree no. 68/2020 operates along similar lines, regulating the use of the terms "cuoio" (hide) and "pelle" (leather) and protecting them with specific regulations designed to:

- promote their nature as natural materials obtained from the exploitation of a by-product of food supply chains, within the scope of a concrete circular economy;
- prevent the improper use of terms such as "vegan leather" and "faux leather", and similar terms, which refer to materials that are all synthetic in origin.

Looking ahead, the consolidation of the Italian tanning industry's leadership will depend on its ability to systematically integrate sustainability, innovation, product quality, supply chain management and the development of human capital. It will, therefore, be essential to continue investing in skills, dialogue within the supply chain, research, measurement capabilities and transparency, strengthening an industrial model capable of combining manufacturing excellence, responsibility and a long-term vision.

Materiality assessment: the methodological approach

To define the content of its Sustainability Report, Gruppo Mastrotto has developed a double materiality assessment process consistent with the ESRS. **The aim is to identify the most significant issues both in relation to the impacts generated by the company's activities and with regard to the risks and opportunities capable of influencing the Group's economic and financial performance over time**.

The assessment was carried out using a process organised into two complementary phases. In the first phase, based on the topics listed in the European reporting standards, a systematic mapping of relevant events and their consequences was carried out, classifying them as impacts, risks or opportunities. This activity considered the entire value chain, taking into account both the specific characteristics of the tanning industry and the various geographical contexts in which the Group operates.

The initial mapping exercise drew on a wide range of sources, including regulatory references, international standards and guidelines, sector analyses, findings from audits, internal data and the results of initiatives already underway. These elements were supplemented by contributions gathered by involving the Group's departments, management and key stakeholders.

Based on this, an initial materiality assessment was carried out, enabling the selection of the aspects to be examined in greater depth in the subsequent detailed assessment. Regarding the extent of impacts, the assessment considered the nature of the effects, the probability of occurrence and their significance, determined on the basis of the magnitude of the harm or benefit, the scope and, for negative impacts, the possibility of recovery.

At the same time, the financial aspects were analysed by examining the potential effects of sustainability issues on financial performance, cash flows, assets, access to credit and reputation. Once again, the assessment combined the likelihood of occurrence and the magnitude of the consequences, with a view to assigning priority levels consistent with the Group's management and strategic processes.

The assessments, expressed using qualitative scales supported by numerical scores, were presented in the form of weighting matrices, which help make the results more transparent, comparable and understandable, even by non-specialists. The results of the assessment were then shared and validated internally, ensuring consistency with the operational context and the company's strategic goals.

This process has enabled Gruppo Mastrotto to identify, in a robust and verifiable manner, the material issues to be reported, laying the foundations for sustainability reporting aligned with regulatory requirements and geared towards creating value in the medium to long term.



The results of the materiality assessment: Impact materiality

The assessment offers a clear picture of the key sustainability issues for Gruppo Mastrotto along the entire value chain. Overall, the impacts are concentrated mainly on environmental aspects, with significant materiality also in relation to social aspects and, more broadly, governance.

An integrated assessment of each individual standard provides a clearer understanding of the balance between the pressures generated and the positive contributions made by the industrial model.

ESRS E1 – Climate change

Key areas of focus include both direct components and, to a significant extent, indirect factors. Particular importance is attributed to emissions associated with the leather procurement chain, which is part of the livestock sector, traditionally characterised by high emissions. These elements are accompanied by emissions linked to energy consumption, the use of chemicals and logistics. As a result, climate change is about more than just plant efficiency; it extends to sourcing decisions and the configuration of the supply chain.

Significant positive contributions are emerging alongside these challenges. The Group uses a by-product of the food industry, eliminating the need to dispose of hides and reducing emissions associated with their decomposition. Furthermore, energy efficiency measures, heat recovery and the growing use of energy from renewable sources help to reduce direct emissions. Another positive factor is the durability of leather, which helps extend the life cycle of products.

ESRS E2 – Pollution

An area of particular focus is water management. The tanning process poses a risk of releasing wastewater containing metals, organic substances and complex chemical compounds, with potential effects on ecosystems and the quality of water resources.

This risk is managed by constantly monitoring the wastewater, with the aim of ensuring the efficiency of the treatment facilities and minimising the impact on water bodies. At the same time, the Group promotes measures to reduce pollution, including the adoption of advanced technologies, the transition to water-based processes and the strengthening of controls on inputs. The continuous improvement of the facilities also helps enhance environmental performance.

ESRS E3 – Water

Water management is a priority area. The key aspects to be monitored relate mainly to the large amount of water required by the production cycle, which may place pressure on local resources, particularly in areas characterised by a delicate water balance. Added to this is the indirect water footprint of the livestock industry.

On the positive side, the Group promotes efficiency measures, including the reduction of specific consumption, the recycling of process water and the continued monitoring of water withdrawals. In some cases, these are complemented by initiatives for the reuse of purified water and integrated solutions at local level, reinforcing a circular approach to water management.

ESRS E4 – Biodiversity and ecosystems

The most significant aspects in terms of biodiversity are mainly indirect and linked to the origin of raw materials. Specifically, sourcing from areas subject to deforestation or ecosystem conversion can contribute to the loss of biodiversity.

To mitigate these risks, the Group develops traceability systems for the supply chain and promotes environmental protection and offsetting initiatives. Although indirect in nature, these actions strengthen oversight of impacts upstream and the overall credibility of the Group's environmental commitment.

ESRS E5 – Use of resources and the circular economy

The main areas of focus concern the consumption of resources (energy, water and chemicals) and the management of residues, particularly industrial sludge.

At the same time, significant benefits linked to the circular economy are emerging. The processing of hides, which are by-products of the food industry, enables the use of existing resources and reduces waste. In addition, the recovery of chemicals and the optimisation of processes improve overall efficiency.

ESRS S1 – Own workforce

The priority areas for attention relate to occupational health and safety, with risks linked to handling, accessibility, exposure to chemicals and operational complexity, as well as potential challenges in training and skills development.

The Group addresses them by implementing certified management systems, investing in safety, process automation and training programmes, helping to improve working conditions and strengthen human capital.

ESRS S2 – Workers in the value chain

The main risks relate to potential issues along the supply chain, such as inadequate working conditions or the unsafe handling of chemicals. Although the likelihood of these risks is often low, they can have significant impacts.

Positive measures include tools such as codes of conduct, audits and reporting channels, which help promote higher standards along the supply chain.

ESRS S3 – Affected communities

Aspects worthy of particular attention include potential effects on the local area and communities, in the event of accidents or situations that may affect the surrounding environment, for example.

On a positive note, the Group contributes to economic and social development through employment, support for local initiatives and participation in community life, generating shared value.

ESRS S4 – Consumers and end users

The areas most closely monitored relate to product compliance and safety, with particular reference to the possible presence of undesirable substances, achieved through rigorous laboratory testing.

Leather is characterised by its durability and quality, contributing to the creation of safe, long-lasting and reliable products.

ESRS G1 – Corporate conduct

Critical issues relate to potential areas for improvement in the integration of ESG criteria into decision-making processes and supply chain transparency.

Strengthening governance policies, codes of conduct, training and reporting systems, on the other hand, helps improve risk management and the quality of decision-making.

A complex picture in which the critical issues are concentrated primarily in the environmental and supply chain dimensions, while the benefits stem from the Group's ability to make the most of existing resources, improve process efficiency and promote sustainable practices throughout the value chain, emerges overall.

This dual perspective confirms that sustainability is not only an area of risk management but also a strategic lever for creating value in the medium to long term.



The results of the materiality assessment: financial materiality

The analysis highlights the fact that the environment in which Gruppo Mastrotto operates presents a highly complex set of risks and opportunities. These include factors relating to potential changes in environmental legislation and policies, the complexity of the value chain, the protection and empowerment of workers, climate change, and the management of natural and industrial resources.

An integrated analysis of each individual standard provides a clearer understanding of the balance between risks and opportunities, which will be discussed in greater detail in the following sections of the report.

ESRS E1 – Climate and energy

The main economic effects associated with this change relate to potential water shortages, rising energy costs and growing customer focus on the company's ability to manage climate risk and ensure business continuity.

At the same time, climate and energy present significant opportunities. The investments made by Gruppo Mastrotto to improve energy efficiency, independently produce renewable energy and develop products with a lower environmental impact can be seen in this light.

ESRS E2 – Pollution

Key areas of concern include rising costs for water purification, the proper management of chemicals and the risks associated with future tightening of legislation relating to water, atmospheric emissions and the chemicals that can be used.

In terms of opportunities, the recycling and reuse of water, the improvement of water performance, the reduction in chemical consumption and the enhancement of digital systems for the continuous monitoring of wastewater emerge, and some of these are already in place at the Group's facilities.

ESRS E3 – Water

Water is one of the most significant topics from a financial perspective. The most significant risks relate to withdrawal limits associated with potential periods of drought, possible increases in consortium tariffs and the tightening of authorisation limits. These are compounded by growing customer demands regarding water efficiency and the risk of disruption to the operations of consortium wastewater purification facilities.

In terms of opportunities, in addition to the reuse and recycling of water and process water efficiency, key areas include the optimisation of the water footprint, the development of less water intensive processes, and partnerships with consortia and organisations to develop shared infrastructure solutions.

ESRS E4 – Biodiversity and ecosystems

With regard to biodiversity, the greatest financial significance stems largely from the Group's indirect exposure along the raw materials supply chain. The key areas addressed concern traceability requirements, potential reputational impacts associated with upstream supply chains, and dependence on ecosystem services in certain regions.

Opportunities such as strengthening supply chain partnerships and traceability mechanisms could become increasingly significant in economic terms, particularly with regard to market access and reputation protection.

ESRS E5 – Use of resources and the circular economy

The main risks concern regulatory restrictions affecting sourcing and traceability, as well as rising disposal costs and restrictions on waste management.

This area also presents a wide range of significant opportunities, for which several projects are already underway. These include optimising the consumption of materials and chemicals, supply chain partnerships for innovation and traceability, the development of low impact product ranges, reducing waste at source, the recovery of by-products, and investment in recovery and recycling technologies. These levers can strengthen the Group's supply resilience, revenue stability and ability to distinguish itself in the medium term.

ESRS S1 – Own workforce

Particular attention is paid to issues relating to the health and safety of workers, with a view to minimising risks. These include ergonomic risks, appropriate conduct and interference risks associated with contracted works.

In terms of opportunities, the most significant areas are the strengthening of prevention programmes, the structured management of contractors, improvements to the organisation of work and investment in skills. Although not all of these measures yield immediate returns, they help enhance reliability, efficiency and operational continuity.

ESRS S2 – Workers in the value chain

Within the value chain, indirect risks—largely attributable to the complexity and fragmentation of the supply chain—are particularly significant.

In terms of opportunities, those associated with supplier qualification, social traceability and supplier risk analytics tools are significant with a view to the future, as they are potential levers for stabilising the supply chain and preventing reputational risk.

ESRS S3 – Affected communities

In our relations with local communities, the focus must be on the environmental impacts associated with the tanning industry in broad terms, while continuing to systematically maintain dialogue with the local area.

There are also numerous opportunities that are important for strengthening Gruppo Mastrotto's reputational capital. These include educational and cultural initiatives, healthcare and social inclusion, and support for the vulnerable, confirming the idea that a company can really be perceived as a key player in the evolution of a community.

ESRS S4 – Consumers and end users

With reference to customers, end consumers and users, the company controls concern in particular product risks and misalignment with the ESG expectations of the main clients.

Traceability and the product passport, in particular, present significant opportunities for building customer loyalty, reducing quality-related costs and strengthening the company's competitive positioning.

ESRS G1 – Corporate conduct

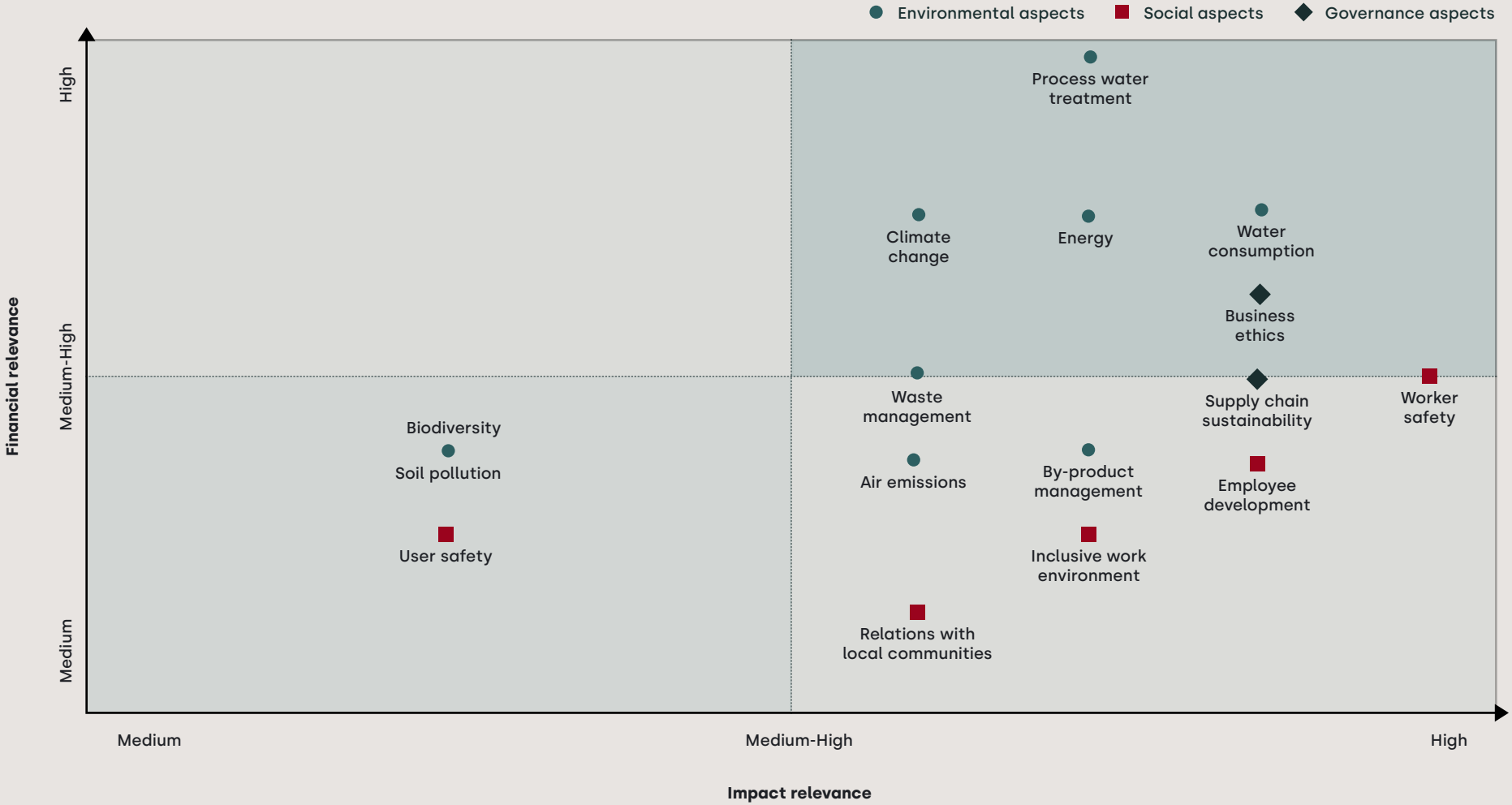
Within the scope of governance, attention must be paid to the risks of corruption, fraud, breaches of privacy and weaknesses in whistleblowing systems. These issues are addressed by the Code of Ethics and the organisational and corporate control model.

In terms of opportunities, strengthening internal controls, transparency, and training represents a significant investment in preventing risks and consolidating stakeholder trust.

Overall, the analysis confirms that the most financially significant issues for Gruppo Mastrotto relate to the impact of environmental policies and regulations, systematic and cost-effective access to resources and their responsible use, production continuity, the advancement of employees and monitoring of the value chain.



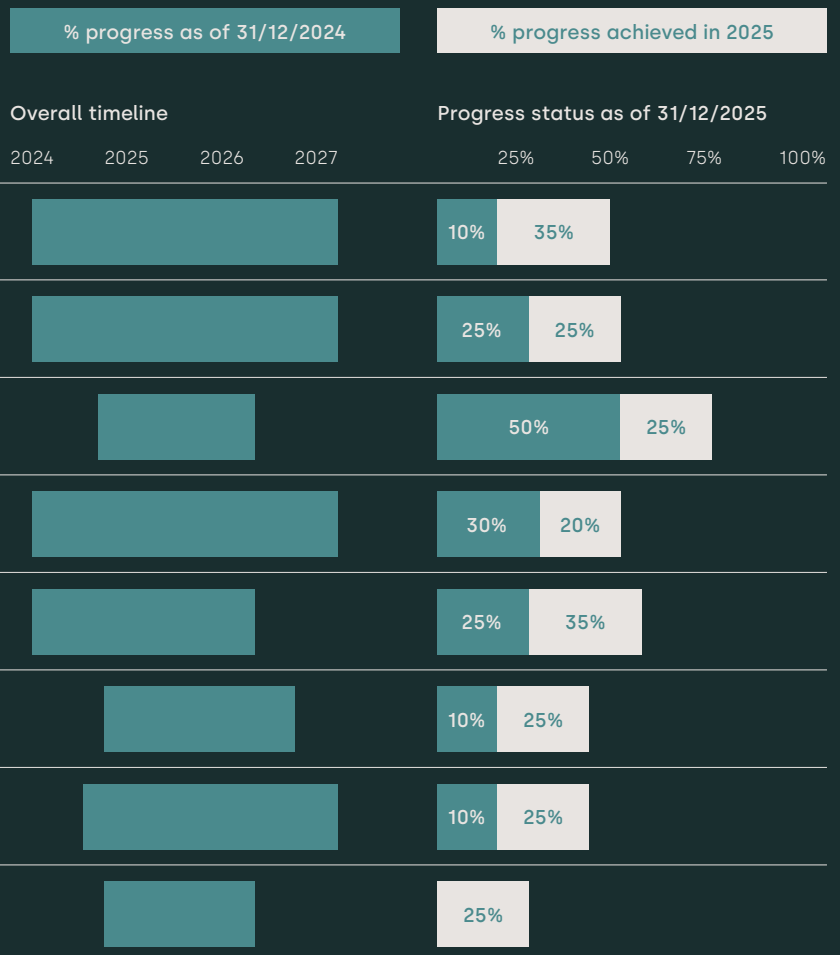
The materiality assessment: an overview



The sustainability plan

Awareness of the importance of an articulate approach to sustainability issues has favoured the drafting and approval of a group sustainability plan, developed over several years in order to give the activities planned sufficient time.

The plan is approved by Gruppo Mastrotto's Board of Directors and is reviewed on a regular basis, at least annually, to assess its evolution and identify any adjustments required.



"Sustainability Leader" Award

Once again in 2025, Gruppo Mastrotto was awarded the title of Sustainability Leader by "Il Sole 24 Ore" in collaboration with "Statista".

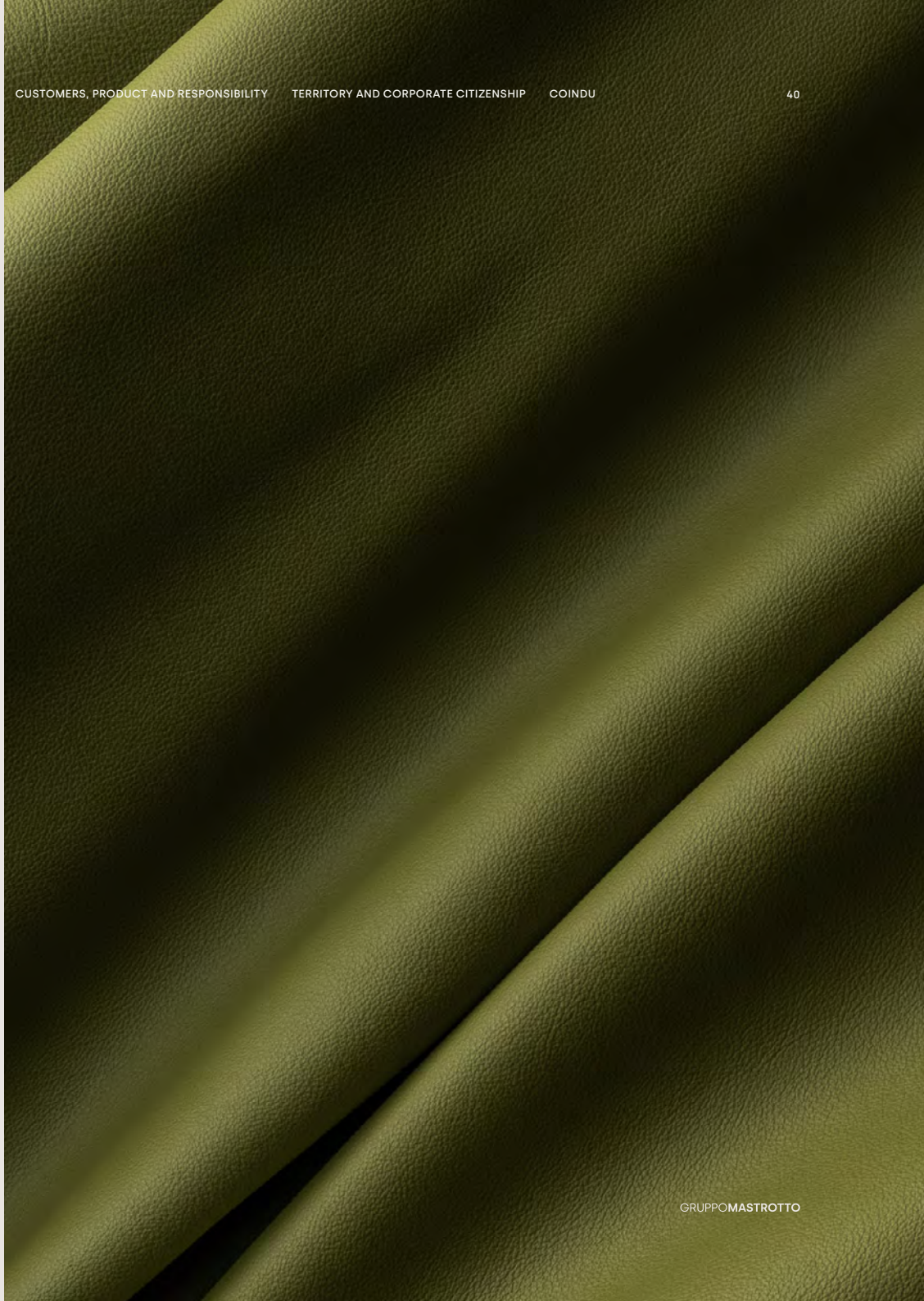
The survey, based on an analysis of sustainability reports from over 5,000 companies, resulted in the selection of 240 exemplary organisations, including 200 large enterprises and 40 small and medium-sized enterprises.

In this context, Gruppo Mastrotto has distinguished itself especially for the results achieved in key areas such as water management, safety and transparency.

When it comes to water resources, the company's focus translates into a tangible commitment to reducing its environmental impact, achieved through efficient consumption, responsible wastewater management, the protection of available resources and the promotion of responsible water use.

In terms of safety, the company prioritises the protection of its employees, adopting a structured approach to the prevention and management of risks related to occupational health and safety.

Last but not least, transparency is a fundamental element of the company's model: Gruppo Mastrotto ensures clear and comprehensive disclosure of its activities and ESG performance, allowing all stakeholders to make an informed assessment of its commitment to sustainability.



04

People

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Since 1958, Gruppo Mastrotto's growth has been made possible by the contribution of those who work every day with passion, expertise and a sense of responsibility. People are the driving force behind the company's evolution and its ability to adapt to an increasingly uncertain and complex environment.

For these reasons, Gruppo Mastrotto promotes the protection of their integrity, organisational wellbeing and the development of their skills, encouraging personal and professional growth in a safe and stimulating working environment.

Our people: workforce structure

In 2025, the average workforce was 2,668 employees, an increase of almost 7% compared to 2024 and 17% compared to 2023, indicating a path of steady organisational growth.

Between 2023 and 2025, the number of permanent employees rose from 2,103 to 2,437 (+16%) while the number of staff on supply contracts increased from 178 to 231, representing around 8% of the workforce.

Breakdown of workers by type

Type of worker	2025	2024	2023
Employees	2,437	2,307	2,103
Staff on supply contracts	231	194	178
Total	**2,668**	**2,501**	**2,281**

At the end of 2025, there were 2,479 employees on permanent contracts, up slightly on the previous two-year period. There are 100 employees on temporary contracts.

Permanent employees of Gruppo Mastrotto account for approximately 96% of the total, highlighting the emphasis placed on the need for job security and stability expressed by the group's workforce. Women account for 35% of employees, up from 31% recorded in the previous two years.

For the reader's convenience, please note that the reporting scope comprises Gruppo Mastrotto S.p.A., Mastrotto Brasil S.A., PT Mastrotto Indonesia, Gruppo Mastrotto Mexico S. de R.L. de C.V., and Mitech Tunisie Sarl, collectively referred to as "Gruppo Mastrotto." A dedicated chapter covers Coindu – Componentes Para a Indústria Automóvel S.A., which joined the Group in October 2024.



Breakdown of employees by gender and type of contract

	31.12.2025	31.12.2024	31.12.2023
Permanent employees	2,479 Women 881 Men 1,598	2,243 Women 704 Men 1,539	2,227 Women 696 Men 1,531
Temporary employees	100 Women 15 Men 85	168 Women 51 Men 117	139 Women 45 Men 94
Total	**2,579** **Women 896 Men 1,683**	**2,411** **Women 755 Men 1,656**	**2,366** **Women 741 Men 1,625**

27%

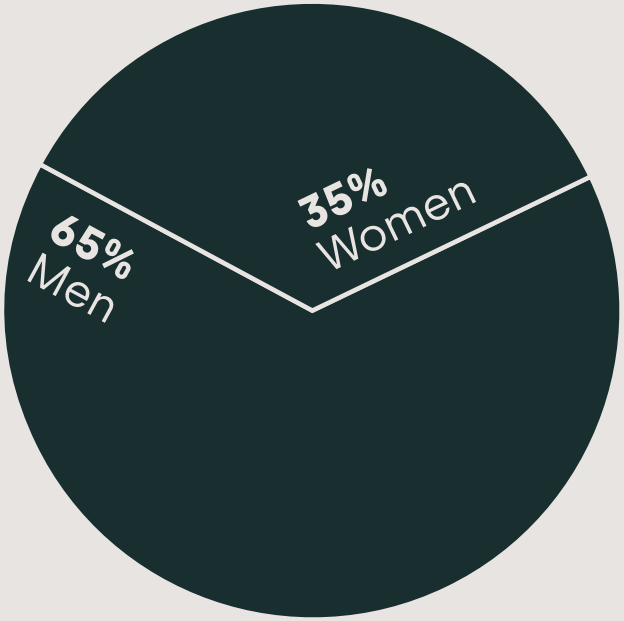
Female representation in managerial roles has shown an upward trend over the last three years

As of 31 December 2025, blue-collar workers accounted for 83% of the workforce, confirming the Group's strongly manufacturing-based nature. This is followed by office staff, who make up 15% of the total, while executives and managers together account for approximately 2.5% of the workforce.

At Gruppo Mastrotto Mexico and Mitech Tunisie, this pattern is even more pronounced: blue-collar workers account for over 80-90% of the workforce, while other professional categories make up only a small percentage.

At Gruppo Mastrotto S.p.A., while operational staff still predominate, there is greater diversity across the professional categories.

Gender distribution 2025



Women account for 35% of the total workforce at Gruppo Mastrotto, making up 45% of office staff and 33% of blue-collar workers.

Although still relatively low, the percentage of women in leadership roles (executives and managers) showed an upward trend over the three-year period under review, rising from 23% in 2023 to 27% in 2025.

The management team at Gruppo Mastrotto S.p.A. also demonstrates a more advanced gender balance: women account for 43% of managers, confirming their significant presence also in senior positions.

Breakdown of employees by gender and professional category

	31.12.2025	31.12.2024	31.12.2023
Executives	11 Women 3 Men 8	13 Women 4 Men 9	13 Women 3 Men 10
Managers	54 Women 11 Men 43	49 Women 9 Men 40	48 Women 10 Men 38
Office staff	371 Women 166 Men 205	364 Women 163 Men 201	379 Women 148 Men 231
Blue collars	2,143 Women 716 Men 1,427	1,985 Women 579 Men 1,406	1,926 Women 581 Men 1,345
Total	**2,579** **Women 896 Men 1,683**	**2,411** **Women 755 Men 1,656**	**2,366** **Women 741 Men 1,625**

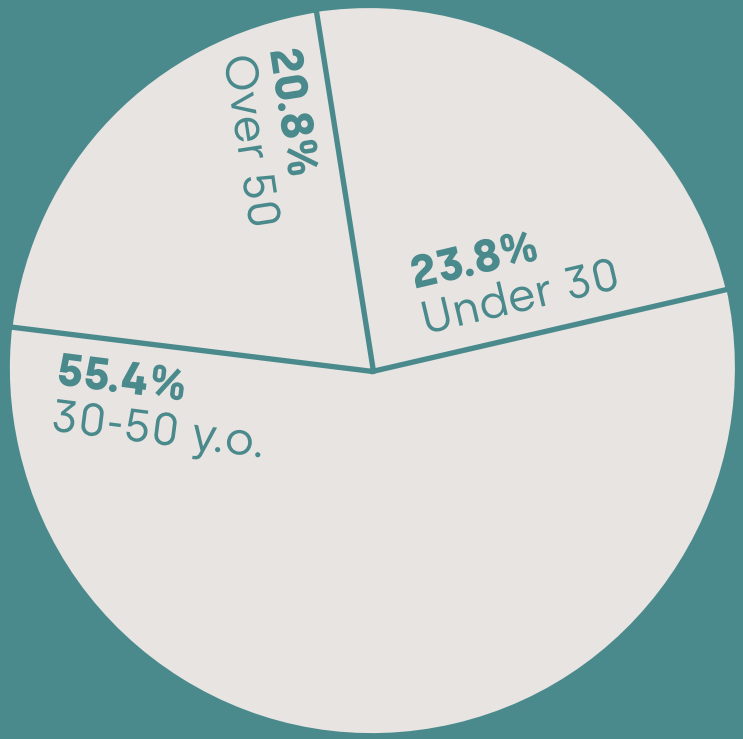


As of 31 December 2025, there were 615 employees under the age of 30, accounting for 23.8% of the total, up slightly on 2024.

The 30–50 age group continues to be the largest, with 1,428 employees (55.4% of the total). There are 536 employees aged over 50, accounting for 20.8% of the workforce. Overall, the breakdown by age reveals a balanced structure, characterised by a predominance of the central age groups and a significant presence of younger employees, supporting both operational continuity and generational renewal within the Group.

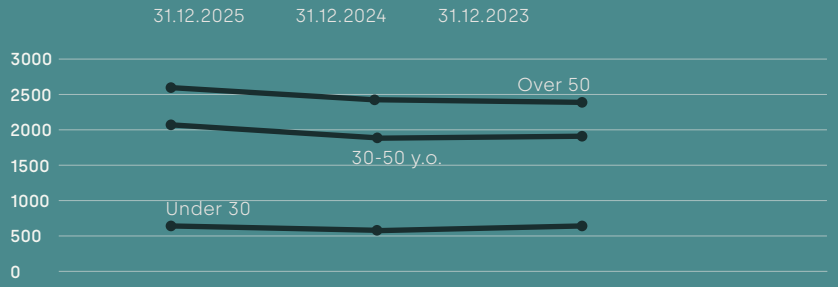
The analysis by geographical area reveals some significant differences.

Staff age distribution 2025



At Mastrotto Brasil and Mastrotto Indonesia, the workforce is concentrated mainly in the 30–50 age group, which accounts for over 60% of workers. Here, the percentage of staff over the age of 50 is lower, generally below 10–15%.

Evolution of company age composition



At Gruppo Mastrotto Mexico and Mitech Tunisie, on the other hand, there is a higher percentage of younger staff: workers under the age of 30 account for over 50% of the workforce at Gruppo Mastrotto Mexico and around half of the workforce at Mitech Tunisie, resulting in a younger workforce profile compared to the Group average.

The breakdown at Gruppo Mastrotto S.p.A. is more heavily weighted towards older age groups, with 49% of employees aged between 30 and 50 and 44% over the age of 50. Young people under 30 account for 7% of the total.

Breakdown of employees by age group and gender

	31.12.2025	31.12.2024	31.12.2023
Under 30	615 Women 243 Men 372	569 Women 208 Men 361	627 Women 218 Men 409
30-50 Years old	1,428 Women 493 Men 935	1,306 Women 400 Men 906	1,259 Women 383 Men 876
Over 50	536 Women 160 Men 376	536 Women 147 Men 389	480 Women 140 Men 340
Total	**2,579** **Women 896 Men 1,683**	**2,411** **Women 755 Men 1,656**	**2,366** **Women 741 Men 1,625**

Breakdown by country

The geographical breakdown highlights a significant presence at Gruppo Mastrotto S.p.A. and Mitech Tunisie, which together account for over 67% of the Group's total workforce (37% and 30% respectively).

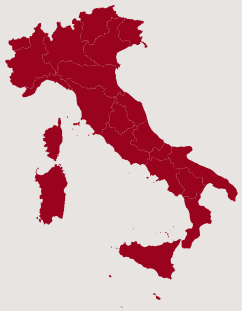
Gruppo Mastrotto S.p.A. confirms its position as the leading country in terms of number of workers, while Mitech Tunisie is playing an increasingly important role and is notable for its higher percentage of female employees compared to other countries.

Mastrotto Brasil and Mastrotto Indonesia make a significant contribution to the Group's workforce, with a predominance of male employees, whilst Gruppo Mastrotto Mexico accounts for a smaller proportion of the total.

An analysis of the trend over the three-year period from 2023 to 2025 shows a gradual increase in the share of Mitech Tunisie, which rises from 22% to 30%. During the same period, there was a slight reduction for Gruppo Mastrotto S.p.A. and Mastrotto Brasil (from 40% to 37% and from 21% to 19%), together with a sharper decline for Gruppo Mastrotto Mexico, from 7% to 2%.

The relationship between staff and company is regulated by national or local collective agreements.

In Italy, the National Collective Labour Agreement for the tanning industry (valid from 1 July 2023 to 30 June 2026) is applied. Equivalent instruments, consistent with the fundamental principles of the International Labour Organization, are adopted in non-EU countries.



37%
Gruppo Mastrotto S.p.A.



30%
Mitech Tunisie



19%
Mastrotto Brasil



12%
Mastrotto Indonesia



2%
Gruppo Mastrotto Mexico

Diversity and inclusion

Gruppo Mastrotto assigns a primary role to the company's social function, also as a meeting place for different abilities that mutually recognise and value each other.

The Group employs 56 people with disabilities or individuals belonging to protected categories, whose active and continuous presence makes a tangible contribution to the creation of value and to the company's collective growth.

Breakdown of employees with disabilities or belonging to protected categories

	31.12.2025		31.12.2024		31.12.2023	
Number of employees	56		45		48	
	Women	Men	Women	Men	Women	Men
	22	34	18	27	19	29
Percentage of total employees	**2,2%**		**1,9%**		**2,0%**	
	Women	**Men**	**Women**	**Men**	**Women**	**Men**
	2,5%	**2,0%**	**2,4%**	**1,6%**	**2,6%**	**1,8%**

56

Employees with disabilities or belonging to protected categories within the group

The Work and Social Inclusion Project



A work and social inclusion project aimed at disabled people of working age has been developed at Gruppo Mastrotto S.p.A. with a particular focus on Down syndrome. The initiative led to the creation of a production department dedicated to assembling the colour charts for the Gruppo Mastrotto Express ready-to-deliver leather service.

Eight people with disabilities currently work in the department, where a level of productivity that ensures its long-term sustainability has gradually been achieved. This has enabled those involved to develop skills and independence, while promoting positive and constructive integration within the workplace and with colleagues.



Inclusion is a core value for Gruppo Mastrotto, as it helps create an open and respectful working environment that recognises and values people for their individuality. Diversity is a resource that offers tangible opportunities for growth and participation, promoting individual and collective wellbeing in the workplace.

It is with in this context that the **Work and Social Inclusion Project**, an initiative that bears witness to Gruppo Mastrotto's commitment to promoting opportunities for integration, skills development and active inclusion, has been established. Gruppo Mastrotto uses this project to create opportunities for learning, building relationships and developing the skills of each individual, which helps generate a positive impact within the organisation, as well as in the local community where it operates.

Working performance is assessed on a monthly basis to monitor the effectiveness of the project, with the aim of ensuring that targets are met and the company's needs are fulfilled.

In particular, aspects such as the number and variety of the colour charts produced are assessed in relation to the company's production and organisational requirements. This approach makes it possible to combine inclusion with results, showing how structured and properly supported programmes can generate tangible value for all parties involved.

Confirming Gruppo Mastrotto's strong belief in this activity, the staff involved in the project are supported by a dedicated and targeted coordination programme, tailored to individual needs and organisational requirements.

Ongoing support, the tracking of progress and a focus on professional growth allow people to fully express their potential and actively contribute to achieving the company's goals. Indeed, for Gruppo Mastrotto, investing in inclusion means building a more sustainable, innovative and responsible organisation, in which every individual can feel that they are an integral part of a shared vision and make a tangible contribution to the company's success.

The project was created with the support of Rinascere, a social cooperative based in Montecchio Maggiore, and Studio Progetto, in Valdagno, which were responsible for the selection and training of the candidates.

This integration project has received various awards, including the "Dna – Difference in Addition" prize, dedicated to organisations that stand out for their exemplary practices in workplace inclusion. The prize is promoted by the National Office against Racial Discrimination of the Presidency of the Council of Ministers – Department for Equal Opportunities, and endorsed by the Lazio Region.

The Group's experience has also sparked interest in academic circles. In particular, Gruppo Mastrotto presented its approach to "diversity management" during a workshop aimed at second-year students studying for the Master's Degree in Work and Organisational Psychology at La Sapienza University in Rome.

The meeting provided an opportunity to share practical experience of managing diversity within the organisation, highlighting the tools, challenges and operational aspects involved in implementing inclusion projects.

The Work and Social Inclusion Lab is a tangible example of Gruppo Mastrotto's commitment to empowering people and promoting an inclusive corporate culture. The results achieved over time show how integrating social and organisational targets can generate shared value, contributing to personal wellbeing, the company's growth and the sustainable development of the local area.

A multicultural workforce:
our employees in Italy come from over 40 different countries

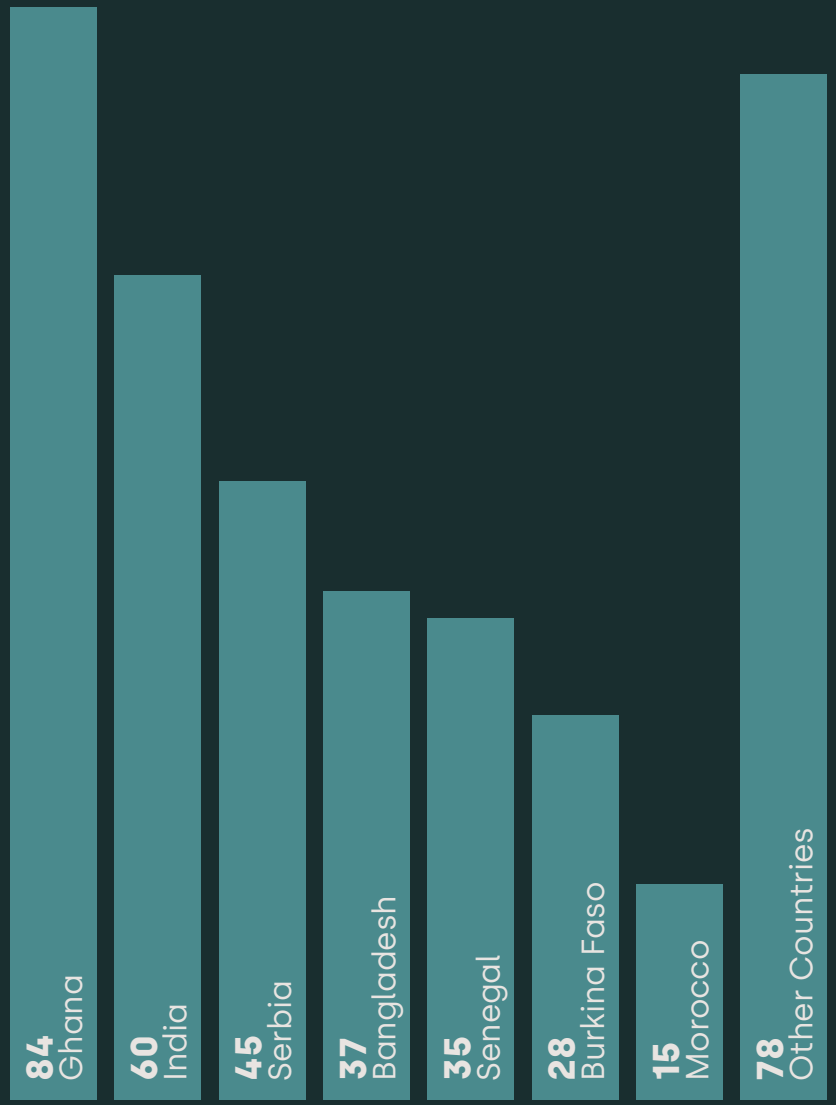
One particularly significant factor concerns workers at Italian plants who come from abroad.

There are 382 such workers, accounting for 40% of the workforce, from 36 different countries. Their incidence has been steadily increasing in recent years.
The most numerous communities are represented by workers originating from Ghana (22%), India (16%), Serbia (12%), Bangladesh (10%), Senegal (9%), Burkina Faso (7%) and Morocco (4%).

These people work mainly in production, holding both operational roles and positions coordinating departments or teams.



Distribution by country of origin of foreign employees at Gruppo Mastrotto S.p.A.



Family-friendly corporate welfare



Corporate welfare is a central component of Gruppo Mastrotto's commitment to personal wellbeing

Corporate welfare is a central component of Gruppo Mastrotto's commitment to personal wellbeing. Thanks to a comprehensive range of initiatives, the Group makes a tangible contribution to improving the quality of life of its employees and supporting their personal and family needs. The model adopted is based on a structured and integrated approach, combining measures applicable across the Group with initiatives designed to address the specific circumstances of different local contexts.

One of the main areas of intervention is protecting health, promoting prevention activities and programmes that are accessible to employees, confirming the company's constant focus on people's physical wellbeing and safety. These initiatives are complemented by measures to support everyday life, such as flexible working arrangements, healthcare cover, medical schemes and services dedicated to family and education, including scholarships and childcare support. Social initiatives, such as events and opportunities for socialising, also help strengthen a sense of belonging and internal cohesion.

The "Gruppo Mastrotto Welfare" digital platform, operated by Gruppo Mastrotto S.p.A., plays a central role in this system. The platform provides integrated access to a wide range of goods and services, enabling employees to use vouchers that can be redeemed against more than 150 brands in various sectors, from food to fuel, and from electronics to leisure. Using the same platform, it is also possible to claim refunds for medical, educational and family-related expenses, including public transport, schoolbooks, study holidays, babysitting services, care for the elderly and contributions towards supplementary pension schemes.

In 2025, the welfare system was further strengthened in terms of accessibility, inclusion and direct support for individuals. Alongside the digital channels already available, such as video tutorials, a dedicated live chat feature and FAQs, a monthly in-person welfare desk has been introduced, with the aim of offering more personalised support and making it easier to use the tools available. At the same time, the portal has been made available in 64 languages, significantly extending its accessibility to an increasingly international and diverse workforce.

A distinctive feature of the model is the active involvement of employees in shaping the initiatives. Using structured feedback tools, such as questionnaires and discussion sessions, the Group gathers information on real needs and requirements and uses it to guide the development and updating of its welfare benefits.

Overall, the Gruppo Mastrotto's corporate welfare programme is a comprehensive and constantly evolving system, capable of responding effectively to people's needs, promoting inclusion and participation, and contributing to the creation of a positive, caring and sustainable working environment in the long term.

Corporate welfare is also being developed at overseas sites through comprehensive initiatives designed to meet people's practical needs, in keeping with the specific social and organisational characteristics of the various local contexts. While the methods vary from country to country, a common approach focused on safeguarding health, supporting family life, promoting inclusion and improving the quality of working life, emerges.

The welfare system at Mitech Tunisie stands out for the breadth and variety of the initiatives in place, which have yielded particularly significant results. In terms of health, 100% of the workforce undergoes regular medical check-ups, while cancer screening covers 80% of the workforce. Preventive measures are accompanied by campaigns to raise awareness of healthy lifestyles, such as the anti-smoking and healthy eating initiatives, both of which have achieved 100% participation. The focus on family wellbeing also takes the form of contributions towards school expenses — books, transport and school meals — for 332 employees' children, as well as scholarships also aimed at employees' children. There are also financial support measures, such as shopping and fuel vouchers for 300 employees, payments made to 150 employees to mark the "Eid al-Adha " festival, and transport support schemes, including contributions towards public transport costs, which cover 95% of the workforce. The picture is completed by initiatives dedicated to inclusion and equal opportunities, which include programmes to support the integration of people with disabilities, equal opportunities policies, mentoring schemes and training courses focused on diversity and inclusion, with the aim of promoting a fair and inclusive working environment.

The main initiatives implemented by Gruppo Mastrotto Mexico focus on health and wellbeing, support with parenting, and the quality of working life. Employees have access to regular medical check-ups and vaccination campaigns organised in coordination with the public health authorities, confirming the emphasis placed on prevention and the protection of health.

These are complemented by measures to support family life, such as the "Back to School" campaign, which marks the start of the school year by providing school supplies for employees' children, and internal solidarity schemes, such as the time bank scheme, which enables employees to help one another and manage personal or family commitments by offering voluntary support to colleagues.



The company also promotes opportunities for socialising and sharing, with initiatives aimed at employees and their families, celebrating social and cultural occasions such as Mother's Day, Father's Day, Valentine's Day, Children's Day and the Día de Muertos.





At Mastrotto Indonesia, employee welfare is characterised by balanced attention to health, support with parenting, financial rewards and inclusion. Current initiatives include regular medical check-ups and health education sessions, aimed at raising awareness of issues relating to individual wellbeing. Particular emphasis is placed on supporting maternity and the work-life balance, with dedicated time slots and fully equipped breastfeeding facilities. These measures are accompanied by company bonuses, opportunities for social interaction and initiatives aimed at inclusion, such as programmes to integrate people with disabilities and equal opportunities and mentoring policies.

Overall, the initiatives developed at our international sites show how Gruppo Mastrotto's welfare programme translates into practical and diversified practices, capable of adapting to the needs of people in different geographical and cultural contexts. Health, family support, inclusion, mobility and relational wellbeing are the main directions in which a commitment that helps enhance the quality of the working environment and strengthen the company's connection with its people develops.

Investing in people and development: education and training

Education and training are crucial aspects for the personal and professional development of people at Gruppo Mastrotto.

Investing in the growth of skills means promoting a safer, more inclusive working environment that is geared towards continued improvement, as well as supporting innovation and the efficiency of production processes.

Training needs are determined by means of a structured process involving managers from the various company departments. In collaboration with the Human Resources department, the key areas for development are identified and incorporated into the annual training plan, which is subsequently approved by senior management.

This approach enables us to align training programmes with the Group's operational priorities and sustainability goals, with a particular focus on health and safety, quality, innovation and environmental responsibility.

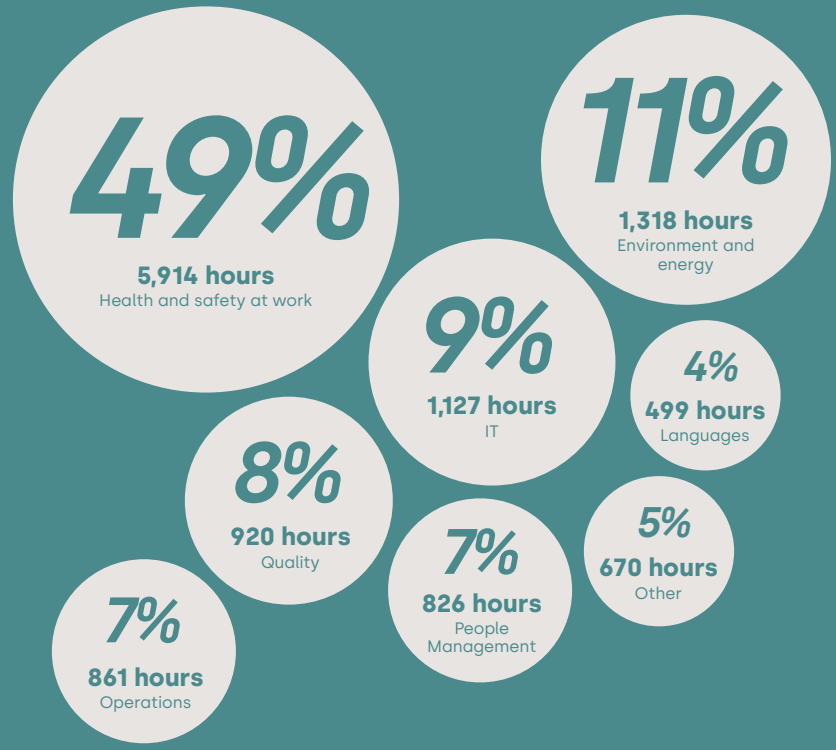
The total number of training hours delivered in 2025 was 12,135, down by approximately 36% compared with 2024. This decline is due mainly to the increased impact of training activities, which nevertheless involved over 300 courses across the Group.

In absolute terms, the most significant decreases were recorded at Gruppo Mastrotto Mexico (-3,800 hours) and in Italy (-1,900 hours); in relative terms, the most significant reductions were seen at Gruppo Mastrotto Mexico and Mastrotto Indonesia.

The main training areas focused on "Occupational Health and Safety", which accounted for around half of the total hours. These were followed by "Environment and Energy", "Information Technology" and "Human Resources".

Overall, these initiatives are part of the Group's broader ESG strategy, contributing to the development of skills that are consistent with the sustainability goals.

Distribution of training hours by subject area - 2025



The figures relating to training hours per capita also reflect the growing focus on operational training programmes, as opposed to formalised training activities.

The average number of hours per person fell from 7.9 to 4.6 hours per year. Despite the reduction, the figure is influenced by the increased use of practical learning methods, incorporated more fully into operational processes.

Breaking down the analysis by professional category, the following picture emerges:

- **Executives:** 6.5 h/year
- **Managers:** 8.0 h/year
- **White collars:** 9.9 h/year
- **Blue collars:** 3.6 h/year

The figures show a decrease compared with the previous period, but reflect a different distribution of training activities, with a growing emphasis on on-the-job training.

Department managers at the heart of the organisation: a development programme to enhance skills, responsibility and overall vision

Gruppo Mastrotto launched a development programme for team leaders in 2025, **involving around 50 people** in an initiative aimed at supporting the evolution of their roles within the organisation.

The project originated from the realisation that the role of the department manager, traditionally focused on overseeing technical aspects, quality and productivity, now requires a broader set of skills, including managerial, relational and cross-functional abilities. With this in mind, the programme was designed to help participants develop a more comprehensive and informed leadership style, in keeping with the growing complexity of the organisational environment.

The topics covered include areas considered essential to the role, such as interpersonal communication, personnel management, health and safety, ethics and compliance, sustainability and the basics of economics.

A qualifying element of the initiative is the direct involvement of colleagues from within the company as trainers, capitalising on in-house expertise and a practical understanding of the operational and organisational dynamics within which department managers work on a daily basis. The meetings were organised like workshops, with the aim of combining theoretical and methodological content with discussions on real-life situations and specific issues faced by the departments.

Launched in 2025, the project will continue throughout 2026, confirming the Group's commitment to strengthening the skills of its people and promoting an increasingly widespread, responsible and growth-oriented management culture.



Staff health and safety

Gruppo Mastrotto considers occupational health and safety to be a central element in the responsible management of its activities, incorporating it into business processes and day-to-day operational decisions.

The Group's commitment is reflected in the adoption of a structured approach to prevention, which emphasises the role of senior management, promotes the active participation of employees and ensures compliance with the applicable regulations in the various contexts in which it operates.

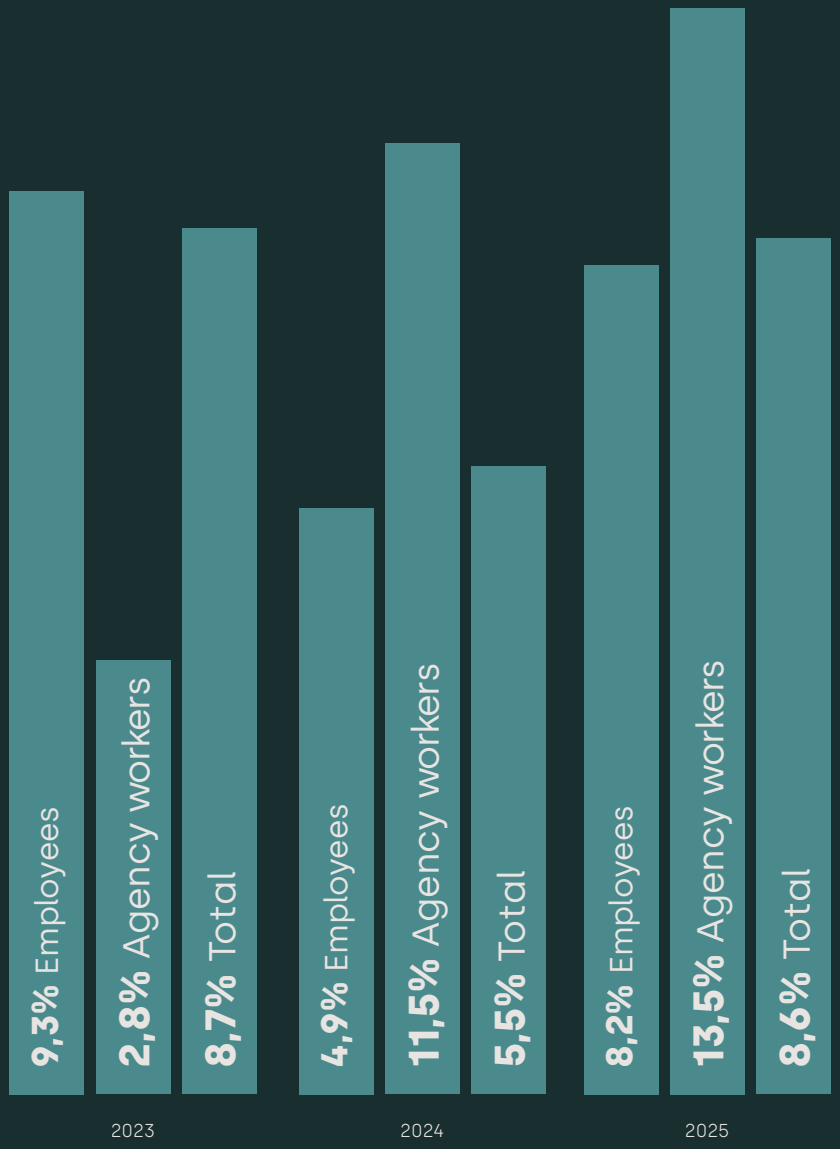
In this context, risk analysis and assessment activities are carried out systematically, with the aim of identifying priorities for action and effectively channelling investments and improvement measures.

Particular attention is paid to innovation in plant and equipment, with the gradual renewal of the machine fleet, aimed at increasing safety levels, improving working conditions and reducing exposure to risks.

The company's health and safety system involves over 250 people who, in various capacities, contribute to health and safety management: from the employer to the health and safety service, from emergency response staff to the occupational health doctor, right through to the employee safety representatives and specifically appointed safety officers.



Injury frequency rate



Injury statistics

Injury statistics include all the events recorded in the company's system, in compliance with current regulations. There were 46 injuries in total in 2025, compared to the 27 recorded in 2024.

There were five serious accidents, i.e. those resulting in an absence from work of more than 40 days, and these involved only permanent employees.

Of the total 46 injuries, 40 involved permanent employees, while six involved staff on supply contracts.

The rise in accidents was mainly concentrated at Gruppo Mastrotto S.p.A. and Mitech Tunisie: in Italy, the figure rose from 19 to 33 cases, rising from 4 to 8 in Tunisia. At the other sites, the figures are either stable overall or have fallen.

The accident rate has deteriorated, rising from 5.5 in 2024 to 8.6 in 2025, returning to levels similar to those recorded in 2023.

An analysis of the causes shows that the increase is due particularly to "tripping and collisions", highlighting the need to focus even more closely on individual behaviour and internal logistic within workplace. By contrast, accidents linked to plant and machinery and the use of chemicals continue to be low, with figures remaining stable or showing a slight decrease.

Three cases of occupational illness were also confirmed during the year, in line with the figure for 2023 but falling significantly from the eight cases recorded in 2024.

05

The ecological transition

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The tanning process requires the use of resources like water, energy and chemicals, and generates output represented mainly by wastewater, solid waste and emissions into the atmosphere.

It can be divided into three macro-phases, each characterised by specific patterns of resource consumption and distinct environmental impacts.



The ecological transition: responsible production

From raw hide to tanned leather

The first stages of the tanning process require significant amounts of water, which is subsequently treated at a consortium-run wastewater purification plant serving the entire district. The treatments carried out reduce the main pollutants such as COD, suspended solids, chlorides, sulphates, organic nitrogen and chromium III, to levels that are not harmful to the environment.

The purification process results in the production of sludge, which is currently disposed of in landfill. This phase also generates by-products such as flesh, hair and leather trimmings, sent to be recycled and exploited as fertilisers and biostimulants due to their protein content.

From tanned leather to crust leather

The wastewater from the dyeing operations is sent to the purification plant, where it undergoes specific treatments. Mechanical drying operations require small amounts of heat and electricity.

From crust leather to finished leather

Intermediate processing stages and finishing operations generate dust and volatile organic compounds (VOCs), which are channelled into abatement systems — such as filters, scrubbers and post-combustion systems — capable of ensuring compliance with regulatory limits.

The environmental aspects linked to tanning activities are governed by a complex set of regulations, which are transposed into specific environmental authorisations issued by the Public Administrations of the countries where Gruppo Mastrotto operates. These measures establish numerous provisions that companies must comply with in order to carry out their activity.
In this context, increasing regulatory complexity, together with the desire to ensure a structured and effective management of environmental issues, has led the Group's plants to adopt an Environmental Management System (EMS).
The system establishes an environmental policy, assigns clear responsibilities both at Group level and for individual plants, envisages continuous improvement programmes and introduces specific indicators for monitoring environmental performance.

Water: sustainable management

Water is a key resource for the tanning industry, indispensable to the main processes and decisive for the quality of the finished product. Responsible water management plays a strategic role, particularly in a context characterised by growing pressure on water resources and increased attention from stakeholders.

For an organisation like Gruppo Mastrotto, operating in a water-intensive sector, it is essential to adopt practices aimed at optimising its use, reducing environmental impacts and ensuring the protection of ecosystems. This translates into an ongoing commitment to improving process efficiency and controlling discharges.

Sustainable water management contributes not only to regulatory compliance but also to the creation of long-term value, reinforcing the Group's environmental responsibility.



Water procurement

Gruppo Mastrotto procures water from various sources, depending on the characteristics of the areas in which it operates and its specific production requirements:

- the industrial water supply network, which accounts for around 50% of total water use;
- groundwater (wells), accounting for 34%;
- surface water, accounting for the remaining 16%.

The breakdown of water use by type shows that "other water" predominates, accounting for around 78% of the total, while fresh water accounts for the remaining 22%. Compared with the previous financial year, total water withdrawals were essentially stable, amounting to 1,570,135 m³.

There was an increase in the amount of fresh water, alongside a slight reduction in "other water" sources.

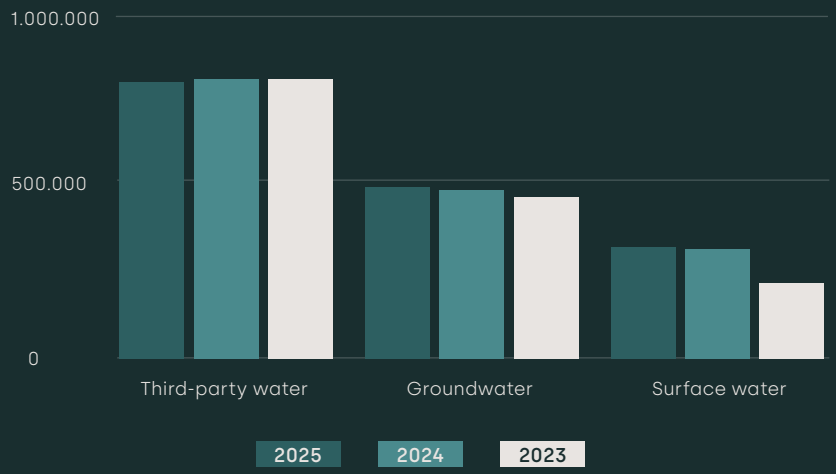


Breakdown of water procurement by type and source of withdrawal

(Figures in m³)

Type of water drawn and source	2025	2024	2023
Surface water, of which:	262,861	253,528	165,220
Fresh water	262,861	253,528	165,220
Other water	0	0	0
Groundwater (well), of which:	531,015	527,127	488,504
Fresh water	66,186	34,426	29,504
Other water	464,829	492,701	459,000
Third-party water (mains water), of which:	776,259	784,105	787,090
Fresh water	11,107	11,203	11,090
Other water	765,152	772,902	776,000
Total water used, of which:	**1.570,135**	**1,564,760**	**1,440,814**
Fresh water	340,154	299,157	205,814
Other water	1,229,981	1,265,603	1,235,000

Breakdown of water consumption by type of withdrawal

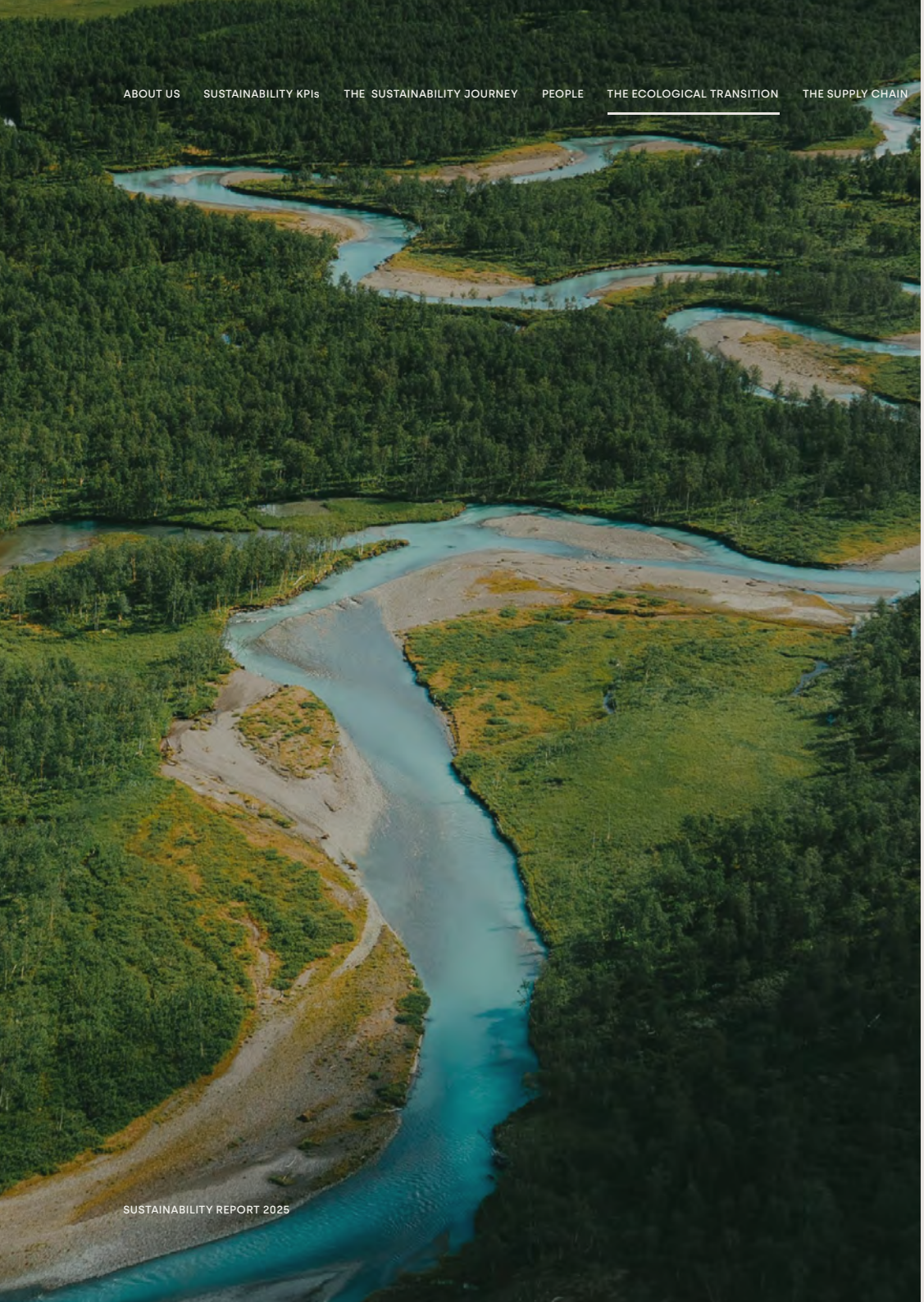


Overall, water resource management continues to be balanced and consistent with the Group's operational needs, thanks to the diversified use of sources depending on the characteristics of the individual regions.

An analysis by individual site highlights a differentiated approach to water resource management by the Group's various organisations:

- **Gruppo Mastrotto S.p.A.**, which accounts for approximately 79% of total water withdrawals: procurement is mainly via industrial water supply networks and wells, as in previous financial years;
- **Mastrotto Brasil**, accounting for around 17% of total volumes: water withdrawals have increased compared with 2024 and come mainly from surface sources, in keeping with local availability and a context characterised by low water stress;
- **Mastrotto Indonesia, Mitech Tunisie and Gruppo Mastrotto Mexico,** which together account for less than 3% of water withdrawals: these organisations continue to have low volumes, despite operating in contexts with varying levels of water stress, showing that their use of water is proportionate to their activities.





Water procurement and water stress

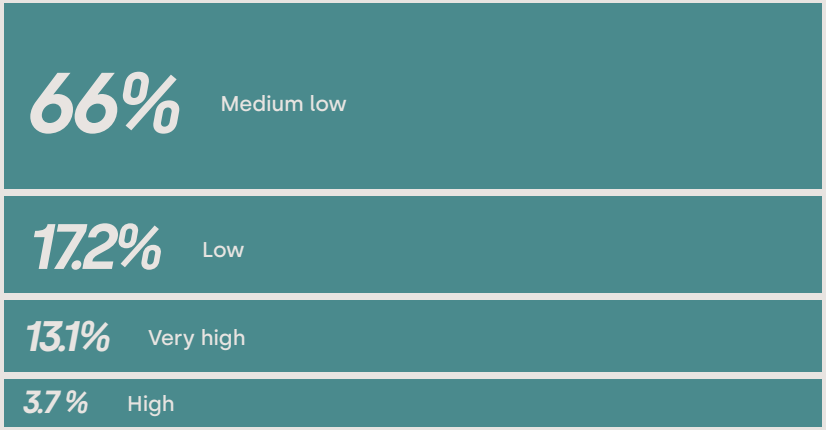
In 2025, Gruppo Mastrotto recorded total water consumption of 1,570,135 m³, divided among areas characterised by varying levels of water stress.

The analysis of the geographical context is based on the classification supplied by the World Resources Institute's "Aqueduct – Water Risk Atlas" platform, which enables the assessment of the level of pressure on water resources in the various operational areas.

The majority of water withdrawals, amounting to 66%, are concentrated in areas with low to medium water stress, mostly in the Arzignano district, where the Group's main production hub is located.
A significant proportion, amounting to 17.2%, is located in areas with low water stress, particularly in relation to activities carried out in Brazil.
By contrast, water withdrawals in areas characterised by higher levels of water stress are more limited: 13.1% fall within areas of very high water stress, while the remaining 3.7% are associated with areas subject to high water stress, relating predominantly to operations at Mastrotto Indonesia and, to a lesser extent, at Gruppo Mastrotto Mexico.

Overall, the breakdown of water consumption indicates a predominant exposure to contexts of low water risk, although a minority of water withdrawals are located in areas of greater concern, which continue to be monitored.

Water withdrawal from water-stressed areas



Wastewater purification

Wastewater management is a priority area within Gruppo Mastrotto's environmental commitment, with the Group adopting different solutions depending on the characteristics of the individual production sites.

In Italy, tanning wastewater is purified at centralised treatment plants serving the tanneries in the various districts. At the overseas plants, wastewater treatment is carried out mainly using dedicated on-site treatment systems designed to ensure operational continuity and compliance with local regulatory requirements.

In particular,

- **Mastrotto Indonesia:** a system that allows the partial recovery of the water treated is in operation, helping improve the efficient use of this resource;
- **Mastrotto Brasil:** treatment is carried out using an on-site biological and physico-chemical purification system;
- **Gruppo Mastrotto Mexico:** the limited quantities of wastewater generated are conveyed to a municipal treatment plant;
- **Mitech Tunisie:** the site, dedicated exclusively to cutting leather, does not require specific treatment systems, as the water is used solely for sanitary purposes.

At the Arzignano site in Italy, industrial wastewater is conveyed to the public treatment plant managed by Acque del Chiampo, one of Europe's most advanced facilities for the treatment of tanning wastewater, serving the entire district.

The wastewater generated by the tanning process undergoes a complex treatment procedure aimed at progressively reducing the pollutant load and ensuring compliance with environmental limits.

An initial mechanical and physical phase removes the largest solid particles, such as sand and suspended materials, and the quality of the wastewater is standardised to make subsequent treatments more effective.

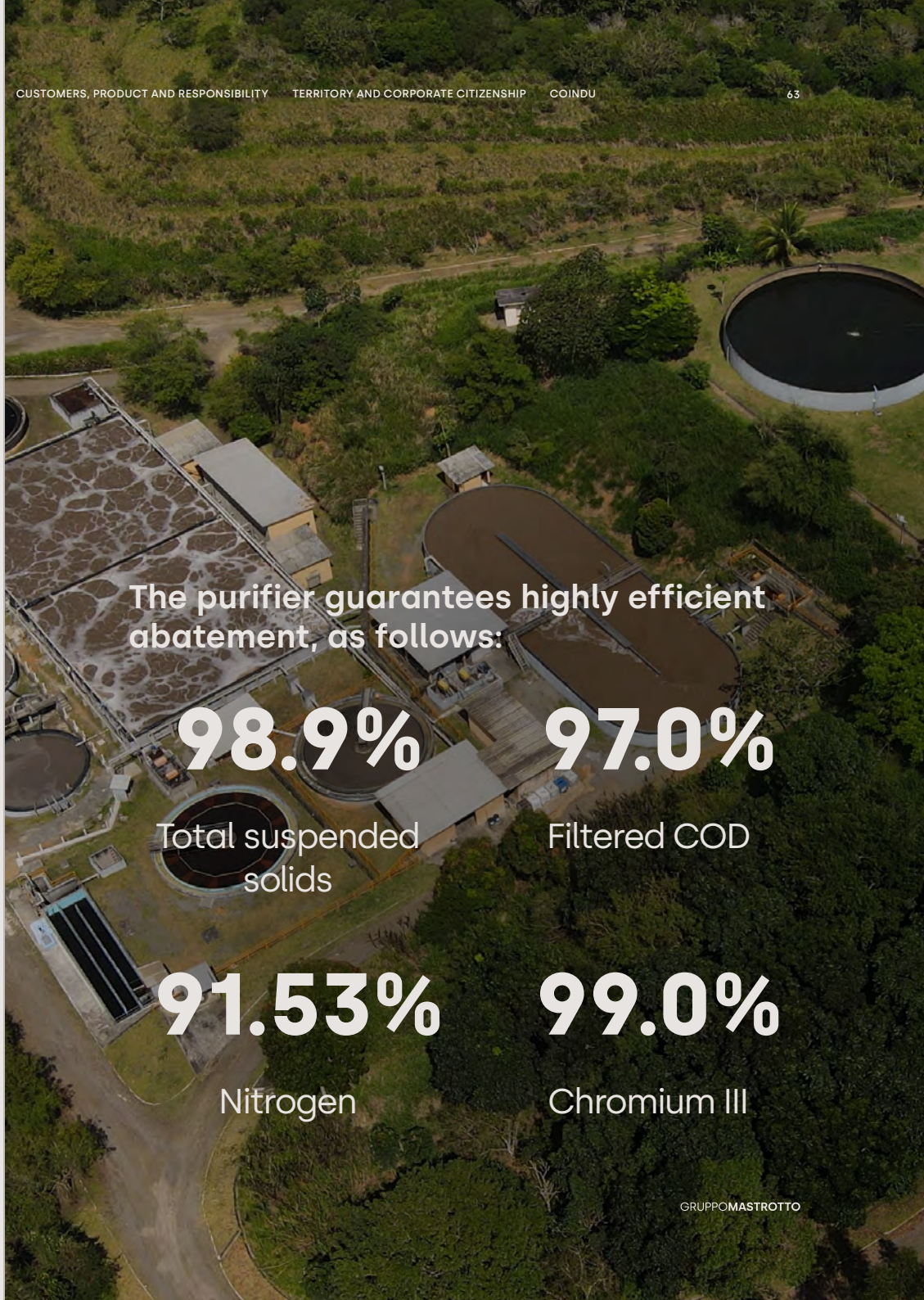
Subsequently, the wastewater is treated using physico-chemical and biological processes, in which the combined action of reagents and microorganisms removes most of the pollutants, including organic compounds, nitrogen and other dissolved substances.

The final treatment phases include further separation and refinement, such as flotation and advanced oxidation processes, which improve the quality of the purified water, also helping remove colour and disinfect the water.

The sludge resulting from the treatment process is separated and subject to volume-reduction treatments, such as thickening and dehydration, before being sent to its final destination.

Once treatment at the consortium plant is complete, the purified water is conveyed to a collecting system that transfers it to areas suitable for discharge, where it undergoes further checks and final disinfection treatments to protect the water bodies into which it is discharged.

Overall, these systems enable the controlled and structured management of tanning discharges, helping protect the environment and ensure the sustainability of the production process.



Focus:
Chromium recovery from tanning baths in the Tuscan district

The management of tanning baths in the Tuscan tanning district is based on a model focused on the recovery of raw materials.

Spent tanning baths are not sent directly to purification plants but are separated and channelled into a dedicated recovery circuit. A system of collection and transport by tanker lorries ensures the wastewater is delivered to the Chromium Recovery Consortium, which handles its treatment.

The consortium has over 240 member companies, including Gruppo Mastrotto, which benefit from a system capable of generating value in two main ways:

- **economically**, through the recovery of a strategic raw material and its reintroduction into the production cycle;
- **environmentally**, thanks to the reduction of the chromium content of the sludge produced during the purification processes

Within the consortium, the chromium contained in the baths is extracted and converted into reusable basic sulphate. The regenerated product is then reintroduced into the tanneries' production cycle, whilst the residual liquid fraction is sent to the Aquarno purification plant for subsequent treatment phases.

Recovery activities follow a structured process, supported by an in-house chemistry laboratory which carries out ongoing checks using advanced analytical equipment, ensuring that constant quality standards are maintained

Gruppo Mastrotto recovered over 420 tonnes of chromium in 2025. This was subsequently reused within its own process, confirming the circular economy approach that characterises the company.



Water consumption

Water consumption is calculated as the difference between the volumes drawn and those returned to the industrial sewage system.

This indicator represents the water that is not returned to the system after the production processes because it is subject to physical phenomena such as evaporation or incorporated into products and sludge.

In 2025, the overall water consumption of Gruppo Mastrotto was 42,101 m³, up compared to the 34,004 m³ recorded in 2024 but still lower than the 48,583 m³ in 2023.

Consequently, the trend shows growth compared with the previous year, while remaining at relatively modest levels overall when compared with the recent three-year period.

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The European LIFE “Svolta Blu” project

Gruppo Mastrotto supports the **“LIFE Svolta Blu” project**, an EU-funded initiative focused on managing the global water crisis and on technical and institutional measures to address it.

The project involves various local stakeholders: Viacqua, manager of aqueduct, sewage and purification services in the Municipality of Vicenza, as project leader, ANBI Veneto, which represents the regional land reclamation consortia, Consorzio di Bonifica Alta Pianura Veneta, Fondazione Palazzo Festari IPA Vicentino, the University of Padua with the ICEA (Civil, Construction and Environmental Engineering) and TESAF (Territory and Agri-Forestry Systems) departments and CSQA.

Launched on 1 October 2024 with a duration of 40 months, the project aims to promote water efficiency measures in the Vicenza area, with the development and validation of a voluntary “blue credit” trading scheme. This mechanism is designed to mobilise private capital in support of tangible and widespread measures to save, restore and protect water resources.

Within the scope of this project, Gruppo Mastrotto’s goals are to:

- estimate the organisation’s water footprint;
- identify further water-saving measures thanks to actions to reduce consumption, recycling and reuse;
- contribute to the creation and validation of the “blue credit” trading system.

During 2025, the Group took part in training courses focused on water footprint measuring systems, reference technical standards and calculation methods.

In 2026, activities to collect and process data for estimating the water footprint of leather are planned, along with the identification of further water efficiency measures.

Energy

The Group's energy requirements are characterised mainly by natural gas and electricity, used to support production processes and auxiliary services, including steam generation, combined heat and power, and plant operations.

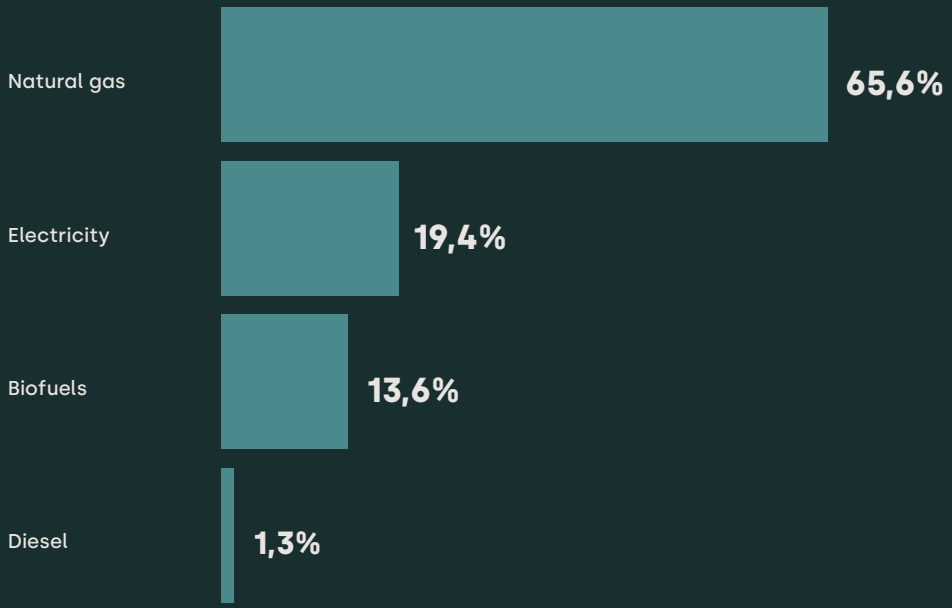
Total consumption in 2025 amounted to approximately 164,540 MWh, a moderate increase compared to 2024 (163,678 MWh), reflecting a rise in energy demand largely attributable to increases in certain components, including natural gas and biomass.

The consumption of natural gas, in particular, shows a slight increase (108,002 MWh compared to 107,510 MWh in 2024), with the observation of different trends between use for production and for combined heat and power generation.

Electricity consumption, on the other hand, fell by around 4% (31,956 MWh compared to 33,924 MWh in 2024).

There was also a marked reduction in electricity from non-renewable sources (1,328 MWh, down 35% compared to 2024), confirming the gradual shift towards the procurement of more sustainable energy.

Energy consumption distribution - 2025



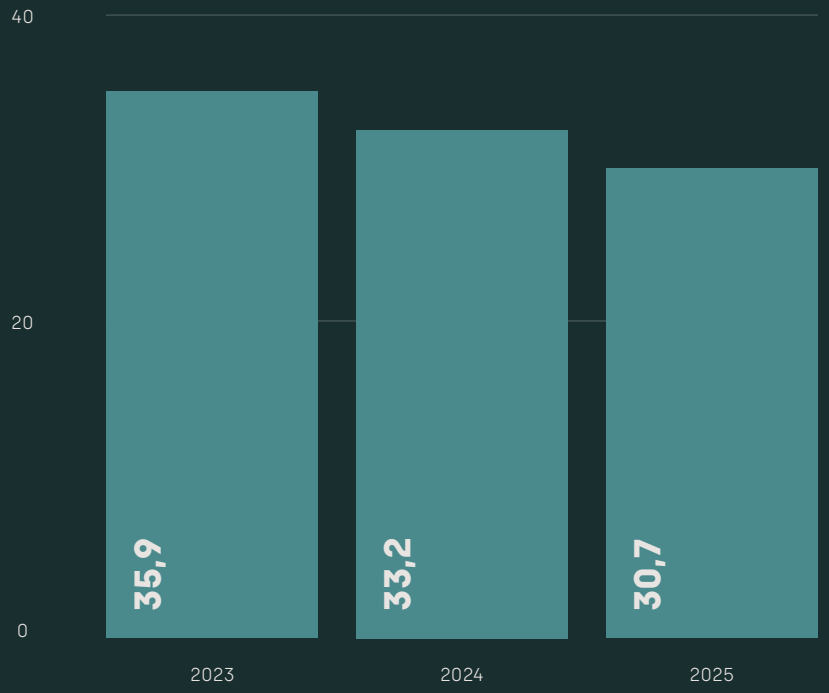
With regard to the composition of the energy mix, there has been a shift towards sources with a lower environmental impact. The renewable component, comprising guaranteed origin electricity (30,089 MWh), in-house photovoltaic generation (approximately 539 MWh) and biomass (22,393 MWh), totals over 53,000 MWh, representing approximately 32% of the total energy requirements. In particular, all electricity procured by Gruppo Mastrotto S.p.A. and Mastrotto Indonesia comes from renewable sources

Overall, 2025 confirms the Group's commitment to reducing energy consumption and promoting a gradual transition towards sources with a lower environmental impact, even in an operating environment characterised by fluctuating production patterns. Looking at energy intensity, in 2025 the indicator was 30.70 kWh per working hour, down from 2024 when it stood at 33.16 kWh per working hour.

The graph below confirms a downward trend over the three-year period under review.

Energy intensity trend

(MWh per working hour)





Towards cleaner, more self-sufficient energy

Focus:
Investing in solar power to mitigate climate change

Mitigating climate change is one of the main challenges facing Gruppo Mastrotto.

In practical terms, reducing greenhouse gas emissions means diversifying energy procurement sources, improving process efficiency and gradually increasing the use of renewable energy.

For a manufacturing company, investing in this area not only means contributing to the energy transition, but also better managing energy risks, limiting market volatility and making its production model more resilient.

It is against this backdrop that the project to install solar power systems at the Group's Italian plants has been launched. This is a significant plan in terms of scale and geographical coverage, designed to structurally integrate green energy into industrial operations.

The total installed capacity will be 4,565 kWp, spread across eight production sites, with an estimated annual electricity generation of approximately 5,000,000 kWh when fully operational.

From a technological point of view, the project involves the use of N-type monocrystalline photovoltaic modules, the industry standard for maximising output based on the same surface area. The expected useful life of the systems is approximately 30 years, with performance degradation limited to 0.4% per annum. This will ensure optimal long-term output, making a stable contribution to the plants' energy requirements. The Performance Ratio (the indicator of the system's overall efficiency) is also at excellent levels, at around 81%.

The energy generated will be used primarily for self-consumption, with daily use often approaching 100% of real-time production. On an annual basis, the anticipated average self-consumption rate is 75.5%, confirming the excellent alignment between daytime solar power generation and the factory's energy consumption.

The environmental benefits will be tangible and measurable. Applying the ISPRA 2024 emission factor (equivalent to 198.9 gCO_2/kWh), the clean energy produced will prevent the release of approximately 992 tonnes of CO_2 into the atmosphere every year, compared with drawing electricity from the national grid.

In this way, the project directly reduces indirect emissions (Scope 2) and marks a crucial step forward in the Group's decarbonisation journey.
The total investment amounts to approximately Euro 6.4 million, a figure that includes both the construction of the solar farms and complementary works on roofs and power stations.

Overall, these initiatives reflect a pragmatic approach to the energy transition, in which environmental sustainability, operational efficiency and industrial vision converge. The investment not only addresses an environmental goal, but also represents a strategic choice to strengthen energy self-sufficiency, stabilise electricity costs and safeguard the competitiveness of the production system.

Greenhouse gas emissions

Gruppo Mastrotto calculates its direct and indirect greenhouse gas emissions based on the energy consumption of its various production plants.

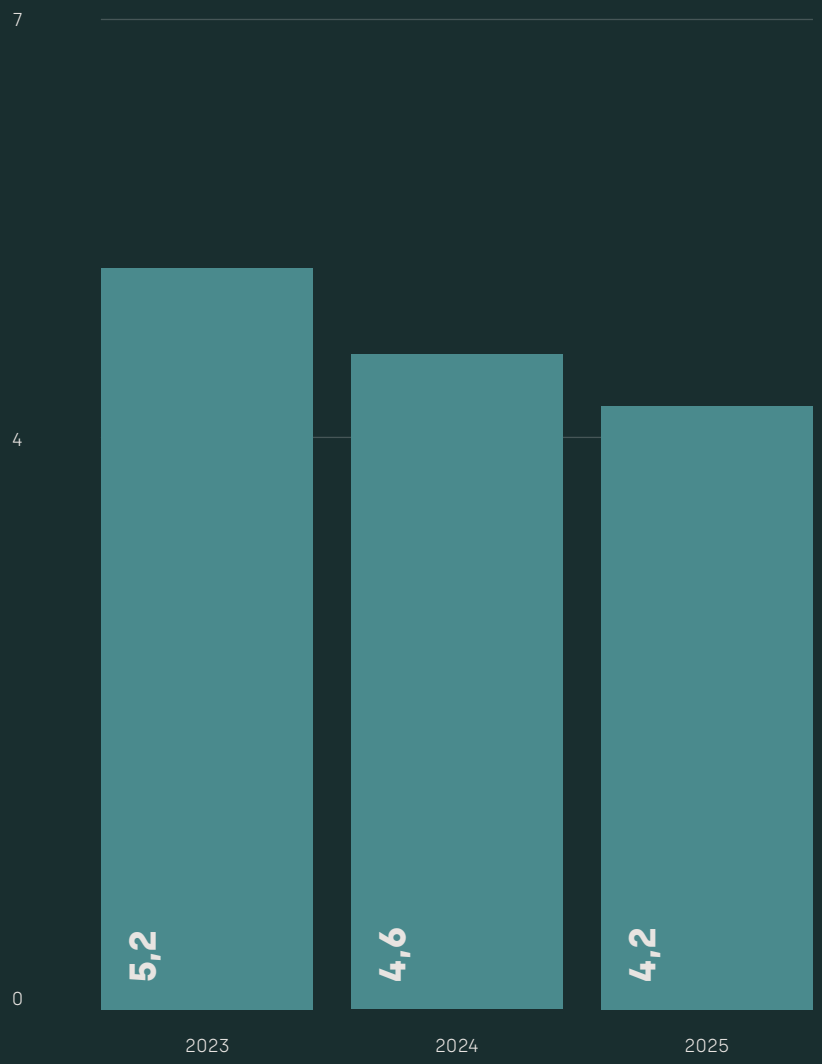
Direct emissions (Scope 1), linked to the use of natural gas, diesel and petrol in production processes, reached a total of 22,152 tonnes of CO_2 in 2025, a figure similar to that of 2024, when there were 22,112 tonnes.

Indirect emissions (Scope 2) attributable to electricity consumption have fallen from 521 to 338 tonnes of CO_2; this figure is particularly low as over 96% of the electricity comes from renewable sources, either self-generated or purchased with a certificate of guaranteed origin.

Overall, Scope 1 and 2 emissions, calculated using the "Market Based" approach, fell slightly from 22,632 tonnes of CO_2 in 2024 to 22,491 tonnes in 2025.

Intensity indicators are also trending positively: greenhouse gas emissions per working hour fell from 5.2 kg CO_2 per working hour in 2023 to 4.2 kg CO_2 in 2025.

Trend in the intensity of greenhouse gas emissions
(Kg CO_2/per working hour)



By-products and waste

The tanning industry is one of the most tangible examples of the circular economy. The raw material used originates from a by-product of the food and dairy industries. The animals from which the hides are taken are bred mainly for the production of meat, milk and cheese.

Consequently, leather is a residual material which is recovered and upgraded via the tanning process, acquiring new functions and significant added value.

The by-products generated during the tanning cycle also possess characteristics of considerable interest. They are rich in proteins, amino acids and collagen, elements which, following appropriate treatment, make them particularly suitable for reuse as raw materials in other manufacturing sectors.

They are used in agriculture, as components of fertilisers and biostimulants, but also in the food industry (gelatine and collagen), in the cosmetics and nutraceutical sectors, and even in the construction industry, where they are used to produce aggregates.

The value of these materials is further confirmed by the fact that many of them are not classified as waste but are governed by specific regulations that promote their recovery and use in other production chains, further strengthening the circularity of the tanning sector.

Gruppo Mastrotto generated 18,002 tonnes of by-products in 2025, down from 19,155 tonnes in 2024.

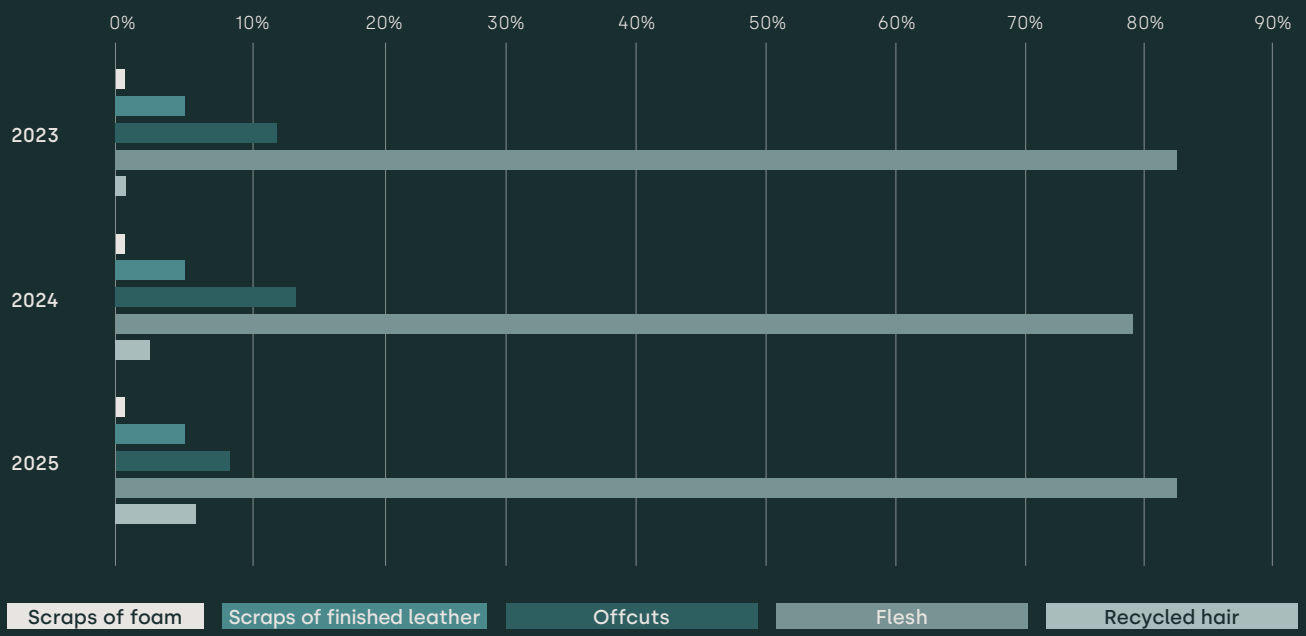
Flesh continues to be the main component, with 14,881 tonnes, accounting for approximately 83% of the total. This is followed by greened and limed leather offcuts ("pezzamino") amounting to 1,522 tonnes.

There has also been a significant increase in hair, rising from 396 to 928 tonnes. The other categories remain at lower levels.

Breakdown of recovered by-products by year

	UoM	2025	2024	2023
Recycled hair	Tonnes	928	396	18
Flesh	Tonnes	14,881	15,326	14,157
Offcuts	Tonnes	1,522	2,711	2,284
Scraps of finished leather	Tonnes	622	689	689
Scraps of foam	Tonnes	50	33	33
Total by-products	**Tonnes**	**18,002**	**19,155**	**17,181**

Distribution of by-products



Total waste production in 2025 amounted to 21,970 tonnes, up 6.8% compared to 2024. Non-hazardous waste accounted for the largest share, at 72%.

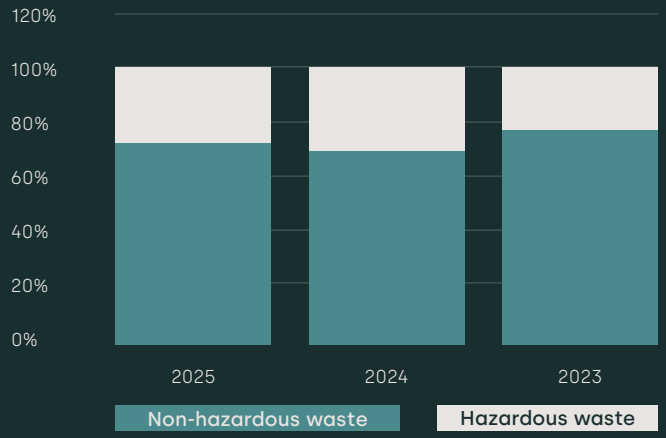
Considering waste and by-products together, the total volumes managed by the Group are substantially stable compared with the previous year, confirming the central role of material recovery and upgrading activities throughout the production process.

The analysis also highlights a positive trend in waste management at Group level.

The volume of waste recovered in 2025 reached 13,700 tonnes, up from 12,541 tonnes in 2024, confirming the commitment to management models that are increasingly geared towards circularity. Recovery operations other than recycling are particularly on the rise, while recycling continues to remain at significant levels.

At the same time, waste destined for disposal amounted to 8,307 tonnes, largely in line with the 7,999 tonnes recorded in 2024.

Waste generation by type



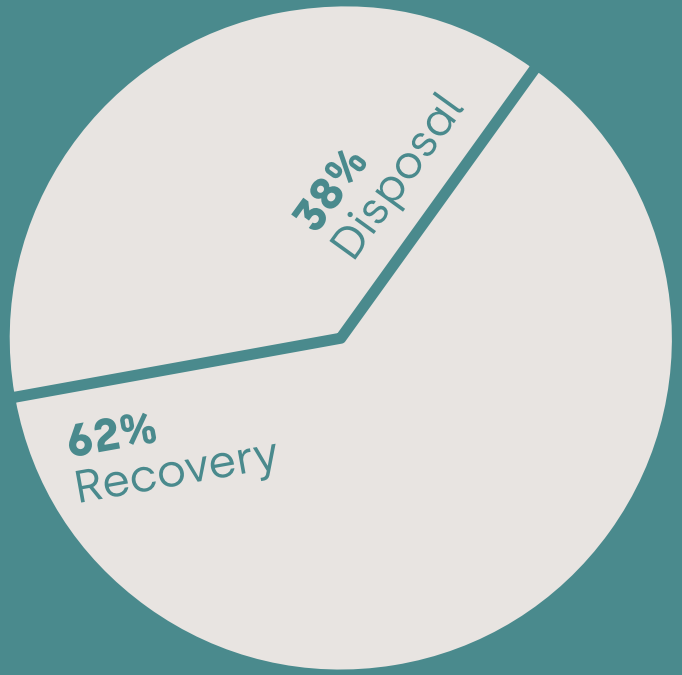
Waste distribution over time by type

	UoM	2025	2024	2023
Non-hazardous waste	Tonnes	15,784	14,436	15,677
Hazardous waste	Tonnes	6,186	6,131	4,338
Total waste	**Tonnes**	**21,970**	**20,567**	**20,014**

Overall, there has been a reduction in the proportion of non-recycled waste, falling from 39% to 38%, highlighting an improvement in the capacity to recover and use materials throughout the production process.

	UoM	2025	2024	2023
Non-hazardous waste destined for recovery	Tonnes	12,460	11,705	11,628
Hazardous waste destined for recovery	Tonnes	1,241	947	913
Total waste recovered	**Tonnes**	**13,700**	**12,652**	**12,541**

Waste destination - 2025



Trend in destination of waste destined for disposal

	UoM	2025	2024	2023
Non-hazardous waste destined for disposal	Tonnes	3,409	2,801	4,109
Hazardous waste destined for disposal	Tonnes	4,898	5,198	3,426
Total waste destined for disposal	**Tonnes**	**8,307**	**7,999**	**7,535**

Circular economy: making the most of by-products

The commitment to making the most of by-products from the tanning cycle is confirmed by the company's project aimed at extending the recovery of hair using non-destructive liming on an industrial scale.

This initiative is fully in line with the principles of the circular economy, as it enables the transformation of a processing residue into a valuable resource. This approach helps reduce waste and improve the overall efficiency of the production process.

The operation takes place in a drum and, thanks to careful monitoring of key process parameters such as pH, temperature and processing time, as well as a reduction in the dosage of chemicals, the hair is detached almost intact, preventing it from dissolving in the bath.

A longer, "gentler" cycle is adopted precisely to preserve its integrity.

At the end of the liming process, the contents of the drum are sent to mechanical separation systems, which enable the recovery of the hair from the process liquid. The material collected is then dewatered and sent for reuse in the production of protein hydrolysates and/or fertilisers.

This system offers other significant environmental benefits, including a reduction in the organic load (COD and nitrogen) and sulphur compounds in the wastewater.

The amount of hair recovered in 2025 totalled over 900 tonnes.



06

The supply chain

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Suppliers occupy a key role within the tanning supply chain, supporting companies steering their business models towards an increasing focus on economic, environmental and social aspects. In this context, Gruppo Mastrotto's supplier policy is aimed at building solid and lasting relationships, based on the principles of loyalty, transparency and mutual cooperation.

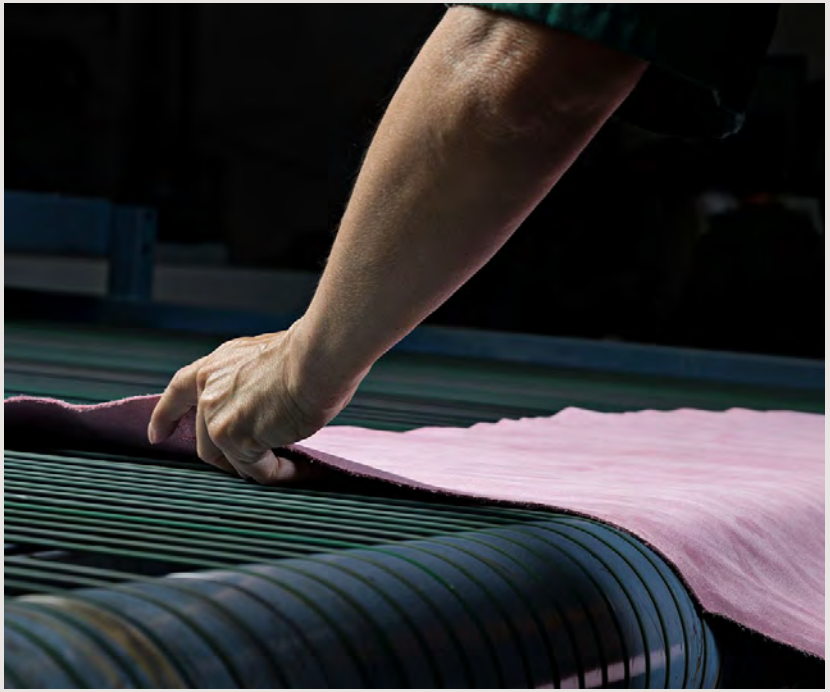
These principles are expressed in a specific Code of Conduct, through which the Group asks its suppliers to adopt conduct consistent with high standards regarding human rights, occupational health and safety, environmental protection and business ethics, including the prevention of corruption.

In particular, suppliers are required to ensure respect for workers' rights and fundamental human rights, with reference, among other things, to the prohibition of child labour and forced labour, freedom of association, non-discrimination, the protection of occupational health and safety, compliance with working hours and fair pay conditions. From an ethical point of view, the Group requires compliance with the principles of anti-corruption, protection of competition, anti-money laundering, privacy and the protection of personal data.

With reference to environmental considerations, particular attention is paid to compliance with restrictions on the use of chemicals, the responsible use of natural resources, the reduction of atmospheric emissions and the proper management of waste.

With this approach, Gruppo Mastrotto aims to promote behaviour throughout its supply chain that is consistent with its values and the sustainability goals that guide its operations.

Suppliers: qualification and monitoring criteria



During 2025, Gruppo Mastrotto consolidated the process begun with the **SupplierRank project**, translating a structured model for the qualification and assessment of suppliers into operational practice. The system applies to suppliers of the company's main inputs – hides and crusts, chemicals and manufacturing for third parties – and represents an important step in the progressive **incorporation of ESG criteria into procurement and supply chain management processes.**

The approach adopted reflects the belief that the strength of supply relationships cannot be assessed solely on the basis of economic or technical-production parameters. In addition to these elements, environmental, social, ethical and governance aspects are also important, in alignment with the Group's sustainability commitments.

The process of qualifying new suppliers is activated when the need to introduce new procurement sources arises, whether this is for the development of new products or services, or to supplement or replace existing suppliers. An initial analysis of economic and financial competitiveness is followed by the collection of technical and contractual documentation, the disclosure of company requirements and the completion of a structured questionnaire, accompanied, where necessary, by supporting documentary evidence.

The distinctive feature of the model lies in its multidimensional nature. Qualification is not limited to assessing the supplier's formal compliance, but considers a variety of areas: compliance, quality, ESG aspects, the environment, occupational health and safety, traceability, deforestation, animal welfare and audits, with different criteria depending on the specific product category. For suppliers of hides, the issues of traceability, deforestation and animal welfare are of particular importance; for suppliers of chemicals and subcontractors, the model specifically emphasises controls relating to quality, the environment, employee protection and audits.

The information gathered is weighted according to its relevance and contributes to the calculation of an overall score, which is used to group suppliers into rating categories and to clearly identify any areas for improvement. In cases in which the documentation or scoring suggests that further investigation is advisable, the process may be supplemented by audits carried out at the supplier's premises, aimed at assessing the adequacy of the company's processes and the level of attention paid to safety, environmental and ethical issues.

In addition to the initial qualification process, Gruppo Mastrotto has also formalised a system for the **periodic assessment of the performance of active suppliers. This assessment is carried out every six months**, with the aim of monitoring reliability and consistency with company requirements over time. The monitoring process is based on objective data drawn from internal information systems and, among other factors, considers the quality of the product supplied, the promptness of the service, the management of non-conformities, and the possession of appropriate certifications or management systems relating to quality, the environment, social responsibility and safety.

Overall, the procedures introduced make relations with suppliers more structured, transparent and consistent, translating the Group's commitment to developing partnerships based not only on quality and competitiveness but also on environmental responsibility, the protection of people and ethical conduct into operational criteria.



Traceability along the supply chain: the EUDR on deforestation

The tanning sector is subject to Regulation (EU) 2023/1115 (EUDR), which governs admission to the EU market, availability on the EU market and the export of certain products associated with raw materials considered as posing a risk of deforestation or forest degradation. The Regulation introduces specific due diligence obligations, aimed at ensuring that the products in question are deforestation-free, produced in compliance with the applicable legislation in the country of production, and accompanied by a due diligence statement. The scope of the Regulation is particularly broad, as it covers imports, marketing within the EU market, and exports to third countries.

Over time, the regulatory framework has undergone a series of changes, among which it is important to highlight the exclusion of bovine hides from the scope of the EUDR.

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This is a particularly significant development for the whole supply chain.

The exclusion of bovine hides from the EUDR stems from the recognition of their distinct nature within the meat supply chain. The European Commission has considered that hides follow different markets, trade flows and industrial dynamics, and that their economic value is very limited compared to the overall value of the animal. For this reason, imposing traceability obligations on European hide operators – obligations intended for the main bovine products – would have been disproportionate and hard to enforce.

Furthermore, including hides but not finished products would have created competitive imbalances and led to an inconsistent application of the regulation. Bovine hides do not, in fact, drive livestock farming: they are an inevitable by-product of the food industry. Their marginal value does not influence farmers' decisions and cannot therefore be considered a factor in deforestation.

On the contrary, the tanning industry recycles a material that would otherwise risk becoming waste, transforming it into a durable, high-quality product. In this sense, the exclusion recognises the role of leather as a tangible example of the circular economy and allows the EUDR to focus on the true drivers of deforestation

Aware of the strategic significance of this issue from the outset, Gruppo Mastrotto promptly embarked on a process of in-depth analysis and preparation, with the aim of understanding the emerging requirements, monitoring the evolution of their application, and preparing the necessary organisational conditions for any necessary adjustments. In this context, the company actively participated in sector-specific working groups and initiatives promoted at trade association level, contributing to the technical interpretation of the regulation and the definition of possible operational methods for its application within the tanning sector.

At the same time, the Group has developed projects aimed at strengthening its ability to respond to an evolving regulatory landscape. These include the consolidation of relationships with the main European reference associations, the analysis of the supply chain in terms of compliance with EUDR requirements, internal assessments relating to the adaptation of processes, tools and information flows, as well as the identification of appropriate measures to ensure continuity of supply and the operational resilience of the supply chain.

Even in light of the removal of the EUDR's mandatory nature, the work carried out remains of significant value. The expertise developed during the various stages of analysis and preparation strengthens the company's ability to address traceability, supply chain transparency and the collection of documentary evidence. With this in mind, Gruppo Mastrotto can present itself as a trusted partner for those customers who wish to continue developing advanced systems for the traceability of materials and the responsible management of the supply chain.

This commitment is part of a broader effort to focus increasingly on the traceability of hides and accountability along the value chain, which is governed by the Policy on Traceability and Animal Welfare. In keeping with this approach, Gruppo Mastrotto requires its suppliers to comply with current legislation on animal welfare and, where no specific applicable regulations exist, to adhere to the principles associated with the five fundamental freedoms of animals. The company's policy also requires the hides supplied not to come from animals reared in contexts associated with illegal deforestation, with particular reference to the Amazon and other protected areas in South America.

Focus:
Collaboration with sub-contractors for shared safety management

Gruppo Mastrotto has strengthened its commitment to occupational health and safety during the year by launching a structured programme of collaboration with the sub-contractors operating at its sites.

The initiative stems from a desire to collectively address the risks arising from potential interference between the activities carried out by in-house staff and those entrusted to independent companies, promoting an approach based on prevention, awareness and mutual responsibility.

With this in mind, the management of contract work has been developed not only as an organisational safeguard but also as an opportunity for exchange and coordination among all parties involved. The aim is to identify potential risks in advance, assess them carefully and define appropriate measures to prevent or mitigate them, helping to make operating conditions within the company's sites safer.

The approach adopted by Gruppo Mastrotto is based on a dedicated procedure, which governs the main stages of the process: from the preliminary vetting of contractors and their access to the facilities, to the performance of activities and the management of external personnel on production sites. Particular attention is also paid to the procedures governing access, identification and presence of staff from external companies, with the performance of preliminary checks and establishment of clearly defined rules to ensure order, traceability and control of the activities carried out. The procedure also emphasises the need to ensure that contractors fully understand the general health and safety regulations to be observed within the facilities, the rules governing environmental protection and the instructions to be followed in the event of an emergency.

Gruppo Mastrotto has created specific roles and operational tools to support this approach. The process is coordinated by the Supplier Development Manager with the support of the Health and Safety Department, confirming the company's commitment to incorporating organisational and safety-related aspects into a framework of structured collaboration with external organisations. The initiative aims to promote and encourage an increasingly shared culture of safety, in which prevention is achieved through dialogue, the involvement and the empowerment of all those present in the workplace.

From this point of view, the management of interference risks represents not only a means of protection, but also a practical way of improving operating conditions and strengthening collaboration with partners.



07

Customers, product and responsibility



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Measure quality, ensure reliability

Product quality and safety

Gruppo Mastrotto has established a system of operating procedures designed to ensure high standards of product safety and reliability, guaranteeing that its products comply with both regulatory requirements and those of its customers.

This is complemented by a systematic analysis of the technical documentation provided by clients and suppliers, which promotes constant technical exchange and enables the joint development of specifications.
Laboratory tests are also carried out on chemicals and hides, in accordance with specific sampling plans that ensure the systematic collection of representative data and the constant monitoring of key quality and chemical-toxicological parameters.

Gruppo Mastrotto S.p.A., in particular, has a highly specialised in-house laboratory facility consisting of **three physics laboratories** for testing the performance characteristics of leather, and a **central chemistry laboratory** specialising in the chemical and toxicological analysis of raw materials and finished products.
With a **team of 15 people**, the company is able to carry out a wide range of tests in-house, ensuring promptness, technical expertise and continued monitoring.

The Gruppo Mastrotto laboratory has received prestigious awards from international clients, confirming the quality of the work carried out in support of production processes and product requirements.

Overall, these awards confirm the laboratory's reliability and its ability to meet technical requirements established by key international stakeholders.
This is a valuable tool for ensuring quality, consistency and technical support in product development.
The results achieved also help strengthen the relationship of trust with customers, thanks to objective testing and formal acknowledgements.

Product certifications

Gruppo Mastrotto is committed to guaranteeing the environmental quality of its leathers, applying rigorous standards and internationally recognised certifications.

Verification by independent external bodies guarantees the responsible use of natural resources and the low environmental impact of Gruppo Mastrotto's products, offering customers tangible support in terms of material qualifications, compliance, transparency of documentation and credibility with distributors and end consumers.



Blauer Engel:
the ecological quality of leather

Blauer Engel certification is an internationally recognised environmental product label that guarantees compliance with high environmental standards.

The requirements are set by the German Ministry of the Environment and verified by RAL, the German technical authority that manages the certification.

The certification considers aspects such as the reduction of water consumption, the treatment of wastewater, the limitation or exclusion of hazardous substances, the control of emissions and the traceability of raw materials.

For manufacturers of leather goods, purchasing leather accompanied by this certification means being able to rely on a solid technical and documented foundation with regard to the environmental and health standards recognised by the market.

This is a tangible benefit for manufacturers of furniture, accessories and seating, as it reinforces the qualification of the material, supports environmental communication with customers and helps enhance the ecological profile of the finished product along the whole supply chain.

OEKO-TEX LEATHER STANDARD:
material safety and reliability

OEKO-TEX® is an international association for research and testing in the field of ecology in "Textiles and Leather" and develops, among other things, product labels compliant with rigorous analytical models.

These include the LEATHER STANDARD by OEKO-TEX, an independent and globally recognised certification system for leather and leather goods at all stages of their processing, from semi-finished leather to finished articles such as bags, gloves and clothing.

The LEATHER STANDARD by OEKO-TEX certification applies to the leather production process and identifies substances that are used in the production processes that are harmful to humans. The aim is to transparently document the responsibility of companies for the safety of their articles for their customers, along the production chain, right through to the brands, retailers and end consumers.

Products that bear this label are guaranteed to be safe for the health of people and the environment. OEKO-TEX updates the test criteria at least once a year, considering the latest scientific findings and legislative changes.

USDA Certified Biobased Product:
certified renewability of material

Gruppo Mastrotto was the first tannery in the world to obtain Biobased certification for its leathers from the United States Department of Agriculture (USDA).

To be defined "renewable" a material must have a renewal cycle of between one and five years, in balance with the natural cycle of the ecosystem.
Leather is a renewable material, in that it comes from an organic base of animal origin. By contrast, non-renewable materials such as plastics and synthetic fibres deplete the ecosystem and use resources that will not be available for future generations.

Through approved laboratories, the certification verifies the proportion of organic carbon contained in the material. Thanks to this collaboration, Gruppo Mastrotto has certified the high level of renewability of its leathers, which have up to 95% biobased content.

The main advantage for manufacturers lies in being able to use a material with a renewable content that has been measured and verified by a third party, lending greater credibility to the information shared with customers. In a context in which transparency regarding the characteristics of materials is becoming increasingly important, using USDA Biobased-certified leather can represent a significant competitive advantage for those developing finished products, as it enables them to build a more solid value proposition around renewability and to clearly distinguish the material from fossil-based alternatives.

Focus:

Biodegradability certification for automotive products

The Automotive Business Unit of Gruppo Mastrotto S.p.A. has obtained certification of biodegradability in water for its "Hemp Active Leather" product, in compliance with UNI EN ISO 20136:2020.

This result objectively validates a characteristic of the material that is becoming increasingly important in relation to the market and to customers in the automotive sector.

Biodegradability is determined by assessing how well a material can be broken down by microorganisms under controlled conditions, by measuring the proportion of carbon converted into carbon dioxide. This property is measured using scientific and standardised criteria, avoiding vague environmental claims.

The process that leads to the certification label does not end with the analytical test alone but also involves a formal procedure including audits, confirming the soundness and credibility of the result achieved.
For customers in the automotive industry, this achievement represents a tangible benefit, as it provides a technical and documented foundation to support requests for qualification, material assessments and discussions regarding the environmental performance of products.

Overall, the attainment of this certification confirms Gruppo Mastrotto's commitment to developing solutions that combine quality, innovation and rigour in the measurement of environmental aspects, offering automotive customers increasingly reliable tools for assessing the sustainability of the materials used.



Measuring the product's climate footprint

Gruppo Mastrotto further strengthened its approach to measuring the environmental impacts of its products in 2025, developing a model for estimating the climate footprint of individual product codes or homogeneous product families.

The climate footprint or carbon footprint of a product represents the quantity of greenhouse gas emissions associated with a product throughout the phases considered in the analysis.

In the case of Gruppo Mastrotto, the "cradle to gate" approach is adopted. This is commonly used for intermediate goods such as leather, and considers the impacts generated by the upstream phases and by the production process right through to the product leaving the company's premises.

The model was developed in compliance with the principles of *ISO 14067*, the international benchmark for quantifying and communicating a product's climate footprint.

This method was applied to numerous articles during the year, with a particular focus on the interior and design, fashion and automotive industries, enabling the consolidation of databases, calculation criteria and methods for presenting results.

This activity represents a significant step in the process of progressively integrating environmental product information into business processes.

It helps strengthen the Group's ability to respond to market and customer demands regarding environmental transparency in a structured manner.

At the same time, work continued on setting up the management and control system required to make the model stable, replicable and verifiable over time.

At the end of 2025, this process was nearing completion. Gruppo Mastrotto's goal is to **achieve ISO 14067 certification in 2026** in compliance with the "systematic approach".

The work carried out in 2025 proves the Group's commitment to adopting increasingly reliable and recognised tools for measuring the environmental performance of its products. This development is consistent with the Group's commitment to increasingly stringent, traceable management focused on continued improvement.



Focus:

The "Leather Leaders" project

Gruppo Mastrotto participates in the Leather Leaders project, an initiative promoted by UNIC (Italian National Tanning Industry Association) aimed at strengthening the position of leather within the context of the sustainable transition of the fashion and manufacturing industries.

The project aims to develop a shared framework, based on scientific evidence, for assessing the environmental performance of leather and for defining ways to improve performance along the whole supply chain.

Leather Leaders uses a structured and collaborative approach to develop an operational roadmap covering several priority areas – including climate change, traceability, resource management and sustainability – identified in accordance with the legislation in force, international standards and the key requirements of brands.

The project also promotes the collection and harmonisation of environmental data, with the aim of overcoming current inconsistencies in methods and encouraging better comparability of information.

The activities develop over a period of several years and are accompanied by opportunities for discussion and sharing with the main stakeholders in the industry, also at international events. In this context, the project promotes dialogue between tanneries, brands and the scientific community, helping to establish a common language and a solid technical foundation to support decision-making.

The project represents a strategic opportunity to strengthen Gruppo Mastrotto's sustainability journey, improve alignment with market expectations and actively contribute to the definition of shared standards.

08

Territory and corporate citizenship

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The territory brings together a number of stakeholders who are very important to Gruppo Mastrotto and to its desire to be a point of reference for the local community and its institutions.

The company establishes relations with local public administrations, schools and training institutions, hospitals and nursing homes, voluntary associations, cultural associations, etc.

Gruppo Mastrotto considers it essential to articulate collaborative relationships with these stakeholders in order to fulfil its role as a positive and proactive social actor in all aspects of sustainability to the best of its ability.



Social commitment and relations with the community

Being a company of reference for a territory means building stable relations with stakeholders, to gain an understanding of their needs and make a constructive contribution.

Healthcare, senior citizens and young people are the areas in which Gruppo Mastrotto has historically shown its closeness to the territory, its proximity; both through financial support and through an active contribution to various initiatives.

In Italy, the main initiatives to which Gruppo Mastrotto has contributed in recent years have concerned:

- the contribution to the construction of the "Arciso Mastrotto" Recreation Centre for the Elderly, comprising a bar, lounge, multipurpose room with spaces for reading, outpatients and administrative activities, and an outdoor park
- the donation for the construction of a boules pitch at the Arciso Mastrotto Centre for the Elderly
- support for sports activities, with sponsorship of the youth football team in Arzignano and volleyball in Santa Croce sull'Arno.

Some other projects undertaken in Italy have also involved suppliers. Examples are:

- the creation, in collaboration with Team for Children Vicenza Onlus and Rotaract Triveneto, of an isolation room for the Children's Ward at San Bortolo Hospital in Vicenza. The project, supported strongly by Gruppo Mastrotto and its suppliers, has led to the creation of a facility equipped with advanced air pressure control systems, capable of enhancing the safety of paediatric cancer patients and children suffering from infectious diseases, while improving the comfort of their stay and enabling families to be close by throughout their treatment.
- The donation, in collaboration with Amici del Cuore Ovest Vicentino Onlus (the West Vicenza Heart Association), of a state-of-the-art instrument to perform minimally invasive keyhole cancer surgery. This is a 30-degree 3D camera that allows angled vision, which is extremely important in the case of operations to remove tumours in the bladder, kidneys and prostate, and which will flank the existing instrumentation, allowing even more precise and effective surgery.
- The donation, in support of ANDOS (the Italian Association for women who have had surgery for breast cancer) and Montecchio Maggiore Hospital (in the province of Vicenza), of an instrument called "Mammotome Revolve". It allows early diagnosis by guaranteeing larger and safer, but less invasive, tissue samples, and can be used to perform biopsies in cases where a mammogram has raised suspicions of the presence of a malignant formation.
- The donation to Arzignano Hospital of an innovative software called "Rapid", which drastically reduces the time needed to diagnose ischaemic stroke. The reduction in time from the current 20 minutes to a maximum of 2 minutes substantially increases in the probability of survival of ischaemic stroke patients.
- The donation to the hospital's emergency department of a state-of-the-art defibrillator-monitor, an essential tool in the management of emergency patients inside the hospital environment, which can also be used in ambulances. Its handling and versatility make it a unique tool in the case of cardiac arrest and in monitoring patients in immediate need of emergency care.
- A new endoscopic column for the diagnosis and treatment of paediatric gastroenterological diseases donated to San Bortolo Hospital in Vicenza in collaboration with the Vicenza for Children association; the technology will enable the Paediatric Surgery Unit to improve its endoscopic digestive surgery activities for patients who, from the first day of life through to the age of eighteen, can be treated with minimally invasive surgery.

At the overseas plants too, the focus on local communities has witnessed the flourishing of numerous initiatives.

Since 2020, Mastrotto Brasil has launched a programme to economically and materially support environmental and social projects promoted by local non-profit organisations. The programme is supported by associations, NGOs, cooperatives and religious groups that work for the benefit of the community. The donations, which began at the start of the decade, are aimed at organisations operating in the municipalities of Cachoeira, São Félix and Muritiba, in the state of Bahia.



The more recent projects worth mentioning include:

- **"Green Collect Valley's",** proposed by the Mother Lalu Institute, helps families in need earn money by recycling waste. The project teaches people how to collect, sort and resell recyclable materials, creating new job opportunities and reducing the environmental impact of urban waste.
- **"Águas que Semeiam",** promoted by the Association of Stable Residents of Ladeira da Cadeia, works to protect local water sources and inform people of the conscious use of water; the aim is to avoid waste and pollution, through environmental education activities and small actions to protect water resources.
- **"Sustainable food production through domestic aquaponics"**, developed by the Association of Friends of Paraguaçu, teaches families how to produce food sustainably at home, using a system that combines fish farming and growing vegetables without soil. This model saves water and provides an independent source of healthy food.

All the projects include training and events to promote awareness among the community, with the aim of spreading more responsible behaviour in relation to the environment and improving the quality of the daily life of the people involved.

To mark the religious month of Ramadan, Mitech Tunisie promotes charitable initiatives to support families in situations of socio-economic vulnerability, with the distribution of food and basic necessities.
Its commitment to the local community also extends to promoting health and social unity, with blood donation campaigns that actively involve employees. With these initiatives, the company helps both to support vulnerable groups within the population and to strengthen the local healthcare system, confirming its responsible approach and its focus on the needs of the area in which it operates.

A foundation in support of the territory

Promoting the wellbeing of the local community and making a tangible contribution to its growth is an ongoing commitment for Gruppo Mastrotto.

It is within this context that the Silvana and Bruno Mastrotto Foundation, a charitable organisation through which the Mastrotto family continues to uphold a tradition of care and responsibility towards the local area, operates. The Foundation's work focuses primarily on supporting the most vulnerable groups and supporting the educational journeys of the younger generations.

This vision has inspired two main initiatives: the Parkinson Café, dedicated to people living with Parkinson's disease, and La Tribù del Sole, an educational programme aimed at children and teenagers in primary and lower secondary schools.



The Parkinson Café

Parkinson's disease is a chronic neurodegenerative disease which mainly affects the control of movement and balance. It is estimated that around 230,000 people in Italy are affected by this condition, which often leads, among other things, to a gradual reduction in social interaction.

The Parkinson Café was set up specifically to combat isolation, offering a welcoming space for people living with Parkinson's, their families and carers to meet and share experiences. It serves as a point of reference open to the local community, encouraging relationships and promoting active participation in social life.
The activities proposed include targeted physical exercise programmes and cognitive activities, recreational initiatives and sessions exploring health-related and social issues. Every activity is intended to support overall personal wellbeing, highlighting people's abilities and encouraging socialisation, thanks also to the vital contribution of volunteers.

Over the years, the Parkinson Café has also consolidated its role in the scientific and educational spheres, organising public awareness events and collaborating with universities and research centres. Specialised conferences and work placement programmes enable students and professionals to develop specific skills in the fields of neuroscience and rehabilitation.

During 2025, the Parkinson Café expanded and strengthened its activities with initiatives that combined therapeutic, educational and institutional aspects.

- Participation in the Veneto Region's PDTA (Diagnostic, Therapeutic and Care Programme) round table to help draft shared guidelines with healthcare centres, specialists and institutions, offering our expertise and best practices developed in the field. Taking part in the round table helps strengthen dialogue with the healthcare system and make a tangible contribution to improving care programmes.
- "The voice as therapy", a series of sessions dedicated to voice rehabilitation with the support of a speech therapist. Through breathing exercises, orofacial mobility activities and work on vocal projection, participants were able to experience benefits both functionally and in terms of self-esteem and personal expression. The culminating moment of group singing provided an opportunity for powerful emotional connection.
- "Beyond Parkinson's", a public awareness event, dedicated to exploring scientific issues and sharing the latest knowledge on the condition. The event brings together professionals from various fields – neurology, nutrition, physiatry, speech therapy and occupational therapy – offering patients, their families and carers practical tools for the day-to-day management of the condition.

La Tribù del Sole

Promoting the harmonious development of children and teenagers and offering practical support to families is one of the Foundation's key areas of focus. This is the context in which La Tribù del Sole, an educational service that makes the most of time outside school as an opportunity for learning, socialising and personal development, operates.

The after-school club is a welcoming and dynamic environment, created to stimulate curiosity, independence and collaboration. The children are guided through a range of activities that combine learning with hands-on experience, helping strengthen their cognitive, social and emotional skills.

Run by the Moby Dick co-operative, the centre accommodates up to 40 primary and lower secondary school pupils during the school year and in the summer, paying particular attention to inclusion and the active participation of children with disabilities.

In 2025, the educational programme will be further enhanced with a new project dedicated to environmental sustainability. The programme introduces current issues such as climate change, pollution and the protection of biodiversity in an accessible and interactive way. Workshops, group activities and moments of reflection are used to guide children and young people through an educational experience structured as a journey through different parts of the world, enabling them to understand global challenges and the role of our everyday actions.

Thanks to initiatives of this kind, the Foundation strengthens its commitment to promoting high-quality educational programmes, helping to shape citizens who are informed and mindful of the social and environmental context.



Support for the education system

Gruppo Mastrotto sees dialogue between enterprises and the education system as a key element for the growth of skills, the nurturing of talent and local development. With this in mind, the Group promotes ongoing relationships with the world of education, particularly with technical colleges and post-diploma courses, making its expertise available and offering real opportunities for collaboration between schools and enterprises.

In 2025, this commitment was translated into a number of initiatives aimed at both specialist training and career guidance for young people.

In particular, Gruppo Mastrotto S.p.A. funds three scholarships for the "Green Leather Manager" course at ITS Academy Veneto in Arzignano, the only advanced post-diploma specialisation course in Italy that offers training for this type of role, aimed at students interested in developing professional skills in the tanning sector. The course, which has been supported by the company since its launch in 2017, is a two-year, highly specialised post-diploma programme aimed at training technicians with expertise in the research and development of sustainable products and processes in tanneries. With this contribution, the Group confirms its commitment to supporting training programmes that are closely linked to innovation, quality and the competitiveness of the supply chain.

Also in 2025, Gruppo Mastrotto welcomed second-year students from the ITTE Galileo Galilei in Arzignano to its premises, offering them an opportunity to engage directly with the manufacturing industry. The event provided an opportunity to share a passion for leather, technology and innovation with the younger generation, giving students an insight into the company and the career prospects offered by the Italian manufacturing system.



Alongside its collaboration with the education system, the Group continues to support the right to education through initiatives aimed at employees' families. The annual "People Forward" scholarship scheme is an example of this commitment. In 2025, it rewarded 12 students who had distinguished themselves through their academic achievements and dedication to their education. Now in their eighth year, the scholarships represent a well-established initiative that demonstrates the Group's attention to the development of young people and the value of education as a driver of personal and social development.

The Group also promotes initiatives to support education at its overseas sites, with measures aimed particularly at supporting employees' families.
For Mitech Tunisie, this commitment is expressed through the reimbursement of school expenses – relating to books, transport and school meals – and through the awarding of scholarships to employees' children (332 pupils), making a tangible contribution to the continuity of their education.

At Gruppo Mastrotto Mexico, this support takes the form of the "Back to School" campaign, which marks the start of the school year by providing school supplies for employees' children.

Overall, these initiatives confirm the Group's focus on education and its commitment to promoting conditions that facilitate access to and participation in education, also in the international contexts in which it operates.



The development of the “Museum of Interactive Leather Experience” in Arzignano

Gruppo Mastrotto is a founding partner of MILE – Museum of Interactive Leather Experience, a project promoted by the Veneto Leather District and Acque del Chiampo Società Benefit, created with the aim of promoting and sharing information about the tanning industry in an innovative and sustainable way.

MILE is a cultural and exhibition space that links tradition and innovation, tracing the evolution of the tanning industry from its origins to the most recent technological transformations. Using a dynamic and interactive approach, the museum helps raise awareness about the economic, environmental and social value of tanning, while promoting a contemporary view of the industry.

The use of immersive technologies, such as video mapping and interactive digital installations, enables visitors to enjoy an engaging and personalised experience, making complex content accessible to a broad and diverse audience, made up of schools, the general public, stakeholders and industry professionals.

MILE further consolidated its role as a cultural and educational hub in 2025 by organising MILE Week, a week-long programme of events involving institutions, schools, businesses and the local community. The event began with a preview reserved for the district's international guests, followed by the official ceremony marking the opening of the museum's new spaces, attended by representatives of the local authorities.

The following days featured a packed programme open to the public, with guided tours, creative workshops and educational activities aimed at introducing people of all ages to the leather supply chain. Particular attention was paid to the world of education, with moments dedicated to teachers and initiatives focused on training and the sharing of educational content.

The week was also enriched by cultural and networking events, such as artistic performances reinterpreting the tanning tradition in a contemporary light and opportunities for professionals working within the supply chain to meet. These events included the graduation ceremony for students at the ITS in Arzignano, which represented a significant moment linking education and the working world.

With these initiatives, MILE confirms its status as a project capable of promoting knowledge, dialogue and participation, helping strengthen the bond between business, the local area and the community, and highlighting the role of sustainability in the tanning sector.

Focus:
Technological innovation in support of paediatric surgery



Technological innovation is also a key factor in improving the quality of care, particularly in highly sensitive areas such as paediatric surgery. Gruppo Mastrotto's contribution to the local community, with its support for initiatives that promote access to advanced medical equipment, fits into this context.

In collaboration with the Vicenza for Children association and with the involvement of its network of suppliers, the Group participated in the donation of a state-of-the-art paediatric insufflator for the Paediatric Surgery Department at San Bortolo Hospital in Vicenza in 2025. This initiative is part of an ongoing programme of support for the hospital, aimed at helping improve the technology available to medical staff.

The device donated plays a significant role in the development of minimally invasive surgery, as it enables surgeons to perform operations with greater precision and control, reducing the invasiveness of procedures and improving patients' post-operative recovery. The benefits include reduced risks, faster recovery times and reduced perception of pain, with particularly significant effects also in the treatment of newborns.

The initiative highlights the value of collaboration between enterprise, the local community and the healthcare system, showing how innovation can be translated into tangible support for personal wellbeing. With this project, Gruppo Mastrotto is helping to provide healthcare professionals with advanced technological solutions, with the aim of improving the quality of care and generating tangible benefits for the most vulnerable patients and their families.

Relations with public institutions and industry organisations

Gruppo Mastrotto bases its relations with public institutions and industry organisations on principles of fairness, transparency and respect for roles.

Ongoing dialogue inspires relations with these stakeholders, so that the most suitable forms of development and collaboration can be identified.

Gruppo Mastrotto is a member of UNIC, the Unione Nazionale Industria Conciaria, the Trade Union association that represents the Italian tanning industry. The Italian tanning industry is the most important both at EU level, with a production value accounting for 65% of EU production, and worldwide, accounting for 25% of global production value.

Gruppo Mastrotto is a member of the Executive Committee of UNIC through its Chair, Chiara Mastrotto.

Moreover, **Renata Sartori, also a Director of Gruppo Mastrotto, is a member of the Executive Committee of the Leather Working Group. This is the first time that an Italian has been appointed to this position.**

The committee is made up of nine members; four represent the brands, four the tanneries and one the chemical suppliers. It is responsible for defining the organisation's strategies and monitoring their progress, as well as the economic and financial budget.

Lastly, Gruppo Mastrotto is a member of "Leather Naturally", an international non-profit organisation specific to the industry, which focuses on leather education and promotion.

It promotes the use of sustainable leather produced at global level, inspiring and informing designers, creators and consumers about the beauty, quality and versatility of leather.

Alongside industry organisations, Gruppo Mastrotto also maintains relations, either directly or through other entities, with public institutions such as the Veneto Region and the European Union for the granting of contributions.

It also has relations with institutions with control and authorisation functions such as the Province of Vicenza, Acque Del Chiampo.

Relationships built with respect for mutual roles and a loyal exchange so that the company is perceived as a credible and positive interlocutor with which to engage in partnerships that are useful both to the company and to the territory.

09

Coindu



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To consolidate its competitive position in the automotive industry and get closer to the end customer, the Gruppo Mastrotto has absorbed Coindu.

Coindu is an industrial organisation with extensive experience in the automotive industry, specialising in the design and manufacture of leather and fabric interiors for leading international manufacturers.

Established in Portugal in 1988, over the years the company has built a growth trajectory based on product quality, process flexibility and the ability to meet customer needs with precision. As it has evolved, the company has gradually strengthened its position within the automotive supply chain, progressing from the production of small leather components to the mass production of seat covers, and has consolidated its development expertise to the point where it can support customers right from the earliest stages of design.

With its current corporate and operational structure, Coindu has a production capacity of approximately 6,100 car sets a day. Operations are divided between two main sites: Joane, in Portugal, where the head office is also located, and Tetla, in Mexico, confirming the company's international presence, which is geared towards industrial and commercial proximity to its reference markets.

Coindu is distinguished by an approach that combines manufacturing expertise, adaptability, attention to quality and collaboration with the customer.

Coindu considers sustainability to be an integral part of its management and development model. Attention to social responsibility, environmental protection, people's health and safety, and compliance with regulatory requirements is part of a vision focused on continued improvement and the creation of value over time.

The company adopts an integrated management system through which it translates its commitments into operational practices, improvement targets and monitoring tools.

This framework encompasses the Code of Ethics and Social Responsibility, the Code of Business Ethics and the Code of Conduct for Sourcing and the Supply Chain, which outline the principles that guide the company's actions, also in relation to suppliers and partners.

From an environmental perspective, Coindu monitors the key impact factors, including energy consumption, emissions, use of water, waste, chemicals, climate change, biodiversity and the fight against deforestation.

Workforce structure



At the end of 2025, the workforce was made up of 1,607 workers, with a strong predominance of permanent contracts, accounting for 99.8% of the total, while fixed-term contracts were only marginal.

In terms of gender distribution, there were more women than men, accounting for 63.8% of the workforce, while men accounted for 36.2%.

Breakdown of employees by gender and type of contract - 2025

	Women	Men	**Total**
Permanent employees	1,022	581	**1,603**
Temporary employees	3	1	**4**
Total	**1,025**	**582**	**1,607**

The workforce is heavily dominated by operational staff, with blue collar workers accounting for 85.6% of employees, confirming their status as the overwhelmingly predominant category.
The other categories account for a smaller proportion:

- **office staff:** approximately 9.2%
- **managers:** approximately 32%
- **executives:** approximately 2.0%

In terms of the gender breakdown, women continue to be the majority, a trend that is particularly evident amongst blue-collar workers, where women account for around 68% of the category.

Breakdown of employees by gender and professional category - 2025

	Women	Men	**Total**
Executives	5	27	**32**
Managers	22	30	**52**
Office staff	62	86	**148**
Blue collars	936	439	**1,375**
Total	1,025	582	**1,607**

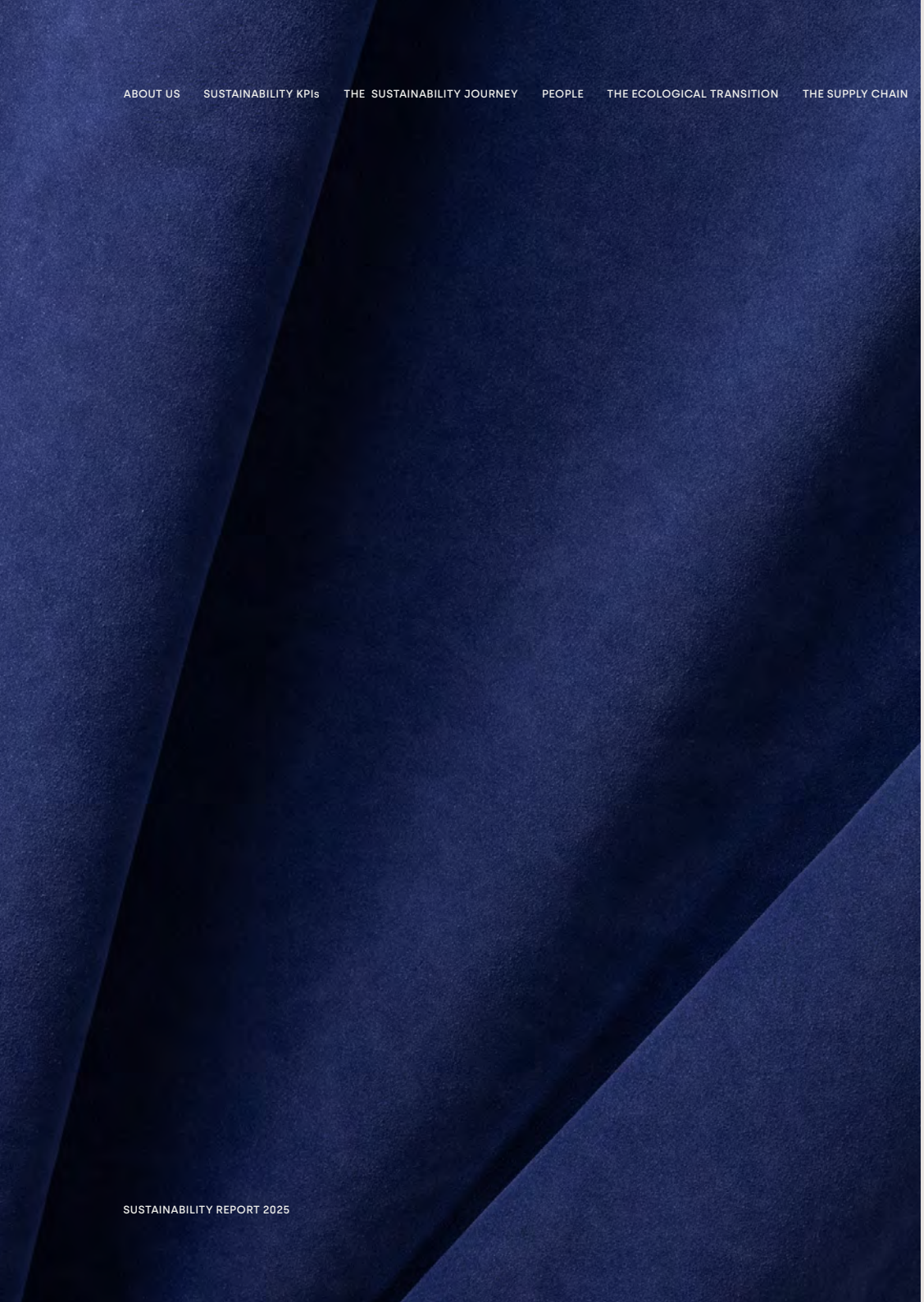
The gender breakdown in the executives and directors category shows a marked predominance of men. In 2025, women accounted for 15.6% of the total, compared with 84.4% men.

As regards the breakdown by age group, the workforce presents a varied structure, with the 30–50 age group accounting for 60.9% of the total and forming the core of the workforce.

The other age groups are divided as follows:

- **under 30:** approximately 19%
- **over 50:** approximately 20%

In terms of gender breakdown, there is a predominance of women in all age groups, which is consistent with the overall composition of the workforce.



Welfare, wellbeing and initiatives for staff

Coindu promotes a comprehensive range of welfare initiatives aimed at supporting people's wellbeing, professional development and the quality of the working environment, in keeping with its organisational model and the local contexts in which it operates.

The initiatives implemented in the various countries share a common foundation, supplemented by specific measures tailored to the needs of the respective workforces.

In terms of health and wellbeing, the company provides a structured system of health prevention and protection, which includes regular medical check-ups, programmes to raise awareness of various health issues, in-house vaccination campaigns and supplementary health cover. These initiatives are accompanied by a psychological support service, aimed at promoting personal balance and overall wellbeing. In Portugal, these measures are further enhanced by the availability of specific treatments, such as osteopathy services.

As regards financial benefits, Coindu adopts flexible, differentiated welfare and benefits schemes, tailored to the regulatory framework and local practices of the various locations in which it operates. Engagement and corporate culture initiatives also include events, themed days and opportunities for staff to socialise, aimed at strengthening a sense of belonging and sharing corporate values.

Attention to inclusion and equal opportunities is translated into the adoption of dedicated policies, job placement programmes for people with disabilities, and mentoring initiatives, with the aim of promoting a fair and inclusive working environment.

Lastly, in some operational contexts, there are also measures in place to support the work-life balance. These include flexible working hours and remote working arrangements, which help create a better balance between professional and personal life.

Overall, Coindu's welfare system takes the form of an integrated set of tools and initiatives which, while adapting to local circumstances, share the goal of empowering people, improving the quality of the working experience and sustaining the organisation's appeal and sustainability over time.

Education and training

For Coindu, too, training is a critical element in supporting the development of skills and facilitating the organisational changes currently in progress.

Training activities are geared towards both technical and operational development and the strengthening of cross-functional and managerial skills, with a specific focus on safety, quality and compliance.

The total number of training hours in 2025 amounted to 28,944, spread across various training areas depending on operational and organisational priorities.

In terms of content, a significant number of hours are devoted to operations, with 11,962 hours, representing approximately 41% of the total, making it the main area of focus.

Next comes occupational health and safety, with 5,472 hours (approximately 19% of the total), confirmed as one of the cornerstones of in-house training.

Other training areas of note include:

- quality, with 3,366 hours (approximately 12%);
- human resources, with 2,428 hours (approximately 8%);
- soft skills, with 1,557 hours (approximately 5%);
- IT, with 1,075 hours (approximately 4%);
- environment and energy, with 976 hours (approximately 3%).

Overall, the distribution of hours highlights a training programme focused on key business issues, with a significant emphasis on technical, specialist and managerial areas, accompanied by specific interventions on safety, quality and organisational development.

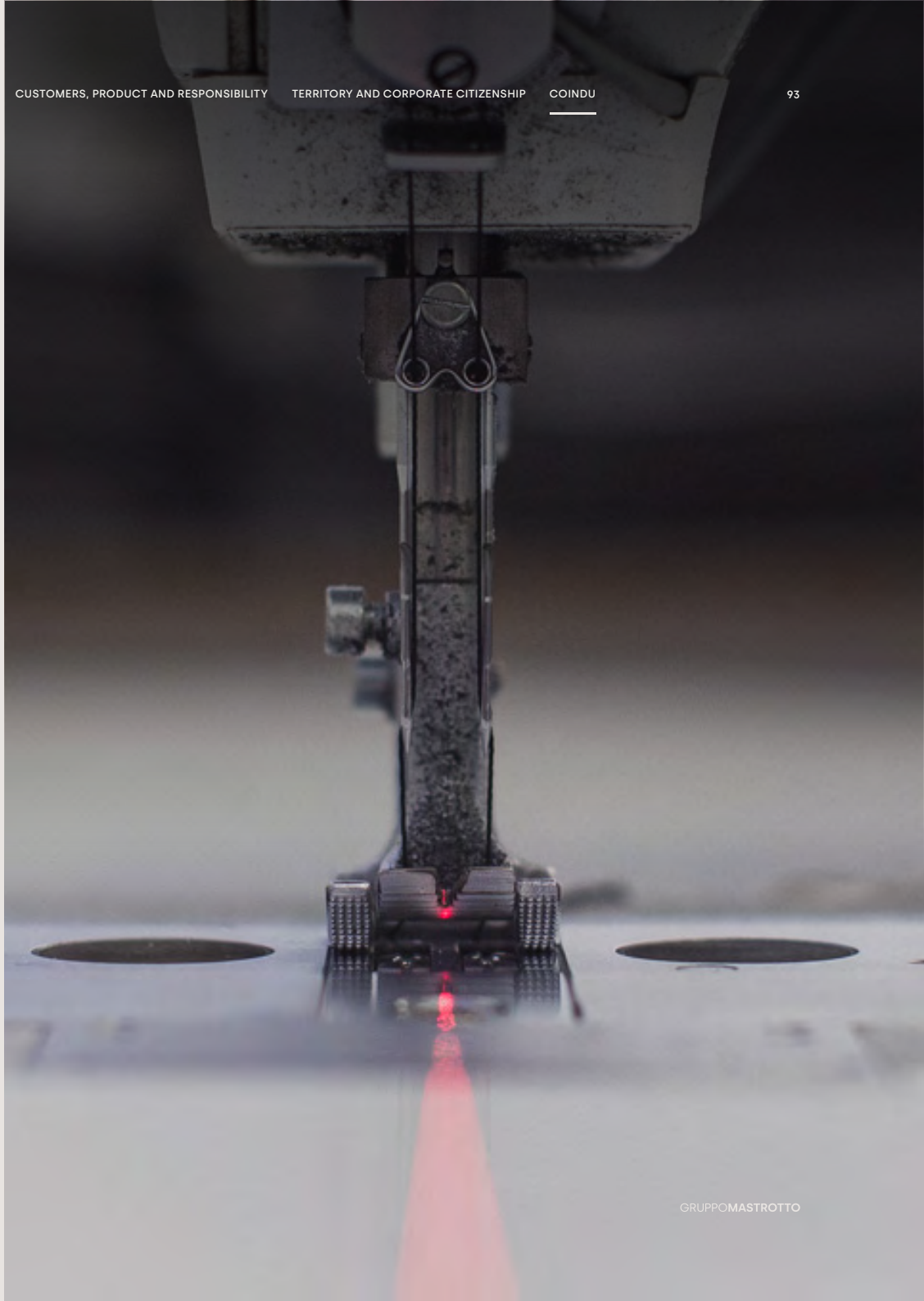
The average number of training hours per employee in 2025 was 18.

Analysing the figure by professional category reveals an uneven distribution of training hours:

- managers record the highest average figures, with 42.4 hours per employee;
- office staff follow, with an average of 30.1 hours;
- manual workers average 13.2 hours, in line with the training requirements of the manufacturing sector;
- for executives and directors, the average is 7.5 hours.

In terms of distribution by gender, the average figures are 17.4 hours for women and 19.1 hours for men.

Overall, the 2025 framework highlights a distribution of training activities that is more heavily focused on managerial and office staff, while also providing widespread coverage of the operational side, in keeping with the company's industrial model.





Staff health and safety

This section shows the ratios for workplace safety in 2025, with reference to the accident severity rate, the accident frequency rate and the total number of incidents recorded.

The ratios are calculated on the basis of hours worked, in order to ensure a consistent and comparable picture over time and to provide a meaningful representation of the overall trend in accidents.

The data trend shows a change in the number of accidents and days lost over the years, reflecting different operational dynamics. In general, there has been a reduction compared with the levels recorded in 2023. Occupational risks remain low overall and, thanks to the ongoing implementation of measures to prevent accidents and improve health and safety conditions at work, there has been a gradual reduction in the number of accidents at work. No fatal accidents were recorded during the period analysed.

Continuous monitoring of these ratios makes it possible to assess the effectiveness of the preventive measures adopted and helps identify ways to improve occupational health and safety.

Injury statistics

Injury statistics include all the events recorded in the company's system, in compliance with current regulations and are a key indicator for tracking occupational health and safety.

The total number of injuries in 2025 was 11, representing the total number of incidents recorded during the year.

With regard to severity, there were just two serious accidents, i.e. those resulting in an absence from work of more than 40 days, corresponding to approximately 18% of all accidents. The figure shows a limited number of incidents with significant consequences, compared to a greater number of minor accidents.

The accident frequency rate was 3.4% in 2025, indicating the incidence of accidents in relation to the number of hours worked and serving as a summary indicator of exposure to the risk of accidents in operational contexts.

Ten cases of occupational illness were also identified during the year, representing a further area of concern with regard to the protection of workers' health.

Overall, the figures show an improvement in accident ratios over the three-year period, but this is offset by an increase in reports of occupational illness, which requires continuous and targeted monitoring of health and safety conditions.

Energy



Total energy requirements are based primarily on the use of natural gas, electricity and, to a lesser extent, fuel for transport, diesel and petrol, which are used to support operational activities and ancillary services.

Total electricity consumption in 2025 was approximately 5,972 MWh, accounting for the largest component of the overall demand for energy.

At the same time, natural gas consumption was around 213 MWh, accounting for a marginal proportion of the total energy consumption.

As far as fuel is concerned, the total consumption of diesel and petrol amounted to approximately 923 MWh, making a secondary contribution to the energy mix.

Overall, the breakdown of energy requirements shows a clear predominance of electricity, which accounts for around 84% of the total, followed by fuel (around 13%) and natural gas (around 3%).

With reference to the breakdown of the energy mix, there is a clear preference for electricity, with a significant amount of electricity purchased from renewable guaranteed origin sources, totalling over 3,400 MWh, corresponding to approximately 57% of total electricity consumption.

A significant proportion of electricity still comes from non-renewable sources however, amounting to approximately 2,501 MWh (around 43% of total electricity consumption).

No consumption of biofuels was recorded, nor was there any self-generation of energy from renewable sources, highlighting room for improvement in terms of the diversification and sustainability of the energy mix.

Overall, the rise in consumption is accompanied by early signs of a shift in the energy mix towards solutions with a lower environmental impact, linked particularly to the supply of electricity from certified renewable sources.

Greenhouse gas emissions

Coindu calculates its greenhouse gas emissions annually, distinguishing between direct emissions (Scope 1), generated from sources controlled by the organisation, and indirect emissions from purchased energy (Scope 2). The report was prepared in compliance with ISO 14064-1:2018 and in accordance with the GHG Protocol, covering the plants in Joane, Portugal, and Tetla, Mexico.

Scope 1 emissions in 2025 amounted to 302 tonnes of CO_2e. The main contribution came from the use of fuels for mobile sources, amounting to approximately 139 tonnes of CO_2e, followed by fuel consumption for stationary sources, amounting to approximately 108 tonnes of CO_2e. The remaining 55 tonnes of CO_2e are attributable to fugitive emissions from refrigeration and air-conditioning systems.

For Scope 2 emissions, Coindu adopts both the market-based and location-based approaches. In 2025, these amounted to 641 and 782 tonnes of CO_2e respectively.

The difference between the two figures reflects the varying characteristics of the energy mix at the production sites. At the Joane plant in Portugal, the electricity purchased comes entirely from renewable sources and therefore results in zero market-based Scope 2 emissions. By contrast, at the Tetla site in Mexico, emissions associated with purchased electricity amount to 641 tonnes of CO_2e.

Considering the market-based approach, total Scope 1 and Scope 2 emissions amounted to 943 tonnes of CO_2e in 2025; whereas the total calculated using the location-based method was 1,084 tonnes of CO_2e.

An analysis of the breakdown of total emissions shows that the largest share is attributable to Scope 2, which accounts for approximately 68% of the total market-based emissions, while Scope 1 accounts for the remaining 32%. This figure confirms the significant weight of energy consumption on the company's emissions profile and the importance of electricity procurement decisions.

Overall, the 2025 emissions profile is influenced both by energy consumption at production sites and by the differing characteristics of local electricity markets. The exclusive use of renewable energy at the Portuguese plant, in particular, helps significantly reduce Scope 2 emissions calculated using the market-based approach, confirming the value of the energy efficiency initiatives undertaken by Coindu and the progressive decarbonisation process it has embarked upon.

By-products and waste

The total waste produced in 2025 amounted to 1,365 tonnes, representing the total volume of materials classified as waste generated by the company's operations.

Most of the waste, over 99% of the total (1,361 tonnes), is non-hazardous, while hazardous waste amounts to four tonnes, confirming an extremely low risk profile in this sense.

In the same year, by-products totalled 126 tonnes and consisted exclusively of offcuts of finished leather, with the absence of other types typical of the tanning cycle, such as flesh or hair.

Considering waste and by-products together, the total quantities managed amounted to 1,491 tonnes. Of this total, by-products account for approximately 8%, while waste accounts for approximately 92%, highlighting a clear predominance of flows classified as waste.

Overall, figures for 2025 show that waste management is characterised by a low incidence of hazardous waste and a limited presence of by-products, confirming the importance of monitoring and optimising materials throughout the production process, in keeping with the principles of efficient use of resources and the circular economy.

From a waste management perspective, the amount of waste sent for recovery in 2025 totalled 437 tonnes. Recovery operations include both recycling and energy recovery. Particularly for certain types of waste, such as textile fibres, recovery takes place predominantly through energy recovery, which represents a significant component of the waste management methods adopted. Activities involving preparation for reuse, on the other hand, are limited.

At the same time, waste destined for disposal amounted to 929 tonnes in 2025, representing approximately 68% of the total waste produced.

Disposal takes place mainly via landfill, which is the primary method of waste management, accounting for 799 tonnes, or approximately 86% of the waste disposed of.

This is accompanied by a smaller proportion destined for incineration, amounting to 128 tonnes (approximately 14%) and consisting mainly of non-hazardous waste.

As regards hazardous waste, amounting to 3 tonnes, this is sent entirely for incineration, in keeping with the most common practices for managing this type of waste.

Overall, the figures for 2025 show a waste management system in which disposal accounts for a significant proportion of overall flows, with landfill clearly being the most common method.

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Certifications

Certifications are a fundamental part of the company's management system, as they confirm the adoption of recognised international standards and support a structured and continuous approach to improving operational, environmental and social performance.

Coindu in particular adopts management systems certified in accordance with *IATF 16949*, a standard specific to the automotive industry that promotes continuous quality improvement, the prevention of defects and the reduction of waste throughout the entire value chain. This certification ensures compliance with the requirements of the industry's leading customers and helps strengthen the company's competitive edge.

In the environmental area, a management system compliant with *ISO 14001* enables the systematic monitoring of the impacts of operations, promoting the prevention of pollution, compliance with current legislation and more efficient use of resources.

As regards occupational health and safety, *ISO 45001* certification guarantees the implementation of a system aimed at preventing accidents and work-related illnesses, by identifying and controlling risks and continuously improving working conditions.

The TISAX standard, developed for the automotive sector, has also been adopted; it certifies compliance with information security and data protection requirements, ensuring the secure management of sensitive information and compliance with customer requirements.

Finally, within the scope of the circular economy policies, there is a commitment to Zero Waste to Landfill certification, which promotes the minimisation of landfill use and the maximisation of waste recovery and upgrading activities. In this area, the Portuguese sites have achieved a level of "Excellent Commitment", confirming their focus on increasingly sustainable management models.

Overall, the set of certifications adopted reflects an integrated approach to management, focused on quality, environmental sustainability, worker safety and the protection of information throughout the value chain.

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