



COFRA[®]

BORN TO WORK

the italian brand 



Sustainability report

2025





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Letter to Stakeholders

Dear Stakeholders,

2025 represents a significant milestone for COFRA on its journey toward increasingly structured and informed management of **sustainability matters**. With a longstanding focus on **product quality, safety** and **people's wellbeing**, in recent years the company has launched a more structured process of integrating ESG principles into its strategy, culminating in the preparation of its first Sustainability Report.

Through the double materiality analysis and the active involvement of our stakeholders, we have identified the **strategic priorities** on which to build our future development, with the aim of generating **long-term shared value throughout the value chain**.

On the environmental front, COFRA has strengthened its commitment to understanding and managing impacts, adopting an increasingly structured approach. In particular, during 2025 the company carried out its first greenhouse **gas emissions inventory**, covering both direct emissions and a broader assessment of emissions across the value chain. This step marks an important development, providing a stronger foundation for future improvement initiatives. At the same time, we continue to invest in the **development of safe, high-quality products**, in our people, and in an increasingly **responsible supply chain**, convinced that sustainability is essential to the competitiveness and resilience of our business model.

Looking ahead, our commitment is to continue firmly on this path, increasingly **integrating sustainability into corporate strategy and operational decision-making** through ongoing, transparent dialogue with all of you.

We thank all stakeholders for their contribution and trust, which are key elements in supporting us on this journey of growth and continuous improvement.



Managing Director
Dr. Giuseppe CORTELLINO

1. COFRA Company

1.1 The company's history

COFRA S.r.l. was founded in 1938 in Barletta through the initiative of Ruggiero Cortellino, who established the **Cortelgomma craft workshop**: in a period marked by the hardships of the post-war era, the company began producing footwear using recycled materials, such as soles obtained from military tires and uppers from military uniforms, transforming resource scarcity into a creative and entrepreneurial opportunity. This capacity for **adaptation and innovation** remains a distinctive trait of the company's identity today.

Guided by the founder's vision, the craft business rapidly evolved into a structured enterprise, capable of producing hundreds of pairs of shoes per day and distributing them throughout the Italian market. Even in this early phase, the values that would continue to guide the company's growth emerged: **direct control** of the entire production process, **constant attention to quality**, and a **clear commitment to user safety and well-being**. These principles have accompanied COFRA through its industrial transition and define its corporate culture.



In 1983, the company officially took the name COFRA and came under the leadership of Giuseppe Cortellino, the founder's son: under the new management, a process of **international expansion** began that, starting from the 2000s, expanded the company's presence beyond Europe, reaching the Middle East,

Australia, and Eastern European countries, progressively consolidating its role in the professional footwear and personal protective equipment (PPE) sector.

At the same time, COFRA expanded its offering by introducing new product lines, from gloves to masks, from glasses to fall protection devices, and strengthened its operating model, based on an innovative management approach, while maintaining the founding principle of complete control over the production process. This evolution has allowed the company to consolidate its leadership and establish itself as a brand recognized for **quality, reliability**, and the ability to provide **integrated solutions** for worker protection in multiple professional contexts.

1938	Cortelgomma is born
1983	Cortelgomma becomes COFRA
1989	Safety Division is established
1997	First UNI EN ISO 9001 Quality Certification
2003	EU and Extra-EU Internationalisation (Middle East, Eastern Europe, Australia)
2004	Workwear Division and COFRA U.S.A. are established
2008	D&B Rating 1 Certification (the highest recognition for companies financial reliability)
2011	Work gloves collection is introduced
2012	Work masks collection is introduced
2013	Work eyeglasses collection is introduced
2014	ALBACO Shoes Sh.p.k. is acquired in Albania
2016	Fall arrest collection is introduced
2022	CRIBIS PRIME COMPANY recognition for highest commercial reliability

1.2 Geographical presence

COFRA operates through a geographical footprint that combines **longstanding roots in Italy** with an **international organization** supporting its markets.

The main production facility is located in **Barletta**, the company's historic headquarters, covering **60,000 m²**, of which **38,600 m²** is covered space dedicated to production, warehouses and internal laboratories. The **chemical and physical testing laboratories** support the selection and verification of raw materials through incoming acceptance tests, as well as conformity tests on finished products, ensuring the quality that characterizes COFRA products, in addition to tests performed by authorised bodies for certification purposes. This hub is the **centre of excellence for the brand's quality and technical know-how**.



ITALIAN FACTORY



60,000 m²
Total area



38,600 m²
Covered area



392
Employees

Alongside the Italian headquarters is a second production hub in **Albania**, named **ALBACO**, specializing in the production of safety footwear and workwear. With a total area of **40,000 m²**, of which **30,000 m²** covered, it is an integral part of COFRA's production system and contributes significantly to production continuity and flexibility.

ALBANIAN FACTORY



The integration between the sites and the industrial organization enables high **process repeatability**, standardizing the performance and reliability of footwear intended for different professional markets. The expansion in Albania, with volumes of up to **10,000 pairs/day**, supports production **flexibility and peak-demand management**, preserving the quality standards defined by COFRA.


COFRA's international presence is supported by dedicated sales offices, such as **COFRA USA Inc.**, based in New Jersey, which markets safety footwear in the US market, strengthening proximity and dialogue with local customers and partners.

At the same time, with the aim of diversifying its offering, COFRA has developed **specialized brands** aimed at enhancing specific product lines:



Footwear designed for **outdoor and trekking**

Footwear designed for **specific operational and professional** working fields



These brands enable greater specialization of the offering and more effective coverage of different product application areas.

Overall, the combination of production hubs and commercial platforms allows COFRA to combine industrial capacity, market coverage, and operational flexibility. Strategic coordination remains anchored to the **Barletta** headquarters, where governance, process control, and quality management are centralized, ensuring operational coherence and responsible management of the value chain.

1.3 Economic performance

In 2025, COFRA continued to operate with an approach focused on **creating lasting value for its stakeholders**, recording a revenue of **€ 118.4 million**. In this scenario, the company confirmed its commitment to ensuring **financial stability, operational continuity, and reliability** for clients, employees, suppliers, and partners along the value chain.

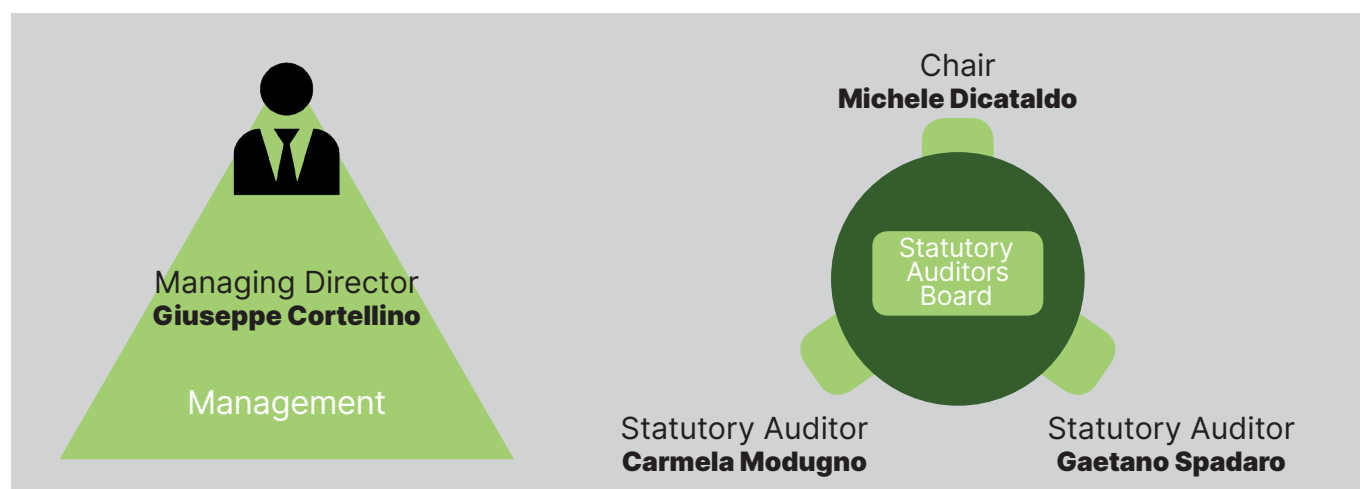
The sound financial structure strengthens COFRA's ability to support investments, promote innovation, and contribute to the economic development of the territories in which it operates. This approach reflects **responsible management** of financial resources, focused on long-term stability, resilience, and support for the Company's sustainable development strategies.

1.4 Governance

COFRA manages its activities through **stable governance** arrangements and ensures that its organizational, administrative and accounting structure is adequate and appropriate. This approach enables the company to pursue its objectives and implement its industrial plans effectively and in compliance with the requirements of proper corporate governance.

COFRA's governance is based on a lean, **centralized organizational model** designed to ensure consistent decision-making, operational agility and full control of strategic and management processes.

The composition of the management body and the Board of Statutory Auditors is set out below:

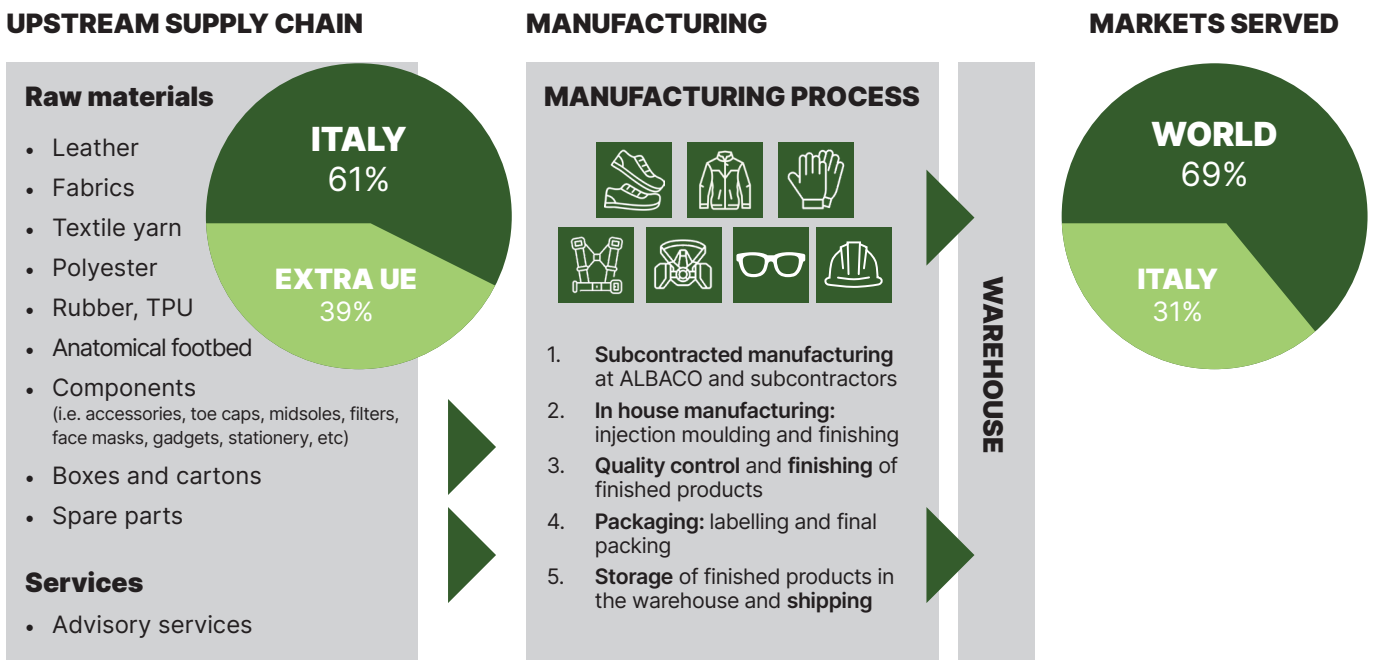


The company has a management structure headed by a **Managing Director, Giuseppe Cortellino**, who is responsible for corporate management, strategic direction and overall supervision of activities. The Board of Statutory Auditors supports the **governance framework**. It is composed of a chair and two standing auditors. In line with the provisions of the Italian Civil Code and applicable regulations, its role is to supervise the company's administration, verify management's compliance with the law and the company's articles of association, assess the adequacy of the organizational structure and verify the proper keeping of the accounts. The Board's report attests to constant monitoring of company operations and the full regularity of the procedures adopted, with no significant issues or critical matters to report in the last reporting year. The interaction between the Managing Director and the Board of Statutory Auditors creates a lean yet effective governance system, based on a clear separation between management and control functions.

This model supports **responsible and transparent management**, underpinned by a focus on quality and business continuity.

1.5 Value chain

COFRA's value chain is based on an integrated model that combines **strong manufacturing roots in Italy** with an **international procurement and distribution network**. Over time, the company has developed an industrial ecosystem capable of combining the local supply base, direct control of processes, and coverage of foreign markets, ensuring operational continuity and product quality throughout the supply chain.



COFRA adopts a procurement strategy that favors suppliers selected based on high quality standards, with a significant share located in Italy and a complementary integration of materials from non-EU countries: the supply chain shows that **61% of spending on raw materials, components, and services** is allocated to **Italian suppliers**, while the remaining **39%** relates to **non-EU suppliers**, thus maintaining a balance between proximity, reliability, and the ability to respond promptly to production needs.

A key element of the COFRA value chain is the collaboration with **ALBACO**, wholly owned by the company, where a significant part of external processing is carried out, such as cutting, hemming, upper preparation, and accessory application. This integration allows COFRA to maintain direct control over the initial phases of the production process, ensuring continuity and consistent quality. Internal processing, carried out at the COFRA plant, completes the cycle through product transformation and finishing phases, supported by structured controls throughout the process.

In terms of distribution, COFRA operates across a diversified market portfolio: **69%** of the quantities sold are sold to **international customers**, while the remaining **31%** is sold on the **Italian market**. The significant presence in foreign markets, combined with the solidity of local presence, allows the company to combine a strong international reach with a strong ability to respond to client needs.

This positioning is supported by a complete range of Personal Protective Equipment¹, including footwear, fall protection devices, technical clothing, and eye and respiratory protection, helping to maintain high quality standards and strengthen COFRA's competitiveness in different market contexts.

1.6 Management system: Quality, Environment, and Safety

COFRA has long maintained a quality-focused approach, supported by a structured and recognized management system: in 1997, it was the **first footwear manufacturer in Italy** to obtain **UNI EN ISO 9001 certification – Quality Management System**, demonstrating process standardization and the commitment to continuous improvement.

This commitment is confirmed by the continued maintenance of certification (latest update issued by Bureau Veritas on April 30, 2024), which attests to the effectiveness of the design, production, and control processes and guarantees the reliability of the company's entire quality management system.



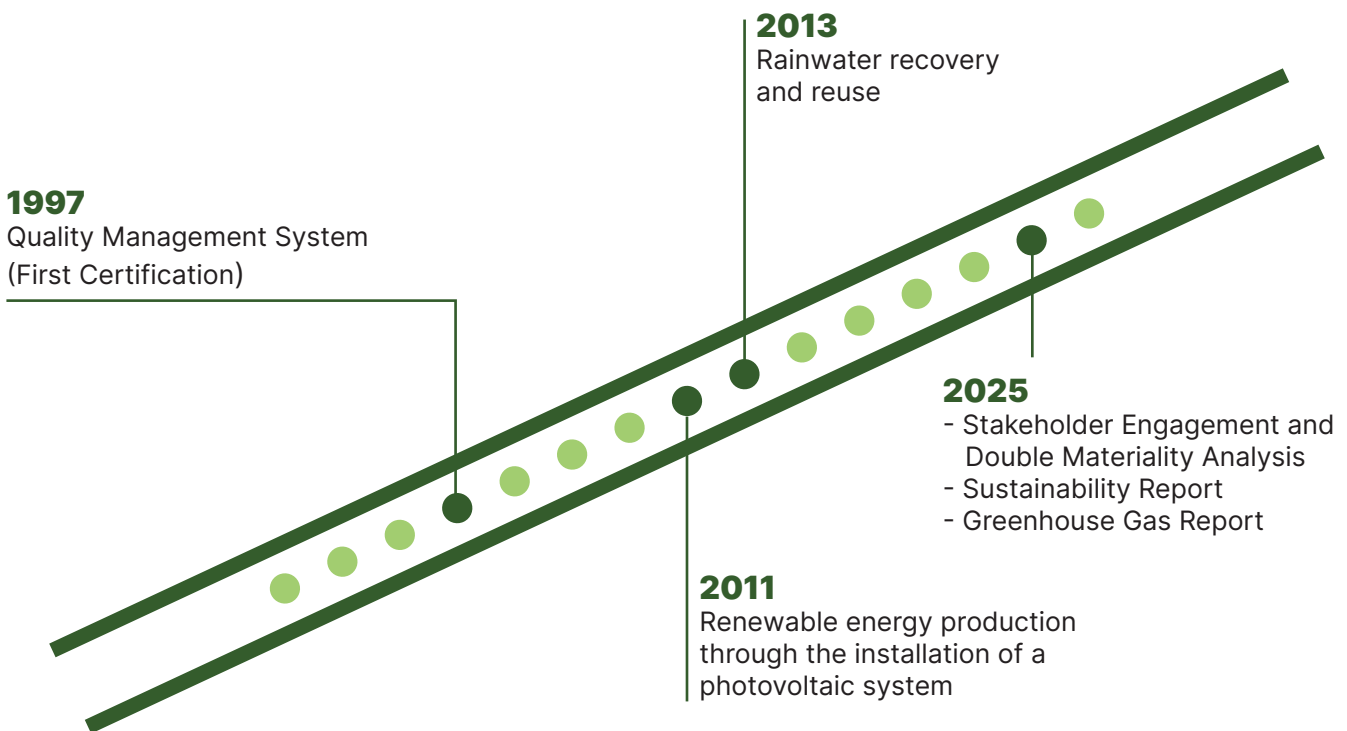
2. Double Materiality Analysis

2.1 Sustainability in COFRA

COFRA has been committed to **sustainability for some time**. In recent years, it has intensified its initiatives by undertaking a **structured programme in 2025 aimed at identifying material sustainability topics, defining an ESG strategy and preparing the related reporting through this Report**.

The timeline below shows the main sustainability initiatives launched in recent decades, which are described in detail throughout the document.

1. For further information on COFRA products, please refer to Chapter 4.



In alignment with the requirements of major sustainability standards (e.g., Corporate Sustainability Reporting Directive no. 2022/2464 and European Sustainability Reporting Standards), COFRA performed a **double materiality analysis**, considering both the impacts outward and the effects of external factors on the organization, by:

1. carrying out the **Impact, Risk and Opportunity Assessment**
2. engaging **stakeholders**.

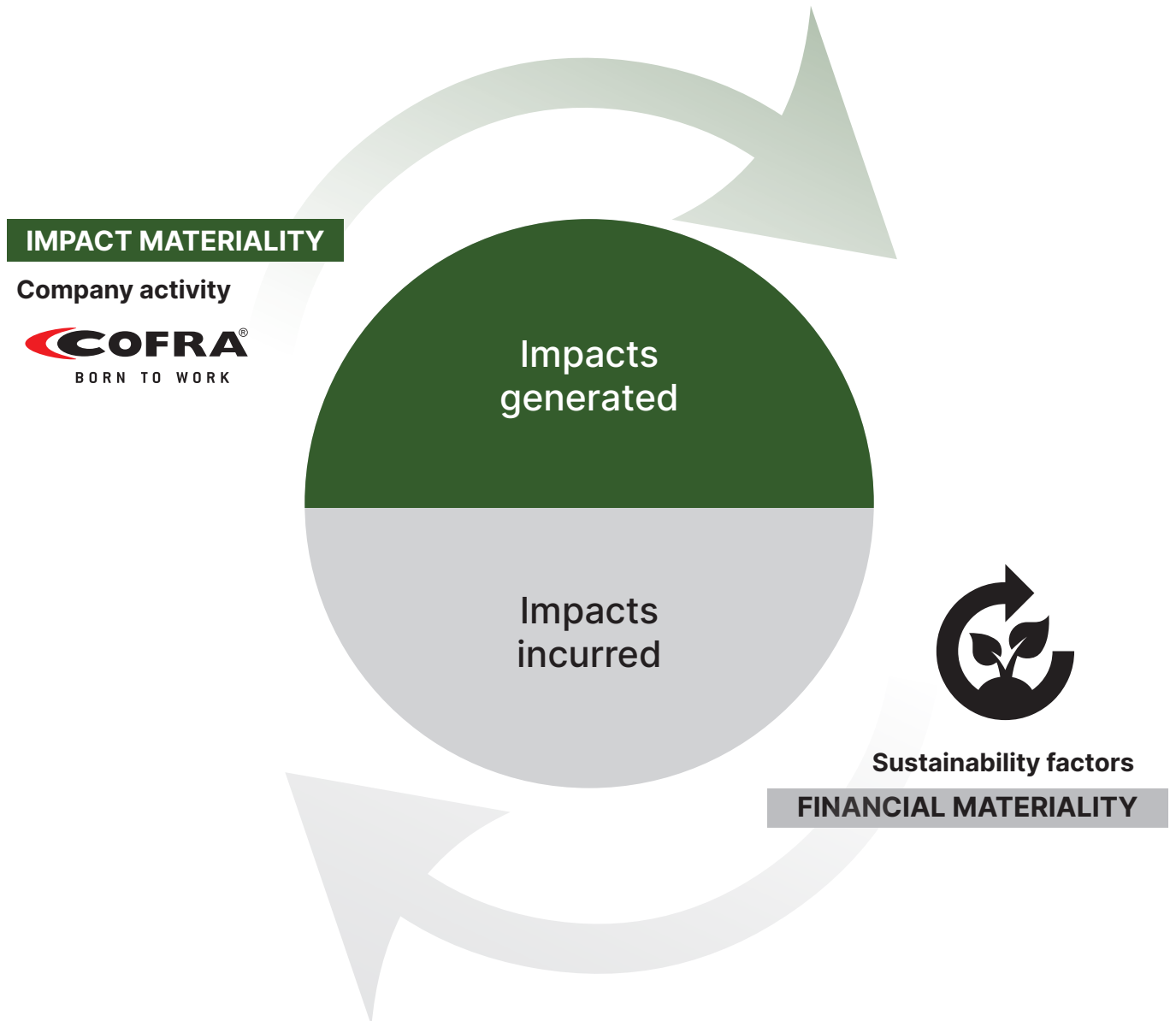
This analysis made it possible to identify the **most relevant topics ("material topics")** for COFRA, both from the perspective of company impact on the environment and society and from the perspective of the effects that external factors may have on the company. This process enabled us to **define strategic sustainability priorities and identify the reporting areas** covered by this Report.

2.2 Impact, Risk and Opportunity Assessment

The Impact, Risk & Opportunity Assessment (IRO Assessment) is the process through which **sustainability matters relevant to the company** are identified, thus enabling the structured definition of the list of material topics covered by COFRA² ESG strategy and reporting. According to the **double materiality** principle, sustainability topics can be divided into two macro-categories:

2. For details of the methodology used for the Impact, Risk & Opportunity Assessment, see section 8.1 "IRO Assessment – Methodology".

- **Financial materiality (Impacts experienced):** i.e., the effects that environmental, social, and governance (ESG) factors can have on the company, in terms of **risks** (e.g., additional costs, reputational damage) and **opportunities** (e.g., technological innovation, competitive advantages), **which affect COFRA financial performance.**
- **Impact materiality (Impacts generated):** i.e., **the positive or negative effects** that the **company generates** concerning topics such as environmental sustainability, people wellbeing, and responsibility in corporate governance.



The **Impact, Risk, and Opportunity Assessment** and **stakeholder involvement** activities led to the identification of **6 experienced impacts and 17 generated impacts**, referring to **7 material topics and 16 sub-topics**, listed below.

TOPIC	SHORT DESCRIPTION	SUBTOPIC	RISKS OPPORTUNITIES	IMPACTS
CLIMATE CHANGE	Need to implement strategic initiatives aimed at: <ul style="list-style-type: none"> mitigating exposure to physical climate risks (e.g. floods and droughts) while maximising transition-related opportunities arising from regulatory market dynamics, technological innovation, and the increased adoption of renewable energy sources arising from climate change (adaptation); reducing CO₂ emissions across the entire value chain (climate mitigation), including through the transition towards more sustainable energy sourcing. 	Climate change adaptation	1	
		Climate change mitigation		1
		Energy		2
CIRCULAR ECONOMY	Commitment to promoting circularity by increasing the use of recyclable materials in products and packaging, while ensuring responsible waste management throughout operations.	Resource use and circularity		2
		Waste management		1
SUSTAINABLE AND ETHICAL SUPPLY CHAIN	Commitment to a supply chain upholding high environmental (e.g. emissions), social (e.g. human rights), and governance (e.g. anti-corruption) standards .	Environmental stewardship		1
		Commitment to human rights		1
EMPLOYEE WORKING CONDITIONS AND WELL-BEING	Implementation of mitigation measures and monitoring systems aimed at safeguarding employee health and safety , alongside the company's commitment to fostering work-life balance through wellbeing initiatives and the promotion of an inclusive, healthy, and supportive working environment.	Employee health and safety	1	1
		Growth and Wellbeing		1
		Diversity and inclusion		1
CONTRIBUTION TO COMMUNITY WELL-BEING AND SOCIO-ECONOMIC DEVELOPMENT	Strengthening the company's bond with local communities through active engagement and dialogue , fostering the creation of shared values .	Economic value distribution through employment		1
PRODUCT QUALITY AND SAFETY	Provision of products combining ongoing innovation, high quality standards, safety, and reliable performance , enhancing the operational reliability of COFRA Group customers.	Quality and Innovation	1	
		End user safeguarding		2
GOVERNANCE AND BUSINESS INTEGRITY	Adoption of a business model grounded in transparent and responsible business practices , aimed at minimising risks while ensuring regulatory compliance and the security and integrity of information systems.	Business ethics and regulatory compliance	1	3
		Cybersecurity	1	
		Market and technology	1	

In the following tables, from the perspective of double materiality, the **risks/opportunities** and **generated impacts** identified by COFRA are listed together with the following information:

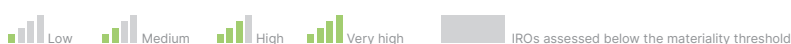
- **Pillar** (Environment, Social, Governance);
- **Topic:** represents, according to the ESRS (European Sustainability Reporting Standards) - macro ESG areas such as climate change or the circular economy;
- **Sub-topic:** specifies an operational component of the topic, such as climate change adaptation, energy, or energy efficiency;
- Each topic/sub-topic combination is linked to a specific **risk/opportunity and impact**, described qualitatively;
- The **materiality level** (low, medium, high, very high, represented with colour bars) assigned to each IRO represents the relevance assigned to each identified risk/opportunity/impact. This classification makes it possible to distinguish between phenomena considered non-significant (with a low materiality level, highlighted with a grey background) and those that are relevant for the organization or its stakeholders.

FINANCIAL MATERIALITY (RISKS/OPPORTUNITIES)

Financial materiality refers to the **impacts experienced by the company** and involves identifying **risks and opportunities** related to environmental, social and governance (ESG) issues that may affect the company in terms of its financial performance, reputation and the sustainability of its business model.

	Topic	Subtopic	Risks	Opportunities
Environment	Climate change	Climate change adaptation	Natural disasters and extreme weather events (e.g. floods and droughts) 	-
		Energy	-	Reduction in energy procurement costs and increased resilience to energy price volatility through the self-generation of renewable energy from renewable sources 
Social	Employee working conditions and well-being	-	Highly competitive labour market and increasing employee mobility, resulting in higher turnover levels within the COFRA Group, particularly among technical profiles, driven by evolving expectations around flexibility, hybrid working models, and work-life balance 	-
Governance		Cybersecurity	Cybersecurity threats and potential loss of sensitive employee, customer, and supplier data 	-
ESG	Governance and ethical business conduct	Market and technology	Evolving customer and stakeholder expectations regarding sustainability , including increasing demand for environmental labels, carbon footprint transparency, and sustainability-related certifications 	
		Business ethics and regulatory compliance	Evolving mandatory and voluntary regulations impacting ESG-related topics , including the PPWR 2025 Packaging Regulation, the Ecodesign for Sustainable Products Regulation (ESPR), and REACH Regulation (EC) No. 1907/2006 	-
	Product quality and safety	Quality and innovation	Emerging and widespread adoption of technological innovations across the market, including robotics and AI 	

Materiality level assigned by COFRA



IMPACT MATERIALITY (GENERATED IMPACTS)

In the following table, the **generated impacts (impact materiality)** are represented, i.e., the **effects generated by the organization** on the environment, society, and stakeholders. **For each topic and sub-topic, COFRA positive and negative impacts are listed;** the presence of a **circular symbol** – representing the connection between the various actors in the value chain – indicates whether the described impact is directly or indirectly linked to the **supply chain**, highlighting the extension of some responsibilities to the entire value chain.

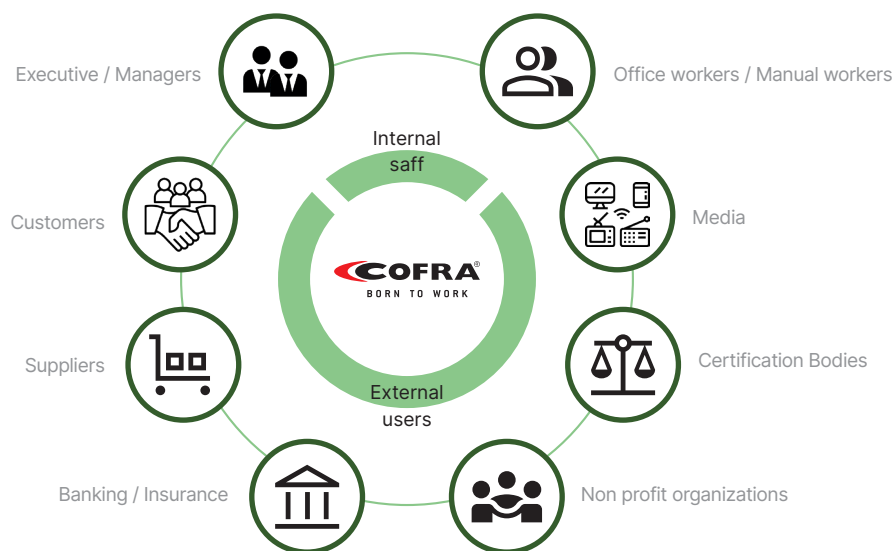
	Topic	Subtopic	Positive Impacts	Negative Impacts
Environment	Climate Change	Climate change mitigation	-	Direct greenhouse gas emissions and emissions generated from purchased and consumed electricity (Scope 1 and Scope 2)
		Energy	Generation and consumption of renewable energy through the installation of photovoltaic panels, which currently account for 38% of the company's total energy consumption through self-generation	-
			Reduction in energy consumption and improved energy efficiency through the use of LED lighting and automated warehouse systems	-
	Circular Economy	Waste management	-	Waste generated through production and operational activities, including packaging
		Resource use and circularity	-	Limited product circularity due to the nature of PPE, which is inherently difficult to reuse or recycle at the end of its life cycle, also in light of the need to ensure product safety
			Ongoing research activities aimed at developing more sustainable and durable products through the adoption of recycled and innovative materials	-
	Reduction of environmental pollution	Air pollution	-	Non-CO₂ atmospheric emissions , including pollutant, odorous, and noise emissions
	Sustainable water resource management	Water consumption and pollution	-	Water resource consumption
	Biodiversity and ecosystems	Impacts on ecosystem health	-	Potential negative impacts on ecosystems linked to the proximity of the Albaco facility to nearby watercourses
	Sustainable and ethical supply chain	Environmental stewardship	-	Environmental impacts across the upstream and downstream supply chain , including Scope 3 CO ₂ emissions and ecosystem impacts associated with sea transport.
Commitment to human rights		-	Potential reliance on suppliers associated with adverse social impacts , including labour exploitation and inadequate working conditions.	
Impact on community well-being and socio-economic development	Economic value distribution (Employment)	Creation of stable employment opportunities within local communities through the recruitment and integration of local talent into the company's workforce	-	
	Value distribution through community investment	Support for local communities through voluntary donations to sports associations and research institutions	-	
Employee working conditions and well-being	Employee safety and well-being	Commitment to promoting a safe and healthy workplace	-	
	Growth and Wellbeing	-	Potential decline in employee satisfaction and the risk of a non-optimal working environment, potentially affecting employee retention and turnover levels.	
	Diversity and inclusion	-	Gender imbalance across the workforce , particularly within governance and managerial roles (e.g. executives and middle management)	
Product quality and safety	End user safeguarding	Provision of safe and certified products ensuring high quality standards and full compliance with applicable regulations	-	
		-	Potential risk of injury to end users arising from product usage	

	Topic	Subtopic	Positive impacts	Negative impacts
Governance	Governance and ethical business conduct	Business ethics and regulatory compliance	-	Potential misconduct and/or breaches of national and international laws and regulations
			Implementation of a quality management system designed to ensure a structured and effective approach to quality oversight	-
			Commitment to human rights, labour rights, health and safety, and environmental protection through the adoption of a Code of Ethics	-

Materiality level assigned by COFRA



The environmental topics "Reduction of environmental pollution," "Water resource management," and "Biodiversity and ecosystems," together with the social sub-topic "Value distribution (investments in the community)," were not deemed material, as the impacts associated with them are of low relevance (below the materiality threshold).



2.2.1 Stakeholder Engagement

COFRA recognizes **sustainability** as a **cornerstone of long-term value creation for the benefit of the company and its stakeholders**: in this context, the organization is committed to conducting its activities while carefully considering the priorities expressed by both internal and external stakeholders, recognizing that **ongoing dialogue** and **shared objectives** are essential tools for **creating shared value**.

To ensure **ongoing, transparent, and constructive interaction**, the company has adopted a structured stakeholder engagement model, based on the use of multiple tools and listening channels. **The main tools used** are illustrated below:

These tools were designed to **strengthen the sense of participation and belonging** among both internal and external stakeholders.

STAKEHOLDERS	FEEDBACK CHANNEL / COMMUNICATION
ALL STAKEHOLDERS (Internal and external users)	<ul style="list-style-type: none"> COMPANY WEBSITE AND INTRANET INSTITUTIONAL SOCIAL MEDIA CHANNELS (ex. LinkedIn) SURVEY ESG
INTERNAL STAFF (Executives, Department Managers, Office Staff and Manual Workers)	<ul style="list-style-type: none"> EMAIL WHISTLEBLOWING CHANNEL PHYSICAL NOTICE BOARDS
SUPPLIERS	<ul style="list-style-type: none"> CONTRACTS QUALIFICATION AND EVALUATION SYSTEM

With regard to **ESG topics** and their relevance and priority, a specific survey was administered to a **representative sample of internal and external stakeholders**. The stakeholders to be included were selected by considering their **level of influence on, and dependence on, company activities**. With regard to **external stakeholders**, the

process involved key strategic **suppliers, customers, credit institutions, associations, certification bodies and media** with which the company maintains significant relationships.

Internally, the consultation involved **employees** and **key figures from different corporate functions** in order to fully reflect the organization's vision and needs.

This phase enabled the collection of valuable information, both to accurately map stakeholder expectations and to identify any differences or areas for improvement, thereby facilitating the **integration of shared objectives into sustainability strategies**. The active involvement of stakeholders, especially in defining strategic priorities and reporting activities, is a fundamental prerequisite for COFRA to ensure a **sustainable, transparent and long-term-oriented growth path**.

Stakeholder Engagement Survey

As part of the **Stakeholder Engagement** activity, **131 stakeholders** were involved, selected by COFRA's Management to ensure adequate **representativeness** by category, gender, age Company, and geographic area (where applicable).

The stakeholders involved belong to the following **categories**:

- Internal Stakeholders:** Managers / Department Heads, Employees / Workers
- External Stakeholders:** Suppliers, Customers, Media, Certification bodies, Non-profit associations, Banks, Insurance companies, Professionals.

The activity received a positive response from stakeholders, achieving a response rate of **64%**; **participation** was particularly **high among internal stakeholders (98%)**, confirming the **strong engagement and attention** the entire company dedicates to sustainability matters.

Response Rate

Internal Stakeholders



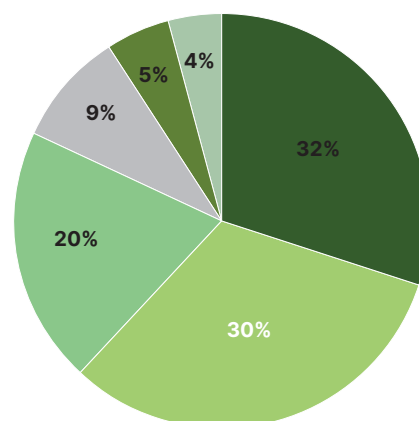
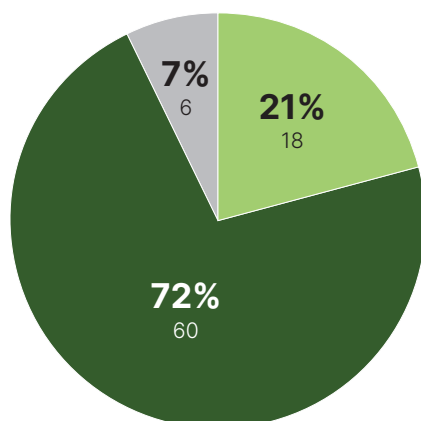
External Stakeholders



Regarding the **demographic composition of the sample**, participants were asked to indicate both **gender** (options: "Male," "Female," "Other," "Prefer not to say") and age Company (" ≤ 30 ", "31-40", "41-50", "51-60", " ≥ 60 "; "Prefer not to say").

The data show that the age distribution is concentrated mainly in the "**41-50**" (**32%**) and "**51-60**" (**30%**) brackets, which together represent about 2/3 of respondents. The "**31-40**" class (**20%**) constitutes another significant share, while the younger (" **≤ 30** ", **9%**) and older (" **> 60** ", **4%**) Companies are less represented. The overall structure likely reflects the typical demographic composition of the sector, characterized by a high presence of workers in the middle age Companies.

Regarding gender, the **Female/Male ratio is approximately 1/3**: the data show a male prevalence of 72% of total respondents, while women represent 21%. There is also a residual share of responses classified as "**Other**" (**7%**). Although the female component is a minority, the data are still significant, considering that the reference sector is traditionally characterized by a strong male prevalence.



■ Male ■ Female ■ Other

■ ≤ 30 ■ 31-40 ■ 41-50 ■ 51-60 ■ > 60 ■ N.D.

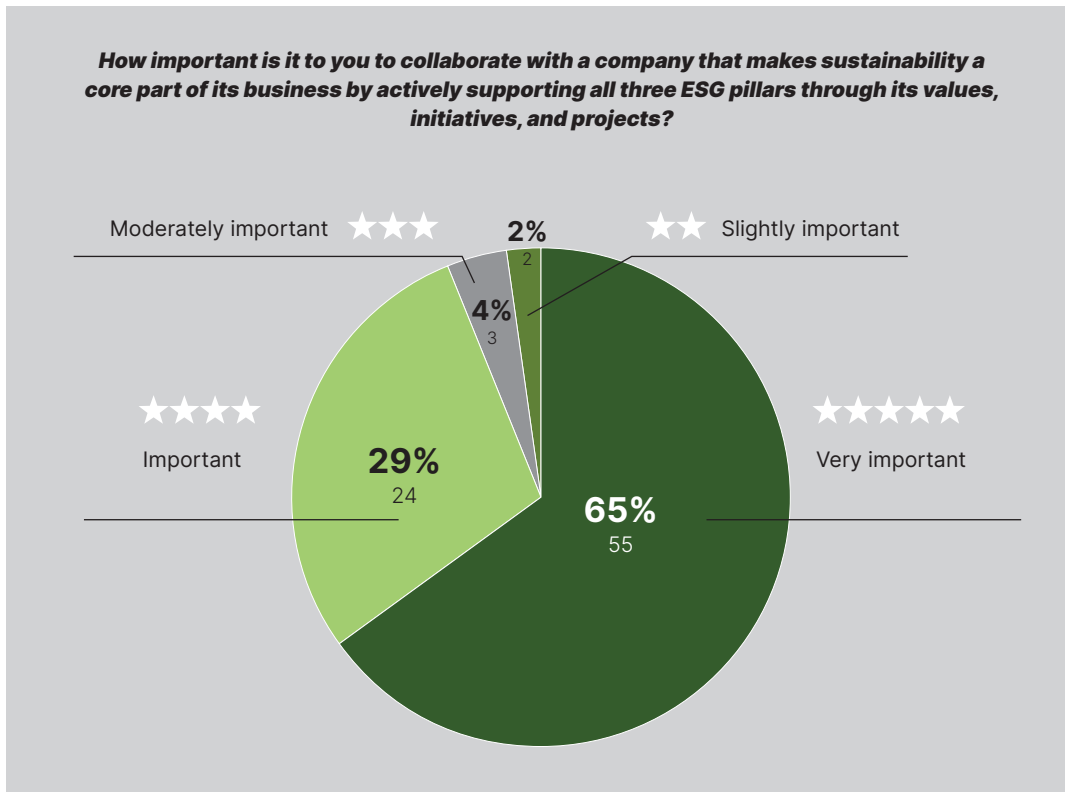


Stakeholders were asked to **rank the priority of material topics** through a questionnaire, and state the relevance of the positive and negative impacts that COFRA generates on the environment and society, based on their perception.

The analysis shows that **stakeholders' assessments and expectations are fully aligned with the corporate perspective**: it hasn't emerged any cases about the company attributing excessive importance to positive impacts or insufficient importance to negative ones, according to stakeholders.

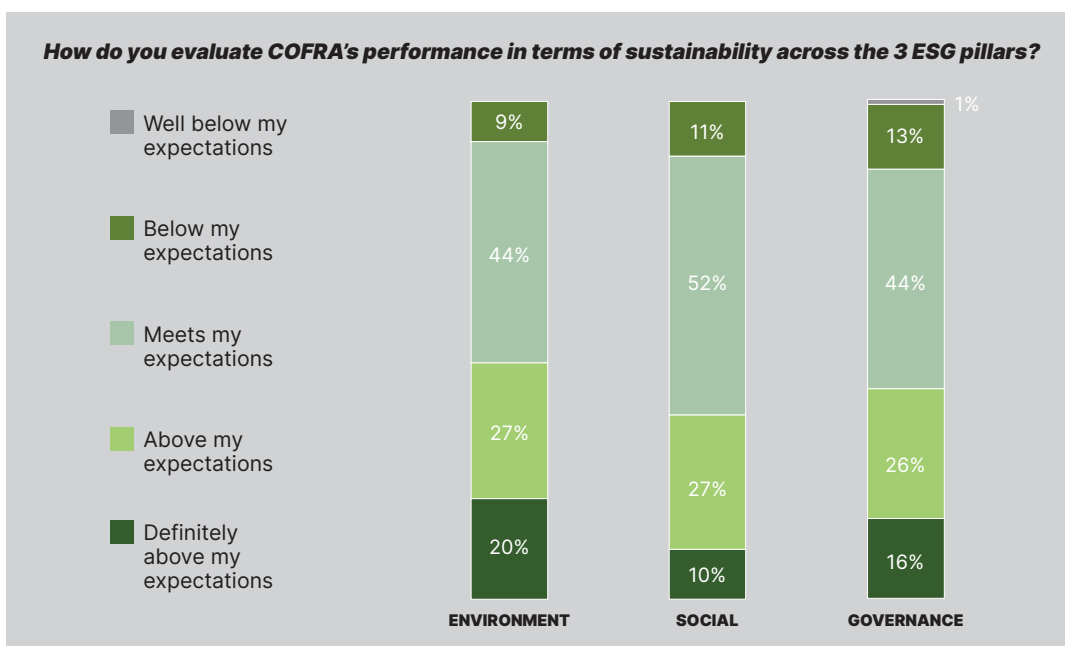
The stakeholder responses clearly show that **employee wellbeing, product safety and quality**, together with the **circular economy**, are the main priorities. These topics are also recognized as fundamental by COFRA: the organization is already actively involved on these fronts through concrete and measurable initiatives that will be described in this Report, and it is committed to further strengthening its contribution through new actions and objectives for the future.





Sustainability was **unanimously considered relevant by all stakeholders**, with a **large majority (65%)** considering it of **primary importance**: this represents a clear signal of the widespread expectation for a tangible and ongoing commitment from the company to strengthen its ESG performance.

Finally, with regard to **COFRA's commitment in ESG**, most stakeholders believe the company's actions **meet expectations**, with results ranging from **44% and 52%**. A significant share, averaging approximately **42%**, states that COFRA's sustainability efforts exceed their expectations. These data indicate that COFRA's approach to sustainability is widely recognized as effective and, in many cases, above expectations by stakeholders.



3. Sustainability Plan: objectives and action plan

3.1 Our policies and main procedures

COFRA operates according to a business model focused on **responsibility, integrity, and long-term value creation**. The management of corporate activities is based on structured policies and procedures that guide decision-making, operational, and organizational processes.

The adoption of structured policies and procedures allows COFRA to operate in compliance with applicable regulations, protect people, and guarantee high standards of transparency, fairness, and reliability in relations with all stakeholders. These principles provide the reference framework for strategic decisions, operational processes, and the organization's daily behaviors.

TO BE OBTAINED IN 2026		
ISO 14001 Environmental Management System E	Human Rights Policy S	Code of ethics S G
Whistleblowing Policy S G	Anti Corruption Policy G	Quality Management System Procedures G

Through these tools, which are described in detail in the following chapters, COFRA strengthens its governance model, fosters a **corporate culture based on integrity**, and contributes to building a sustainable business, capable of combining **competitiveness, social responsibility, and care for people**.

3.2 Strategy and future objectives

To continue moving toward an increasingly sustainable business model, COFRA has developed a **three-year Sustainability Plan**. With reference to the topics that emerged about the Impact, Risk and Opportunity analysis and considering the evidence from its stakeholders as part of the stakeholder engagement activity.

Below there is a summary of the Plan to provide an **immediate overview** of the objectives and commitments that will guide future corporate choices on the path towards **increasingly responsible and sustainable management**.

2026 >	2027 >	2028 >	...
Achieving ISO 14001 certification Environmental Management System and ongoing maintenance E	Calculation of the carbon footprint of the most significant products		E
	Setting targets for reducing greenhouse gas (GHG) emissions		E
	Extension of the use of energy from certified renewable sources		E
	Setting targets for increasing the percentage of recycled material used in the production process and in packaging		E
	Increase in the number of hours of voluntary training		S
	Renewal of ISO 9001 certification Quality Management System		G
	Conducting Vulnerability Assessments and Penetration Tests		G
	Update to the privacy management policy in accordance with the GDPR		G

Finally, a detailed summary of the actions included in the Sustainability Plan is set out below, each associated with the relevant material topic and sub-topic.

Topic	Sub-topic	#	Action	Year
ALL ENVIRONMENTAL TOPICS		1	Obtaining ISO 14001 certification - Environmental Management System	2026
CLIMATE CHANGE	Climatechange mitigation	2	Calculation of the Product Carbon Footprint for the most relevant products	2027-2028
		3	Definition of GHG (Greenhouse Gas) emission reduction targets	2027-2028
	Energy	4	Extension of the use of energy from certified renewable sources	2027-2028
CIRCULAR ECONOMY	Resource consumption and circularity	5	Definition of targets to increase the % of recycled material in the production process and packaging	2027-2028
WORKING CONDITIONS AND EMPLOYEE WELLBEING	Wellbeing and growth	6	Increase in voluntary training hours	2027-2028
GOVERNANCE AND INTEGRITY IN BUSINESS CONDUCT	Ethics and regulatory compliance	7	Renewal of ISO 9001 certification - Quality Management System	2027
		8	Update of the privacy management model according to GDPR	2027-2028
	Cybersecurity	9	Execution of Vulnerability Assessment and Penetration Test	2027-2028

4. Product Sustainability

The **safety** and **quality of the products** offered represent a priority commitment for COFRA, for the **protection of consumers and end users**. This topic was also identified as relevant by the double materiality analysis conducted, detailed in Chapter 2, which highlighted how product compliance and reliable performance constitute a key element for stakeholders.

PRODUCT SAFETY AND QUALITY	The supply of products that guarantee constant innovation, high quality standards, safety and reliable performance (which in turn ensure a high level of reliability for the COFRA Group's customers)
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4.1 Product safety and quality



COFRA designs, manufactures and markets safety footwear, workwear and personal protective equipment in compliance with applicable regulatory requirements (e.g., REACH Regulation no. 1907/2006 and Regulation 2016/425 on PPE) and under a certified ISO 9001 Quality Management System, which covers product design, production and marketing. This system ensures **process control**, **activity traceability** and **continuous improvement** of quality performance. Product quality and safety are ensured through controls carried out throughout the entire life cycle, including supplier qualification and monitoring, incoming inspection of raw materials and semi-finished products, in-process controls and final checks on finished products. Testing activities are performed through qualified internal and external laboratories, with reference to the applicable harmonized technical standards for **Personal Protective Equipment**, depending on product type (including, for example, EN ISO 20345 - Personal protective equipment - Safety footwear, EN ISO 20347 - Professional work footwear without a protective toecap, and EN ISO 17249 - Safety footwear with chain saw cut resistance), to verify physical, mechanical, chemical and electrical characteristics and ensure compliance with the required safety performance (e.g., abrasion resistance, flexing resistance or perforation resistance).

To support the reliability of these checks, the Quality Management System also provides for **maintenance and periodic calibration of test and measurement equipment**, performed with the support of accredited centers, to ensure measurement accuracy and consistency of results over time.

Regulatory compliance is also ensured through compliance with:

- **Regulation (EU) 2016/425 on Personal Protective Equipment (PPE)**, which establishes essential health and safety requirements for PPE placed on the European market;
- **REACH Regulation (EC) no. 1907/2006**, concerning the registration, evaluation and restriction of chemical substances.

In this area, COFRA carries out periodic checks on the safety characteristics of materials, also through accredited external laboratories, helping to reduce risks to user health.

Standards		
 Regulation (EU) 2016/425 on Personal Protective Equipment (PPE)	 REACH Regulation (EC) No 1907/2006	
Key Standards		
ISO standards by product category		For example
Safety footwear EN ISO 20345	Workwear EN ISO 13688	Specific Regulations for the country of destination  France Spain Germany  
Medical gowns and equipment EN ISO 13485 - EN 13795-1	Protective gloves EN 388 - EN ISO 374	
Eye protectors EN 166	Safety helmets EN 397	
Protective gloves EN 407 - EN 16350 - EN 511		
Respiratory protection EN 140 - EN 143 - EN 14387 - EN 14683		
Fall protection equipment EN 360 - EN 362 - EN 795 - EN 355 - EN 358 - EN 360		

To protect end users, COFRA also adopts an **approach focused on product durability and proper use**, which are closely linked to safety over time. The main product categories have an estimated useful life of between 5 and 10 years, depending on the type (e.g., safety footwear, boots, clothing and glasses), while for specific PPE, such as fall protection devices, the expected useful life is 3 years, in line with applicable technical and safety requirements.

Where compatible with protection needs, limited maintenance or repair activities may be carried out, such as replacing small footwear components or tailoring repairs for clothing, helping to **preserve the product's functional and safety characteristics over time and, where possible, limiting the environmental impact resulting from full replacement of the PPE.**

For other PPE, such as gloves, respiratory protective devices and fall protection devices, repairs are not provided for, in line with the need to protect users and maintain safety performance.

After products are placed on the market, COFRA manages returns and complaints in a structured way, monitoring any non-conformities and using the information collected as a listening and **continuous improvement tool for products and processes**, with the aim of ensuring high quality and safety standards for end users and preventing or mitigating potential negative impacts related to their use.

This integrated approach to safety and quality is the basis on which the product range and the organization of the production process are developed, as described in the following paragraphs of this chapter.

4.2 COFRA products

COFRA develops and offers a wide range of products dedicated to **worker safety, protection, and comfort**, responding to the needs of various professional sectors.

The personal protective equipment (PPE) and workwear placed on the market are designed and manufactured in compliance with **Regulation (EU) 2016/425**, which defines the essential health and safety requirements for PPE, and, depending on the specific product type, the **applicable harmonized standards** (e.g., ISO 20345:2022 - Personal protective equipment - Safety footwear, an international standard defining minimum safety requirements for safety footwear used in professional environments).

The COFRA offering is developed to prevent major occupational risks and is based on the controlled selection of materials and compliance with applicable regulatory requirements. The products are designed to combine **safety performance, functionality, ergonomics, and durability**, helping to ensure reliable and safe use over time for the protection of end users. The main COFRA product lines are presented below:

FOOTWEAR



COFRA's safety footwear is designed to protect the foot from mechanical, electrical, thermal and environmental hazards, ensuring **comfort and durability** even during **prolonged use**. The range also includes boots made from PU, PVC and composite materials, designed for damp or high-risk environments, featuring waterproofing, insulation and mechanical strength.

WORKWEAR



A range dedicated to **professional and safety workwear**, comprising technical garments for different seasons and working environments. The products are designed to ensure **protection, functionality and freedom of movement**, including high-visibility garments and those meeting specific safety requirements.

GLOVES



A range of work gloves designed to **protect hands from mechanical, chemical and environmental hazards**, suitable for a variety of professional applications. The gloves are designed to provide an optimal balance between **protection, dexterity and comfort**, ensuring reliable performance even during prolonged use.

FALL PROTECTION EQUIPMENT



This includes systems and equipment designed to prevent the risk of falls from height, intended for **work at height** and activities requiring a **high level of operator safety**.

RESPIRATORY PROTECTORS



This includes **filtering masks and half-masks**, as well as other respiratory protection equipment designed for use in workplaces where there is a potential exposure to dust, gases or harmful substances.

EYE PROTECTORS



A range of **protective eyewear and visors** designed to protect the eyes from mechanical, chemical or environmental hazards, whilst ensuring **comfort and visibility** during work.

PROTECTIVE HELMETS



The range includes helmets and hard hats designed to **protect the head** in high-risk work environments, with a focus on comfort, **lightness and the materials' resistance** to mechanical stress.

4.2.1 Sustainable product development


COFRA has undertaken a product **innovation** programme aimed at **improving its sustainability, without compromising technical and safety performance:** in particular, the company has developed solutions that integrate materials derived from recycling processes and responsible selection of raw materials, while maintaining the standards required for Personal Protective Equipment.

The first area of action concerns the introduction of **materials derived from recovery and recycling** processes within some safety footwear, particularly in the midsole.

COFRA has developed a technical solution that allows the use of **polyurethane containing recovered material**, obtained from the recycling and grinded polyurethane offcuts, without altering the performance characteristics of the finished product. Before being introduced on the market, the new solution was subjected to laboratory tests that verified full compliance with the physical and mechanical requirements for PPE, including hydrolysis resistance, heel energy absorption, density, and hardness. The results confirmed that the integration of **recycled material is compatible with high standards of durability, safety, and comfort**, demonstrating how product innovation can support sustainability goals without functional trade-offs.

As part of its goal to develop increasingly sustainable products, COFRA has progressively integrated the use of **certified materials from controlled supply chains**, with the aim of reducing environmental impact and protecting user health, while maintaining high standards of quality, safety, and performance.

In particular, the company has adopted the following solutions:

 <p>STANDARD 100</p>	<p>Fabrics certified to the OEKO TEX® Standard 100</p> <p>In some of its workwear ranges, COFRA uses fabrics and accessories certified to the OEKO TEX® Standard 100 which guarantee the absence or minimal release of substances harmful to human health, such as pesticides, heavy metals, formaldehyde, aromatic amines and allergenic dyes.</p> <p>Certified garments comply with the requirements of standard EN ISO 13688 (General performance requirements for protective clothing) and meet the provisions of Annex XVII of the REACH Regulation, safeguarding the safety and well being of the end user.</p>
 <p>Global Recycled Standard</p>	<p>Recycled materials certified to the Global Recycled Standard (GRS)</p> <p>In some of its products, COFRA uses polyester made from recycled PET bottles, which is durable and suitable for professional use. The supply chain is certified to the Global Recycled Standard (which guarantees the recycled content, the traceability of the production process and compliance with environmental and social criteria, thereby helping to reduce the use of virgin raw materials and promote the use of high quality recycled materials.</p>

Overall, the actions taken demonstrate how COFRA is progressively strengthening the **intrinsic sustainability of its products**, through solutions that combine research and development, performance controls, and internationally recognized certifications.

Innovative and more sustainable materials are integrated within a framework of **quality and safety assurance**, confirming the company's commitment to offering reliable products, designed to last and meet the expectations of all stakeholders.

4.3 The production process

COFRA's production process includes all stages of product manufacturing, from initial developments to delivery to the customer, with the aim of guaranteeing **quality, safety, and reliability**. Each step is organized in a structured and controlled manner to ensure that the materials used, the processing performed, and the final product meet **high quality standards, as well as regulatory requirements**.

The production process is organized through a series of phases that include procurement management, internal and external processing, quality controls, packaging and shipping activities; this approach allows COFRA to maintain constant control over the entire production cycle, ensuring product **traceability and the protection of end users**.

<p>1</p>	<p>PLANNING AND SCHEDULING</p> <p>Production begins with careful planning, based on an analysis of sales forecasts and stock levels. This stage enables us to efficiently schedule volumes, models and timelines, avoiding overproduction and optimising the use of resources. Production and purchase orders are thus defined in line with actual market demand.</p>
<p>2</p>	<p>PROCUREMENT AND CONTROL OF RAW MATERIALS</p> <p>COFRA sources its materials exclusively from qualified suppliers, selected on the basis of technical, quality and regulatory requirements. Raw materials and components undergo systematic checks upon receipt to verify their integrity, technical compliance and chemical safety. This approach ensures the use of suitable materials and helps to reduce waste, rework and environmental impacts throughout the production cycle.</p>
<p>3</p>	<p>PREPARATION AND DISPATCH OF MATERIALS FOR OUTSOURCED PROCESSING</p> <p>Once approved, the raw materials are prepared and tracked in accordance with the processing orders. Materials intended for outsourced stages are dispatched to suppliers accompanied by technical documentation and clear quality requirements, ensuring continuity and control of the process even outside the factory.</p>
<p>4</p>	<p>EXTERNAL UPPER MANUFACTURING</p> <p>External manufacturing processes relate to the production of the upper and include cutting the materials, hemming, preparing them and preliminary assembly. These activities are carried out by selected subcontractors, in accordance with technical specifications defined by COFRA and subject to constant monitoring.</p>

5

RECEIPT AND INSPECTION OF SEMI-FINISHED PRODUCTS

Semi-finished products are received at COFRA for quantitative and qualitative checks. We verify that they match the production orders and check that the products comply with specifications. Only compliant batches are allowed to proceed to the next stages of production, ensuring high levels of quality and reliability in the final product.

6

IN-HOUSE PRODUCTION: ASSEMBLY AND INJECTION MOULDING

At this stage, the uppers are assembled and finished by injection moulding the polyurethane outsole and/or midsole. This process is carried out under controlled conditions, with continuous monitoring of process parameters and the use of emission abatement systems, in compliance with environmental permits and best available techniques.

7

FINISHING AND REFINISHING

After injection, the footwear undergoes finishing and refinement processes designed to improve the product's appearance, functionality and comfort. Any defects are rectified and the product is subjected to further checks before the final inspections.

8

FINISHED PRODUCT INSPECTION

The finished product undergoes thorough inspections to verify its compliance with safety requirements, PPE regulations and the company's quality standards. These tests include visual inspections and technical tests designed to ensure performance, reliability and safety for the end user.



9

PACKAGING, WAREHOUSING AND DISPATCH

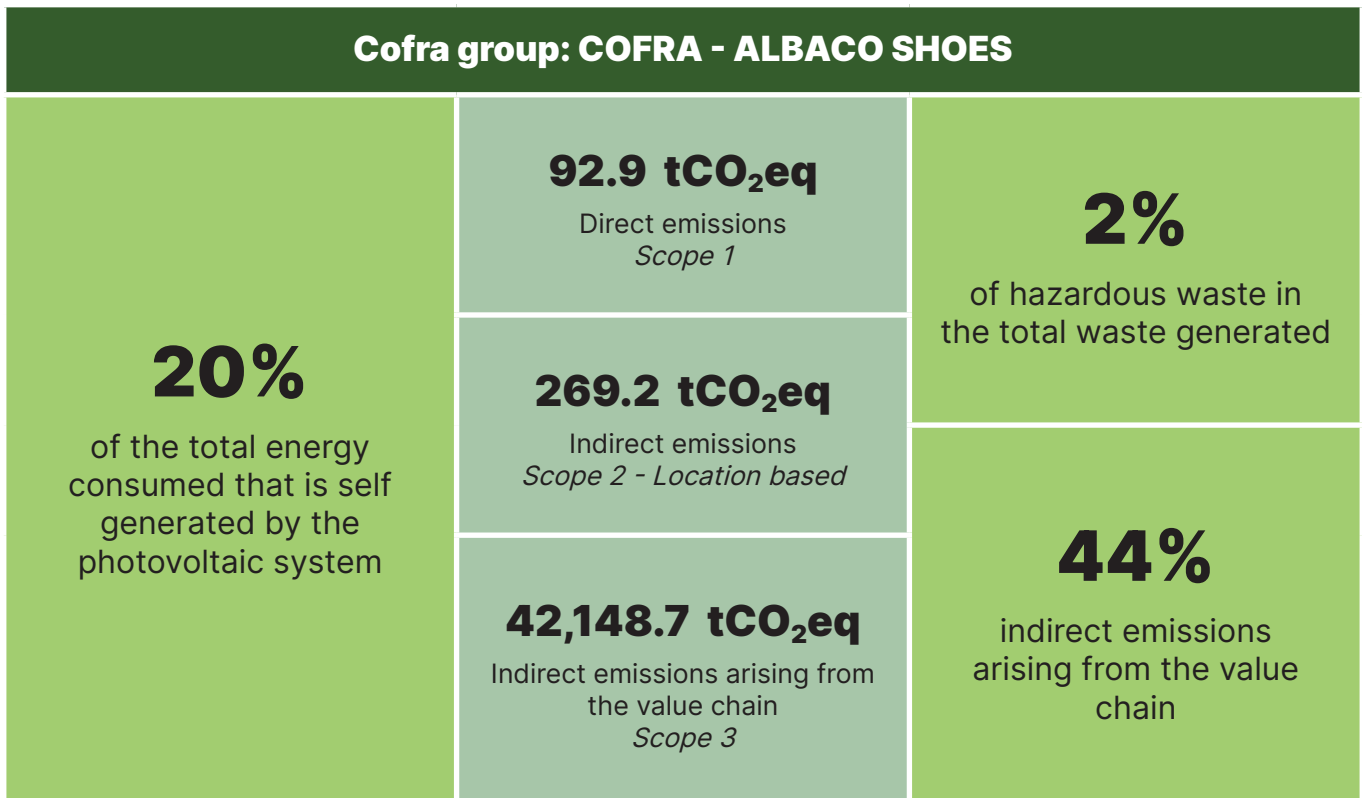
Compliant footwear is packaged, labelled and packed in accordance with traceability and efficient management criteria. The finished product is stored in the warehouse and subsequently prepared for dispatch, ensuring on-time deliveries and effective logistics management throughout the final stage of the production cycle.

5. Environmental protection

The double materiality analysis conducted by COFRA and described in Chapter 2 highlighted, within the environmental dimension, the relevance of two fundamental topics: **climate-change**-related issues and the importance of the **circular economy**.

 <p>CLIMATE CHANGE</p>	<p>The need to implement strategic initiatives aimed at:</p> <ul style="list-style-type: none"> • reducing exposure to physical risks (e. g. flooding, drought) and optimising the risks and opportunities associated with the transition (e. g. changes to the regulatory framework, market conditions, technological developments, increased use of renewable energy sources) resulting from climate change (adaptation); • reduce CO₂ emissions generated throughout the value chain (mitigation), including by modifying the company's energy supply.
 <p>CIRCULAR ECONOMY</p>	<p>Company commitment to promoting circularity by encouraging the use of recyclable materials in its products and packaging and ensuring proper waste management.</p>

In the following paragraphs, the actions adopted by the company to manage the impacts connected to these topics and the initiatives currently being implemented will be detailed, with the aim of providing a **complete view of the company's commitment to environmental protection**, summarized through the key figures in the following graphic³.



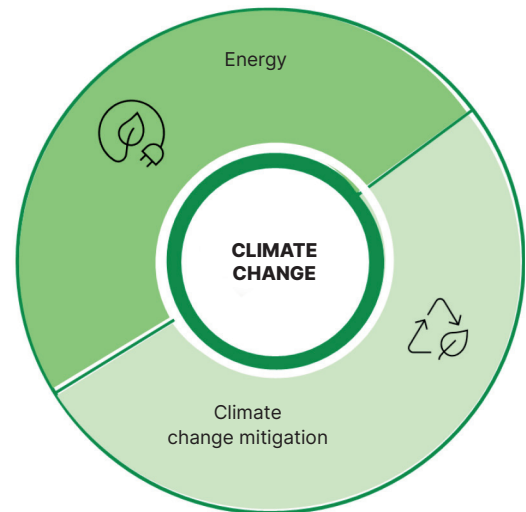
3. The data shown in the chart relate to COFRA, therefore include the combined figures for COFRA and ALBACO.

5.1 Combating climate change

COFRA recognizes the importance of conducting its activities with **respect for the environment**. The company is committed to **optimizing the use of natural resources** at every stage of the production process, improving consumption efficiency, promoting waste recovery, and encouraging the **use of energy from renewable sources**.

The company is actively committed to **mitigating climate change**, recognizing the importance of addressing this global challenge responsibly, and for this reason, it has identified both current and **future strategic actions** to reduce its emissions and improve the efficiency of its energy supply, increasing the share of energy from renewable sources.

Below is a summary of impacts and actions already undertaken for climate change mitigation and energy management:



Topic	Subtopic	Impacts	Share in issue
Climate change	Climate change mitigation	Direct greenhouse gas emissions and those resulting from purchased and consumed electricity (Scope 1 e 2) -	<ul style="list-style-type: none"> • Energy efficiency measures (LED lighting) • Logistics efficiency • Rainwater harvesting and reuse • Self generation of energy from renewable sources via a photovoltaic system • Calculation and monitoring of Scope 1, 2 and 3 CO₂ emissions • ESG assessment of suppliers (for details, see section 7.2 'Sustainable and ethical supply chain')
	Energy	Production and consumption of energy from renewable sources through the installation of solar panels +	
		Reduced energy consumption and improved energy efficiency through the use of LED lighting and automated warehouses +	

+ Positive impact - Negative impact

GREENHOUSE GAS EMISSIONS

COFRA recognizes the importance of adopting a structured approach to **greenhouse gas emission management**, with the aim of contributing to environmental protection. The company is committed to **monitoring and reducing the impact of its activities**, promoting responsible practices such as the use of **energy from renewable sources** or the installation of solutions and technologies that encourage the **reduction of traditional energy consumption**.

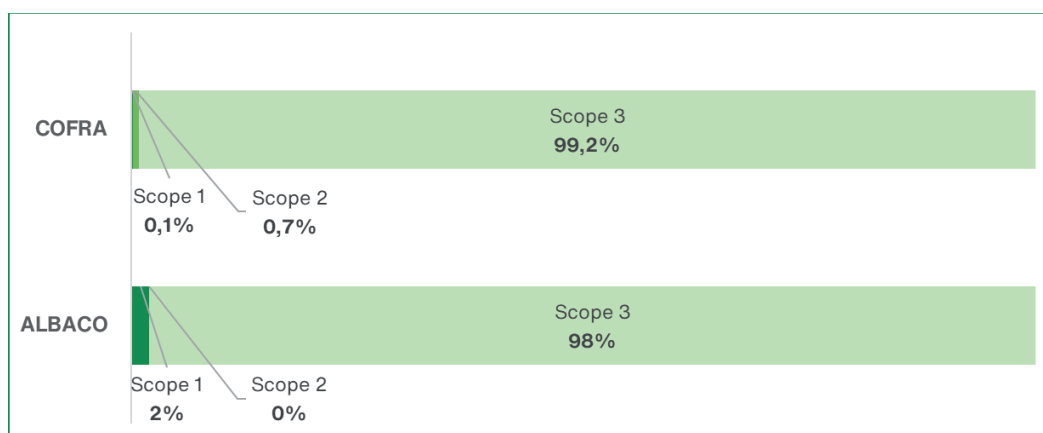
International standards identify a company's **direct and indirect emissions**, dividing them into three categories (Scopes):

SCOPE 1	Direct emissions generated by the company, or by entities owned or controlled by the company (e.g. boilers, chemical processes, etc.)
SCOPE 2	Indirect emissions generated by energy purchased and used by the company (e.g. the purchase and use of electricity)
SCOPE 3	All other indirect emissions generated along the company's value chain (e.g. upstream emissions relating to raw materials, downstream emissions relating to transport)

In the following section, greenhouse gas emissions for the year 2025, generated by COFRA's and ALBACO's activities, are analyzed, quantified, and reported, with reference to Scopes 1, 2, and 3⁴.

To provide an overview of the **Company's main emission sources**, the following is an aggregate overview of the greenhouse gas emissions for the year 2025, from **COFRA** and **ALBACO**, across the three scopes described.

This representation highlights the relative weight of different emission categories on the overall total. In particular, **Scope 3 emissions**, associated with upstream and downstream supply chain activities, account for **a significantly larger share** than Scope 1 and Scope 2 emissions.

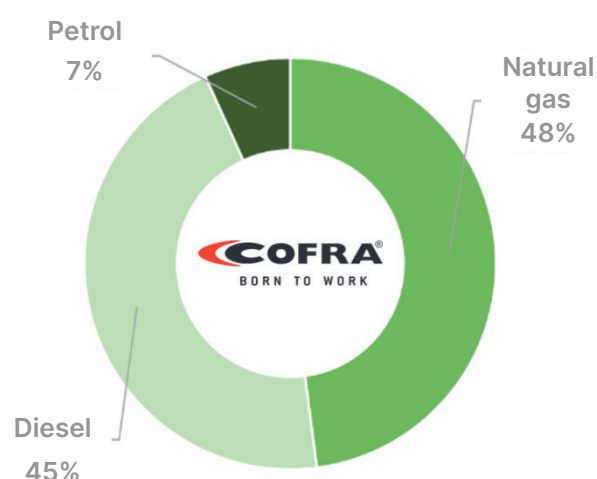


4. For details of the methodology used to calculate emissions, see section 8.2 "Calculation of greenhouse gas emissions – Methodology".

Direct emissions (Scope 1)

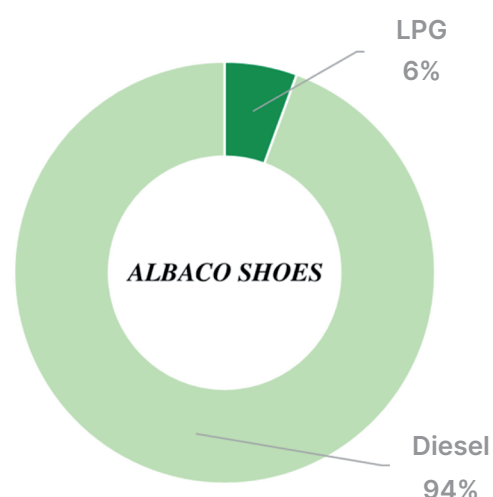
In 2025, COFRA's **direct greenhouse gas emissions (Scope 1)** amounted to **56.8 tCO₂eq⁵**. As shown in the graph, these emissions mainly result from natural gas consumption, which represents **48%** of the total, and **diesel consumption (45%)**, used primarily for **powering generators** and the **company fleet**. A residual share of Scope 1 emissions is also attributable to **petrol consumption (7%)**, also linked to the use of company vehicles. No emissions attributable to the use of **F-gases** were detected in the reporting period.

Source GHG COFRA	GHG (tCO ₂ eq)
Natural gas	27.21
Diesel	25.70
Petrol	3.85
F-GAS	0



Regarding **ALBACO**, in 2025 direct emissions (**Scope 1**) equal to **36.1 tCO₂eq** were generated almost exclusively by **diesel** consumption, which represents the largest share (**94%**) of emissions, related to the use of company vehicles and generators. A marginal component (**6%**) is attributable to **LPG** consumption (propane/butane mix), while no emissions from the use of petrol or F-gases were detected.

Source GHG ALBACO	GHG (tCO ₂ eq)
LPG (Mix Propane/Butane)	2.01
Diesel	34.05
Petrol	0
F-GAS	0



Scope 2 emissions, relate to **indirect emissions** from **purchased and consumed energy** and are calculated using two distinct approaches, both required by the GHG Protocol⁶:

- *Location-based*: based on the average greenhouse gas emission intensity of the local electricity grid from which the electricity is drawn (average Italian grid factor).
- *Market-based*: based on greenhouse gas emissions associated with the specific energy sources from which an organization chooses to purchase energy (the emission factor defined by the European Residual Mix, i.e., energy not covered by Guarantees of Origin (GO)).

5. CO₂ equivalent represents the equivalent impact that certain greenhouse gases have on climate change.

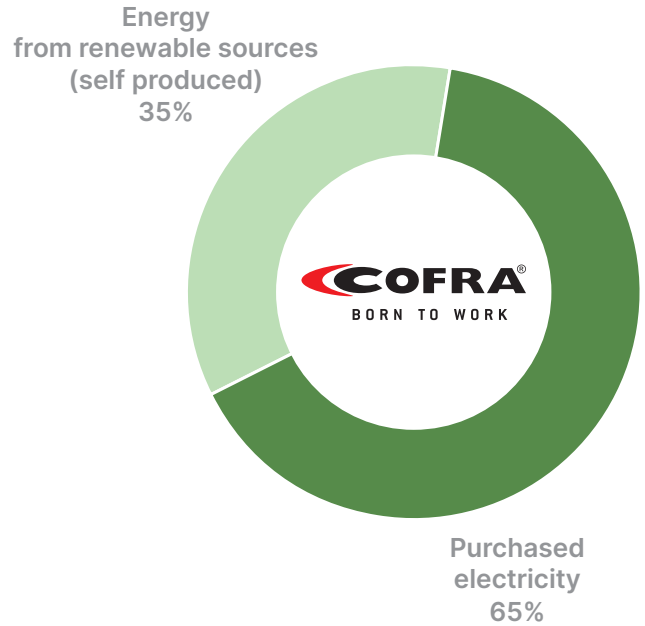
6. For further details, see section 8.2 'Calculation of greenhouse gas emissions – Methodology'.

Regarding **energy consumption**, COFRA uses **electricity to power primary and auxiliary activities of the production cycle**, as well as for the operation **of the plants**, with total consumption of **2,075,319 kWh**.

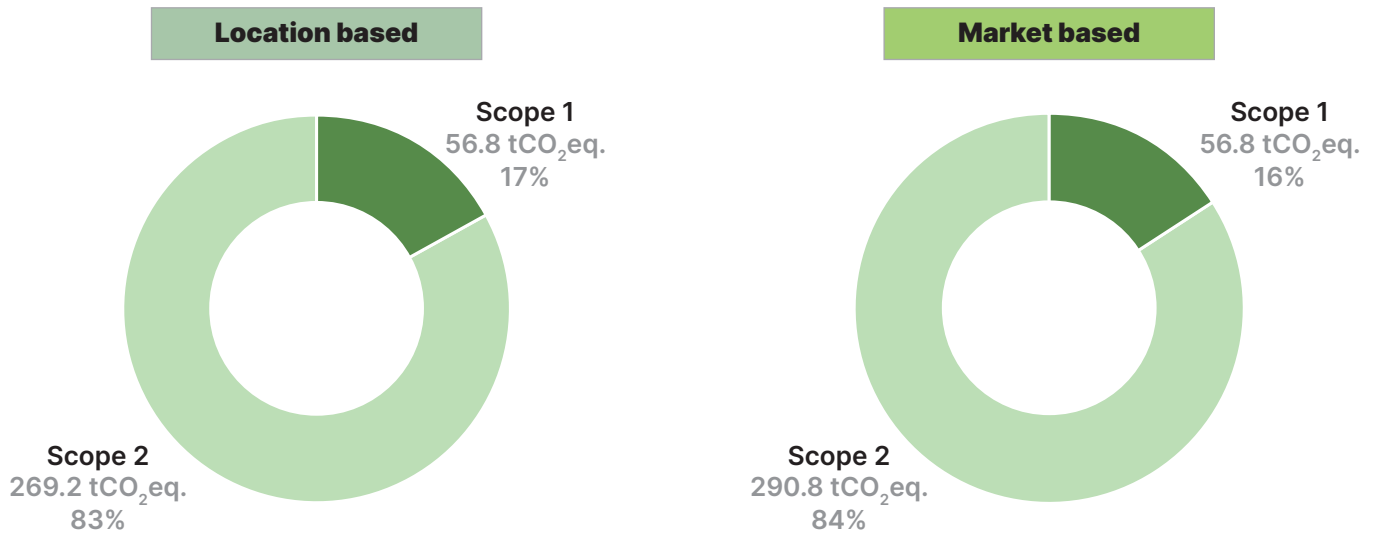
In 2025, **35%** (732,562 kWh) of the energy consumed by the company was **self-produced by the photovoltaic plant**, which covers a total area of 10,000m² with a capacity of 1,300 kW.

In addition to self-produced energy from renewable sources (which does not contribute to the calculation of greenhouse gas emissions), COFRA **purchased 1,342,757 kWh of electricity** in 2025, generating 269.18 tCO₂eq of emissions according to the location-based approach (**290.751 tCO₂eq** according to the market-based approach).

To provide a **comprehensive view of COFRA's emissions for the year 2025**, the following table presents data on the company's total emissions, broken down by Scope and approach:



Scope 1	Scope 2	
	Location based	Market based
56.8 tCO ₂ eq.	269.2 tCO ₂ eq.	290.8 tCO ₂ eq.



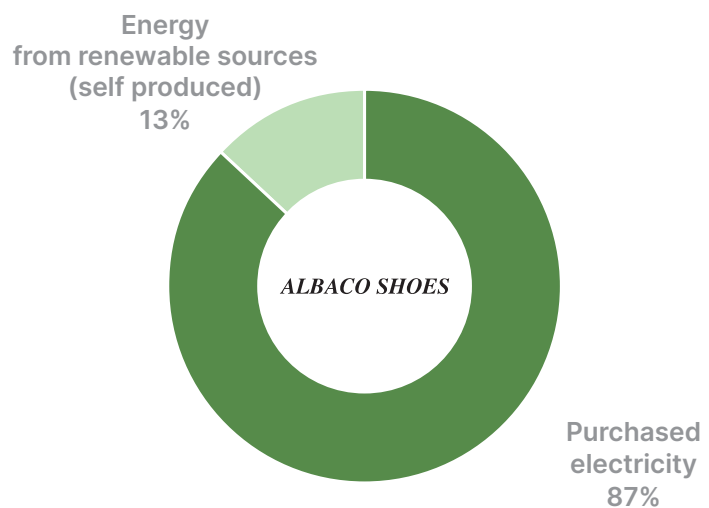
The difference between Scope 2 emissions calculated according to the two approaches is due to the fact that the **location-based** approach considers the average emission factor of the **Italian**

electricity grid (which includes all energy produced in the country, including renewable), whereas the **market-based** approach uses emission factors **defined internationally**, associated with the specific energy sources from which an organization purchases energy (the market-based approach considers the residual mix, i.e., energy not covered by Guarantees of Origin (GO) and therefore tends to be higher as it excludes the certified renewable energy component)⁷.

ALBACO, like COFRA, adopts an **energy mix** based both on the **purchase of electricity** from the grid and on **self-production from renewable sources**. In 2025, ALBACO consumed a total of **4,684,192 kWh of electricity**, of which **4,059,302 kWh (87%)** purchased from the national grid and **624,890 kWh (13%)** self-produced from **renewable sources** thanks to a **photovoltaic plant** (with a capacity of 600 kW).

Considering the characteristics of **Albania's national electricity mix**, strongly focused on renewable sources, mainly hydroelectric, in 2025 **ALBACO's indirect greenhouse gas emissions (Scope 2) are zero**.

Consequently, both according to the location-based approach, based on the national electricity mix, and according to the market-based approach, which considers energy procurement methods, **no Scope 2 emissions associated with the company's electricity consumption**, including the share of self-produced energy, are generated.



Indirect emissions generated along the value chain (Scope 3)

Scope 3 emissions include all other **indirect greenhouse gas emissions** that **result from COFRA and ALBACO activities** but arise from **sources not owned or directly controlled by the companies**. These emissions are generated along the entire **value chain**, including, primarily, those related to the purchase of goods and services, upstream and downstream transport, waste management, business travel, employee commuting, as well as some stages of the product life cycle.

Scope 3 GHG emissions for COFRA and ALBACO for the year 2025 were calculated. Following an initial materiality analysis, the **Scope 3 categories** applicable to the company's business were identified (shown below), in line with the description in the **GHG Protocol**.

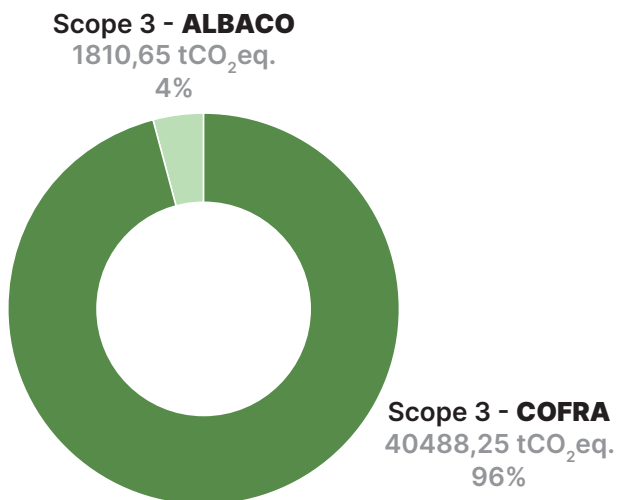
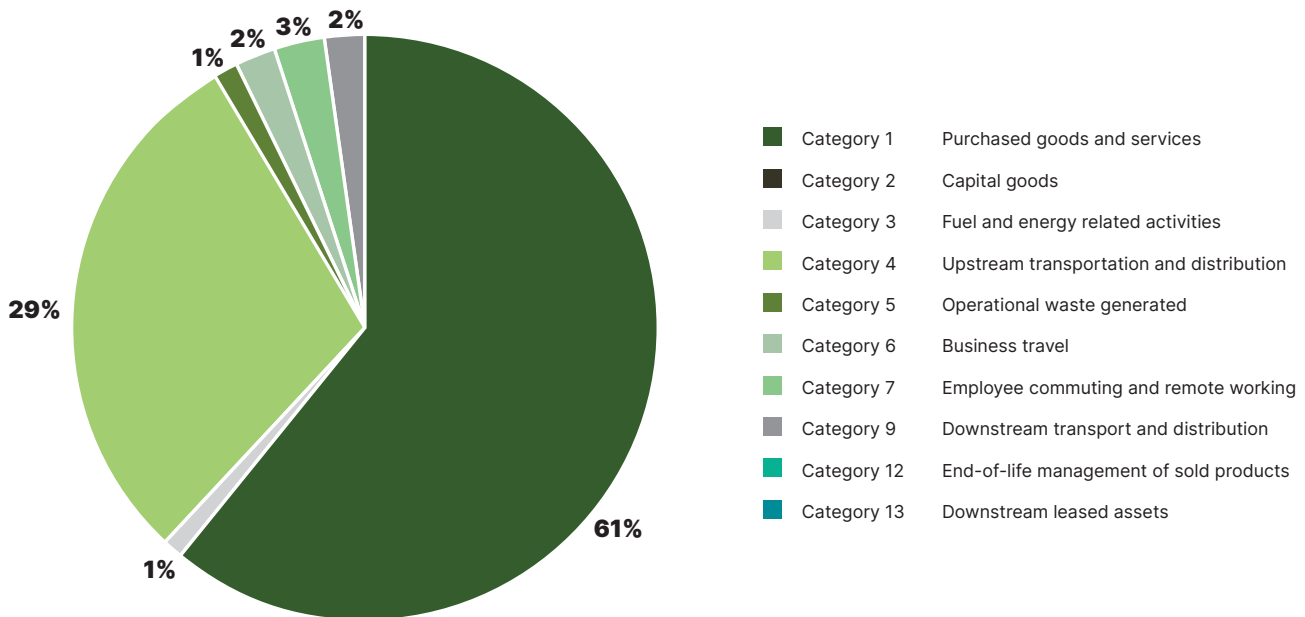
For each relevant category, the main calculation method was identified (average method, supplier specific method, spend-based method, distance-based method, and waste-specific method)⁸, using internationally recognized emission factors (including DEFRA UK, Ecoinvent, NAICS, CFP, and EPD).

7. For further details, see section 8.2 "Calculation of greenhouse gas emissions – Methodology".

8. For further details, see section 8.2 "Calculation of greenhouse gas emissions – Methodology".

- ✓ **Category 1** - Purchased Goods and Services
- ✓ **Category 2** - Capital Goods
- ✓ **Category 3** - Fuel and Energy Related Activities Not Included in Scope 1 and Scope 2
- ✓ **Category 4** - Upstream Transportation and Distribution
- ✓ **Category 5** - Operational Waste Generated
- ✓ **Category 6** - Business Travel
- ✓ **Category 7** - Employee Commuting and Remote Working
- ✓ **Category 9** - Downstream Transport and Distribution Activities
- ✓ **Category 12** - End of Life Management of Sold Products
- ✓ **Category 13** - Downstream Leased Assets
- ✓ **Category 15** - Investment Related Emissions

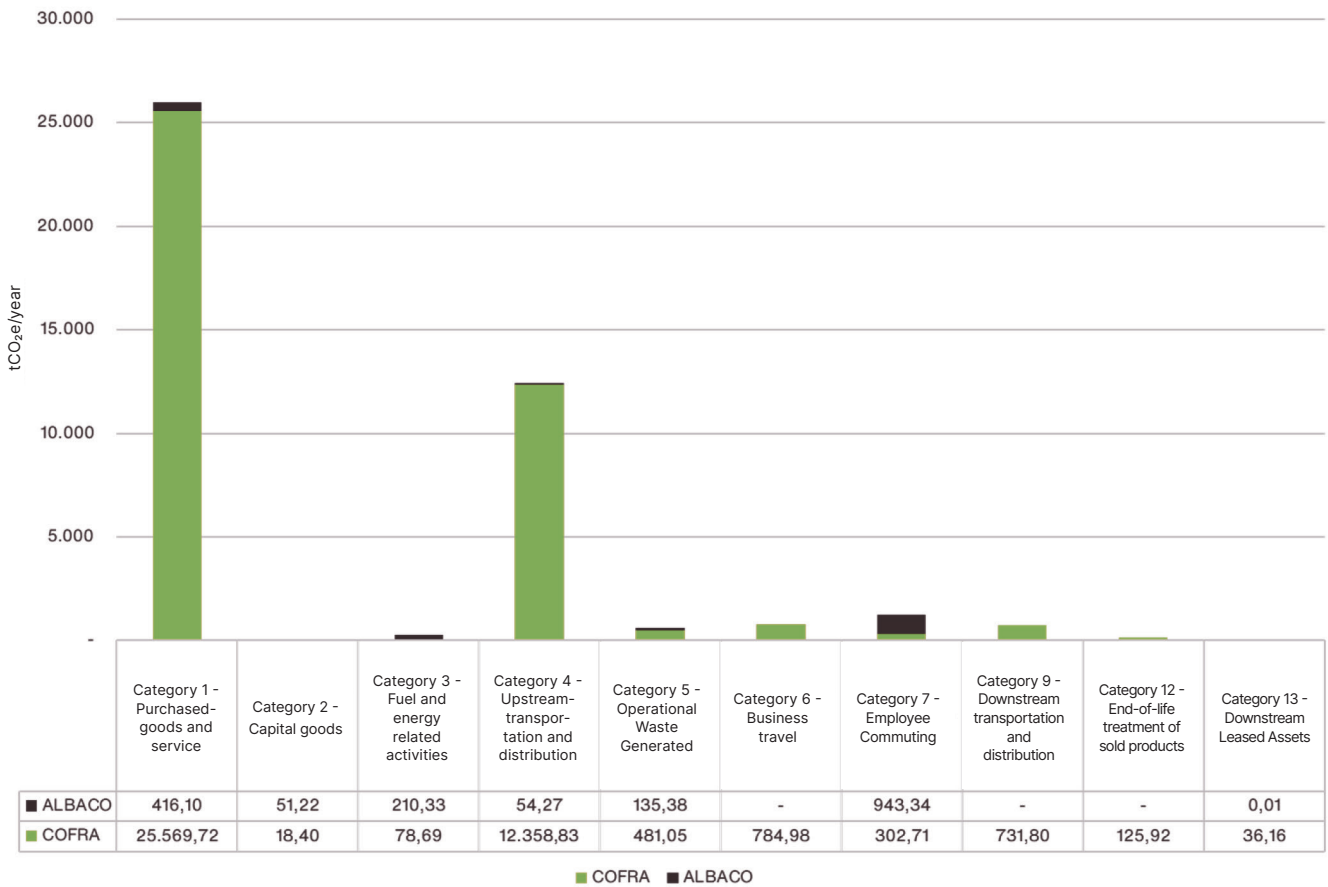
In **2025**, the **Company's total Scope 3 emissions** were **42,299 tCO₂e**.



For **COFRA**, Scope 3 emissions amount to 40,488.25 tCO₂e (96% of total), mainly concentrated in the categories **Purchased goods and services** (Category 1) and **Upstream transportation and distribution** (Category 4), which particularly include emissions associated with the production of footwear and purchased raw materials. Other significant contributions come from **Business travel** (Category 6), **Employee commuting** (Category 7), **Waste management** (Category 5), and some residual categories related to the use of leased assets.

Regarding **ALBACO**, Scope 3 emissions are lower overall and equal to approximately **1,810.65 tCO₂e (4% of total)**. The main emission sources are **Employee commuting** (Category 7), **Purchased goods and services** – particularly packaging materials – (Category 1), and **Waste management** (Category 5). These values reflect ALBACO's operational role within the Company's production chain and the specific characteristics of the local context in which the company operates.

The following chart shows in detail the **breakdown of Scope 3 emissions by category**, highlighting the contribution of different emission sources along the value chain for COFRA and ALBACO.



Overall, the Scope 3 emissions analysis allows the Company to more precisely identify the **areas with the highest emission intensity along the value chain**, providing an essential information base to guide future strategies for reducing indirect emissions and progressively involving supply chain partners.

Non-CO₂ emissions

In addition to greenhouse gas emissions, COFRA also monitors and manages **air emissions of substances other than CO₂**, particularly **dust and Volatile Organic Compounds (VOCs)**, deriving from production processes. These emissions are regulated by the **Single Environmental Authorisation (AUA)** issued pursuant to Legislative Decree 152/2006 and are subject to **periodic checks** through analysis of conveyed emission points.

The most recent checks show that the concentrations and mass flows detected for dust, VOCs, and other regulated substances are **well below applicable regulatory limits**, guaranteeing compliance with applicable environmental standards. This monitoring helps contain impacts on air quality and is part of the company's broader commitment to responsible management of its air emissions.

ACTIONS IN PLACE

COFRA has implemented various initiatives over time aimed at **reducing its environmental impacts**, addressing both the energy efficiency of buildings and plants, and in optimizing logistics processes and responsible use of resources.



Among the main actions is the **progressive replacement of traditional lighting systems with LED lighting systems**, which allows a significant reduction in electricity consumption associated with site lighting.

A further contribution comes from the adoption of **sustainable logistics**, particularly through the introduction of an **automated low-energy consumption warehouse**: unlike traditional mini-load automated systems, COFRA's system is based on robots powered by **small batteries**, which require low recharging power. The implementation of this solution has made it possible to **reduce the use of order pickers by 60% and to decrease the lighting of logistics buildings by about a fifth**, since the automated warehouse does not require dedicated lighting, thereby reducing in overall energy consumption.



At the same time, COFRA also **focuses on the protection of water resources**, through a **rainwater collection and reuse system** active since 2013. The network enables rainwater to be conveyed into storage tanks and reused via pumping systems for **irrigating green areas, supplying toilet flush tanks, and washing roads, yards, and parking lots**, indirectly contributing to the reduction of water consumption.



Overall, these initiatives confirm COFRA's commitment to **integrating environmental sustainability into its operational processes**, making a tangible contribution to the reduction of energy consumption, the protection of natural resources, and the mitigation of impacts on climate change.

FUTURE ACTIONS

Looking ahead, COFRA is committed to consolidating and strengthening its **environmental strategy** through a series of targeted initiatives aimed at reducing environmental impact and promoting more sustainable resource management.

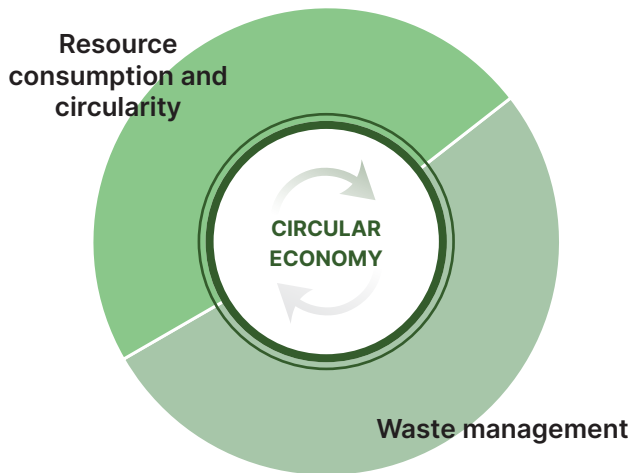
In particular, the company aims to obtain **ISO 14001 certification – Environmental Management System by 2026** - in order to systematically integrate the control of environmental aspects into business processes and improve environmental performance monitoring.

At the same time, with the aim of continuous evolution and improvement, COFRA will assess the launch of the **Product Carbon Footprint** calculation for the product lines considered most relevant, with the aim of measuring emissions throughout the entire life cycle and identifying further reduction opportunities.

To complete this path, the company will evaluate obtaining, in the future, **ISO 50001 certification – Energy Management System** - aimed at optimizing energy consumption and increasing plant efficiency.

Consistent with these initiatives, COFRA also plans the **definition of progressive greenhouse gas emission reduction targets**, based on the results of the measurements carried out during 2025, with the intent of orienting its strategies over time towards a structural reduction of its carbon footprint.

5.2 Circular economy



COFRA integrates the principles of the **circular economy** throughout the entire life cycle of its products, from the selection of raw materials to the management of the end-of-life phase, with the aim of **reducing the use of virgin resources, extending product life, and minimizing waste production**.

Topic	Subtopic	Impacts	Share in issue
Circular economy	Resource consumption and circularity	Ongoing research aimed at developing more sustainable and durable products through the use of recycled and innovative materials +	<ul style="list-style-type: none"> Use of recycled paper and cardboard in packaging Recovery and reuse of production waste Gradual replacement of solvent based adhesives with water based Formulations ESG assessment of suppliers (for further details, see section 7.2 Sustainable and ethical supply chain)
		Limited circularity of products due to the nature of PPE (which is difficult to reuse or recycle at the end of its life cycle, particularly given the need to ensure product safety) -	
	Waste generation	Waste generation in the production process / Operations (including packaging) -	

+ Positive impact - Negative impact

5.2.1 Resource consumption and circularity

COFRA's approach to the circular economy is reflected first in the **management of raw materials and components** used in production processes, with a progressive integration of **recycled materials**, where technically feasible. In 2025, for certain types of textile and synthetic materials used in production, a share of **recycled material** was also used, although still limited compared to overall volumes: in particular, recycled material accounts

for about **2%** for some nylon fabric supplies, about **5%** for certain synthetic fabrics. These values, although limited, represent a first step towards greater integration of secondary materials into COFRA products and provide a baseline for future developments from a circularity perspective.

A more significant contribution in terms of recycled content concerns **packaging**, an area in which COFRA achieves significant percentages of recycled material use: in particular, in 2025, **shoe boxes** are composed of about **90% recycled cardboard**, while **packaging cartons** have a recycled material share of about **70%**. Attention to packaging circularity is further reinforced by ALBACO's contribution, which in 2025 used **cartons** with a recycled material share of about **90%**, and instruction leaflets with about **60%** recycled paper.

Recycled material used in COFRA shoe boxes



The use of high recycled content packaging by COFRA and ALBACO helps **reduce the overall environmental impact** of the supply chain and strengthens the Company's commitment to a circular economy model that involves not only production processes but also the packaging and distribution phases of products.

REPAIRABILITY AND RECYCLABILITY OF FINISHED PRODUCTS

COFRA's finished products are designed to ensure high performance over time and support efficient use of resources throughout their life cycle. For some product categories, particularly **safety footwear** and **clothing** items, **routine maintenance and minor repairs** may be carried out, such as cleaning, tailoring repairs, or replacement of minor components, which help **prolong their useful life** and contain the need for early replacement.

At end of life, some components are also **recyclable**: for example, **metal toe caps** can be separated and sent for recovery. For other types of personal protective equipment, however, no repair or recycling activities may be carried out, considering the applicable safety and regulatory compliance requirements. Overall, **attention to product repairability** and recyclability represents a significant element of COFRA's approach to the circular economy, contributing to reducing resource consumption and limiting end-of-life waste generation.

CIRCULARITY AND PRODUCTION INNOVATION

COFRA has undertaken an **improvement programme for its production processes** over time, aimed at promoting **more efficient resource use** and reducing the environmental impact of its activities.

In this area, one of the main initiatives implemented concerns the **recovery and reuse of production scraps**, in particular **polyurethane and rubber** offcuts generated during safety footwear processing stages.

Starting from 2025, the introduction of a **new polyurethane injection plant** has made it possible not only to systematically collect these scraps but also to **grind and recover them as material** within the production process. Based on the technical checks performed, the recovered material can be **reintegrated up to a maximum share of 12% in the midsole composition**, without altering the technical performance, safety requirements or quality of the finished product. This solution reduces the use of virgin raw materials and limits the amount of waste sent for disposal, improving overall resource-use efficiency.

The initiative currently applies to the **"Running"** product line and represents a first step in a broader pathway: thanks to further planned investments in equipment at the **ALBACO production facility**, COFRA plans to **progressively extend the recovery model to cover approximately 60% of total footwear production**.

At the same time, COFRA has started a programme to **optimize the materials and substances used in production processes**, with the aim of reducing the environmental impact associated with processing. In particular, the company has introduced **water-based adhesives**, progressively **replacing traditional solvent-based adhesives** used in specific footwear assembly stages. This choice enables a significant reduction in solvent use and related **VOC emissions**, contributing to improved working-environment conditions and reduced air emissions. The adoption of water-based adhesives was developed to guarantee full compatibility with the product's technical and quality requirements, ensuring that footwear performance, resistance and safety are not compromised.

Overall, these initiatives demonstrate COFRA's commitment to **integrating circularity criteria and efficient resource** use into its industrial processes, laying the groundwork for a progressive transition toward increasingly responsible and sustainable production models.

5.2.2 Waste management

The circular **economy and production process improvement** initiatives described in the previous paragraph, particularly the recovery of production scraps and optimization of materials used, directly contribute to **reducing the amount of waste generated** and improving resource use efficiency.

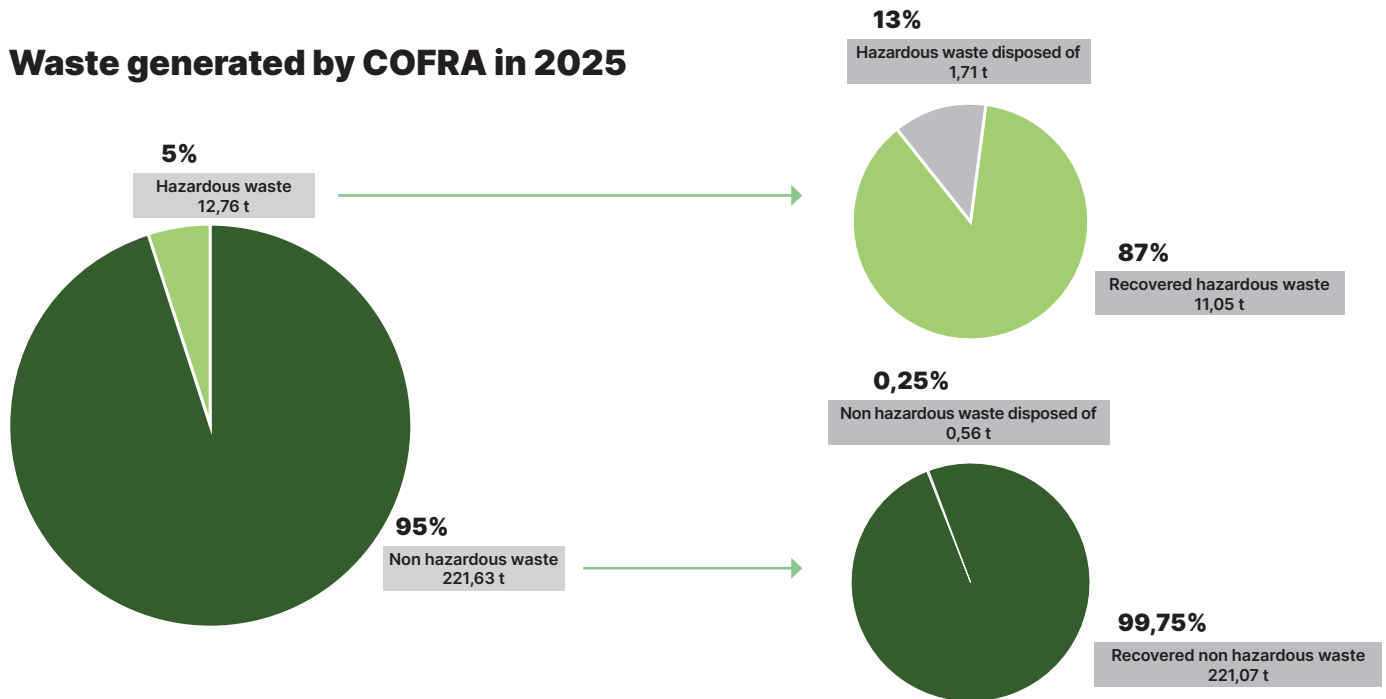
In this context, waste management represents a significant area of COFRA's environmental commitment, which adopts an approach focused on **prevention, correct management, and recovery of waste materials** arising from its activities.

In 2025, COFRA generated a total of **234.39 tonnes of waste**, of which **5% classified as hazardous waste**. Waste management is strongly focused on recovery: **232.12 tonnes** of waste were sent for **recovery activities**, mainly through recycling, while a residual amount of **2.27 tonnes (about 1% of the total)** was sent for disposal.

Waste management takes place through **structured separate collection procedures**, aimed at ensuring proper consignment of materials and promoting recovery in compliance with applicable regulations.

To support these processes, waste and packaging are **appropriately labelled**, with **specific symbols and indications** that allow correct identification and disposal.

Waste generated by COFRA in 2025



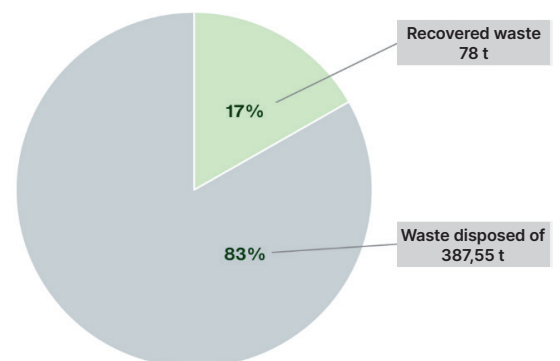
Regarding **ALBACO**, in 2025 the company generated **465.55 tonnes of waste**, mainly related to processing, finishing, and packaging activities, including polyurethane scraps. Hazardous waste amounted to **1.25 tonnes**, equal to approximately **0.27% of the total**. In terms of final destination, **78 tonnes of waste (approximately 17%)** were sent for **recovery**, while **387.55 tonnes (approximately 83%)** were sent for **disposal**.

FUTURE ACTIONS

In addition to planning to **obtain ISO 14001 certification – Environmental Management System**, the Company aims to **define progressive targets for increasing the percentages of recycled material** used both in the **production process** and in **packaging**, consistent with the principles of the circular economy.

These objectives will be focused on a gradual **reduction in the use of virgin raw materials** and a **greater use of recycled materials**, in line with the technical, quality, and safety requirements of the products. These actions represent a strategic lever to improve the Company's environmental performance over time and strengthen the integration of sustainability into industrial processes and throughout the value chain.

Waste generated by ALBACO in 2025



6. Focus on human capital and the community

The double materiality analysis conducted by COFRA and described in Chapter 2 highlighted, within the "Social" dimension, the relevance of two fundamental topics: on the one hand, **working conditions and employee well-being**; on the other, the **impact on the well-being and social and economic development of the community** in which the company operates.

In the following paragraphs, the policies adopted for the management of impacts connected to these topics, the actions already implemented, and the initiatives currently being implemented are described in detail. The objective is to provide a clear, transparent, and integrated representation of the approach adopted by COFRA in creating sustainable value, for the benefit of people and the reference communities.

<p>EMPLOYEE WORKING CONDITIONS AND WELL BEING</p>	<p>Implementation of mitigation measures and monitoring systems aimed at safeguarding employee health and safety, alongside the Company's commitment to promoting work life balance through wellbeing initiatives and the development of an inclusive, healthy, and supportive working environment.</p>
<p>IMPACT ON THE WELL BEING AND THE SOCIAL AND ECONOMIC DEVELOPMENT OF COMMUNITIES</p>	<p>Strengthening the Company's relationship with local communities and the surrounding territory through continuous dialogue and stakeholder engagement, with the aim of fostering sustainable shared value creation.</p>

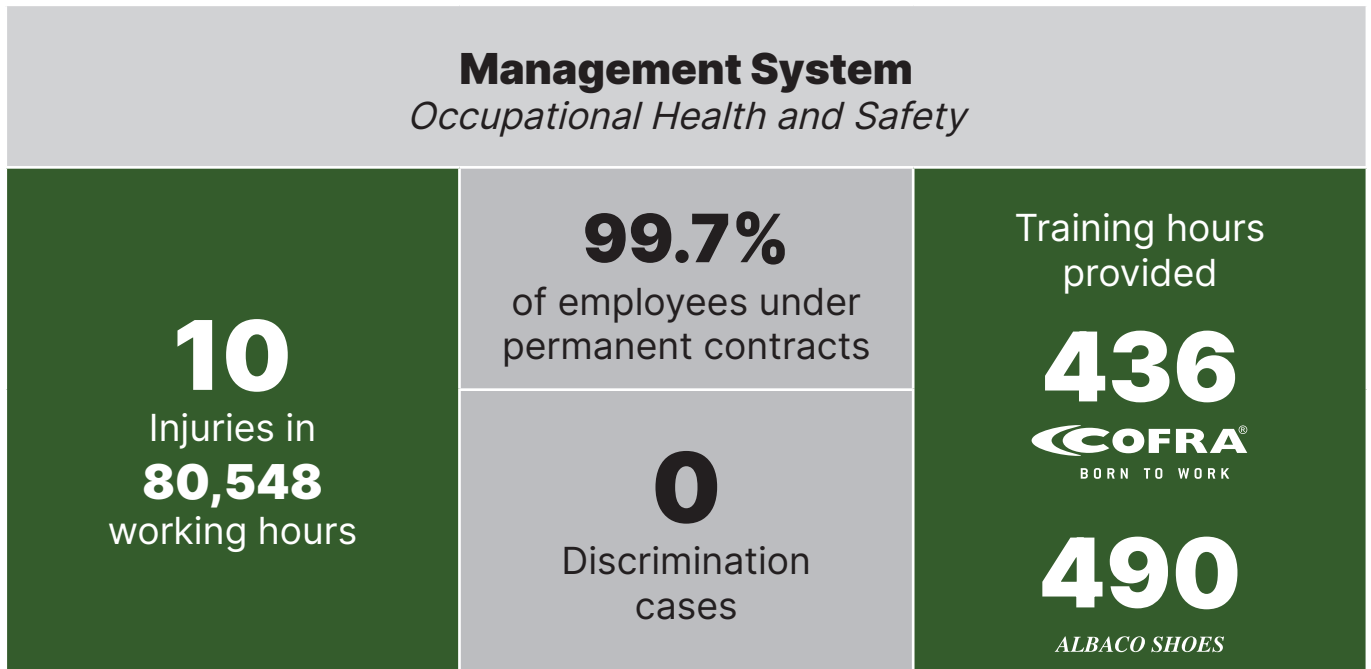
6.1 Working conditions and employee well-being



COFRA places people at the centre of its activity: each **employee** represents an essential resource for long-term **value creation**: the protection and enhancement of individual identity, diversity, skills, and professional expertise constitute fundamental elements for the success and solidity of the Company.

COFRA is committed daily to ensuring a working environment guided by **its ethical principles**, inclusive, safe, and respectful, while promoting the personal, technical, and **professional growth** of its people.

Consistent with this commitment, the Company defines and **implements dedicated policies** and targeted actions **to mitigate potential negative impacts and maximize the positive** ones identified through the Impact, Risk and Opportunity Assessment activities, contributing to responsible and conscious management of its human capital.



6.1.1 Worker Health and Safety

COFRA recognizes the importance of adopting a **structured approach to manage health and safety at work**, with the aim of guaranteeing a **healthy and safe working environment for all its employees**, preventing accidents, occupational diseases, while also protecting the psychophysical wellbeing of workers.

Below is a **summary of the impacts and policies adopted** for the sub-topic "Worker Health and Safety".



HEALTH AND SAFETY PROCEDURES & DVR (RISK ASSESSMENT DOCUMENT)

COFRA recognizes the **protection of worker health and safety** as a fundamental value of its business model and is committed to **promoting a safe, healthy, and people-oriented working environment**, complying with applicable law, and committed to continuously improving health and safety performance.

To achieve these objectives, it has implemented a Health and Safety management system, understood as an integrated set of policies, procedures, and operational processes aimed at ensuring safe and healthy working conditions, which includes:

IMPACTS	POLICIES
Promotion of a safe and healthy workplace, with a strong focus on employee well being , development and professional growth. +	<ul style="list-style-type: none"> Occupational Health and Safety Procedures Risk Assessment Document (RAD) Code of Ethics

+ Positive impact

1. Minimization of **factors** that **could cause hazardous conditions** for personnel;
2. Personnel **training and involvement**.

This topic is managed in compliance with applicable regulations, in particular **Legislative Decree 81/08** (Consolidated Law on Workplace Safety), and is based on risk assessment, hazard identification, accident prevention and incident management, formalized in the **Risk Assessment Document (DVR)**, drafted with the involvement of the Employer, the Prevention and Protection Service, the Competent Doctor and the Workers' Safety Representatives.

Assessments are updated periodically, especially in the event of changes in production cycles or work organization. For specific risks, COFRA also uses the support of external consultants and the Competent Doctor.

The system also includes structured procedures for collecting and monitoring data on accidents and any occupational diseases, through internal communication and reporting processes, as well as health surveillance programmes that include periodic checks and the extension of certain clinical parameters (e.g., blood glucose and cholesterol), to protect workers' overall health.

In 2025, for **80,548.8 hours worked**, COFRA recorded **10 workplace accidents**, with no fatalities. Comparing the number of accidents with total hours worked, the **accident frequency rate** is **approximately 124 accidents per 1,000,000 hours worked**. These accidents resulted in a total of **312 hours of absence from work**, while no cases of occupational disease were detected during the reporting period.

All events are reported and recorded through dedicated internal procedures and are followed by an analysis of causes and the identification of any corrective and preventive actions, with a view to **continuous improvement of workplace health and safety conditions**.

TRAINING

COFRA provides mandatory **health and safety training for all personnel**, considered an essential element of the worker prevention and protection system. Training activities are planned, delivered, and monitored within a structured program of training, information, instruction, and continuous updating, consistent with applicable regulatory requirements.

The training includes both general content and specific modules, calibrated according to the tasks performed and associated risks, including training for the use of equipment and work vehicles (e.g., cranes, forklifts, and other machinery). Furthermore, upon the introduction of new plants or machinery, COFRA provides specific training and internal instruction activities to **ensure safe and informed use of new technologies**.

In 2025, COFRA provided a total of **436 hours** of mandatory training on **safety** topics. Similarly, **ALBACO** also carried out training activities in the field of health and safety, for a total of **490 hours**, helping to **strengthen the culture of prevention** and **worker protection at Company level**.

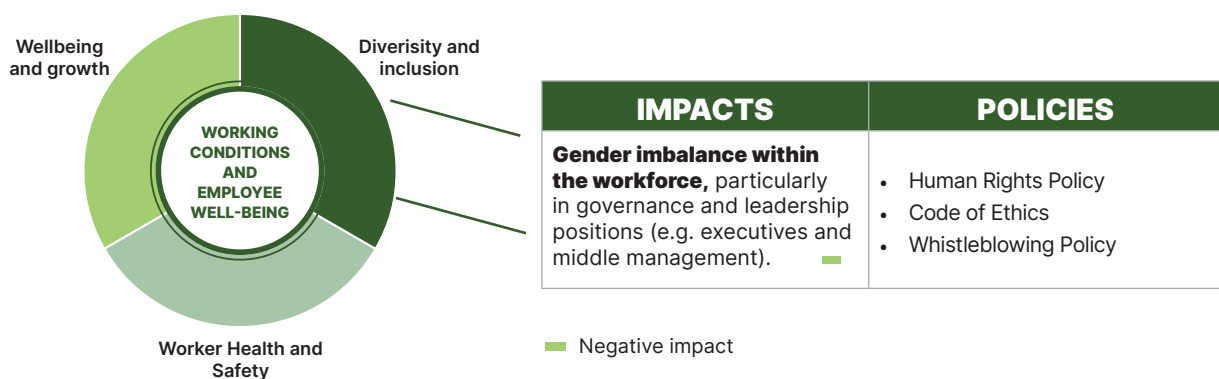
CODE OF ETHICS – ASPECTS RELATED TO HEALTH AND SAFETY

COFRA's commitments regarding worker health and safety are based on the **Code of Ethics and Conduct** adopted by the Company (for further details, see Chapter 7 – "A sustainable business model"), which defines the **set of rights, duties, and responsibilities of the company** towards employees, customers, suppliers, and the reference communities.

The Code is a guidance instrument that aims to recommend, promote, and, where necessary, prohibit certain behaviors, guiding corporate action towards **respect for ethical principles, legality, and human dignity**.

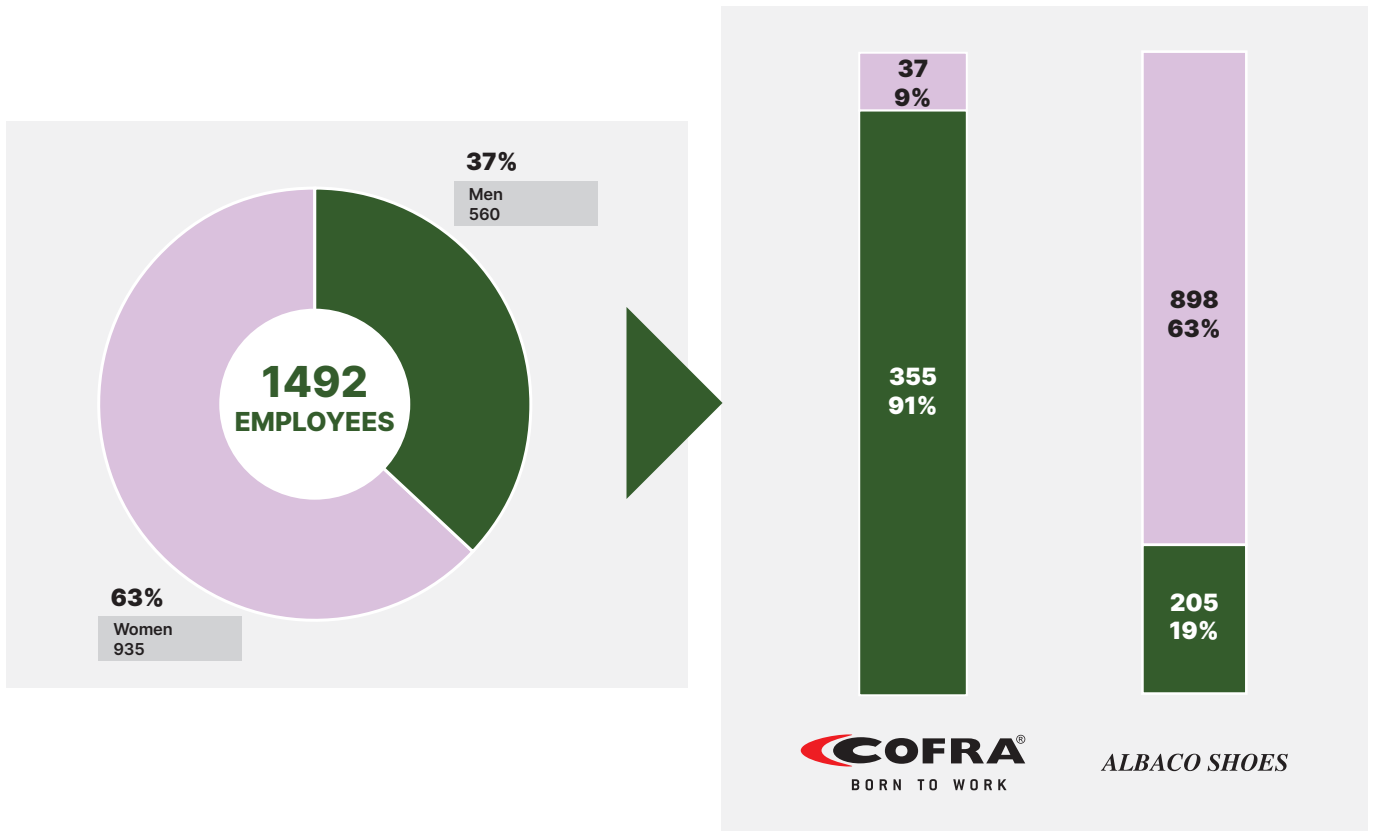
The Code promotes the **adoption of prevention and protection measures** aimed at reducing risks connected to work activities, the provision of adequate individual and collective protective devices, continuous personnel training, information, and instruction, and the implementation of health surveillance. At the same time, it emphasizes the individual responsibility of workers to observe company rules on health and safety, contributing to the development of a culture of prevention that is shared and integrated into the Company's processes.

6.1.2 Diversity and inclusion



COFRA recognizes **diversity and inclusion** as relevant areas for improving working conditions and people's wellbeing, even in the presence of **imbalances in the composition of the workforce**, particularly in positions of responsibility. Attention to these topics is part of the Company's broader commitment to responsible human capital management and the progressive evolution of its organizational practices.

As of **December 31, 2025**, the COFRA Company has a total of **1,495 employees**, of which **392 in COFRA** and **1,103 in ALBACO**. The overall composition of the workforce shows a majority of women at Company level, with **63% women and 37% men**, a dynamic largely influenced by ALBACO's organizational and production structure.



Regarding **COFRA**, data analysis shows a **higher proportion of men than women**, equal to **91%** of the workforce, as well as an unbalanced gender representation in positions of responsibility: in 2025, indeed, **managerial and executive positions are held exclusively by male personnel**. This configuration reflects the historical characteristics of the business, the industrial and productive nature of the activities carried out, and the internal career paths developed over time. COFRA monitors this dynamic as an **area of attention** in the **evolution of human capital development and management policies**.



December 31, 2025

Regarding **ALBACO**, in 2025 the company has **1,103 employees**, with a gender composition characterized by a **prevalence of women** over men: this distribution is consistent with the types of tasks required in production processes. Even in this context, the Company promotes an approach based on the **development of skills and respect for equal opportunities**, recognizing diversity as an integral element of the organization and a factor enriching human capital.

In general, the Company's commitment is reflected in the **promotion of practices based on equal opportunities, meritocracy, and the development of skills**, regardless of gender, age, origin, or other personal characteristics.

In this context, COFRA works to ensure that the processes of selection, hiring, development, and professional growth are based on **criteria of fairness and transparency**, contributing to the spread of an inclusive corporate **culture that respects diversity**.

HUMAN RIGHTS POLICY

COFRA has adopted a **Human Rights Policy** that expresses the Company's commitment to respecting and promoting **fundamental human rights** in all its activities and operational relationships. The Policy is inspired by major international standards, including the Universal **Declaration of Human Rights** and the **ILO Conventions - International Labour Organization**, and defines the reference principles for the protection of dignity, equality, and respect for people.

In particular, COFRA is committed to combating all forms of discrimination, forced or child labor, supporting freedom of association and the right to collective bargaining, and ensuring safe, fair and dignified working conditions. The Policy applies to employees, directors, and collaborators and represents an essential pillar for **promoting a responsible, inclusive working environment consistent with the Company's values**.

CODE OF ETHICS – ASPECTS RELATED TO HUMAN RIGHTS

COFRA's Code of Ethics and Conduct, also adopted by ALBACO, defines the principles and standards of behavior that guide the Company's actions in **respect of human rights and workers' rights**.

Consistent with major international references, including the Fundamental Principles and Rights at Work of the International Labour Organization, the Code enshrines respect for human dignity and integrity as an essential value of corporate activity. In particular, COFRA is committed to guaranteeing **equal opportunities and equal treatment, preventing and combating all forms of discrimination**, harassment, or abuse, as well as **prohibiting forced labor and child labor** throughout its activities. The Code also protects **freedom of association** and the **right to collective bargaining** and **requires respect for fair, safe working conditions that respect worker health and well-being**.

These principles apply to all employees, directors, and collaborators and are extended, where applicable, also to business partners and suppliers. To support the effective implementation of these commitments, **COFRA promotes knowledge of the Code**, requires behavior consistent with its values, and makes dedicated reporting channels available to manage any violations, contributing to strengthening a corporate culture based on responsibility, transparency, and continuous improvement.

WHISTLEBLOWING ⁹

COFRA provides workers with the **whistleblowing tool to report any illegal conduct, acts or omissions** that may have negative effects on people's wellbeing. The tool ensures that **reports of discrimination or human rights violations are managed securely**, through dedicated channels, and confidentially, **protecting the identity of the reporter**. The whistleblowing system is formalized in a **policy**, which defines the **reporting methods** and the rules for verifying and processing them: this process is fundamental for **promoting transparency and integrity** within COFRA.

9. For further details, see Chapter 7 – “A sustainable business model”.

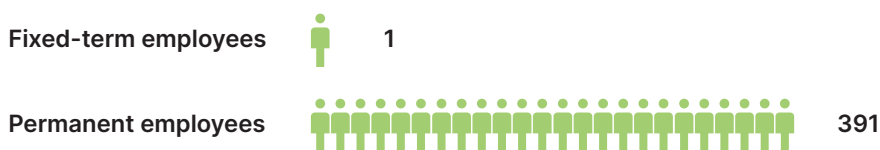
6.1.3 Wellbeing and growth



People's wellbeing and growth represent a central area for COFRA, as they are closely linked to work quality, organizational stability, and long-term value creation.

COFRA's commitment to its people is also reflected in **staff stability**¹⁰: almost **all COFRA employees (99.7%) have a permanent contract**, while only one employee is employed with a fixed-term contract. This configuration highlights COFRA's desire to favor **lasting employment relationships and support employment continuity** as a lever for well-being and professional development.

The contractual structure reflects the industrial and productive nature of the business: **99%** of employees are covered by the **National Collective Labor Agreement (CCNL) for the Footwear Industry**, while the remaining **1%** falls under the **CCNL for Industrial Managers**, guaranteeing regulated working conditions, adequate contractual protections, and professional paths consistent with the roles held. Within the welfare measures provided by the collective agreement, employees classified under the Footwear Industry CCNL have access to the **Previmoda industry-wide supplementary pension fund**; if the worker chooses to join by contributing a share of their salary, **the company contributes an amount equal to 2% of the base salary**, strengthening pension protection and long-term economic well-being.



During 2025, COFRA recorded **10 hires** compared to **25 departures**, with an **overall turnover rate of 9%**. **The turnover replacement rate**, equal to **40%**, highlights the Company's ability to cover a share of departures through new hires, supporting operational continuity. The **turnover rate of new hires**, equal to **50%**, represents a useful indicator to monitor the effectiveness of onboarding and integration processes for new resources, an area on which the company continues to focus within its wellbeing and growth policies.

10. Employee figures refer to the workforce as of 31 December 2024.

Regarding **ALBACO**, in 2025 there were **82 hires** and **286 departures**, with an **overall turnover rate of 28%**. **The turnover replacement rate** stands at **29%**, while the **turnover rate of new hires is 48%**, indicating greater difficulty in the onboarding and stabilization phase of new resources.

These evidences strengthen the Company's attention towards improving onboarding, training, and development processes, considered key elements to mitigate potential negative impacts on employee satisfaction and foster a more stable working environment focused on medium-long term growth.

FUTURE ACTIONS

As part of its Strategic Sustainability Plan, COFRA has defined specific future actions aimed at further strengthening corporate social **responsibility and people's wellbeing**.

VOLUNTEER TRAINING

OBTAINING SA8000 CERTIFICATION

Corporate social responsibility

Firstly, COFRA intends to promote an **increase in voluntary training hours**, expanding the current training offer which is currently mainly focused on regulatory obligations. The objective is to enhance human capital with initiatives focused on **skills development, professional growth, and individual well-being**.

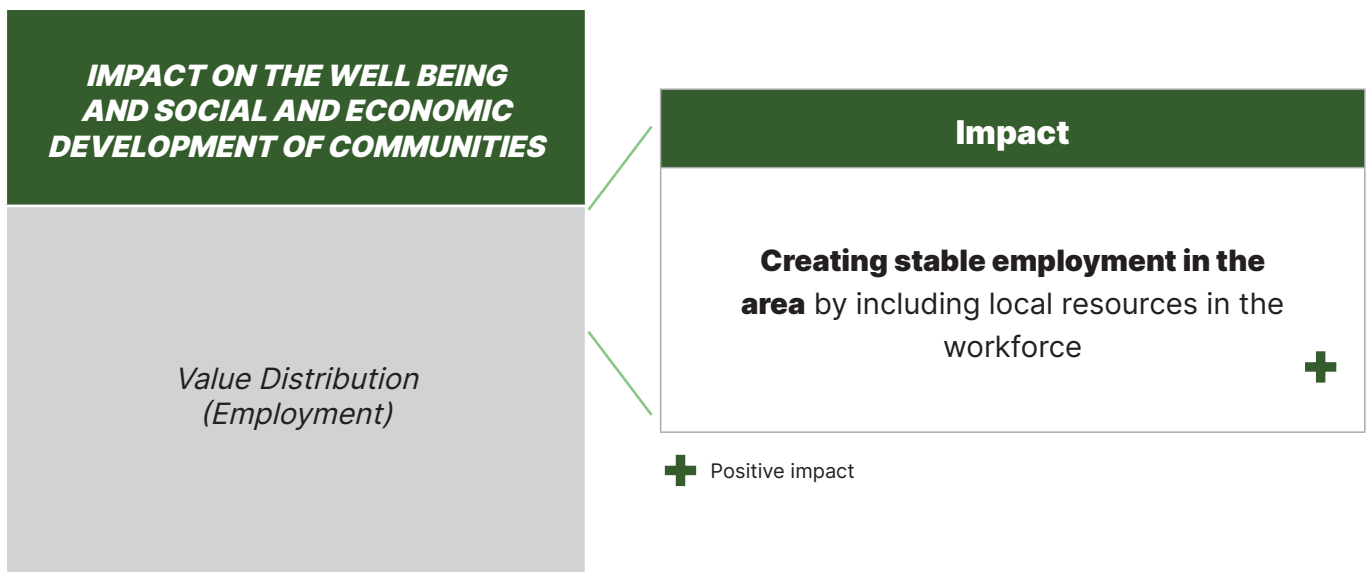
In parallel, and from an evolutionary perspective, COFRA is evaluating the possibility of embarking on the path towards **obtaining SA8000 certification**, an international standard for the responsible **management of social issues and workers' rights**. This initiative represents a future development option aimed at making controls in the areas of health and safety, human rights, working conditions, and ethics even more structured, throughout the organization and the value chain.

These actions confirm **COFRA's commitment to investing in human capital** and fostering an increasingly inclusive, aware, and continuous improvement-oriented working environment in the medium to long term.

6.2 Our impact on community well-being and development

COFRA contributes to the **well-being and social and economic development of the communities** in which it operates through the **creation of stable employment**, the inclusion of local resources in its workforce, and a predominantly local supply base.

In Italy, where COFRA's entire corporate population resides, the Company favors lasting and regulated employment relationships, mainly permanent, **supporting employment stability and the enhancement of human capital in the territory.**



Similarly, through ALBACO, a Companycompany operating in Albania, COFRA contributes to local employment development by offering employment opportunities to a workforce composed mainly of local resources.

The contribution to community development also extends along the upstream supply chain, which is largely anchored to the national context: about 61% of raw material procurement is entrusted to Italian suppliers, while the remaining share (39%) relates to non-EU suppliers: this configuration favors the **strengthening of the local and national productive fabric** and indirectly supports employment along the entire value chain. To complete its commitment to local territories, the Company complements its industrial and employment activities with **initiatives to support the local community**, through voluntary donations to sports associations and research bodies, including donations to non-profit entities.

7. A sustainable business model

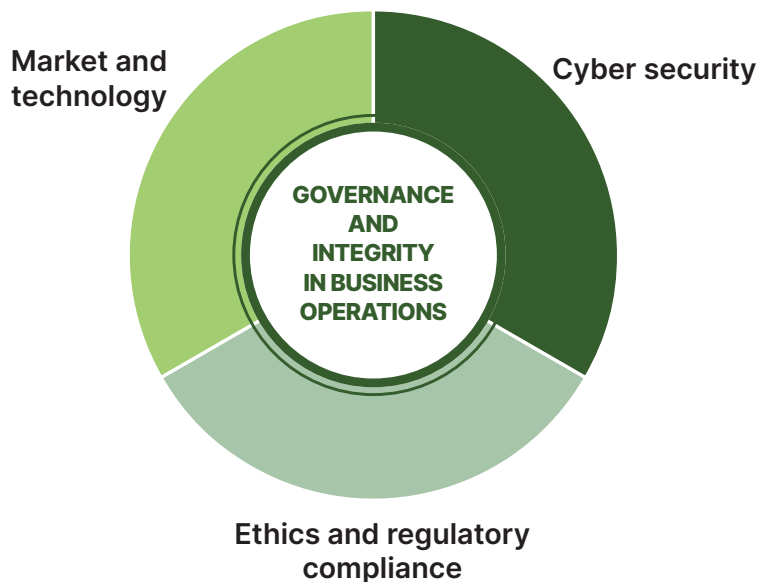
The double materiality analysis conducted by COFRA and described in Chapter 2 highlighted, within the "Governance" dimension, the relevance of two fundamental topics: on the one hand, **Governance and Integrity in business conduct**; on the other, the use of a **Sustainable and ethical supply chain**.

In the following paragraphs, the **policies** adopted to manage the impacts **associated with governance topics** and the actions already implemented will be illustrated, with the aim of offering a transparent and integrated vision of the corporate commitment towards the adoption of high standards of legality, integrity, and transparency in business conduct, for the protection of stakeholders and the community.

7.1 Governance and integrity in business conduct

<p>GOVERNANCE AND INTEGRITY IN BUSINESS CONDUCT</p>	<p>Adoption of a business model designed to ensure the transparent and sound management of business operations, with a view to reducing risks, ensuring regulatory compliance, and safeguarding the security and integrity of information systems</p>
<p>SUSTAINABLE AND ETHICAL SUPPLY CHAIN</p>	<p>The use of a supply chain which, in addition to economic and financial criteria, meets high standards in terms of the environment (e. g. emissions), social issues (e. g. human rights) and governance (e. g. anti corruption)</p>

COFRA is committed to maintaining **high levels of governance** and bases its entire value chain on the principles of **legality, transparency, and respect for human dignity**, both with regard to its internal activities (Operations), and by extending this approach to the entire supply chain (upstream and downstream). In this regard, the company promotes, shares, and adopts the highest standards of **professional integrity** in relations with partners, stakeholders, and among collaborators.



Certified Quality Management System
covering:

COFRA[®]
BORN TO WORK

ALBACO SHOES

0

Confirmed Cases of Active and Passive Corruption

Certifications

POLICIES

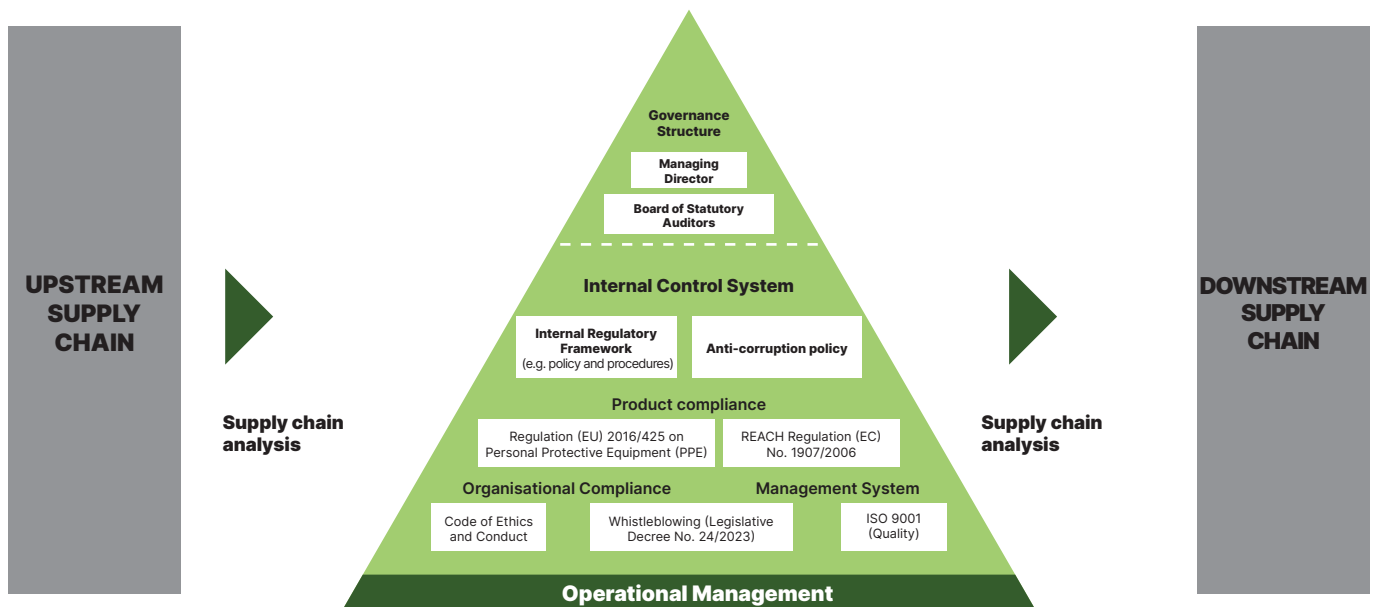
Anti Corruption Procedure

Code of Ethics and Conduct

Whistleblowing policy

COFRA's **Governance model**, of which an exemplary image is provided, includes a **consolidated control system**, aimed at **managing the Organization's main risks** with reference to compliance with mandatory regulations and voluntary standards, as well as various other operational risks (e.g., product safety, Cyber risks, etc.).

This model was developed to **prevent potential illegal conduct and/or violation of laws or regulations** and focuses on **strategies and policies** that ensure regulatory compliance and promote an **ethical and responsible corporate culture**.



Guiding principles	Respect for Human Rights	Respect for Fundamental Labour Rights	Protection of Occupational Health and Safety	Environmental Stewardship	Anti-Corruption Policy	Compliance with Product and Industry Regulations
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Confirming the solidity of its governance model and reliability in business relationships, in 2022 COFRA obtained the **CRIBIS Prime Company recognition, issued by CRIBIS D&B**, an internationally

leading company in the business information sector: the recognition is attributed exclusively to companies that present the **highest level of commercial reliability** and that rank in the top 7% of Italian companies with the **best performance in terms of economic-financial solidity and fairness in business relationships**.

This attestation represents a distinctive element for COFRA, especially in the context of international markets, and constitutes a guarantee for customers, suppliers, and stakeholders, strengthening trust in the value of strategic choices and continuity of the relationship over time.

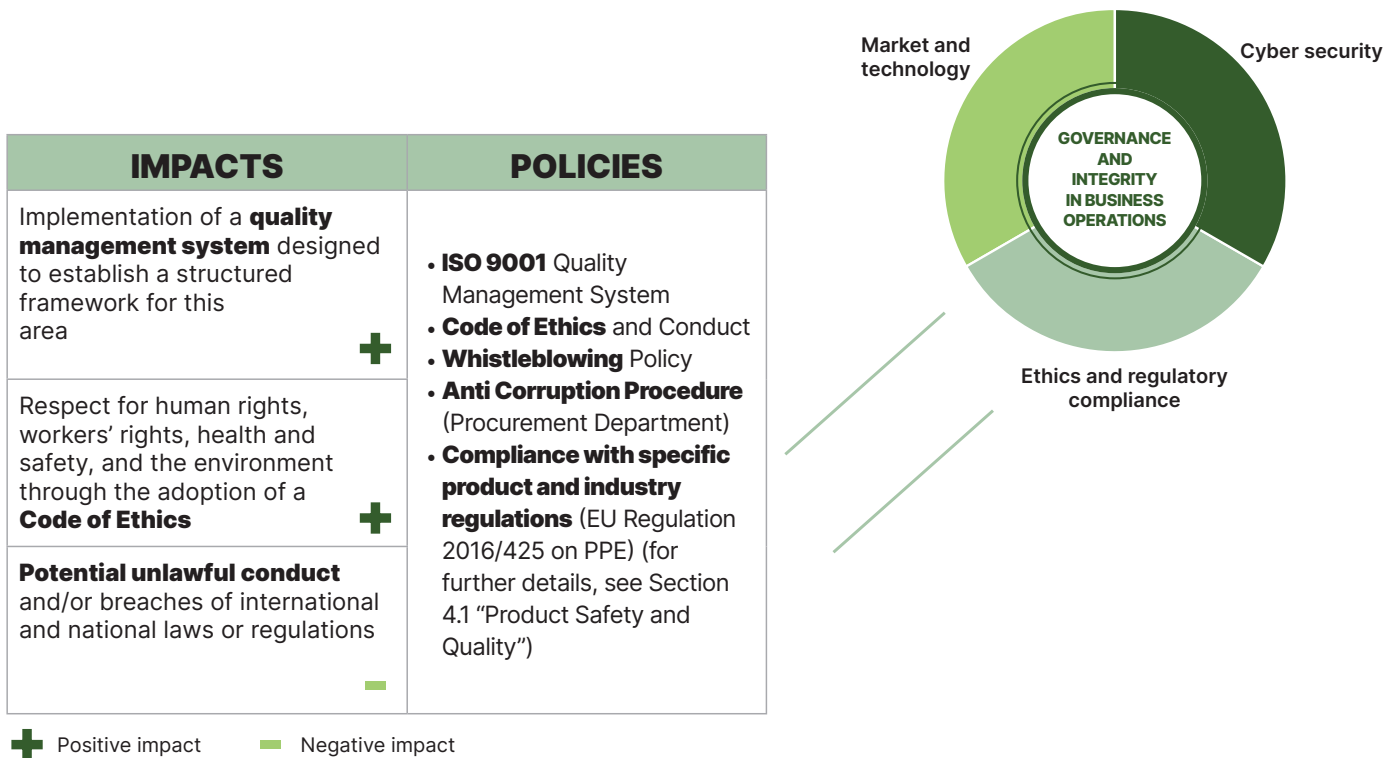


CRIBIS PRIME COMPANY
Recognition of Maximum Commercial Reliability

7.1.1 Ethics and regulatory compliance

COFRA, in pursuing its corporate objectives, is committed to combating illegal conduct, both through the dissemination and promotion of ethical values and principles, and through the effective implementation of rules of conduct and control processes.

Below is a summary of the impacts, policies, and actions already undertaken concerning the sub-topic "Ethics and regulatory compliance".



CERTIFIED QUALITY MANAGEMENT SYSTEM

COFRA has adopted a **Quality Management System** certified according to the **UNI EN ISO 9001:2015 standard**, demonstrating a structured and consolidated approach to the management of business processes. The constant commitment to quality and excellence achieved its first significant recognition in 1997, when COFRA became the **first footwear manufacturer in Italy and Europe to obtain this certification** for its Quality Management System. Since then, certification has been maintained over time through periodic audits by an independent and recognized certification body.

COFRA's quality system is based on rigorous technical and management procedures, which describe activities and rules concerning the design and development of reliable and safe products, the selection of raw materials from qualified suppliers, the systematic control of the production process, and after-sales technical assistance. In this way, quality is integrated into the company's decision-making and operational processes, helping to guarantee **transparency, control, and reliability throughout the value chain.**

The same approach is also adopted by **ALBACO Shoes Sh.p.k.**, the Albanian company wholly owned by COFRA, with which it shares the same administrative body. ALBACO operates as a production unit of the Company and is also **ISO 9001** certified since 2003, ensuring the alignment of management systems, operational rules, and control controls along the entire production chain.

The presence of a certified quality management system in both COFRA and ALBACO **strengthens organizational coherence, process control, and the Company's overall responsibility** in managing its industrial and commercial activities.

CODE OF ETHICS AND CONDUCT

COFRA has adopted a Code of Ethics and Conduct that defines the principles and rules of behavior that employees, collaborators, suppliers, and business partners must follow when carrying out corporate activities. The Code represents a fundamental instrument of **governance and integrity**, aimed at ensuring business conduct based on fairness, **transparency, and respect for applicable regulations.**

COFRA's Code of Conduct is based on some key **ethical principles**, which guide the organization's decisions and behaviors along the entire value chain.

GUIDING PRINCIPLES

Respect for Human Rights	In accordance with the Universal Declaration of Human Rights
Respect for fundamental labour rights	In line with ILO Conventions, including freedom of association, collective bargaining, the prohibition of forced and child labour and non discrimination
Protection of occupational health and safety	Through the provision of safe and healthy working environments, compliance with applicable regulations, risk prevention measures, and employee training initiatives
Environmental stewardship	Commitment to reducing the environmental impacts of business activities
Anti corruption policy	Zero tolerance for corruption, supported by clear rules governing conflicts of interest, unfair business practices, gifts, and hospitality
Compliance with product and industry regulations	<ul style="list-style-type: none"> • Regulation (EU) 2016/425 on Personal Protective Equipment (PPE) • REACH Regulation (EC) No. 1907/2006

The Code of Ethics is **binding** and provides for the adoption of proportionate disciplinary measures in case of violations, up to termination of contractual relations, depending on the severity of the breach.

ALBACO Shoes Sh.p.k. has adopted a **Code of Ethics and Conduct** that is fully consistent and aligned with that of COFRA, fully incorporating its ethical, social, environmental, and integrity

principles. This adherence guarantees a **uniform and responsible approach to** business conduct, strengthening governance coherence and the control of shared values within the Company.

WHISTLEBLOWING POLICY

COFRA has adopted a **Whistleblowing Policy** that governs the methods for reporting illegal acts, irregularities, or non-compliant behavior, guaranteeing the confidentiality of the reporter and protection from any retaliation. The procedure **complies with Legislative Decree 24/2023** (Implementation of Directive (EU) 2019/1937 on the protection of persons who report violations of Union law and national regulations) and is part of the broader governance system aimed at promoting transparency, legality, and integrity in business conduct. The policy aims to guarantee an **environment where employees feel safe in reporting illegal behavior, ensuring appropriate and timely management of reports.**

The policy establishes the **methods for reporting illegal acts within the organization**, including:

1. **Subject of the report:** illegal conduct in violation of national and Union legislation;
2. **Reporting channels:**
 - **Internal channels**, accessible to all company members, allowing reports to be sent via email to segnalazioneilleciti@cofra.it, traditional mail, or internal post using dedicated company boxes;
 - **External channel via ANAC** for reports that have not been followed up internally or that represent an imminent danger to the public interest;
3. **Report Management:** structured process including acquisition, **preliminary analysis, investigation**, conclusion of the process (with related corrective actions and, where necessary, disciplinary measures), and **feedback to the reporter** within three months;
4. **Protection of the Reporter:** specific protection measures aimed at guaranteeing the confidentiality of the reporter's identity and protection from retaliatory behavior.

A similar whistleblowing system is also adopted by **ALBACO Shoes Sh.p.k.**, an integral part of the Company, which has defined its own procedure consistent with the principles of reporter protection and confidential report management. Even in ALBACO, dedicated channels, a structured evaluation process, and protection measures against any retaliation are provided for, ensuring uniform control of integrity and legality throughout the Company's production chain and contributing to consolidating a corporate culture based on responsibility, transparency, and respect for the rules.

ANTI-CORRUPTION PROCEDURE

COFRA has formalized a specific anti-corruption procedure for the Purchasing Department, aimed at preventing the risk of illegal behavior and guaranteeing transparency, impartiality, and traceability of procurement processes. Consistent with the principles of integrity and fairness recalled in the Code of Ethics and Conduct, the procedure provides for the adoption of organizational mechanisms that reduce the possibility of unilateral decisions, introducing the obligation to request multiple offers

before proceeding with the awarding of an order.

The procedure has been shared internally and is an integral part of the compliance risk control system, helping to strengthen the **separation of tasks and traceability of decisions**. The anti-corruption principles governing the purchasing office's activity are also communicated to suppliers through the Code of Conduct, extending these ethical standards also along the supply chain and strengthening the company's overall commitment to **responsible and transparent management of business relationships**.

7.1.2 Cybersecurity and data protection



COFRA has adopted a structured approach to cybersecurity, aimed at guaranteeing **operational continuity and the protection of corporate and personal data**. The company avails itself of the support of a specialized IT team, which assists the internal IT office in managing equipment and intervenes in the event of computer events or threats, following an initial internal assessment.

Information systems are protected by **firewalls and antivirus**, with particular attention to **network and email security**. Data is managed through a

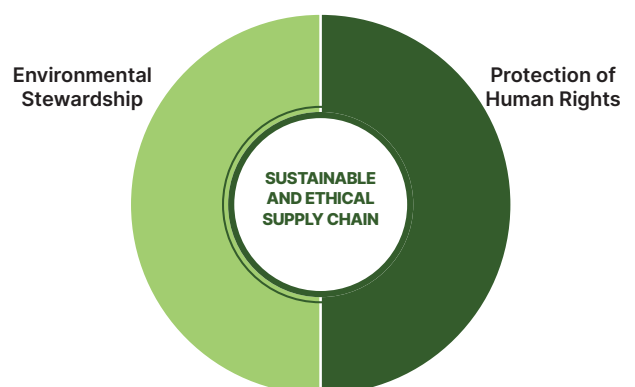
combination of corporate servers and cloud solutions, supported by **daily backup** systems and **redundant infrastructures**, which guarantee service availability even in the event of malfunctions. Storage is configured in mirroring, and recovery activities can be carried out internally in a short time. In recent years, there have been no cyber-attacks with data compromise.

With a view to continuously strengthening cybersecurity controls, COFRA also plans, within the framework of its Strategic Sustainability Plan, to initiate the periodic execution of **Vulnerability Assessments and Penetration Tests** over the next three years, to **evaluate in a structured manner exposure to cyber risks**, further improve the resilience of information systems, protect corporate data and that of key stakeholders, and **enable increasingly robust and reliable governance**.



7.2 Sustainable and ethical supply chain



COFRA is aware that the sustainability of its business model is built through **responsible management of the entire value chain**, from raw material selection to product manufacturing and marketing. The company operates so that each stage of the supply chain is managed in compliance with high environmental, social, and ethical standards, consistent with the values of quality, safety, and reliability that distinguish its products.

This approach is concretely reflected in the selection and management of suppliers, which takes place through **structured qualification and evaluation processes** aimed



at guaranteeing, on the one hand, the **technical and financial stability** of supplies and, on the other, alignment with the **sustainability and integrity principles** promoted by COFRA. In this area, the company has identified the main potential impacts along the supply chain and manages them by integrating environmental, social, and product quality and safety criteria into supplier evaluation processes. In procurement activities, COFRA adopts a rigorous and transparent approach, aimed at strengthening the **level of sustainability of the supply chain** over time and promoting the prevention and mitigation of potential negative impacts along the value chain.

IMPACTS	POLICIES
<p>Environmental impacts across the upstream and downstream value chain (e.g. Scope 3 CO₂ emissions and ecosystem impacts related to maritime transportation)</p> 	<ul style="list-style-type: none"> • Supplier ESG Assessment • Anti Corruption Procedure (Procurement Department) • Code of Ethics and Conduct signed by suppliers
<p>Potential engagement of suppliers associated with negative social impacts (e.g. labour exploitation or inadequate working conditions)</p> 	

 Negative impact
  Impact generated, in whole or in part, across the value chain

Based on these principles, COFRA has defined structured supply chain management processes, aimed at guaranteeing consistency, reliability, and sustainability throughout the supply chain.

In particular, COFRA adopts a **supplier qualification process** that provides, depending on the case, for the verification of certifications issued by third parties, the execution of inspection visits to production sites, the evaluation of trial supplies, and testing on samples, to ascertain compliance with quality and regulatory requirements. New suppliers are subjected to an initial observation phase, during which parameters such as punctuality in deliveries, conformity of quantities, and absence of defects are monitored, and only at the end of this process can they be included in the list of qualified suppliers.

This technical-quality control is integrated with a **structured ESG evaluation system**, which complements performance aspects with increasing attention to **environmental, social, and governance aspects** of the supply chain: the ESG evaluation of suppliers is supported by a qualification Checklist that allows verification of compliance concerning key topics such as respect for human and labor rights, health and safety in the workplace, environmental protection, anti-corruption, and compliance with regulations concerning chemical substances and products (including REACH, POP, PFOA/PFOS, and biocides).

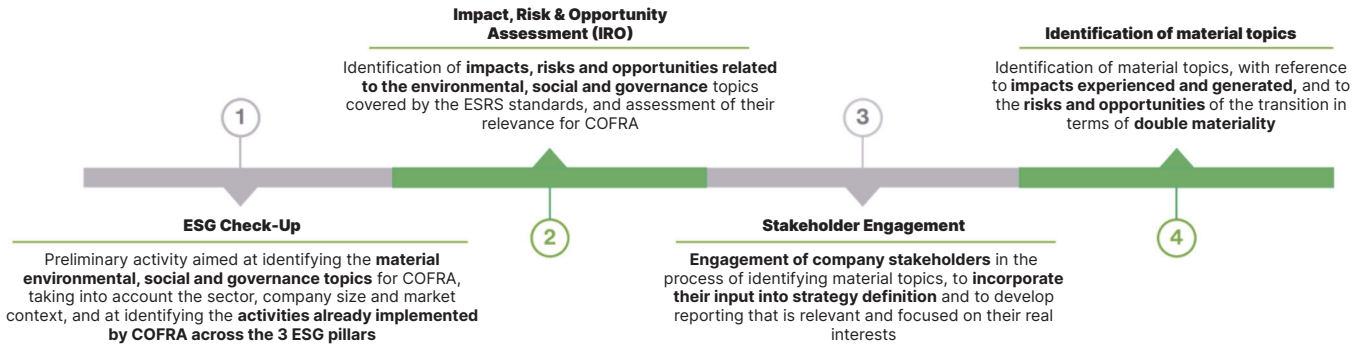
As part of this evaluation, COFRA also verifies the possession of **recognized certifications concerning quality, environment, safety, and social responsibility** (e.g., ISO 9001 – Quality, ISO 14001 – Environment, ISO 45001 – Health and safety, SA8000 - Social responsibility), as objective evidence of the solidity of management systems and the overall reliability of the supplier.

The supply chain management is further reinforced by the qualification maintenance process, which includes inspection visits, periodic performance monitoring, semi-annual reviews, and, in case of criticalities, the activation of corrective actions or requalification paths. Through this structured and integrated approach, COFRA aims to **reduce operational and reputational risks, promote responsible behavior throughout the supply chain**, and consolidate over time a network of suppliers consistent with its values of **integrity, sustainability, and quality**.

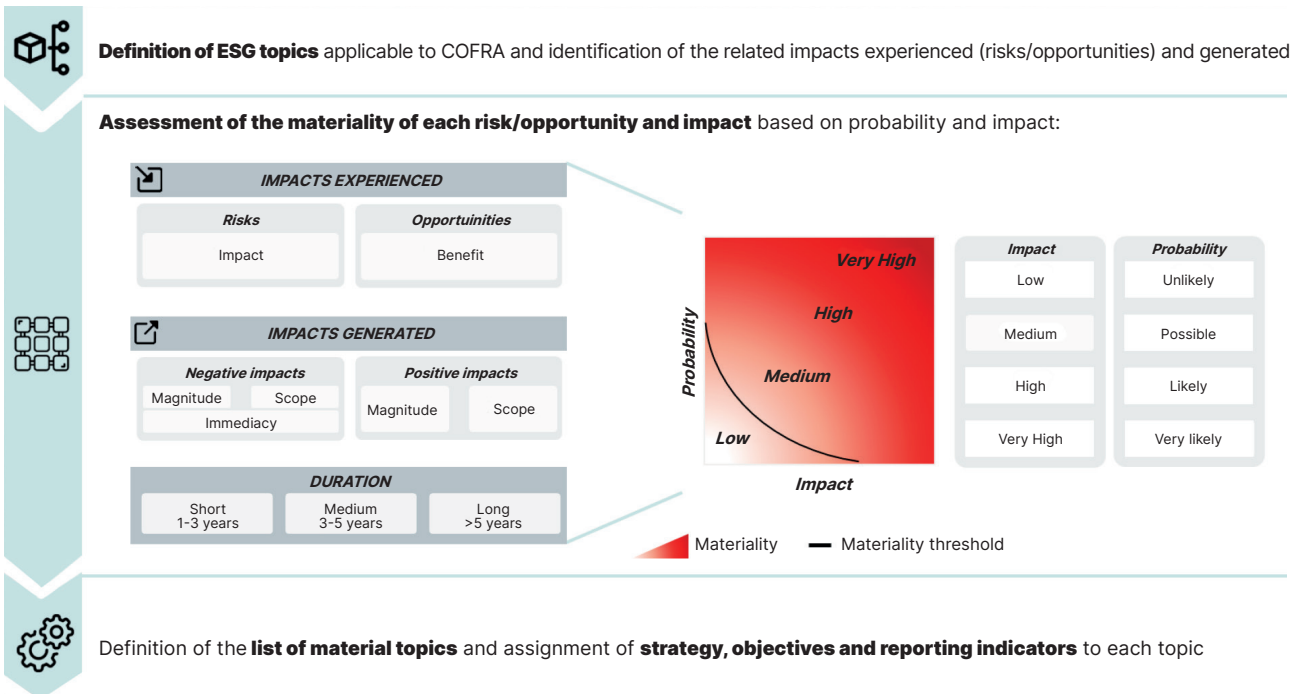
Appendices

1 Impact, Risk & Opportunity Assessment - Methodology

Below is a summary of the main phases that led to the definition of the "material topics" for COFRA.



The IRO Assessment consists of the **three activities** represented in the figure and described below: I) **identification of sustainability phenomena** applicable to the organization's context (generated and suffered impacts); II) **evaluation of the relevance** (materiality) of these phenomena; III) **definition of material topics**.



Identification of Impacts, Risks, and Opportunities

The material ESG phenomena identification is carried out starting from the "IRO Universe", the set of ESG topics and sub-topics provided for by the ERS standards: in particular, to map the topics actually applicable and relevant to COFRA's business context, the following were identified:

- for **impacts suffered**, a list of **risks and opportunities**;

- for **generated impacts**, a list of **positive and negative impacts**; in particular, in accordance with the reference legislation (European Sustainability Reporting Standards, ESRS), positive impacts were considered only if actual (real, already observed, and measurable at the time of analysis); regarding negative impacts, both actual and potential ones were surveyed (impacts that have not yet occurred but are reasonably considered likely to occur in the future, or on which there is no full visibility, e.g., impacts along the supply chain). These impacts were subsequently submitted to stakeholders, as described in paragraph 2.2.1 "Stakeholder Engagement", to gather their opinion and perception regarding the completeness of the identified impacts and their relevance.

The identification of suffered and generated impacts was carried out through an **analysis of COFRA's context**:

- at the **external level**, the main regulatory, sectoral, and macroeconomic trends relevant to the company were considered, in order to understand COFRA's positioning concerning the market and stakeholder expectations;
- at the **internal level**, the analysis was based on a cycle of structured interviews addressed to company Management and representatives of the main organizational functions (e.g., Quality, Safety and Environment Management, Administration, Finance and Control, ICT, Logistics, Purchasing, Marketing and Communication, Sales, Production), with the aim of collecting direct detailed information on **activities, processes, perceived risks, and strategic opportunities**. The information collected constituted a fundamental element to proceed with the evaluation of impacts, risks, and opportunities.

Evaluation of Impacts, Risks, and Opportunities

Impacts, risks, and opportunities were evaluated according to the following metrics:

- **Probability**: estimate of the probability of the event occurring, which, due to the nature of the phenomenon under examination, must consider short (1-3 years), medium (3-5 years), and long-term (over 5 years – applicable horizon, e.g., for some climate risks) time horizons;
- **Impact**: effect of phenomena on COFRA (for suffered impacts) and/or on the environment and people the company operates with (for generated impacts).

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- **Impact**: effect of phenomena on COFRA (for suffered impacts) and/or on the environment and people the company operates with (for generated impacts).

The evaluation of probability and impact made it possible to define the **materiality threshold**, the minimum value above which a topic is considered relevant for the purposes of **reporting** and the **corporate ESG strategy**. When a topic **exceeds the materiality threshold**, it must be **prioritized for monitoring and management**, as it can have significant effects on the environment, people, or society (in the case of generated impacts) or on the financial performance and/or reputation of the company (in the case of risks/opportunities): therefore, it is necessary to define specific objectives for managing the topic and proceed with its reporting within the sustainability report.

The Impact, Risk & Opportunity Assessment therefore allowed identifying the most relevant **material topics** for COFRA (listed in paragraph 2.2 "Impact, Risk & Opportunity Assessment"), which were **subsequently submitted to stakeholders** to understand their position and the relevance assigned by them to ESG topics.

The diagram below shows the list of material topics, ordered by the priority assigned to them by stakeholders, and the number of impacts (suffered and generated) identified for each topic, for which the following is indicated:

- **The materiality level** (low, medium, high, or very high), based on the internal evaluation conducted by COFRA (as described previously);
- Only for generated impacts, the **comparison with the relevance assigned to the impact by the stakeholders involved in the survey**, in order to highlight any discrepancies. The comparison is represented graphically by arrows: an upward arrow indicates that stakeholders attribute greater relevance than COFRA's evaluation, a downward arrow indicates that stakeholders attribute less relevance¹¹.

For the 5 topics where stakeholder evaluation is not aligned with COFRA's, it emerged that:

- Regarding **positive impacts**, stakeholders assigned greater relevance (represented by an **upward arrow**) to impacts related to **product safety and quality and climate change**, compared to that assigned by COFRA. This means that, from the stakeholders' point of view, **COFRA's commitment to generating these positive impacts is high, concrete, and effective;**
- Regarding **negative impacts**, stakeholders assigned lower relevance (represented by a **downward arrow**) to impacts related to the **circular economy, climate change, and the sustainable and ethical supply chain**, compared to that assigned by COFRA. This means that, according to stakeholders, these negative impacts are **more limited and circumscribed**, and COFRA adopts **measures deemed adequate to mitigate and reduce them.**

11. Please note that risks and opportunities may be reported in both columns (e.g. for the topics "Product Safety and Quality" and "Governance and Business Integrity").

Material topic	Impacts experienced		Impacts generated	
	Risks	Opportunities	Positive	Negative
1 WORKING CONDITIONS AND EMPLOYEE WELL BEING	1		1	2
2 PRODUCT SAFETY AND QUALITY	1	1	1 ↑	1
3 CIRCULAR ECONOMY			1	2 ↓
4 CLIMATE CHANGE	1		2 ↑	1 ↓
5 SUSTAINABLE AND ETHICAL SUPPLY CHAIN				2 ↓
6 IMPACT ON THE WELL BEING AND THE SOCIAL AND ECONOMIC DEVELOPMENT OF COMMUNITIES			1	
7 GOVERNANCE AND INTEGRITY IN BUSINESS CONDUCT	3	1	2	1

Materiality level assigned by COFRA

Low
 Medium
 High
 Very high

↓ Relevance assigned by stakeholders to impacts is lower than that assigned by COFRA
 ↑ Relevance assigned by stakeholders to impacts is higher than that assigned by COFRA

Ⓝ Number of risks/opportunities and impacts for each material topic

2 Calculation of greenhouse gas emissions – Methodology

For the calculation of Scope 1 and Scope 2 emissions, the following methodology was applied:

- **Scope 1 emissions** were **calculated and reported for the 3 greenhouse gases** covered by the Kyoto Protocol: I) carbon dioxide (CO₂); II) methane (CH₄); III) nitrous oxide (N₂O);
- The same greenhouse gases were considered for **Scope 2** emissions, which were calculated based on both the location-based approach¹² and the market-based approach¹³.

For CH₄ and N₂O, for both Scope 1 and Scope 2, emissions were then converted into tCO₂ equivalent.

12. The location-based approach is based on the average greenhouse gas emissions intensity of the local electricity grid from which electricity is consumed.

13. The market-based approach reflects the greenhouse gas emissions associated with the specific electricity products chosen by a company.

The calculation required the **application of documented emission¹⁴ factors**, i.e., calculated ratios that relate greenhouse gas emissions to a proxy measure of the activity of an emission source, as described below.

ISPRA	AIB
<p>To quantify emissions associated with electricity consumption, the “Emission Factors for Electricity Generation and Consumption in Italy” published by ISPRA (Italian Institute for Environmental Protection and Research) were applied, taking into account the location of the production facility, in line with the location-based approach.</p>	<p>The emission factors published by AIB are used to quantify CO₂ emissions associated with electricity consumption and are based on the European Residual Mix, which represents the residual energy mix in Europe. This methodology enables the determination of the origin of electricity consumption that has not been explicitly tracked through Guarantees of Origin or other energy attribute certificates. The residual mix typically includes a higher share of non-renewable energy sources and, consequently, is associated with higher CO₂ emissions.</p>
IPCC 2006	
<p>The IPCC 2006 emission factors are widely recognised as a key reference for greenhouse gas accounting and reporting. In this report, they were applied to calculate emissions associated with natural gas, petrol and diesel consumption, enabling greenhouse gas emissions to be expressed in CO₂ equivalent (CO₂e) through the use of Global Warming Potentials (GWPs).</p>	

Scope 1 Emissions

For COFRA, in 2025, **direct emissions (Scope 1)** amounted to **56.8 tCO₂e¹⁵**. **Approximately 48%** of Scope 1 emissions are produced by **natural gas** consumption (27.21 tCO₂e).

Scope 1 emissions also include emissions generated by the company fleet (**combustion process of petrol and diesel**).

For all fossil fuel combustion processes, **N₂O** (nitrous oxide) and **CH₄** (methane) productions were also included, then expressed in **CO₂ equivalent**.

COFRA GHG Inventory	CO ₂ (tCO ₂ e)	CH ₄ (tCO ₂ e)	N ₂ O (tCO ₂ e)
Natural gas	27.12	0.07203	0.0132
Diesel	25.3	0.03968	0.36352
Petrol	3.69	0.03967	0.1163
F-GAS	-	-	-

Regarding ALBACO, in 2025, **direct emissions (Scope 1)** amounted to **36.1 tCO₂e¹⁶**. The largest share of Scope 1 emissions, **approximately 94%**, is produced by **Diesel** consumption (34.05 tCO₂e).

14. Emission factors (EFs) are a fundamental component of greenhouse gas (GHG) accounting. An emission factor represents the average quantity of greenhouse gases emitted by a specific source and may be expressed as kg CO₂e/kWh, i.e. the kilograms of carbon dioxide equivalent (CO₂e) emitted per kilowatt-hour of natural gas consumed. The selection of appropriate emission factors is a critical step in the emissions calculation process and should be based on recognised technical and scientific sources.
 15. Carbon dioxide equivalent (CO₂e) is a metric used to express the climate impact of different greenhouse gases in terms of the amount of carbon dioxide that would produce the same global warming effect.
 16. Carbon dioxide equivalent (CO₂e) is a metric used to express the climate impact of different greenhouse gases in terms of the amount of carbon dioxide that would produce the same global warming effect.

Again, for all fossil fuel combustion processes, **N₂O** (nitrous oxide) and **CH₄** (methane) productions were also included, then expressed in **CO₂ equivalent**.

ALBACO GHG Inventory	CO ₂ (tCO ₂ eq)	CH ₄ (tCO ₂ eq)	N ₂ O (tCO ₂ eq)
LPG (Mix Propane/Butane)	2.01	0.00095	0.00087
Diesel	33.52	0.05257	0.48156
Petrol	-	-	-
F-GAS	-	-	-

Scope 2 Emissions

Scope 2 emissions concern **indirect emissions** from the generation of electricity purchased and consumed by COFRA and ALBACO. This analysis includes CO₂ emissions associated with electricity consumption taken from the grid for civil use or for energy production in plants (e.g., to allow machinery operation).

The calculation of Scope 2 emissions for electricity consumption was carried out following **two distinct approaches**:

- *Location based*: considering the geographical position of the site under analysis and using the emission factor relating to the Italian market, with **emissions** equal to **269.2 tCO₂eq**; The location-based approach for calculating emissions from purchased electricity also included **N₂O** and **CH₄** productions, then expressed in CO₂ equivalent, as was done for the calculation of Scope 1 emissions.
- *Market based*: based on the energy mix from which the sources come and using the **emission** factor defined by the European Residual Mix, with emissions equal to **290.8 tCO₂eq**.

COFRA GHG Inventory	CO ₂ (tCO ₂ eq)	CH ₄ (tCO ₂ eq)	N ₂ O (tCO ₂ eq)	Total GHG (tCO ₂ eq)
<i>Location based</i>	267.07	0.79	1.31	269.18
<i>Market based</i>		-		290.8

The **Location-based** approach applies the average Italian grid factor, which includes all energy produced in the country (including renewable). Italy has a significant share of clean sources, so the value is relatively low.

The **Market-based** approach considers the residual mix, i.e., energy not covered by Guarantees of Origin (GO). This mix excludes the certified renewable part, so the emission factor is higher. In other words, market-based reflects the impact of procurement choices: if green certificates are not purchased, the energy is assumed to come from the residual mix, which is more carbon-intensive.

Regarding ALBACO, in 2025, **indirect greenhouse gas emissions (Scope 2)** are zero considering the characteristics of **Albania's national electricity mix**, strongly focused on renewable sources, mainly hydroelectric.

Consequently, both according to the location-based approach, based on the national electricity mix, and according to the market-based approach, which considers energy procurement methods, **no Scope 2 emissions associated with the company's electricity consumption**, including the share of self-produced energy, are generated.

Scope 3 Emissions

Scope 3 emissions include all indirect greenhouse gas emissions generated along the **value chain**, both upstream and downstream of corporate activities, which are not included in Scope 1 (direct emissions) or Scope 2 (indirect emissions from purchased energy).

Based on the calculation results, the **Scope 3** emissions of the **COFRA Company** for the year 2025 amount to a total of **42,299 tCO₂e**. In detail, Scope 3 emissions attributable to **COFRA** are equal to **40,488.2 tCO₂e**, while those of **ALBACO** stand at **1,810.7 tCO₂e**.

In accordance with the **GHG Protocol**, following an initial materiality analysis, the Scope three categories applicable to the Company's business model were identified. For each relevant category, the **most appropriate calculation method** was then identified, based on the nature of the activities and data availability.

The methodologies adopted include:

- **Average data method:** methodology that estimates emissions using average industry data and standard emission factors, applied to physical quantities or other representative magnitudes.
- **Supplier specific method:** approach based on primary data provided directly by individual suppliers, allowing a more accurate estimate of emissions associated with specific purchased goods or services.
- **Spend based method:** method that calculates emissions based on economic expenditure data, multiplying the monetary value of purchases by average emission factors referring to specific product categories.
- **Distance based method:** methodology used to estimate emissions related to transport and travel, based on distances traveled and transport modes used.
- **Waste specific method:** approach that allows calculating emissions from generated waste, considering the different waste types and treatment or disposal methods adopted.

Scope 3 GHG Category	Applicable		Calculation Method Adopted
	COFRA	ALBACO	
Category 1 - Purchased goods and services	✓	✓	<i>Average-data method, Supplierspecific method, Spend-based method</i>
Category 2 - Capital goods	✓	✓	<i>Average-data method, Spend-based method</i>
Category 3 - Fuel and energy related activities	✓	✓	<i>Average-data method</i>
Category 4 - Upstream transportation and distribution	✓	✓	<i>Distance-based method</i>

Category 5 - Waste generated in operations	✓	✓	<i>Waste-specific method</i>
Category 6 - Business travel	✓	✗	<i>Distance-based method</i>
Category 7 - Employee commuting	✓	✓	<i>Distance-based method</i>
Category 8 - Upstream leased assets	✗	✗	
Category 9 - Downstream transportation and distribution	✓	✗	<i>Distance-based method</i>
Category 10 - Processing of sold products	✗	✗	
Category 11 - Use of sold products	✗	✗	
Category 12 - End-of-life treatment of sold products	✓	✗	<i>Average-data method</i>
Category 13 - Downstream leased assets	✓	✓	<i>Average-data method, Spend-based method</i>
Category 14 - Franchises	✗	✗	
Category 15 - Investments	✗	✗	

The analysis carried out made it possible to define a **consistent and representative perimeter** of indirect Scope 3 emissions for COFRA and ALBACO in 2025, in line with the **GHG Protocol** criteria. The work carried out constitutes a **solid methodological** basis for **monitoring emissions** and for any future refinement of the calculation, also depending on a progressive greater data availability and quality.

The following table details the Scope 3 emissions, expressed in tCO₂eq, for each applicable emission category for COFRA and ALBACO, in line with the GHG Protocol:

Scope 3 GHG Category	Scope 3 Emissions in tCO ₂ eq	
	COFRA	ALBACO
Category 1 - Purchased goods and services	25,569.7	416.1
Category 2 - Capital goods	18.4	51.22
Category 3 - Fuel and energy related activities	78.7	210.33
Category 4 - Upstream transportation and distribution	12,358.83	54.27
Category 5 - Waste generated in operations	481.05	135.38
Category 6 - Business travel	784.98	N/A
Category 7 - Employee commuting	302.71	943.34
Category 9 - Downstream transportation and distribution	731.8	N/A
Category 12 - End-of-life treatment of sold products	125.92	N/A
Category 13 - Downstream leased assets	36.16	0.01
TOTAL	40,488.25	1,810.7

3 Methodological note

COFRA S.r.l. is a limited liability company with registered headoffice in Via dell'Euro 53-57-59, 76121 Barletta.

COFRA S.r.l.'s 2025 Sustainability Report represents the first sustainability reporting exercise by COFRA S.r.l., relating to the period from January 1, 2025, to December 31, 2025. The financial report also covers the period from January 1 to December 31 each year.

The purpose of this document is to assess and communicate COFRA's impact on the environment, society, and the economy, providing a transparent representation of the company's activities and performance in terms of sustainability. The Report also allows COFRA to clearly communicate to its stakeholders the progress and actions taken, as well as future objectives and targets, for a structured path towards corporate social responsibility and sustainable development.

The drafting of the Report was made possible thanks to the coordination of a COFRA team, composed of representatives from different corporate functions (Quality, Safety and Environment Management).

The Report was prepared in accordance with the **EFRAG (EU Advisory Company)** Reporting standards, i.e., the **European Sustainability Reporting Standards - ESRS** (EU Delegated Regulation 2023/20772 of 31/07/2023) and the Voluntary Sustainability Reporting Standard for non-listed Micro, Small and Medium-sized Enterprises – VSME (published on 17/12/2024 by EFRAG), and in alignment with guidelines and standards in ESG, including **ISO 26000 – Corporate Social Responsibility** (guidelines on how to implement social responsibility in organizations, in order to: i) report the social and environmental impacts of activities; ii) adopt ethical and transparent behaviors; iii) take stakeholder expectations into account).

This Report is not subject to external assurance.

Requests or questions may be sent or questions regarding this document to the email address sustainability@cofra.it

4 Glossary

Double Materiality Analysis

Approach required by the ESRS (European Sustainability Reporting Standards) that requires companies to report on two dimensions:

- **Financial materiality:** how sustainability topics influence the company's financial performance and position (ESG as a risk or opportunity).
- **Impact materiality:** how the company's activities affect the environment and society. A topic is material if it falls into at least one of the two perspectives.

Financial materiality

Dimension of double materiality focused on ESG factors that can have effects on the financial performance, reputation, and sustainability of the business model, therefore requiring adequate disclosure.

Impact materiality

Dimension of double materiality concerning the environmental and social effects (direct or indirect) generated by the company. The ESRS standard requires reporting these impacts along the value chain.

Stakeholder Engagement

Structured activity addressed to internal and external stakeholders (e.g., employees, communities, suppliers, customers, financial institutions), designed to gather qualified input to assess materiality and inform sustainability decision-making and reporting processes.

Material topics

Topics considered a priority because they are relevant from one or both perspectives of double materiality. These topics, identified through materiality analysis, are subject to monitoring and reporting according to ESRS.

ESG Pillar (Environment, Social, Governance)

The three fundamental dimensions of sustainability:

- **Environment:** environmental aspects (e.g., climate change, circular economy)
- **Social:** social aspects (e.g., employee well-being, safety, inclusion)
- **Governance:** aspects of responsible management, ethics, transparency, and integrity.

Materiality threshold

Value or threshold that determines whether a topic is relevant for the company and its stakeholders. The threshold is defined both in terms of environmental/social impacts and financial risks/opportunities.

Value chain

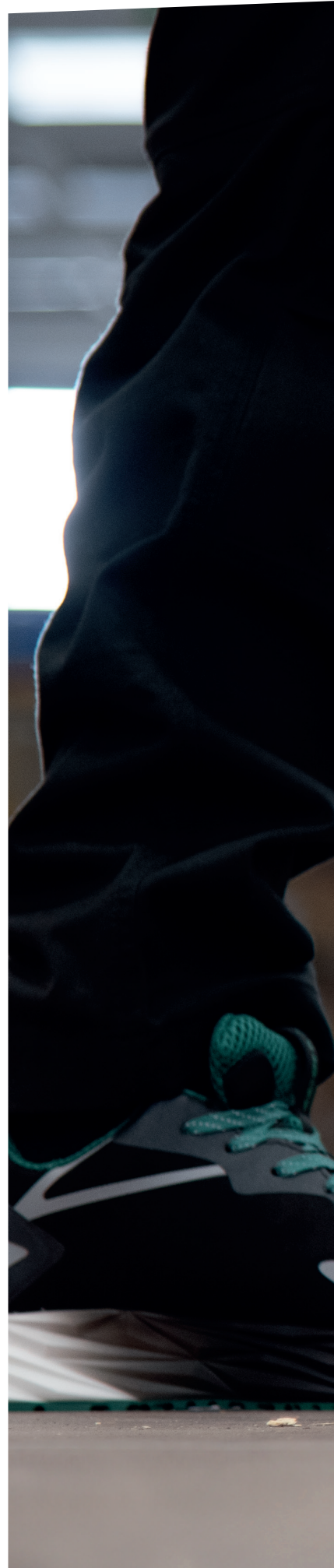
The set of processes and actors involved in production and distribution.

European Sustainability Reporting Standards (ESRS)

Standards developed by EFRAG to implement the European CSRD Directive (and subsequent amendments), with guidelines on principles, criteria, and ESG indicators, based on double materiality, along the value chain, and stakeholder involvement.



Sustainability report | 2025







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