

ALBINI GROUP



We liberate
the creative potential
of fashion brands,
tailors and designers
the world over.

Made to Inspire

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The Chairman’s Letter

Dear Collaborators, Customers, Partners and Friends,

in the course of 2024 Albini Group continued on its path with the same determination, passion and focus on quality that has guided us since 1876. Almost 150 years of history have taught us that true progress comes from the balance between tradition and innovation, between human values and industrial responsibility.

We live in an era of profound change: geopolitical tensions, the urgency of the ecological transition and transformations in consumption patterns pose unprecedented challenges to our industry. But it is precisely in these scenarios that the soundness and vision of a company is measured. Albini Group has chosen to respond with concrete investments, new ideas and an even stronger commitment to sustainability and traceability of the production chain.

During the year, we continued to focus on three key areas:

- Responsible innovation, investing in cutting-edge technology to make our processes more efficient and environmentally friendly throughout the entire production chain with strong direct control and through close partnerships;
- Quality and creativity, maintaining our role as an international industry leader in high-end shirting fabrics, with products that are increasingly oriented towards customisation and excellence for greater customer satisfaction;
- People and territory, developing the company’s human capital and strengthening the link with the local communities in which we operate, aware that our identity is also based on the social fabric in which our people work.

An increasingly central aspect for us is long-term sustainability. Not only environmental, but also economic and social.

In recent years we have expanded our investments in renewable energy, energy efficiency and technological innovation, with the aim of reducing the environmental impact of our activities as much as possible. At the

same time, we have increased our use of certified, organic or recycled raw materials and launched projects to ensure complete traceability of the supply chain, with an ever-greater focus on the agricultural stages of production. In fact, we know from LCA studies that the first link in the production chain is the most critical in terms of environmental impact, which is why we have built direct relationships with growers in the United States and initiated virtuous practices right from sowing.

None of this would be possible without the contribution of the people who are part of the Albini Group or collaborate with it every day: employees, customers, suppliers, the financial world and all stakeholders in general. My sincerest thanks go to each one.

With pride and a sense of responsibility, we look to the future with the determination to continue building a solid, inspired company, at the service of beauty and well-made products, because we believe that quality, respect and consistency are not just business strategies, but choices in life.

In this sense, we look with cautious confidence at the growing interest of the younger generations, who are progressively developing greater awareness and sensitivity towards more ethical and sustainable forms of consumption. It is also our responsibility, together with the institutions, to promote and spread this culture so that we can reduce waste and combat the purchase of products that do not meet adequate social and environmental criteria.

We are aware that there is still a long way to go, but we firmly believe that every step, even the smallest, can generate a lasting positive impact.

Stefano Albini

Chairman – Cotonificio Albini S.p.A.



With pride and a sense of responsibility, we look to the future with the determination to continue building a solid, inspired company, at the service of beauty and well-made products, because we believe that quality, respect and consistency are not just business strategies, but choices in life.

01

ABOUT US

The origins of the Albini Group go back to 1876, with the foundation in Albino, in the province of Bergamo, of the Cotonificio 'Z. Borgomanero &C.', today Cotonificio Albini S.p.A., parent company of Europe's leading manufacturer of shirting fabrics.

Long-term vision, a strong bond with the product and a shared ethical commitment are the core values that drive the Albini family, which has been at the helm of the company for five generations. The connection with the local area is also a fundamental part of the business strategy, which has chosen to keep its headquarters and part of its production chain in Italy.

Albini Group is the benchmark for creating superior quality fabrics and yarns, mainly for the clothing industry. Albini Group operates globally and in all its locations promotes production with respect for

Long-term vision, a strong bond with the local area and a shared ethical commitment are the core values that drive the Albini family, which has been at the helm of the company for five generations.

the environment, safety and people. Fully aware of the textile industry's significant impact on the environment, the company is committed to adopting a sustainability-conscious approach geared towards continuous improvement in environmental, social and governance practices. Scientific and certified traceability, transparency and product and process innovation are key elements of the company's strategic vision.

For Albini Group, every stage of fabric creation is an opportunity for innovation: from cultivating the fields to designing the composition, through choosing the dyes, right up to ennobling phase and final treatments.



History

1876 – Zaffiro Borgomanero founded the company “Z. Borgomanero & C.” in Desenzano sul Serio, in the town of Albino (Bergamo).

1890 – Giovanni Albini, grandson of Zaffiro Borgomanero, inherits the company and establishes himself on the local economy scene.

1930 – The Albini family consolidates the company’s reputation through new organisational structures and investments in production facilities.

1984-1990 The fifth generation of the Albini family, composed of Silvio, Stefano, Fabio and Andrea gradually enters the company. In these years a great international development begins, accompanied by important investments for the modernization of the productive structure.

1992 – Three historic English brands are acquired: Thomas Mason, David & John Anderson and Ashton Shirtings, along with a historical archive of over 700 volumes.

1996 – The path of vertical integration starts with the acquisition of the finishing plant of Brebbia in the Varese province.

2000 – It is during these years that the Albini Group starts to take shape. Manifattura di Albiate and Dietfurt S.r.o. in the Czech Republic are purchased.

2004 – The production site in Mottola (Taranto) for fabric preparation and weaving is inaugurated.

¹ The Albini Yarns Hungary Kft. spinning mill in Hungary is excluded from the reporting scope of this Sustainability Report. The company Tessitura di Mottola S.r.l., in liquidation, was also excluded.

1876
1890
1930
1984–1990
1992
1996
2000
2004
2008
2009–2010
2011
2012
2013-2014
2019
2022
2024

2008 – The new Logistics Centre is built in Gandino (Bergamo), which also carries out final controls and chemical-physical tests on finished fabrics.

2009-2010 – The Mediterranean Textile weaving mill and the Delta Dyeing plant, both in Egypt, become operational. In 2010 Albini Group begins the innovative project of cultivation of the finest cotton in Egypt called Giza 87 and Giza 45.

2011 - Albini (Shanghai) Trading Co. Ltd. is founded.

2012 - Albini Energia S.r.l. and Albini Yarns (I Cotoni di Albini S.p.A.) are established.

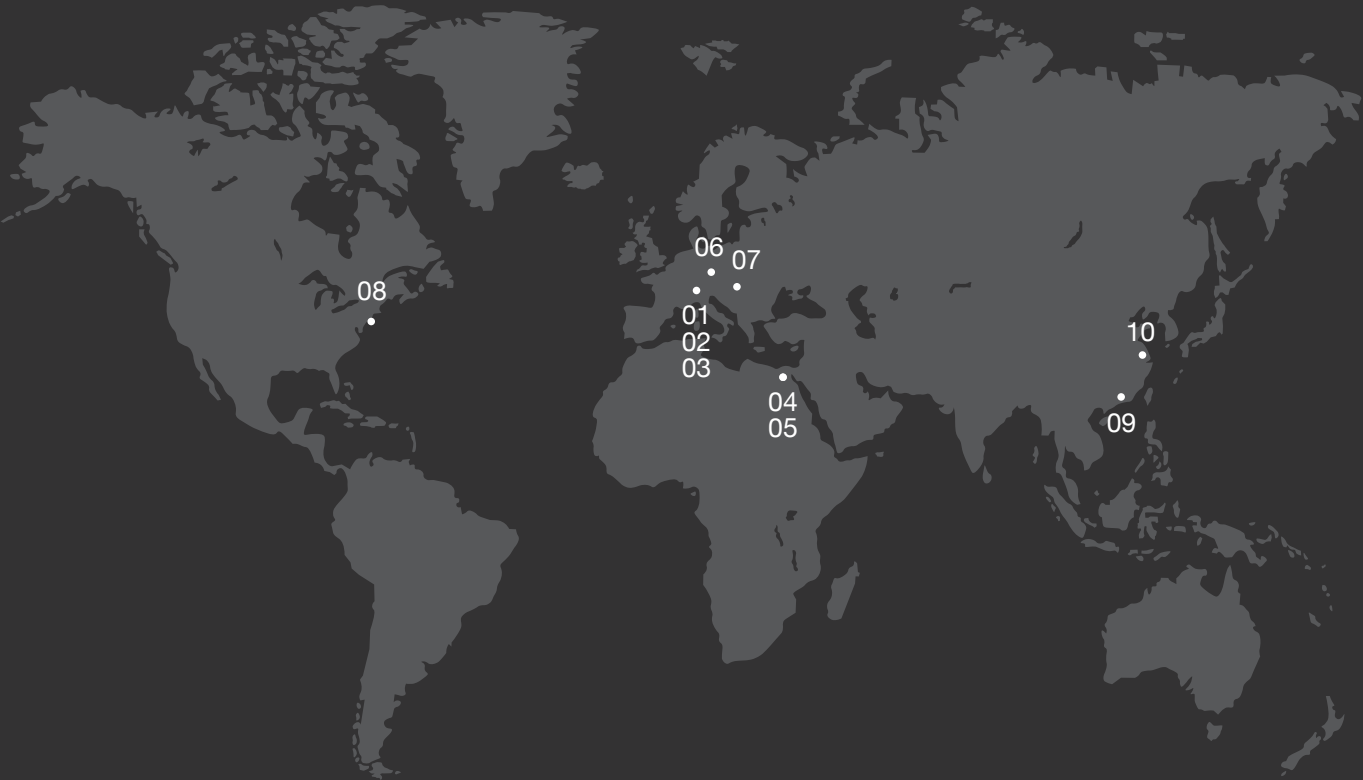
2013-2014 – Albini Group becomes an increasingly global reality and opens two new sales offices, one in Hong Kong and one in New York.

2019 – ALBINI_next, the Albini Group think tank devoted to accelerating ideas and the technological transfer between science and industry, is inaugurated.

2022 - Albini Group consolidates its European production platform with the acquisition of the majority of Filatura Macclodio KFT in Hungary, later renamed Albini Yarns Hungary Kft¹.

2024 - Engineer Pierluigi Fusco Girard, former manager of the Marzotto Group and CEO of Linificio e Canapificio Nazionale and Marzotto Lab Fashion, joins the company as Chief Executive Officer.

Business model



01	Cotonificio Albini S.p.A. Albino (IT)	04	Mediterranean Textile S.a.e. Borg El Arab, Alexandria (EG)
	Logistics and Quality Centre – Gandino (IT)	05	Delta Dyeing S.a.e. Borg El Arab, Alexandria (EG)
	Finishing Brebbia (IT)	06	Dietfurt S.r.o. Letohrad (CZ)
	Innovation Hub ALBINI_next Bergamo (IT)	07	Albini Yarns Hungary Kft. Demecser (HU)
02	Albini Yarns (I Cotoni di Albini S.p.A.) Albino (IT)	08	Albini USA Corporation New York (USA)
03	Albini energia S.r.l. Albino (IT)	09	Albini Hong Kong Ltd Hong Kong (HK)
		10	Albini (Shanghai) Trading Co. Ltd. Shanghai (CN)

Albini Group has a branched structure with 8 plants located in **Italy, Egypt, the Czech Republic and Hungary**.

The headquarters of Albini Group’s operational parent company, **Cotonificio Albini S.p.A.**, is located in Albino, Bergamo. Numerous steps in the production process take place here, including yarn dyeing, weaving, sample production and inspection of raw fabrics.

Albino is also home to **I Cotoni di Albini S.p.A.**, which is marketed under the name Albini Yarns. It is the Albini Group’s subsidiary specialising in the production and sales of high-end yarns made from fine natural materials and dedicated to the fashion, hosiery, sports and furnishing sectors.

The Brebbia plant in Varese, which was acquired in 1996 by Cotonificio Albini S.p.A., is an important asset in the Albini Group’s verticalisation process that enhances its capacity for innovation, quality and service. This is where fabric finishing activities take place.

Cotonificio Albini S.p.A. also owns the Logistics Hub in **Gandino**, Bergamo, in which the storage of raw yarns, raw fabrics and finished fabrics is ensured, with an additional area dedicated to the finished fabrics analysis and control laboratory.

The **ALBINI_next** innovation hub, based at the Kilometro Rosso in Bergamo, aims to experiment with new products and production processes in the textile industry.

In Egypt, the **Mediterranean Textile S.a.e.** weaving

mill is located in Borg El Arab, and the **Delta Dyeing S.a.e.** yarn dyeing mill is located in the same place.

Letohrad in the Czech Republic is headquarters of the **Dietfurt S.r.o.** weaving mill where yarn-dyed and jacquard fabrics are produced.

In Hungary, **Albini Yarns Hungary Kft.** is the specialist yarn manufacturer consolidating verticalisation of the production chain.

The Albini Group’s **commercial network** has a number of offices located in different parts of the world:

- Cotonificio Albini S.p.A. in Albino, in the province of Bergamo;
- Albini USA Corporation in New York;
- Albini Hong Kong Ltd;
- Albini (Shanghai) Trading Co. Ltd. is founded.

This extensive range, which is renewed every season, includes over 13,000 fabric variants. This allows the company to meet a wide range of needs and markets: whether it be fabrics for high-end clothing or innovative solutions for the fashion industry, Albini Group offers **high-quality fabrics** that meet the needs of a diverse and constantly evolving market.

Finally, to diversify the business, support the energy transition of companies and further embody its sustainability mission, Albini Group founded **Albini Energia S.r.l.** in 2012. The company, based in Albino, deals in consulting and the design of energy systems and engineering for reducing environmental impact in any industrial setting.

Albini Group has a ramified structure with eight plants located in Italy, Egypt, Hungary and the Czech Republic.

The Albini Group’s fabric selection is split up into three brands, differing in style but linked by a common legacy rooted in an outstanding manufacturing tradition: Albini 1876, Thomas Mason and Albiate 1830 have always inspired the world’s best designers, tailors and shirt makers.

- **Albini 1876** is the Albini Group’s historic brand, a symbol of excellence, elegance, craftsmanship and incomparable quality. Since 1876, it has been creating luxurious fabrics with an unmistakable Italian flair which are able to enhance creativity with impeccable taste. The essence of Albini 1876 fabrics is distinguished by the unique blend of innovation, class and Italian craftsmanship: these are the values that each of the brand’s creations bears. In 2024, the Albini Studio collection line dedicated to textile research was launched. The line is characterised by experimental fabrics and unique and exclusive finishes.

- Since 1796, the **Thomas Mason** brand has been synonymous with revolutionary style, bringing together bold contemporary taste and timeless British elegance. Vibrant colours and extra-fine yarns are the result of the best raw materials and state-of-the-art technologies. Owing to its heritage with an eccentric and refined flair, Thomas Mason is a brand born to inspire.
- **Albiate 1830** is the casualwear brand that through experimentation, contamination and creative evolution reveals new directions and trends in the fashion world, without losing sight of its great manufacturing tradition. Its innovative spirit and research are the key ingredients in Albiate 1830 fabrics and denim, perfect for shirts and other applications with a contemporary style and adventurous heart.

The fabric brands of the Albini Group have always inspired the world’s best fashion designers, tailors and shirt makers.



Each collection is the result of in-depth creative research, in which the design team experiments with new yarns, dyeing techniques and finishes.

The Albini Group brand fabric ranges are:

- **Seasonal Collections:** each season the brands renew their products by offering new products resulting from the research of the style team. New raw materials, new yarns, new dyeing and finishing techniques are combined with the study of seasonal trends, giving life to collections where the features of each brand are maximised to the fullest.
- **Continuous Collections:** contain the most iconic and classic fabrics always in stock, available to customers. There are more than ten continuous collections designed to meet the need of receiving the finest of the Albini Group textile production quickly: from classic and high-performance fabrics to casualwear and patterns.
- **Exclusive Collections:** these are customised fabrics made to the specific request of an individual customer, developed by specialised designers and a dedicated sample department, allowing customers to choose designs directly on the fabric. This exceptional service allows for unique customisation at the highest level.

- **Cut-to-length collections:** offers the finest tailors and shirtmakers a vast selection of fabrics to choose from. The range consists of two distinct lines: Albini Su Misura, which offers elegant fabrics with a sophisticated Italian flair, and Thomas Mason, which represents the true essence of English style.

Each season, both ranges offer a collection of fabrics in limited editions, which reflect the trends of the season and meet the sartorial needs of customers.

The cut-to-length service is available in more than 80 countries, also through our e-commerce digital platform which allows customers to order online. The fabrics are delivered cut-to-length in 24/48 hours from the moment they are requested.

For an even more effective and direct collaboration, a team entirely dedicated to customers takes care of all requests.

Brand promise and values

Be inspiring

We are committed to inspiring enthusiasts of beautifully crafted products, with a product offering that stimulates creativity and arouses wonder.

Be inventive

We continuously challenge the status quo to improve and innovate products, production processes, practices and services.

Be resourceful

Our dedication to excellence inspires us to offer unique solutions and extraordinary performances. More than 148 years of experience and creative vision guide us in creating products and proposing services that exceed expectations and which reflect our commitment to achieving excellence.

We lead innovation in the worldwide textile industry developing state-of-the-art products and collections of extraordinary quality, combining the love of beauty, outstanding performances and respect for people and the environment.

Be proud

Custodians of a long-standing tradition, ours is an Italian story of family passion handed down from generation to generation. With dedication, we carry on this legacy, proudly creating the world’s most extraordinary products and fabrics.

Be responsible

Ethics are the cornerstone of our success. We value people and are committed to reducing our environmental impact for a sustainable future, working with integrity, respect and trust.

Be trustworthy

Our word is our pledge. We are reliable partners who dedicate themselves with passion to creating offers and services that exceed expectations. Our every product represents a commitment to excellence and uncompromising quality.

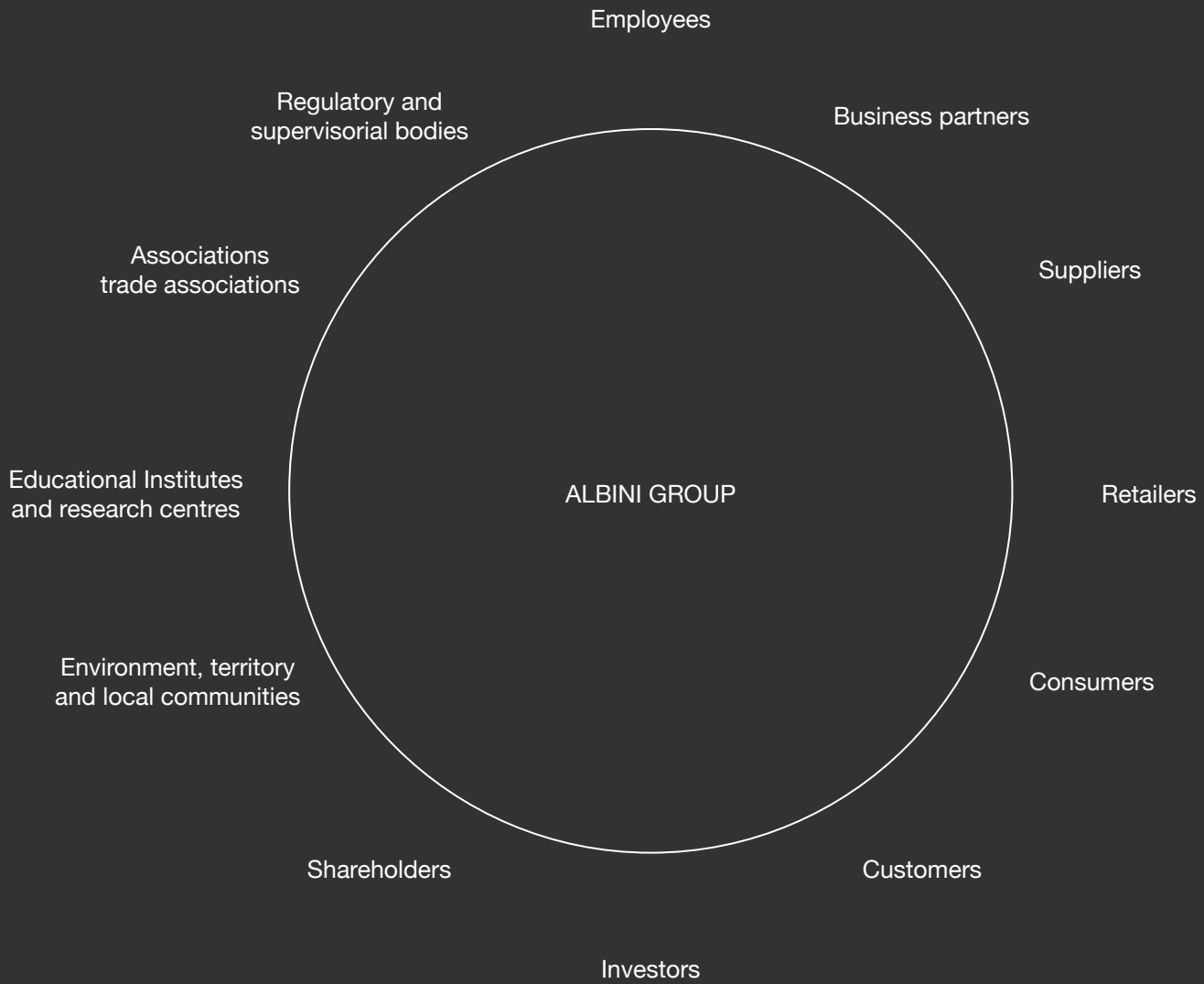
Stakeholder relations

The involvement of stakeholders is a fundamental aspect in understanding expectations towards the company and defining a strategy that can integrate them into the company's development objectives. For this reason, Albin Group is committed to guaranteeing an active and constant dialogue with all its stakeholders in order to enhance the specificity of each category identified through the activation of engagement methods and communication channels commensurate with the needs of individual stakeholders. It is in the light of these results that the

company's top management also plans to review and update the sustainable development strategies. Stakeholder engagement is essential in the sustainability reporting process through materiality analysis and the identification of relevant ESG issues to be monitored and reported. The development of a process of discussion with one's stakeholders is essential to understanding the level of expectation and identifying new issues on which to focus one's resources.



The involvement of stakeholders is a fundamental aspect for the creation of stable and effective relationships for the generation of value.



Albini Group materiality analysis

The **materiality analysis** tells the story of how the concept of sustainability and value creation is applied in the day-to-day operations of a company. Material issues are, in fact, environmental, social, economic and product-related topics that generate risks or opportunities for the company.

With the aim of promoting transparent and effective communication with its stakeholders and consolidating internal awareness at the same time, in 2023 Albini Group defined the materiality analysis in compliance with the latest version of the **Global Reporting Initiative Sustainability Reporting Standards** (in short "GRI Standards"), to date the

most widespread and applied standards at Italian and international level to define the contents to be included in the reporting and rigorously describe the company's sustainability commitment and performance.

The identification of the **material issues** subject to reporting is linked, according to the requirements of the Standard, to the identification of the significant **impacts** generated or likely to be generated by the company on the economy, the environment and people, including also impacts on human rights, through all business activities and business relationships.

The dedicated working group at corporate level carried out the materiality analysis in four different stages:

- **Understanding the context** in which the company operates: analysis of the sector taking into consideration different categories of sources, both internal and external to the company.
- **Identification of actual and potential impacts** of the company: actual impacts are impacts that have occurred over time, while potential impacts may occur in the future.
- **Assessment of the significance and relevance of impacts:** all impacts are assessed through a process of evaluating their degree of significance, developed in line with the criteria set out in the Standard. The relevance of an actual impact is determined by its severity, while the relevance of a potential impact is determined by the severity and likelihood of the impact occurring. In particular, the severity of an impact is assessed by taking into account three aspects:
1) Scale of severity: indicates how severe the impact is and the external context in which the impact occurs, including geography;
2) Scope: how widespread the impact is along the company's value chain;

3) Irremediable character²: how difficult it is to remedy the damage generated by the impact. The likelihood of potential impacts was instead assessed by considering the policies, procedures and activities put in place by the company to prevent and mitigate the negative impact identified.

- **Prioritisation of the most significant impacts** for reporting: the most significant impacts are prioritised and the impacts deemed most relevant guide the identification of the material issues included in this Sustainability Report.

For the validation of the impacts identified and the significance assigned to each of them, the main corporate functions were involved in a dedicated workshop.

On the following pages is the list of material issues, associated with the relevant GRI Disclosures, that emerged as a result of the identification and aggregation of impacts material results³.

² The character of irremediableness was considered only for the evaluation of negative impacts, and not for the positive ones, as indicated by the GRI Standards 2021. In the table below, negative impacts are indicated by (-), positive impacts by (+).

³ Impacts considered to be material are those that have been assigned "very relevant", "relevant" and "moderate relevance" by the assessments carried out. Impacts found to be "negligible" were excluded.

The materiality analysis tells the story of how the concept of sustainability and value creation is applied in the day-to-day operations of a company.



MATERIAL TOPIC AND IMPACT DESCRIPTION	SIGNIFICANCE	GRI TOPIC SPECIFIC DISCLOSURE
(+) = positive impact (-) = negative impact		
FIGHTING CLIMATE CHANGE		
1. High energy consumption (-). High energy consumption is mainly related to the production and processing stages of raw materials, including fibre preparation, spinning, dyeing, weaving and finishing. The production cycles in the textile industry are long and often continuous, with a constant expenditure of energy. Albini Group mitigates the negative impact through the work of its technical department, which is dedicated to monitoring and collecting energy consumption data, as well as defining KPIs for improvement, in coordination with Albini Energia S.r.l..	Very relevant	GRI 302: Energy
2. Release of climate-altering gases into the atmosphere (-). The upstream processes of the Albini Group’s value chain, as well as its core business activities, contribute to the exacerbation of climate change through the release of large amounts of GHG emissions. In particular, direct activities require high energy consumption, which contributes significantly to overall emissions. GHG emissions are also linked to agricultural activities, logistics activities, across the entire value chain, and end-of-life management of textiles and unsold products. Albini Group mitigates its impact by adopting energy efficiency systems, adopting environmental management systems and sourcing raw materials from organic and regenerative agriculture.	Very relevant	GRI 305: Emissions
3. Release of pollutant emissions into the atmosphere (-). Atmospheric emissions are mainly due to printing, dyeing, and finishing of fabrics, which require the use of chemical solvents and dyes, which are heated during production processes, releasing pollutants. Such emissions adversely affect air quality and can damage the health of the personnel involved in production processes. Albini Group monitors and reduces impact through the adoption of chemical management systems for wet processes, including the ZDHC protocol, and air purification systems within the production sites.	Relevant	GRI 305: Emissions
4. Contribution to the energy transition (+). Through its subsidiary Albini Energia S.r.l., Albini Group contributes to the energy transition of companies in the textile and fashion sector, to which it offers design services for energy recovery plants and photovoltaic systems, as well as energy diagnosis services, technical consultancy for energy efficiency and access to incentives and tax breaks.	Relevant	GRI 302: Energy

SUSTAINABLE AND CIRCULAR MANAGEMENT OF PRODUCTS AND PROCESSES		
1. Production and ineffective management of textile waste and scraps (-). Industries in this sector are responsible for the production of waste along the entire value chain: upstream in agricultural activities, which require the use of pesticides and chemical fertilisers; in manufacturing, which involves the production of numerous textile wastes and the use of hazardous chemicals; and finally, in the disposal of end-of-life garments and the management of unsold items. Inadequate waste management generates serious negative environmental impacts, contributing to the pollution of soil, air and groundwater, with consequent damage to biodiversity and local communities. Albini Group expresses its commitment through its environmental policy, which promotes the circular economy and aims to reduce the waste produced, enhancing the value of production waste and producing quality products characterised by high durability. It also engages in circular economy projects, where it uses by-products to create new yarns, fabrics or other products.	Very relevant	GRI 306: Waste
2. Depletion of natural resources caused by the exploitation of raw materials (-). The sourcing of raw material from intensive agriculture and the failure to manage production waste in a circular logic can lead to the depletion of ecosystems and natural resources, causing damage to biodiversity and local communities and contributing to soil, air and groundwater pollution. Albini Group oversees the potential impact through the sourcing of part of the cotton used from organic and regenerative agriculture, with product certifications such as GOTS (Global Organic Textile Standard), OCS (Organic Textile Certification), BCI (Better Cotton Initiative) and Regenagri. Furthermore, as far as linen products are concerned, the raw material is certified European Flax™, which guarantees that the fibre comes from European cultivations, and Masters of Linen™, which guarantees the traceability of the entire production chain and the processing of the product in European countries.	Very relevant	GRI 301: Materials
WATER RESOURCE MANAGEMENT		
1. Exploitation and consequent depletion of water resources (-). The textile sector is responsible for consuming large quantities of water, used both for agricultural activities, in particular for the cultivation of cotton and, to a lesser extent, flax, and for the management of dyeing processes, known as “wet processes”. Further water consumption is related to the finishing activity, in order to refine the fabric and give it its final lustre and softness. Inefficient water resource management contributes to increased local water stress and reduced availability of the resource, generating a non-reversible impact. Albini Group mitigates its impact through the use, where possible, of growers using precision irrigation systems on their crops, and through water efficiency activities in manufacturing processes, in line with the environmental management systems adopted.	Very relevant	GRI 303: Water and effluents

2. Pollution of water resources (-).

The use of chemicals in both agriculture and manufacturing requires the adoption of advanced wastewater purification systems to prevent groundwater pollution, with consequent damage to ecosystems and local communities. The impact is significant due to the high discharges associated with the dyeing and finishing activities carried out within its plants. Washing the raw material also contributes to water pollution, albeit indirectly for the company, since it is an external activity carried out upstream.

Albini Group works to monitor and reduce the negative impact through the selection of raw materials from organic and regenerative agriculture, the integration of chemical management systems for wet processes, including the particular adoption of the ZDHC protocol, as well as the adoption of process water purification systems installed at the Brebbia and Albino sites of Cotonificio Albini S.p.A..

Relevant

GRI 303:
Water and
effluents

SUSTAINABLE SUPPLY CHAIN

1. Limited production chain tracing and integration (-).

For companies in the textile and fashion industry, it is essential to trace their production chain, becoming aware of the origin and production processes to which raw materials are subjected. In fact, the location of the production chain in developing countries, where human rights and the environment are afforded little protection, as well as the numerous intermediate transformations to which the raw material is subjected, expose companies in the sector to serious reputational and economic risks.

Albini Group monitors the risk with a progressive integration of the production chain, as well as with the definition of social and environmental requirements for suppliers, formalised in the Sustainability Values Charter for the production chain. It also uses a portal for supplier management to ensure a more transparent mapping of their master data and certifications. Finally, it scientifically verifies the origin of American cottons in collaboration with Oritain™.

Very relevant

NON GRI

2. Ineffective supplier selection process with ESG criteria (-).

For companies in the textile and fashion industry, the selection of suppliers according to ESG criteria, in addition to production chain tracing, is fundamental. It involves the assessment of the environmental and social aspects of its suppliers, to be given more attention in the event of developing countries, and the subsequent monitoring of performance through audits and self-assessment questionnaires.

Albini Group monitors the environmental and social requirements of its suppliers through the Production Chain Report’s sustainability assessment, which collects information on suppliers to monitor their level of implementation of good sustainability practices. Cotonificio Albini S.p.A in 2022 adopted the “4S Trace” protocol for the qualitative assessment of suppliers at ESG level. However, the fact that the management systems the company has in place are not integrated and do not guide the selection of suppliers with rewarding criteria significantly reduces their effectiveness.

Relevant

GRI 308:
Supplier
environmental
assessment

GRI 414:
Supplier
social
assessment

3. Nearshoring and supplier selection with proximity criteria (-).

Nearshoring, i.e. the sourcing and selection of suppliers on the basis of territorial proximity criteria, is a growing phenomenon among companies in the sector. This practice makes it possible to limit the risk of supply chain disruptions and delivery delays, as well as the reputational risk from human rights violations by suppliers based in developing countries. It also allows for greater control over suppliers by sharing a similar corporate culture.

Albini Group has progressively integrated its production chain with a view to nearshoring, with production sites in Italy, Egypt, the Czech Republic and Hungary. In addition, suppliers are selected both centrally and for each plant on the basis of proximity criteria. The company works with long-standing suppliers with whom a relationship of trust has been established.

Relevant

GRI 204:
Procurement
practices

4. Poor monitoring of respect for human and labour rights along the production chain (-).

In manufacturing companies based in developing countries, the risk of labour law violations, relating to occupational health and safety, work shifts, wages and working conditions, is higher. The dangers reported by industry associations also include modern slavery, forced labour and child labour. The impact needs to be carefully monitored in view of the reputational risks and the risk of disruption to which companies are exposed, as well as in view of the forthcoming legal liabilities.

Albini Group monitors risk through the integration of the production chain and the adoption of process and product certifications that also cover social requirements, such as GOTS, BCI and GRS. Workers employed in establishments abroad are guaranteed the same level of protection as those working in Italy.

Very relevant

GRI 407:
Freedom
of associ-
ation and
collective
bargaining

GRI 408:
Child labour

GRI 409:
Forced or
compulsory
labour

PROTECTING AND ENHANCING HUMAN CAPITAL

1. Incidents of discrimination and failure to promote equal opportunities in the workplace (-).

Failure to respect diversity and equal opportunities within the company can lead to instances of discrimination due to factors such as gender, sexual orientation, religion and ethnicity, with a negative impact on human capital. The topic is of particular relevance for all companies in the sector, due to the high rate of female employment and the presence of production sites in developing countries. The commitment required of companies in the sector to promote equal opportunities in company management is also significant.

Cotonificio Albini S.p.A. prevents episodes of discrimination and failure to promote equal opportunities by applying its Code of Ethics. Adoption by all group companies is in the planning phase.

Very relevant

GRI 406:

Non-
discrimination

2. Reduced occupational health and safety protection (-).

Very relevant

GRI 403:
Occupational
health and
safety

Non-compliance with health and safety regulations and shortcomings in preventive procedures and actions could lead to an increase in the rate of workplace accidents that, in the most serious of cases, can result in the death of the worker. In terms of human health associated with the textile industry, one of the most relevant problems is chemical exposure due to the processing and dyeing of fabrics and/or yarns. In addition to this, cases of occupational illnesses related to the manual movement of loads and the adoption of incorrect postures during work can occur, as well as inappropriate use of textile machinery.

Albini Group is committed to complying with health and safety regulations in the workplace. It oversees the impact by ensuring an PPSM for each plant who verifies the training needs for OHS. In addition, the different PPSMs collaborate to update and make the risk assessment statement more effective and efficient.

3. Insufficient development of employee skills (-).

Very relevant

GRI 404:
Training and
education

An adequate number of training hours positively influences the health and safety of employees, the possibility to develop professional and personal skills and the quality of products. The preparation of adequate training plans increases corporate retention and attraction. In addition, raising awareness of the downstream phase of the value chain, especially of the end customer, has positive impacts in terms of developing a culture of circularity and sustainability in general.

Albini Group contributes to the professional development of its employees through training activities mainly based on specific employee requests. The only specific training plan that exists concerns occupational health and safety issues. Work is underway to set up an annual training plan for skills development and a dedicated Academy training course with technical modules on textiles has also been launched.

4. Low corporate attractiveness for ineffective welfare and career development plans (-).

Moderate

GRI 401:
Employment

GRI 402:
Management
of labour
and trade
union rela-
tions

Transparency in personnel selection criteria and the presence of career development plans and rewarding remuneration policies contribute to increasing employees’ commitment to their work, as well as to the company’s ability to attract and retain talent and the creation of a healthy working environment and corporate culture.

Albini Group contributes to the well-being of its employees through measures aimed at improving the well-being of workers, including the provision of supplementary health insurance for its employees. There are currently no formalised procedures for the evaluation of candidates, and career and professional development plans.

PRODUCT QUALITY AND CONSUMER PROTECTION

1. Damage to consumers’ health caused by non-conformity of marketed products (-).

Moderate

GRI 416:
Customer
health and
safety

Leading companies are proactively integrating sustainability into their business models through greater transparency in the data sheet of the raw materials they use: specifically, by remaining compliant with mandatory data sheet entries and reporting as much optional information as possible. Transparency in declarations must also take into account the variety of regulations in force in the countries where the products are marketed.

Albini Group mitigates the negative impact through continuous efforts to comply with the requirements of the Reach Regulation, to protect consumer health and the environment. The characteristics of the fabrics placed on the market are explained in the technical data sheets shared with customers, who are then responsible for writing the labels on the finished products. Furthermore, Albini Group is able to monitor the quality of the fabrics through the execution of periodic tests on the products, carried out in the Gandino factory, in order to identify any non-conformities.

2. Non-compliance of information and consequent damage to the economic system and consumers (-).

Relevant

GRI 417:
Marketing
and labeling

The dissemination of advertising claims and labeling not supported by adequate scientific evidence may expose the company to litigation and financial penalties for unfair competition and failure to protect consumers. The growing attention to the market issue and recently introduced legislative obligations expose the company to serious reputational risks.

Albini Group oversees this issue through its Marketing Department and the adoption of product certifications that guarantee product quality and compliance with environmental and social criteria along the production chain. However, the lack of an in-house legal department is a high risk factor.

3. Customer satisfaction monitoring (+).

Moderate

NON GRI

Consumer satisfaction is a relevant tool in the choice of corporate priorities and policies, being one of the main criteria on which to assess the attractiveness of the company for investors. It represents the company’s ability to pick up on customer needs in terms of product quality, delivery time, customer service and compliance with market requirements. It therefore reflects the quality of the experience (at service and product level) offered by the company and is a key element for economic success in a competitive environment.

For the Albini Group, customer satisfaction also depends on the choice of sustainable raw materials, on which front the company is working to always remain ISO 9001 compliant. In addition, qualitative research on customer satisfaction was carried out in 2023.

SUSTAINABLE GOVERNANCE

1. Failure to comply with regulations, standards, principles of ethics and conduct (-).	Relevant	GRI 2-7: Regulatory compliance
The textile and fashion sector is affected by an increasing number of ESG-related regulatory actions, which, at European level, are covered by the Sustainable and Circular Textiles Strategy, which sets the goal for 2030 to put sustainable and repairable textiles on the European market, made of recycled fibres, free of hazardous substances and produced in a way that respects human rights and the environment. Non-compliance with these regulations exposes the company to major risks, such as loss of market share and credibility with regard to business partners and possible economic sanctions. In order to protect itself from these risks, Albinì Group collaborates with an external law firm and is a member of a number of associations including Confindustria, Camera Nazionale della Moda Italiana, Sistema Moda Italia, AFIL (Associazione Fabbrica Intelligente Lombardia), Textile Exchange, the non-profit ZDHC, Sustainable Apparel Coalition and ASSOESCO through its subsidiary Albinì Energia S.r.l..		
2. Generation and distribution of value to stakeholders (+).	Relevant	GRI 201: Economic performance
The company generates and distributes economic value directly and indirectly through its activities. In particular, the company can have a significant positive impact through its hiring and procurement policies, responsible financial management, and the promotion of initiatives that benefit local communities. Albinì Group is a landmark for the places where it operates. Collaborating with governments, institutions and leading regional organisations, it supports projects within the community and with young people: cultural and artistic events, academic events and conferences, collaborations with various universities and technical institutes.		
3. Incidents of corruption and consequent damage to the economic system (-).	Relevant	GRI 205: Anti- corruption
The possibility that company representatives may commit illegal acts related to corruption can lead to economic and reputational damage for the company. The latter, during operations and through the procurement of raw materials and semi-finished products, may engage in corrupt practices and money laundering. In the absence of adequate policies and procedures, misallocation of resource revenues, abuse of democracy, human rights and political instability can occur. Cotonificio Albinì S.p.A. monitors the risk through the adoption of its Code of Ethics and Organisational Model 231, disseminated among employees and suppliers. In addition, the company undertakes to revise the Code of Ethics at the specific request of the customer.		

RESEARCH AND DEVELOPMENT

1. Process innovation and new product research and development (+).	Very relevant	NON GRI
The research and development activities of industry leaders are aimed at promoting forms of circular economy by extending the life of garments, reducing waste in the production and design phases of products, in the search for innovative materials with a reduced environmental impact and in the technological improvement of production phases. The Albinì Group pursues its research and development activities through the Research and Development office of the Style and Product Development Department and the ALBINI_next Open Innovation centre, which operates at Kilometro Rosso in Bergamo, where new fibres are developed, alternative dyes and green chemistry solutions are tested, and the recycling of production waste is studied with a view to circularity and virtuous reuse, also through strategic partnerships.		

The eight material topics that refer to the Albinì Group’s impacts are:

- Fighting climate change
- Sustainable and circular management of products and processes
- Water resource management
- Sustainable supply chain
- Protecting and enhancing human capital
- Product quality and consumer protection
- Sustainable governance
- Research and development.

02

RESPONSIBLE MANAGEMENT

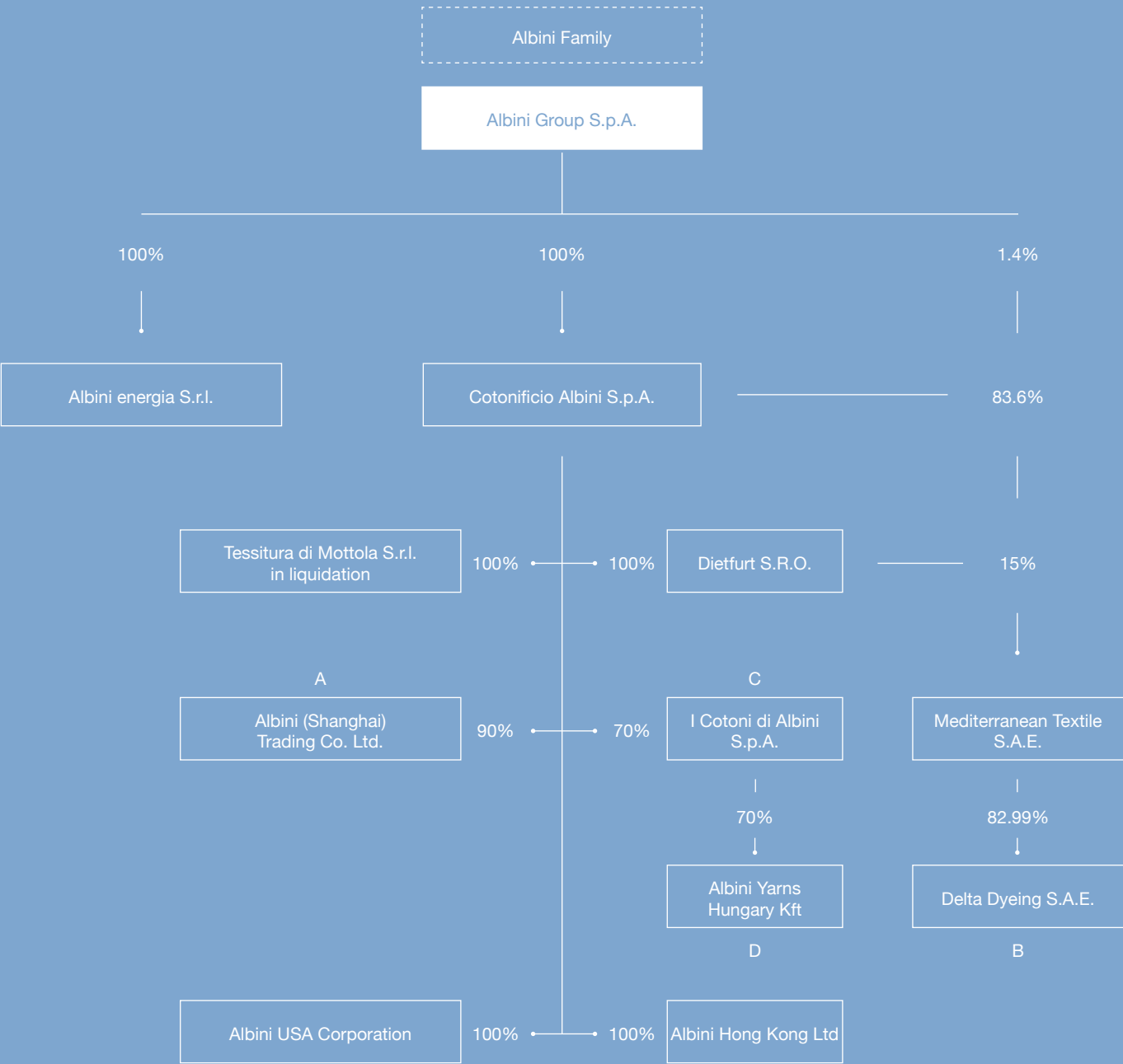
Corporate governance

Albini Group’s success is largely due to the governance structure that expresses a long-term vision that results in the achievement of challenging and forward-looking strategic goals.

At the top of the group’s organisational structure is Albini Group S.p.A.4, a holding company with no operational power over the business, whose shares are held entirely by members of the Albini family. Albini Group S.p.A holds 100% of the shares of the

following companies:

- **Albini Energia S.r.l.:** a company dedicated to energy and engineering services;
- **Cotonificio Albini S.p.A.:** operating and controlling parent company of all the other companies in the group, including I Cotoni di Albini S.p.A., Mediterranean Textile S.a.e., Delta Dyeing S.a.e., Dietfurt S.r.o. and the foreign trading companies..



A Essence Trading Co. Ltd 10%

B Sectore Spinning 8.17% - Alba Beteiligungs immobilien AG 8.84%

C Modern Nile Cotton Co. 30%

D Best Yarn Srl 30%

⁴ The compositions of the holding company’s highest governing bodies are outlined below:

Composition of the Board of Directors Albini Group S.p.A. as at 31.12.2024

CHAIRMAN	Fabio Albini
DEPUTY CHAIRMAN	Andrea Albini
DIRECTOR	Monica Albini
DIRECTOR	Giulio Guffanti Pesenti
DIRECTOR	Giovanni Carlo Albini

Composition of the Board of Statutory Auditors Albini Group S.p.A. as at 31.12.2024

CHAIRMAN	Danilo Arici
ACTING AUDITOR	Fabrizio Lecchi
ACTING AUDITOR	Lorenzo Gelmini
ALTERNATE AUDITOR	Laura Bertacchi
ALTERNATE AUDITOR	Maria Speranza Crippa
STATUTORY AUDITOR	KPMG S.p.A

149 years of entrepreneurial history

The corporate bodies of Cotonificio Albini S.p.A., the operating and controlling parent company of all the other group companies, are the Board of Directors, the Board of Auditors and the Shareholders’ Meeting. In order to consolidate a relationship of trust and collaboration, the company aims to ensure an active and constant dialogue with all its stakeholders in order to enhance the specificity of each category identified through the activation of engagement modes. In light of these findings, senior management reviews and updates the Company’s strategies, policies and objectives relating to sustainable development on an annual basis. Corporate governance is based on the principles of **fairness** and **transparency** in order to guarantee the interests of its stakeholders.

The **Board of Directors** of Cotonificio Albini S.p.A. (hereinafter referred to as the “BoD”) is the highest body of the company. All corporate functions report to the Chief Executive Officer. The parent company’s board of directors is appointed by the shareholders’ meeting and is responsible for managing the company, as well as assuming economic, environmental and social responsibilities. Finally, the BoD defines the Strategic Guidelines and is committed to assessing the proper management of the company, also with respect to the definition and measurement of activities concerning sustainability. Members of the Board of Directors are appointed every three years by the General Assembly. The role of the Board of Directors is fundamental in identifying and pursuing the company’s strategic objectives: it has the power to perform all acts and operations it deems

Composition of the BoD Cotonificio Albini S.p.A. as at 31.12.2024	
CHAIRMAN	Stefano Albini
DIRECTOR AND CHIEF EXECUTIVE OFFICER	Pierluigi Fusco Girard
DIRECTOR	Fabio Albini
DIRECTOR	Andrea Albini

appropriate for the implementation and achievement of the corporate purpose in full compliance with reference regulations.

The authority and integrity of the members of the BoD is ensured by their specific managerial skills and knowledge on ESG issues, as well as by the application of the provisions of the **Code of Ethics** and the **Organisational Model 231** concerning the prevention of conflicts of interest. The presentation and approval of the Sustainability Report ensures that the members of the Board of Directors are constantly updated on ESG⁵ issues.

Mr. Stefano Albini, in addition to being **Chairman of the Board of Directors** of Cotonificio Albini S.p.A., is also Manager in charge of the Administration and Finance area of the same. The conflict of interest prevention and management measures applied in this respect are set out in the Code of Ethics.

The **Chief Executive Officer** of Cotonificio Albini S.p.A., following decisions made jointly with the BoD and through the company structure, implements decisions at an economic, environmental and organisational level. Through periodic meetings, the analyses conducted internally are then shared with the entire Board of Directors, which evaluates the general management performance, taking into consideration, in particular, the information received from the delegated bodies, periodically comparing the results achieved with those planned.

⁵ There is no system for evaluating the governing body’s management of economic, environmental and social impacts. Furthermore, there are currently no MBOs linked to the achievement of ESG targets.



Composition of the Board of Statutory Auditors of Cotonificio Albini S.p.A. as at 31.12.2024	
CHAIRMAN	Danilo Arici
STATUTORY AUDITOR	Lorenzo Gelmini
STATUTORY AUDITOR	Fabrizio Lecchi
ALTERNATE AUDITOR	Maria Speranza Crippa
ALTERNATE AUDITOR	Laura Bertacchi

Composition of the Shareholders’ Meeting as at 31.12.2024	
Albini Andrea	
Albini Fabio	
Albini Giovanni Carlo	
Albini Laura	
Albini Monica	
Albini Stefano	
Guffanti Pesenti Elena	
Guffanti Pesenti Giulio	
Guffanti Pesenti Laura	
Guffanti Pesenti Margherita	
Guffanti Pesenti Stefano	
Industrie Riunite Filati S.p.A.	
Terzi Albini Giovanni	

The **Board of Statutory Auditors** of Cotonificio Albini S.p.A. has the task of supervising compliance with the law, the articles of association, respect for the principles of correct administration and the adequacy of the organisational, administrative and accounting structure on the part of all representatives of the company. In addition to the members listed below, there is also the **Auditing Firm**, whose task is to check that the company accounts are properly kept, that the Financial Statements correspond to the accounting records, and that the rules established by the Civil Code for the valuation of the company’s assets are observed. Every year, the Auditing Firm informs the Shareholders’ Meeting of the results of its activities.

The **Shareholders’ Meeting** of Cotonificio Albini S.p.A., on the other hand, has the task of appointing the members of the Board of Directors and the Board of Statutory Auditors, also determining their remuneration consistent with regulatory provisions and in consideration of those set forth in the Articles of Association, as well as approving the Financial Statements.

Integrity, transparency and the fight against corruption

Cotonificio Albini S.p.A., inspired by a modern corporate concept that foresees a close correlation between ethics and business, has adopted the principles dictated by the regulations and has adopted its own **Model of Organisation, Management and Control** and a **Code of Ethics**, with which all managers and employees and those who, directly or indirectly, establish relations or relationships with the company are required to comply.

The Code of Ethics is a fundamental corporate governance tool as it defines the framework of social, environmental and business responsibility that staff and the entire value chain must respect and strive for, as well as being the main tool through which the risk of conflicts of interest is prevented.

In order to ensure responsible business conduct in all its activities and business relations, the Code of Ethics, as well as the other policies adopted, is made available to stakeholders through publication on the company website and communicated to all employees at the same time and in the same manner. The implementation of all adopted policies is entrusted to the heads of departments, who are responsible for ensuring their proper implementation by their respective departments. Given its strategic importance, the Code of Ethics will be progressively adopted by all Albini Group subsidiaries.

The Code provides that activities are carried out following the principles of honesty, integrity, fairness and good faith, respecting the legitimate interests of the stakeholders and the communities with which Cotonificio Albini S.p.A. comes into contact. Clients or third parties must be protected from any collusive and abusive behaviour; moreover, it is essential to verify that the entire value chain is free of phenomena such as child or forced labour, while internally any

kind of discrimination and attempted corruption is not accepted.

A **Supervisory Body** has also been set up at Cotonificio Albini S.p.A., composed of a panel of members, whose responsibility is to supervise the functioning of the Model, ensure its effectiveness and adequacy, and oversee its periodic updating. The Organisational, Management and Control Model adopted by Cotonificio Albini S.p.A. aims to ensure compliance with the principles of fairness and transparency in the conduct of business and company activities and, at the same time, to prevent the commission of unlawful conduct, as expressly provided for by Legislative Decree no. 231/01, by its directors, employees and collaborators.

All Recipients are required to promptly report to the Cotonificio Albini S.p.A. Supervisory Body any violation or presumed violation of the Code of Ethics and/or of the Organisational Model, as well as any element indicating the possibly committed crimes.

Annually, the Supervisory Board has the task of preparing a written report on its activities for the Board of Directors and the Board of Statutory Auditors. For the year 2024, no critical issues or breaches of regulations were reported against Albini Group companies either by the Supervisory Board or by external authorities.

Cotonificio Albini S.p.A. has different types of communication channels, adapted according to the relevant stakeholders. These include reporting channels available to employees and customer complaint mechanisms through which the company collects and takes up any critical issues raised. Critical issues that may have a significant influence on the smooth running of company activities are brought to the attention of the members of the Board

of Directors. The main reporting channel takes the form of the **digital Whistleblowing platform**, publicly available on the Albini Group’s website, which allows reports to be sent in an effective and confidential manner⁷.

Reports made through the Whistleblowing platform are forwarded directly to the Company’s Supervisory

Board, which will verify the validity of the facts in strict observance of the principles of confidentiality. Please note that anonymous reports are also accepted.

As proof of the effectiveness of prevention tools, no management of any company belonging to the corporate group has been involved in cases of corruption in the last three years.



⁶Any reports may be submitted to the e-mail address odv.cotonificioalbinispa@albinigroup.com or by written communication addressed to: "Organismo di Vigilanza del Cotonificio Albini S.p.A., Via Dr. Silvio Albini n. 1 – 24021 Albino (BG)".

⁷ The reporting platform can be accessed via the following link: <https://digitalroom.bdo.it/albini>.

Risk Management

Effective risk management plays a crucial role in preserving the value of the Albini Group over time. The monitoring of the main risks focuses on Cotonificio Albini S.p.A. and the companies that also invoiced external customers such as Albini Yarns, Albini Energia S.r.l., Delta Dyeing S.a.e., Albini Hong Kong Ltd. The other companies of the Group almost exclusively carry out work commissioned by Cotonificio Albini S.p.A..

The various companies comprising the Albini Group carry out a continuous and systematic activity of assessing their specific risks and the consequent elimination of those considered unacceptable, in accordance with the regulations in force in the various countries where the production sites are located.

The main risks identified, in connection with the issues considered relevant to the business, can be traced to four macro-areas: **Environment, Health and Safety, Product and Supply Chain**.

With regard to the business risks associated with **textile products**, which by their nature require the presentation of annual collections, created on the basis of uncertain and subjective trends, Albini Group over time has developed a production method aimed at mitigating them. This includes intensive research and development, to which substantial resources are devoted; constant involvement of sales and marketing managers to monitor the market and its signals; and close stylistic collaboration with key customers, which has proven to be extremely beneficial to both parties. Since the company operates in a global context, great emphasis is placed on diversification across a wide range of customers, both geographically and in terms of the segments in which they operate. Special attention is paid to emerging markets, where sales are expanding and where there will be the highest rates of development.

Finally, given the professional relationships with important players in the sector, much attention is paid to reputational risks, which are particularly linked to the high quality of the product. Given the importance of the topic, this is kept under constant control by monitoring and obtaining certifications, on products and along the entire production chain, and through the accuracy of analyses carried out by the in-house ACCREDIA-certified Quality Laboratory.

In order to guarantee high product quality and counteract the procurement risks that have characterised recent years, it is essential to have a strong control of one's own **supply chain**. Among the operational risks associated with this issue, raw materials are at the top of the list. The topic is widely covered thanks to close relations with cotton and linen producers and a deep-rooted presence in the spinning business, both of which make it possible to have an in-depth knowledge of supply markets and their trends. In addition, partnerships with some strategic yarn suppliers are becoming increasingly close. Thanks to its control over its production chain and wide range of products, Albini Group is able to respond to the diverse needs of the market, positioning itself as a benchmark company for various types of customers: designers, fashion brands, retailers and tailors from all over the world.

The main risks inherent to **health and safety** in the workplace arise from the nature of production of the group's plants. In order to deal with all eventualities and as required by Legislative Decree 81/08, a Prevention and Protection Service Manager has been appointed. Among the activities involved in the performance of their duties are the identification of company risk factors, the assessment of these and of measures for the safety and health of the working environment, the creation and control of safety

procedures for the various company activities, and finally the dissemination of information on risks and company safety procedures to workers.

Although the Albini Group is not subject to **cyber risks** related to the handling of sensitive data, the issue is nevertheless controlled; stakeholder privacy is a crucial point in the digitisation process since unique models and designs, also covered by intellectual property, are stored on the company servers. For this reason, a monthly audit by an external company was introduced, concerning the soundness of the computer protections of the company's systems.

Finally, Albini Group, with regard to the risks generated by its own **environmental impact**, recognises those

related to water and energy consumption, water discharges into surface water bodies or consortium purification plants, the generation of hazardous waste, the use of chemicals and emissions of pollutants into the air. The production and commercial processes of the companies comprising the group are designed and implemented with the utmost respect for the environment, and with a careful process of progressive reduction of the impacts generated by its activities. This is certified by the **ISO 14001:2015** on environmental management systems (EMS), which was obtained by Cotonificio Albini S.p.A.'s factories in Albino, Gandino and Brebbia and by the Egyptian Mediterranean textile and Delta Dyeing plants.

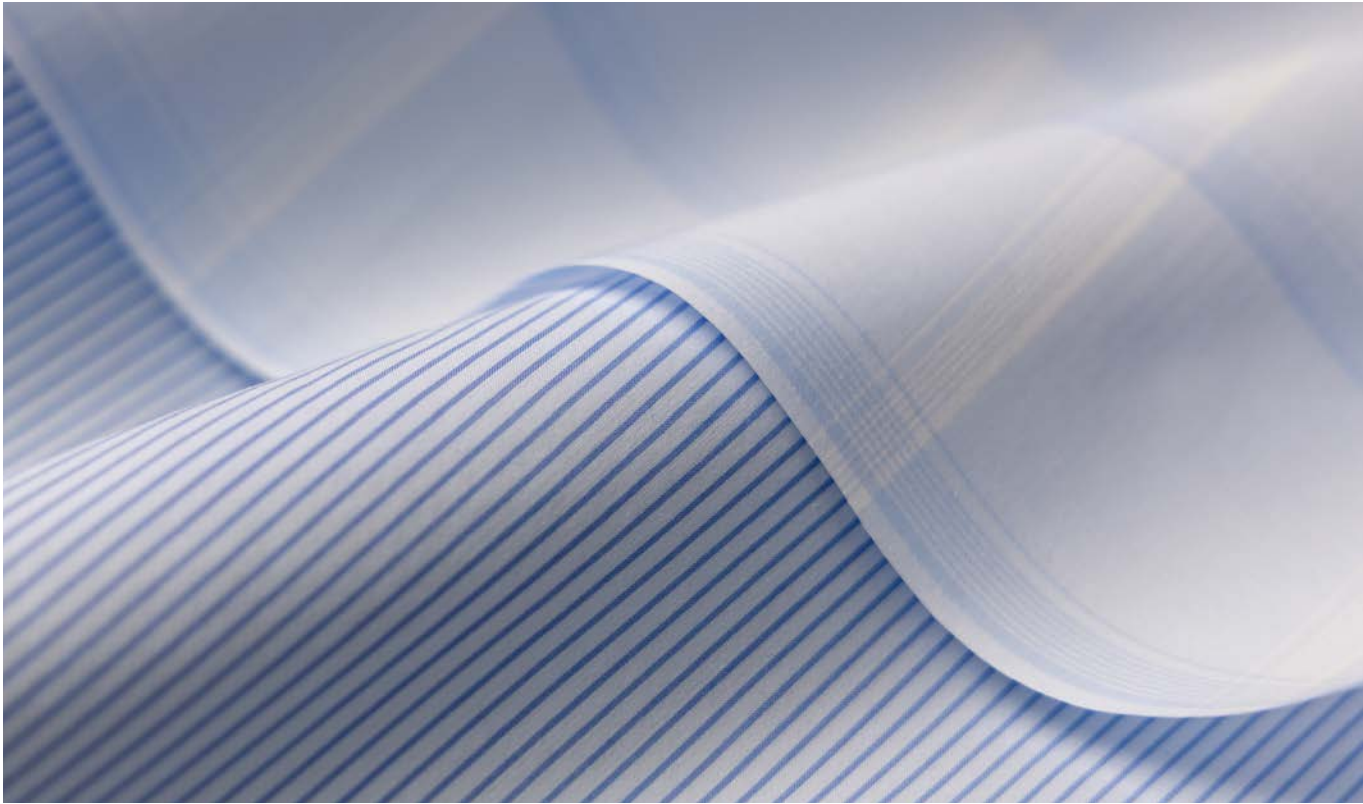
Thanks to the control of its production chain and its wide range of products, the Albini Group is able to respond to diverse market requirements.



Value generated and distributed

Albini Group adopts a **sustainable** and **transparent** fiscal approach to promote corporate ethics, social responsibility and to improve relations with its stakeholders. Through this approach, the company not only ensures compliance with tax laws, but also builds a positive reputation, which is crucial

for attracting customers, employees and investors. Furthermore, the adoption of sustainable and transparent tax practices can lead to an improved business climate and greater operational efficiency, reducing the risks of possible regulatory, criminal and tax violations.



In 2024, the economic value distributed by Albini Group was over 160 million euros.

GRI 201-1: Direct economic value generated and distributed		€ (thousands)
Economic value generated		165,142
Value of production		164,553
Income from shareholdings		-
Other financial income		589
Extraordinary income		-
Distributed economic value		160,490
Operating Costs		122,346
Raw material costs		81,248
Costs for services		42,075
Costs for the use of third-party assets		1,169
Changes in raw material inventories		-2,269
Other operating expenses (net of taxes)		123
Extraordinary expenses		-
Value distributed to employees		32,212
Personnel costs		32,212
Value distributed to capital providers		4,230
Interest and other financial charges		4,230
Value distributed to P.A.		1,450
Income Taxes (current and prepaid)		947
Sundry operating expenses (only the value of taxes)		503
Value distributed to shareholders		-
Dividends distributed		-
Value distributed to the community		252
Donations		40
Sponsorships		25
Membership contributions		187
Economic value retained		5,669
Profit (or loss) for the year (net of dividends)		-490
Depreciation / Provisions / Write-downs / Revaluations		5,669
Deferred taxes		502

03

**RAW
MATERIALS AND
SUPPLY CHAIN
SUSTAINABILITY**

Production cycle: integration and traceability

Albini Group is distinguished by the fact that it directly and fully manages the entire production chain, starting **from the cultivation of raw materials to the production of the finished fabric**. This integrated approach to the value chain allows it to offer greater transparency to both its customers and end consumers.

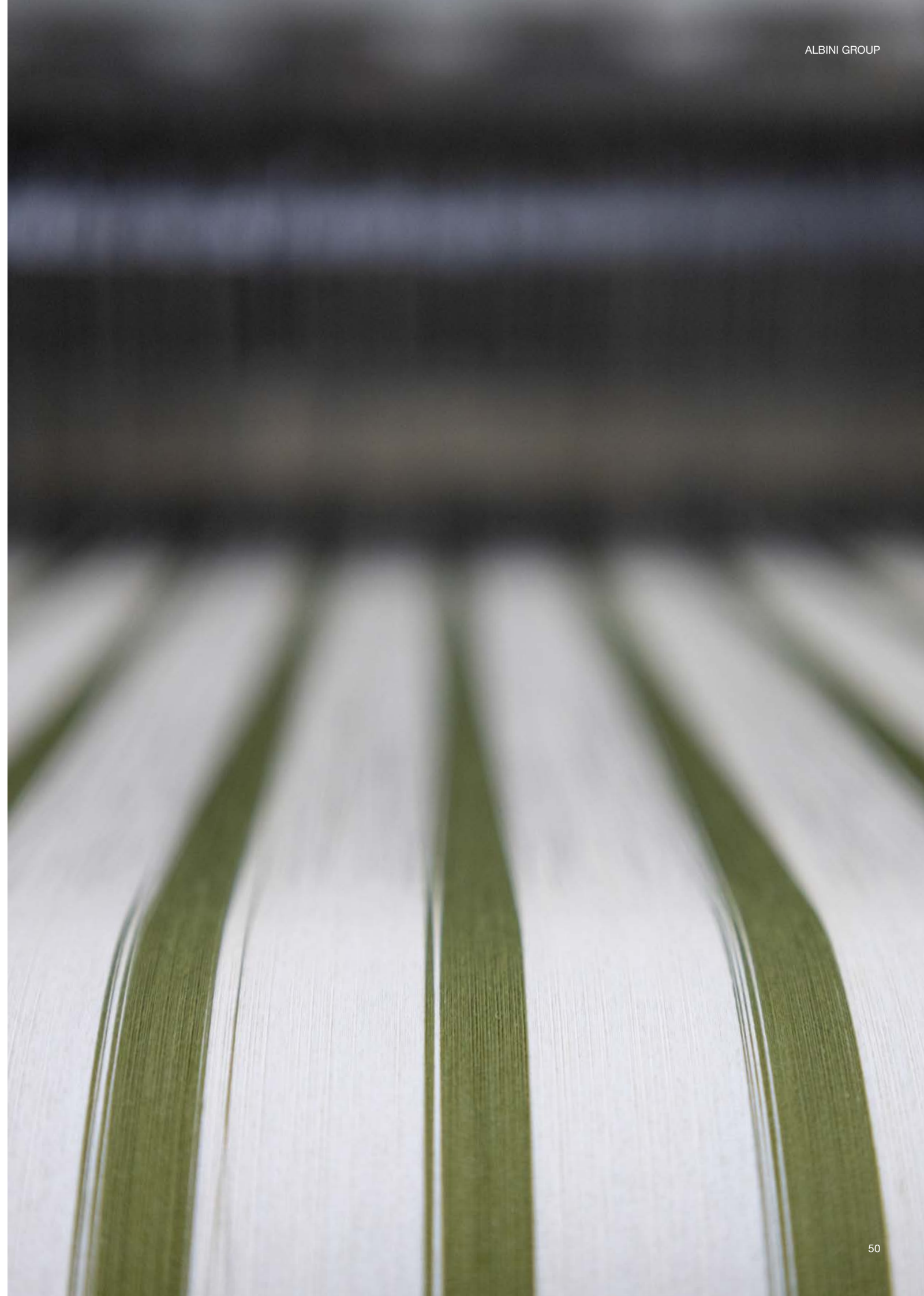
The production process begins with **spinning**. The various process stages are geared towards achieving a high quality, regular and durable yarn. The first step is to open the bales so that the cotton can be cleaned and mixed. The latter is then put into loaders for unravelling. The unravelled material is then cleaned of external agents and then taken to the carder. The fibres begin to be parallel and the first semi-finished product is created: the card sliver, which is gradually refined to yarn.

The journey of the raw yarn begins in **dyeing**: through the use of dyeing substances, the transformation of the raw yarn into coloured yarn takes place. The process takes place inside autoclaves where the dye is absorbed by the fibre, going from water-soluble to insoluble.

The birth of the fabric occurs during the **weaving** phase. The preparation process begins with **winding**, during which the yarn is wound onto cylindrical or conical tubes to prepare the warp and weft. By means of **warping**, the warp yarns are arranged next to each other on the reel and wound onto the reel to be loaded onto the warp beam, which is in turn loaded onto the loom by means of drawing-in. The warp is then ready for weaving, where it will cross the weft thread to create the fabric. This process takes place on high-tech looms in a controlled environment, where processing is carefully monitored to detect and manually correct any defects in the fabric.

After **the raw fabrics are checked**, they are sent to finishing where they are treated to obtain their final colour, hand and appearance. This process requires a combination of human experience and technology to ensure the highest product quality. The fabric finishing is ennobled in Italy at the Brebbia factory.

Once the finishing phase is complete, the fabrics are checked again at the Gandino Logistics Centre, where final **inspections are done with an inspecting machine and physical and chemical tests** are carried out to ensure durability and resistance.



Raw materials and certifications

The quality of the Albin Group fabrics begins with research and with the responsible choice of the **finest and most sustainable natural raw materials**, strictly selected and cultivated with respect for the environment and the populations.

In order to perfect direct and complete control over the production chain, **Albini Yarns was founded in 2012, a company arising from the experience in raw material selection and spinning know-how**. Thanks to the important work of research and selection of the best raw materials, direct control of the production chain and strong partnerships established with growers, Albini Yarns creates and markets yarns not only for Cotonificio Albini S.p.A. but also for other customers in the market. Albini Yarns’ products are high-performance and superior quality, made by applying state-of-the-art spinning techniques.

The raw materials selected by the Albin Group are the result of a research journey around the world.

Egyptian cotton

Egyptian cottons are among the most valuable in the world, exceptional for the fineness and strength of their fibres. These include the rare Giza 45, considered the “queen” among Egyptian cotton species. Grown in a small area east of the Nile Delta, its fibres are very long, making it the best of the extra long staple cottons.

Giza 87 is the brightest of the extra-long fibre cottons, exceptional for creating fine, strong fabrics with an extraordinarily soft and silky hand.

West Indian Sea Island Cotton

It is one of the oldest and rarest varieties in the world, discovered in the early 18th century in the British West Indies. Its production is now concentrated in the Caribbean area, which is a veritable climatic paradise. Sea Island cotton differs from all other cotton species for its unique characteristics, such as remarkable fibre length, exceptional resistance and a high percentage

of uniformity. This extraordinary combination results in fabrics that are silky to the touch, cool and capable of being revitalised after every wash.

Supima® cotton

It is an extra-long fibre cotton known for its particularly white colour and long, thin fibres. Cultivated mainly in California, Texas and New Mexico, among its identifying characteristics is the absence of fibre pollution due to mechanical harvesting and a remarkable resistance to pilling. Its particularly clean and white fibre makes it ideal for producing white fabrics. Supima® cotton is traceable through forensic science.

Linen

It is a fibre with exceptional qualities, including high strength, high moisture absorption capacity, insulating and heat-regulating properties, and hypoallergenic characteristics. Albini Group selects linen from Normandy and works with Terre de Lin, the largest linen cooperative in Europe, which is certified European Flax™ for its 100% European origin.

TENCEL™ Lyocell

It is a cellulose fibre of botanical origin. The natural fibre structure of TENCEL™ Lyocell, which is naturally smooth and voluminous, gives the fabrics a surprising softness, providing a comfortable and natural feel on the skin.

BIOFUSION® cotton

The result of a unique and exclusive project, it was created as a blend of American organic cottons, specifically Supima® and Upland, two extra-long fibre cottons of the highest quality. Over the years, the project has evolved and today BIOFUSION® identifies all organic and traceable cotton sold by the Albin Group, which directly manages and controls its cultivation with the aim of guaranteeing total compliance with organic farming regulations, high quality standards and the traceability of the production

chain. Furthermore, the origin of BIOFUSION® cotton is scientifically traced by Oritain™, a third-party certifier and world leader in forensic science. Oritain™ provides Albini Group with a scientific origin verification programme for cotton yarns and finished fabrics. Collected samples are checked against the declared origin, if known and available, provided the cottons present are from the same geographical area. In fact, it is not possible to certify products made from blends of cottons from different countries: for this reason, in 2024 Albini Group introduced an additional check aimed at verifying the origin with respect to

the following risk countries: China, Uzbekistan and Turkmenistan. Fabrics made from BIOFUSION® cotton are accompanied by the Organic Content Standard (OCS) certification and the Global Organic Textile Standard (GOTS) certification. In support of the GOTS and OCS certifications, Albini Group carries out its own tests for possible pesticide and GMO contamination of its organic cotton.





REGENERATIVE BIOFUSION®

Thanks to the know-how it has gained and strong partnerships with farmers, Albin Group pushed the project to a further stage and in 2023 presented REGENERATIVE BIOFUSION®: an organic, traceable cotton grown using regenerative farming methods. The new challenge is to apply an innovative and integrated agricultural approach, which aims to rebuild soil fertility, protect biodiversity and ensure the resilience of agricultural ecosystems.

Unlike conventional models, this method does not aim at “damage limitation”, but at regeneration: restoring vitality to the land, improving environmental quality and strengthening the relationship between agriculture, nature and local communities.

It is a holistic system, enhancing the value of both traditional knowledge and modern technologies, and is based on certain fundamental principles:

- regenerating the soil and increasing organic matter;
- stimulating biodiversity, both plant and animal;
- nurturing the natural interactions between plants, insects, microbes and animals;
- promoting circular farming practices, with reduced waste and better use of resources.

There are many agricultural practices that can be applied to achieve these four objectives. The main ones, applied by the Albin Group and its partners, are:

1. Minimum land tillage

Regenerative ploughing only works on the top layer of the soil to reduce CO₂ emissions and limit soil stress and depletion, unlike conventional ploughing techniques, which penetrate deep into the soil.

2. Continuous soil cover

Through soil cover, agricultural land is not left exposed, thus favouring biodiversity and reducing

the dependence of agro-ecosystems on external inputs. Cover crops provide several benefits, such as nitrogen supply, disease and insect suppression, soil moisture conservation, erosion prevention and weed reduction. Examples of complementary plants to cotton include peas, clover and ryegrass.

3. Waste reduction and circular approach

Resources are rationalised to do better, with less. This means nourishing the plants properly, without depleting the soil but regenerating it and not altering the normal ecosystem process.

4. Intercropping

It consists of the simultaneous and close cultivation of plants of different species on the same land, with the aim of promoting biodiversity and reducing the risks of monoculture (soil impoverishment and exposure to diseases and pests). Intercropping allows complex interactions between plants to be enhanced.

5. Integrated multi-species grazing

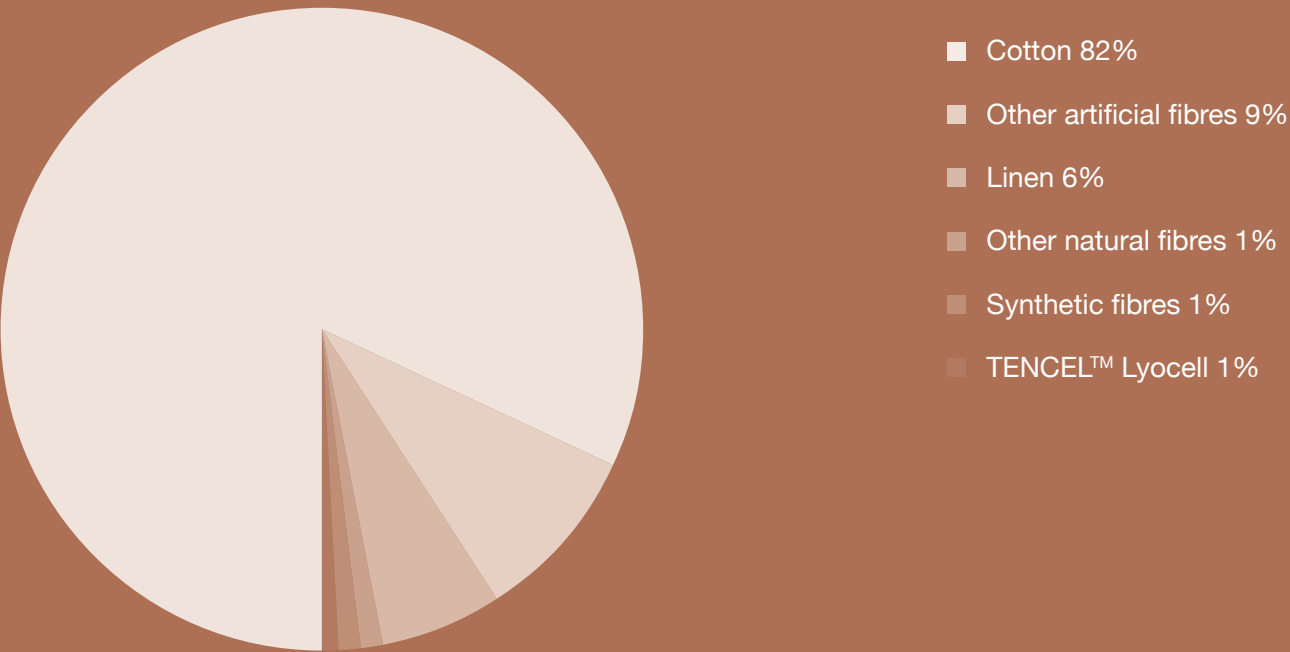
This agricultural technique involves the introduction of animals on the farmland, reducing the use of machinery to till the soil and carrying out this operation in a natural and more superficial way. What's more, multi-species grazing improves terrain fertility, controls weeds and reduces the spread of pests.

6. Advanced technologies and precision agriculture

Using drones and satellite images, crop health and stress (chlorophyll, moisture, vegetative vigour) are monitored. Forecasting models enable targeted and intelligent interventions, optimising the use of water and resources.

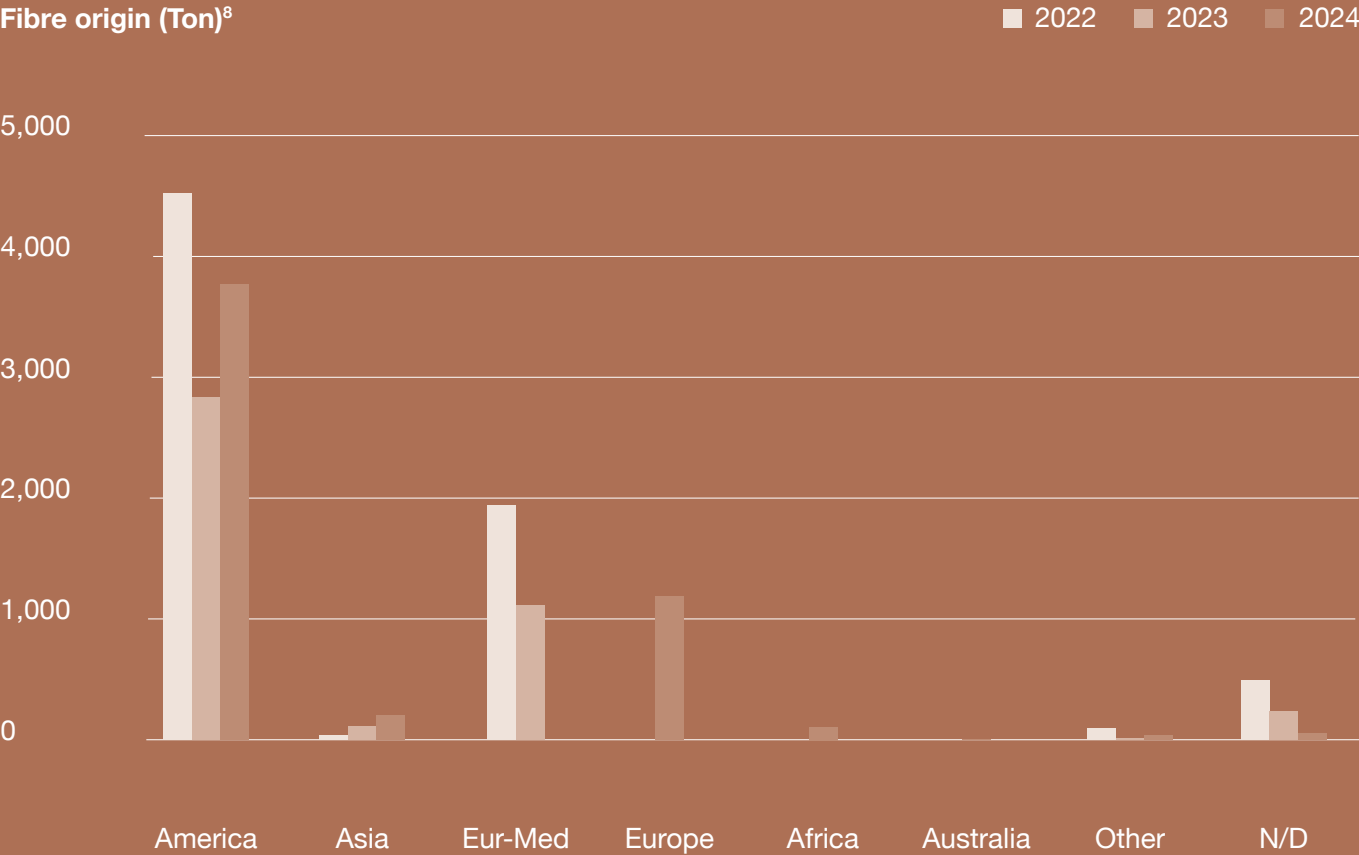
The new challenge is an innovative and integrated approach to reducing the environmental impact of crops.

Purchasing according to fibre type (2024)

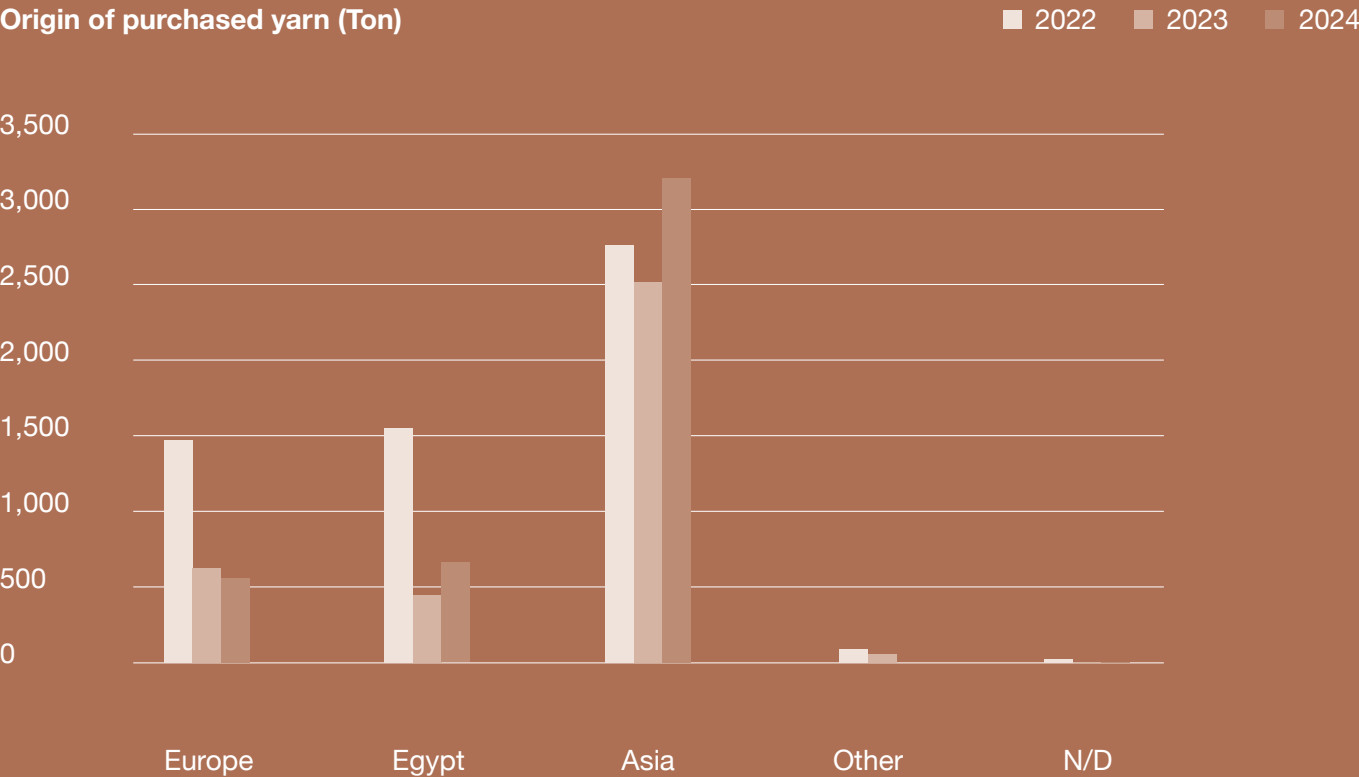


Cotton	4,609,434 Kg
Other artificial fibres	503,138 Kg
Linen	340,699 Kg
Other natural fibres	73,417 Kg
Synthetic fibres	62,104 Kg
TENCEL™ Lyocell	36,105 Kg

Fibre origin (Ton)⁸



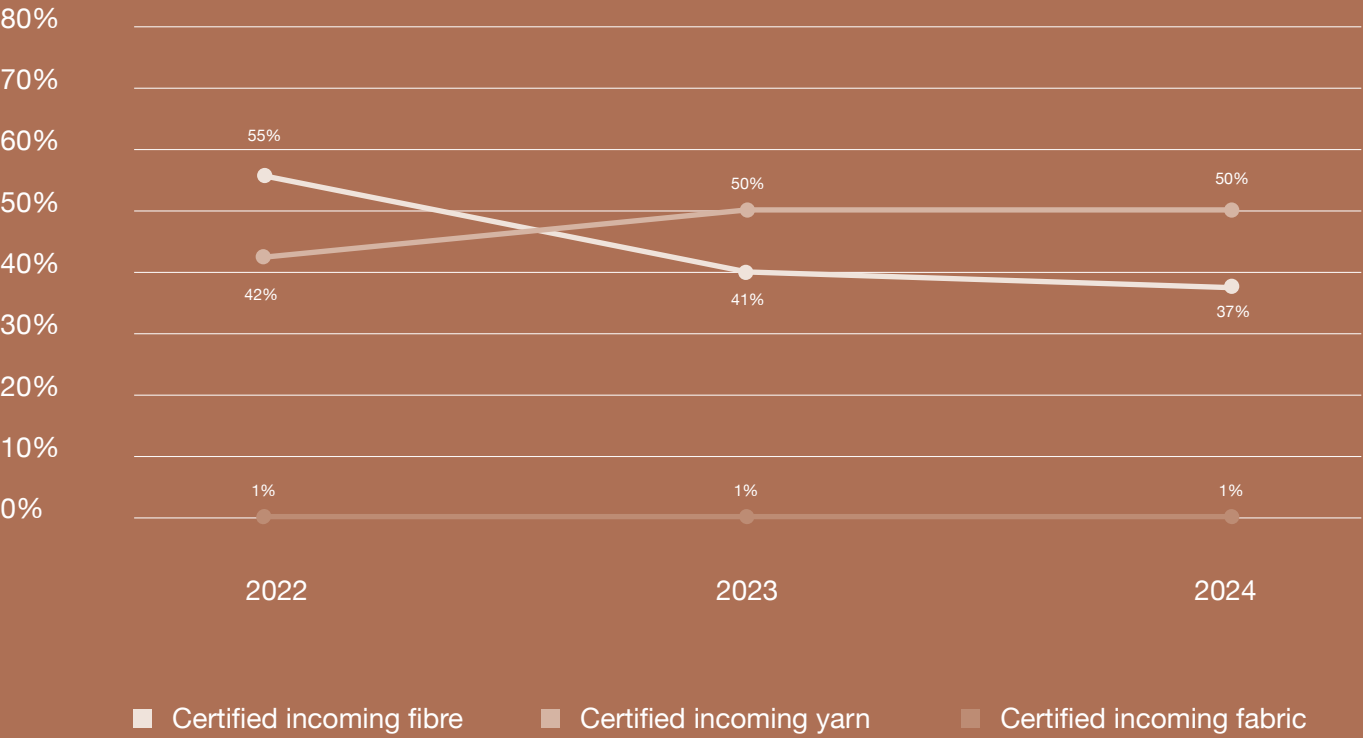
Origin of purchased yarn (Ton)



An increase in the purchase of Asian yarn can be noted as partnerships have been established with local spinning mills, known for their expertise and quality production. Note that the organic yarn purchased was made from fibre purchased and/or controlled directly by the Albin Group.

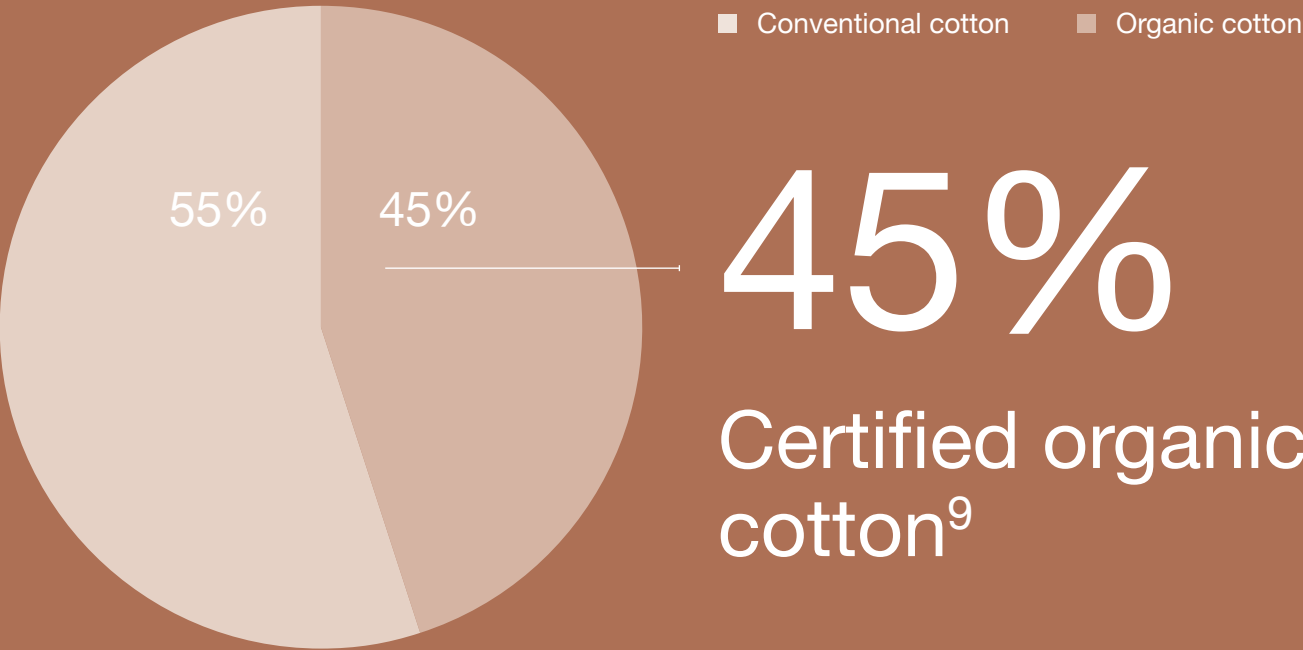
⁸ The graph indicates the origin of the fibre purchased as such or contained in the yarns purchased from Cotonificio Albini S.p.A., I coton di Albini S.p.A. and Mediterranean Textile Sae. Most of the fibre purchased comes from the United States. In the Asia cluster, most of the fibre comes from Israel; in the Africa cluster, most comes from Egypt.

% of certificate out of total category

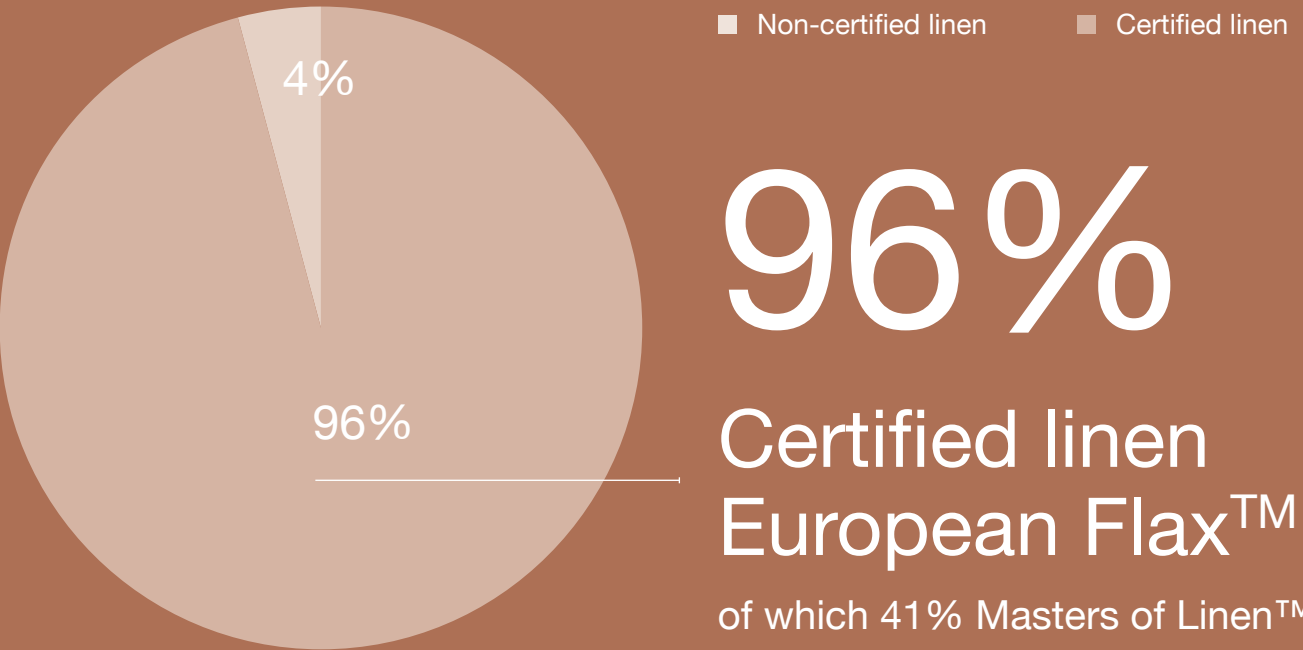


The graph above shows the percentage distribution of the purchase of certified fibre, yarn and fabric. The percentage of certified incoming yarn is unchanged. The quantity of incoming certified fibre stabilised at the previous year’s volumes, keeping stocks unchanged.

Incoming cotton (2024)



Incoming linen (2024)



⁹ Certified organic cotton means GOTS or OCS certified.

Certifications, protocols and initiatives:

	GOTS (Global Organic Textile Standard) is the most important standard for the sustainable production of garments and textile products made from organically grown natural fibres, guaranteeing the production of organic textile products obtained in compliance with strict environmental and social criteria applied at all levels of production.
 	OCS (Organic Content Standard) is the certification that verifies the presence and percentage of certified natural and organically grown fibres contained in a fabric, guaranteeing compliance with the requirements of the relevant international regulations and the consequent truthfulness of the declarations made.
	BCI (Better Cotton Initiative) is a global non-profit organisation that aims to improve the social and environmental impact of cotton cultivation worldwide by spreading more sustainable cultivation practices to many farmers in different countries around the world. As a result, farmers who join the programme guarantee a better, measurable and sustainable production method for the environment and their communities.
	Regenagri Content Standard is the certification that verifies the amount of cotton grown through regenerative farming practices in a product, applying this control along the internal supply chain. The certification process was successfully completed in January 2024.
	European Flax™ is the standard that certifies the exclusively European origin of flax fibre, guaranteeing its quality and enhancing its intrinsic and non-transferable origin and know-how.

Albini Group adopts numerous certifications, proof of its commitment to high quality standards throughout the production chain, aware that certifications are the starting point for continuous improvement.

	Masters of Linen™ is the certification that verifies the European origin of linen fibre, guaranteeing that all steps in the production chain are carried out in plants on European territory. The aim is in fact the promotion of European textile companies involved in a chain of excellence.
	OEKO-TEX® is an international testing and certification system for the absence of chemicals hazardous to the health of the consumer. It applies to raw materials, semi-finished and finished products in the textile sector at every level of processing.
	ZDHC (Zero Discharge of Hazardous Chemicals) is a protocol that certifies the reduction or substitution of the use of hazardous chemicals along the entire supply chain, implementing a chemical management protocol and its maintenance, training of the personnel involved and the control and qualification of all suppliers.
	GRS (Global Recycle Standard) is the certification that guarantees the presence of pre-consumer and post-consumer recycled material in a product and throughout the entire production process.
	RCS (Recycled Claim Standard) is a certification promoted by Textile Exchange and verifies the presence and quantity of recycled material in a final product. It traces the process of recycled material along the entire production chain, from source to finished product and applies to any product containing at least 5% recycled materials.

GOTS
OCS
BCI
RegenAgri
European Flax™

Masters of Linen™
OEKO-TEX®
ZDHC
GRS
RCS

Supply chain

The vertically integrated industrial structure allows Albini Group to respond promptly to market needs and fluctuations while maintaining high standards of quality and reliability.

From the selection of raw materials, through the industrialisation process to the creation of the collections, each stage is managed with the aim of overseeing the company’s processes.

Such integration allows for the same **quality standards, ensuring respect for and protection of human rights and environmental protection along the supply chain.**

This strategic choice, adopted by the company’s management since the 1990s, meant that by 2024 63% of the goods sold¹⁰ were processed in-house through group companies.

With regard to the **monitoring of suppliers** external to Albini Group, this is mainly done through the approval of the **Code of Ethics** of Cotonificio Albini S.p.A., which is required at the time of contract stipulation. The Code sets out the values that all suppliers are expected to comply with when carrying out their activities: honesty, transparency, innovation and social responsibility. These values represent the identity of the company, which grew out of the entrepreneurial style of the founders and is now led by the fifth generation.

The Code, prepared in accordance with the main regulations, guidelines and documents on human rights, corporate social responsibility and corporate governance, makes known the values, principles and rules shared with all those who work with Cotonificio Albini S.p.A..

¹⁰ For "Goods processed internally by Albini Group" we consider goods for which weaving and finishing are carried out internally by the companies Cotonificio Albini S.p.A., Dietfurt S.r.o., Mediterranean Textile S.a.e., Delta Dyeing S.a.e..
¹¹ The criteria used by AMFORI tables to identify country risk take the following indicators into account: Voice and Accountability; Political stability and Absence of violence/terrorism; Government effectiveness; Regulatory quality; Rule of Law; Control of Corruption.

All managers and employees, as well as anyone establishing relations or relationships with the company, directly or indirectly, are required to comply with the Code. Its adoption throughout the supply chain reinforces the company’s reputation as a business that respects ethical principles and is committed to a path of sustainable transition.

In 2024, Cotonificio Albini S.p.A. resolutely pursued the path to ensure transparency, control and accountability of its production chain, including that of the group’s Egyptian companies, Mediterranean Textile and Delta Dyeing. This commitment has further strengthened the company’s ethical, environmental and social reputation.

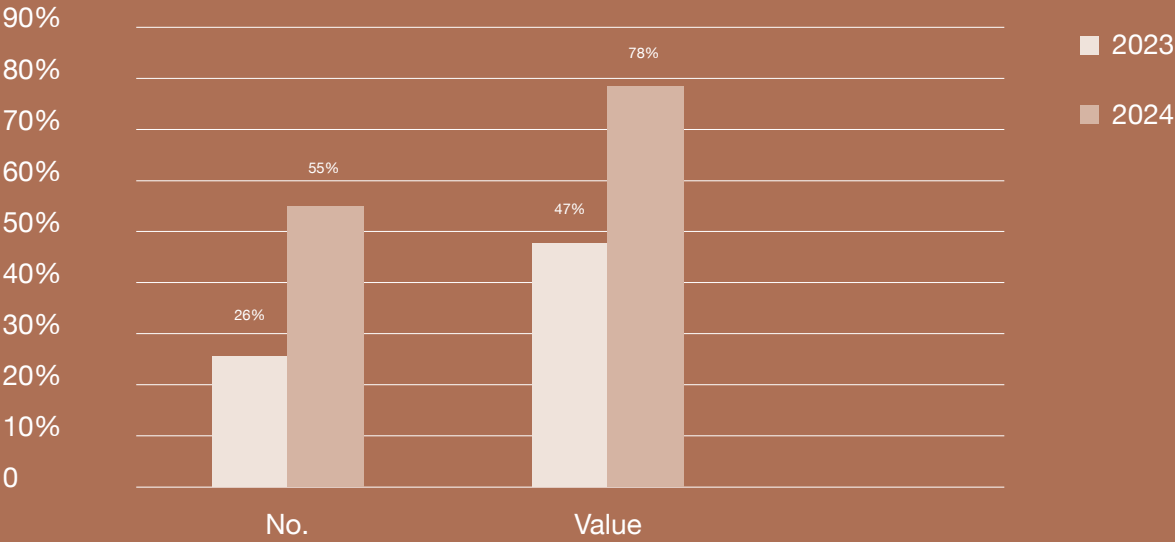
With the aim of deepening the ESG characteristics of its suppliers and building a responsibly managed and structured supply chain, the company **renewed its adherence to the TRACE protocol of 4sustainability®**, developed by Process Factory.

This approach is based on the adoption of a Qualification and Accreditation Procedure that guides the activities of mapping, risk assessment, accreditation and continuous monitoring of suppliers.

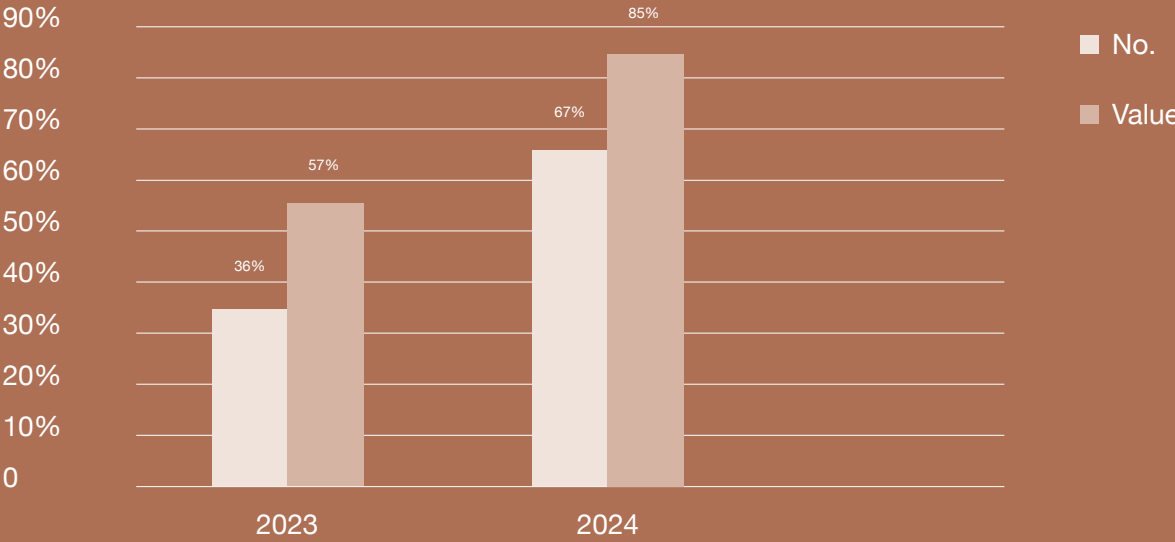
At the heart of the project is the definition of a sustainability rating, attributed to strategic suppliers on the basis of four parameters:

- **country risk¹¹;**
- **compliance with EHS regulations;**
- **presence of system certifications;**
- **score obtained through 4s assessment.**

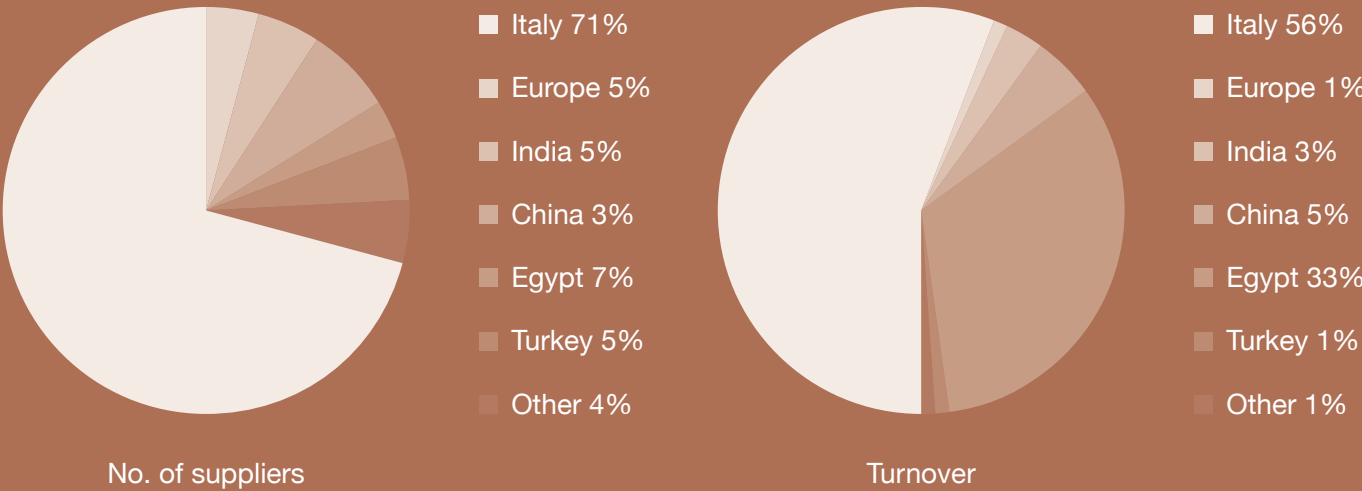
Assessment Compilation



Commitment signature



Breakdown of production chain by geographical area



The assessment, administered via the Ympact platform, allows detailed information to be gathered on the level of maturity in key sustainability areas: traceability, sustainable chemistry, use of raw materials, environmental impacts, welfare and circularity.

The average score of the supply chain, in 2024, showed **particularly positive performance in raw material traceability and chemical safety**, while there was room for improvement in the measurement of environmental impacts and circular waste management.

During the year:

- 85 suppliers were mapped, with a predominance of established relationships in Italy (71% by number and 56% by purchase value);
- 67% of suppliers (or 85% of turnover) have signed a formal commitment to adopt responsible and transparent environmental and social practices;

- 55 strategic suppliers, representing 93% of the total procurement value, were identified and asked to complete the assessment;
- the response rate was 55% by number and 78% by value, with a higher coverage than the previous year, particularly among process suppliers.

Among the suppliers who completed the assessment:

- 73% were classified in category “A” (high sustainability), and the remainder in category “B”;
- no supplier was found to be in category “C”(critical), also thanks to the improvement plans (CAP) activated for cases with EHS non-compliance, which have already produced the first positive effects.

Albini Yarns also joined the TRACE project, starting the process of mapping and assessing its production chain, completing the qualification of the entire Albini Group supply chain.



04

RESPECTING AND PROTECTING THE ENVIRONMENT

Fighting climate change and consumption efficiency

For more than a decade, Albini Group has been committed to a path of control and reduction of its ecological footprint, with the ambition of confirming itself as a leader also in the sustainability of the textile sector.

For this reason, in 2020 Cotonificio Albini S.p.A. introduced an **Environmental and Sustainability Policy** with the intention of directing the company's activities towards choices that better protect the environment and contribute to efficient consumption.

As far as the management of energy and water resources is concerned, as well as the reduction of polluting and climate-changing emissions, each company in the group operates autonomously according to its own organisational model, albeit in compliance with local environmental regulations and under the coordination of the parent company Cotonificio Albini S.p.A.

The Environmental Policy of Cotonificio Albini S.p.A. defines among its main commitments:

- to operate in compliance with environmental laws and contractual agreements, adopting design and management strategies that ensure

regulatory compliance;

- to consider environmental effects right from the product design stage;
- to limit the use of harmful chemicals by adopting MRSL according to the ZDHC standard and introduce a chemical management system throughout the production chain;
- to follow international industry standards to integrate management systems and obtain Made in Italy certifications;
- to promote the saving of energy and natural resources through training activities for staff;
- to maintain an open and transparent dialogue with the community, institutions, regulatory bodies and all stakeholders;
- to select qualified suppliers favouring local ones to reduce transport, fuel consumption and traffic;
- to counter climate change through the use of highly efficient systems for energy production;
- to support innovation by encouraging scientific and technical research.

Albini Group has been committed for over 15 years to actions to control and mitigate its ecological footprint.

The Albini Group’s commitment is extended by involving partners and suppliers in concrete actions ranging from the conscious management of chemicals and dyes and the choice of verified suppliers, to the production of certified fabrics and circular economy projects dedicated to the reuse and recycling of materials.

Within the Albini Group, **strategies to improve energy efficiency** are defined from a careful analysis of consumption, made possible by advanced monitoring systems. Energy efficiency measures have been carried out in several production plants, which over the years have made it possible to achieve the goal of reducing electricity and natural gas consumption:

- installation of cogeneration plants at the Albino and Brebbia sites;
- installation of heat recovery systems on wastewater and exhaust fumes at the Albino and Brebbia plants;
- introduction of electronic frequency regulation systems (inverters);
- modernisation of all air-conditioning systems in the weaving and preparation departments;
- overhaul of diathermic oil evaporators in the company’s textile finishing department;
- replacement of electronic ballast luminaires with LED lighting;
- progressive replacement of obsolete machinery and continuous maintenance of existing ones.

More specifically, self-produced electricity covered 53% of requirements in Albino, 9% in Brebbia and 32% in Gandino, testifying to the commitment to increase self-production at industrial sites.

Further investments were made for the construction of photovoltaic systems at Cotonificio Albini S.p.A.’s premises. Self-production in Italian plants started in 2023.

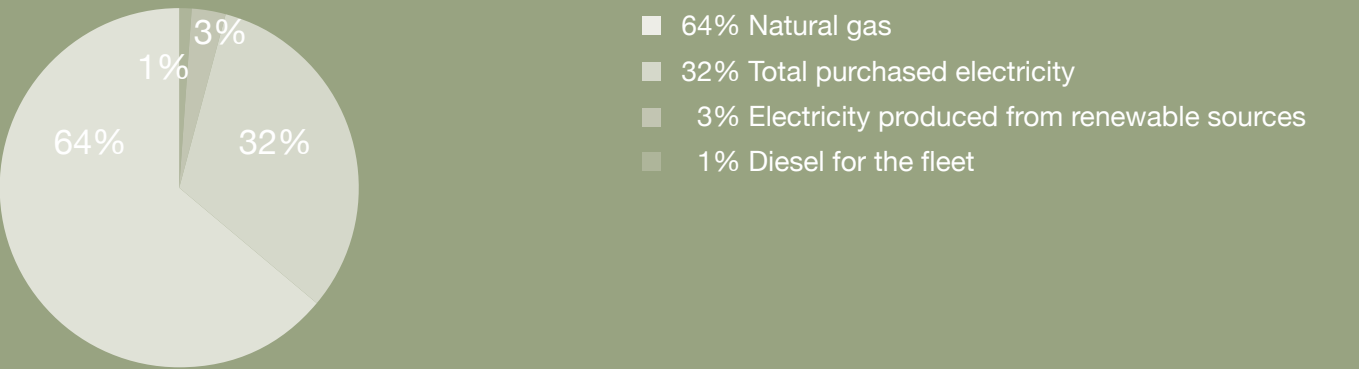
The group companies’ energy consumption is mainly derived from the use of natural gas for heating and plant operation, the use of fossil fuels, mainly related to the company fleet, and the need for electricity.

In 2024, Cotonificio Albini S.p.A.’s three factories covered 33% of their electricity needs through renewable sources: 19% through purchasing with Guarantees of Origin (GO) and 15% through self-generation from photovoltaic plants. The installation of the systems made it possible to partially reduce energy purchases, in favour of self-production, in alignment with the goal of greater independence for energy supply.

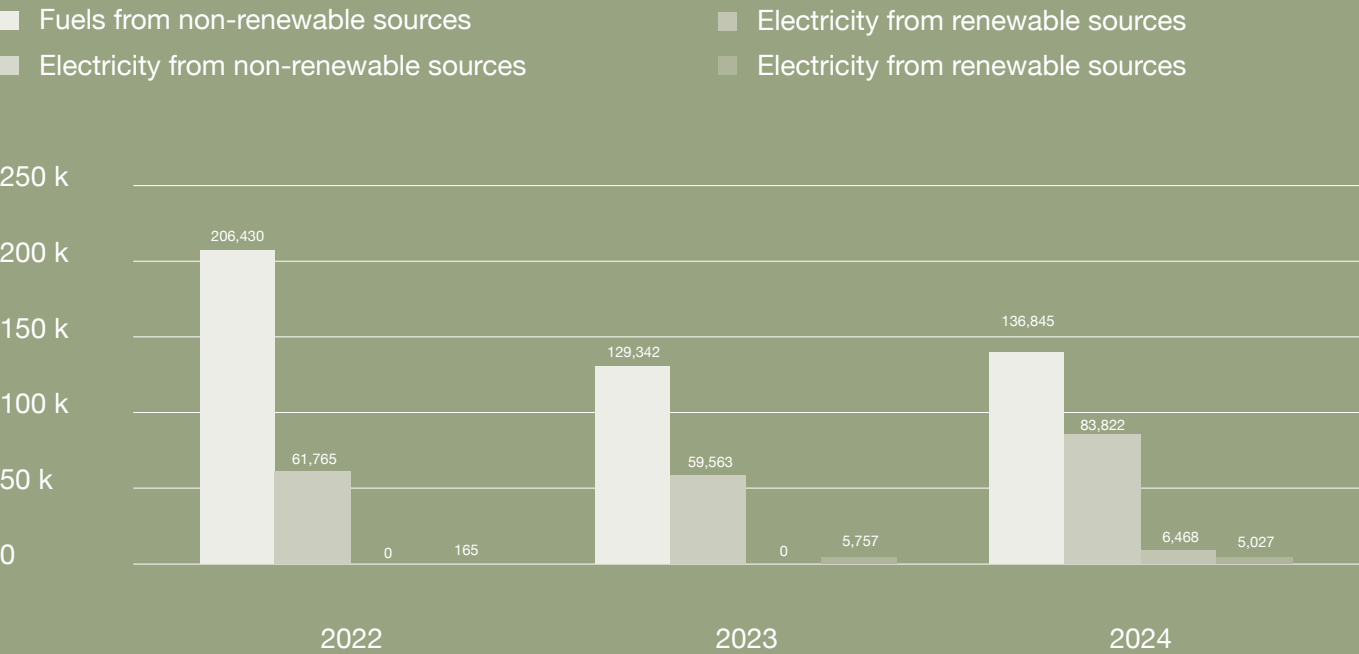
In the year 2024, the photovoltaic systems installed at the production sites in Albino, Brebbia and Gandino, together with the output of the cogeneration plants, generated 14,791 GJ, 85% of which was consumed internally. More specifically, self-produced electricity covered 53% of requirements in Albino, 9% in Brebbia and 32% in Gandino, testifying to the commitment to increase self-production at industrial sites.

The two cogeneration plants at the Albino and Brebbia sites have an efficiency of over 80% and allow the recovery of high percentages of the thermal energy produced at the sites, thus contributing to a significant reduction in energy consumption and CO₂ emissions.

Consumption 2024 (GJ)



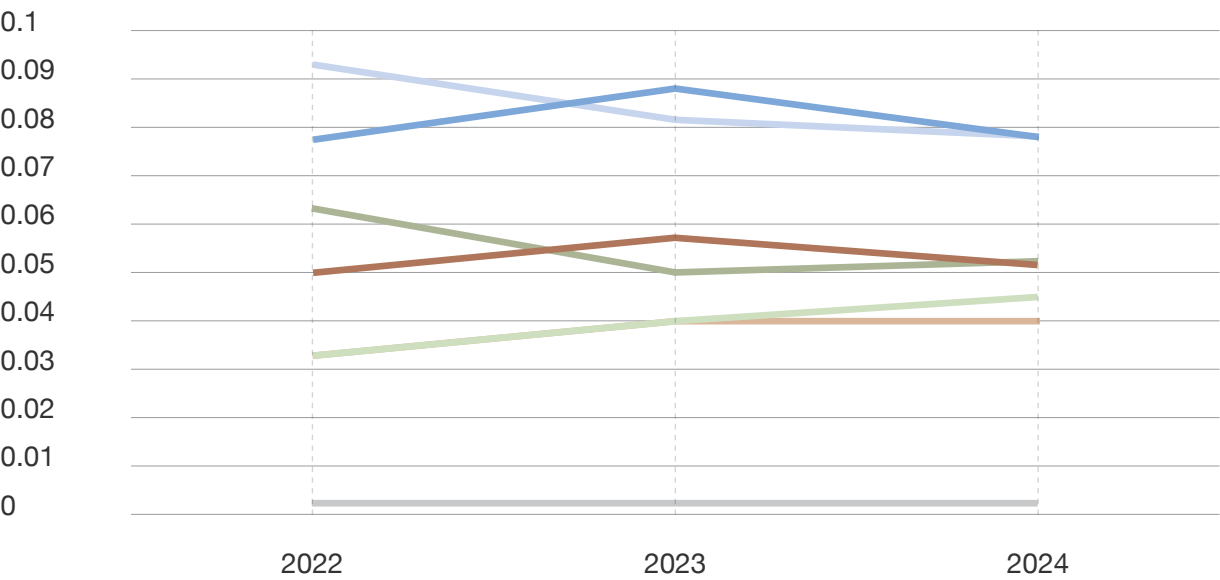
Energy consumption (GJ)



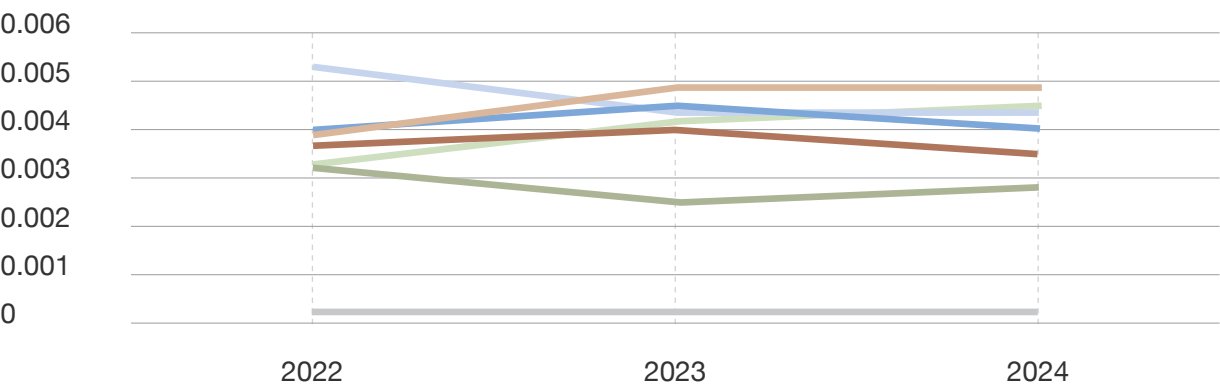
Energy consumption is monitored by several meters installed on the main electricity distribution lines and machinery, which in turn are connected to the Energy Team’s continuous monitoring system. Every month, consumption data are collected and verified, from which performance indicators (KPIs) are derived to assess the effectiveness of actions taken to reduce critical consumption and improve operational efficiency in each department. The monitoring takes into account the specificities of individual departments, considering that activities such as dyeing and weaving call for a higher energy demand than in other production areas.

Note that in the 2023 reporting, energy consumption was determined on the basis of two energy vectors: natural gas and purchased electricity. Starting with the 2024 reporting, the calculation methodology was updated to include the energy produced and self-consumed by the photovoltaic system. It should also be noted that the electricity delivered by the cogenerator has not been deducted from the total, as its emissions are accounted for in Scope 1 emissions, in accordance with the GHG Protocol guidelines.

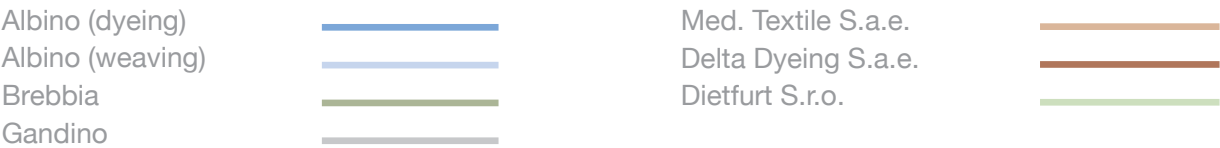
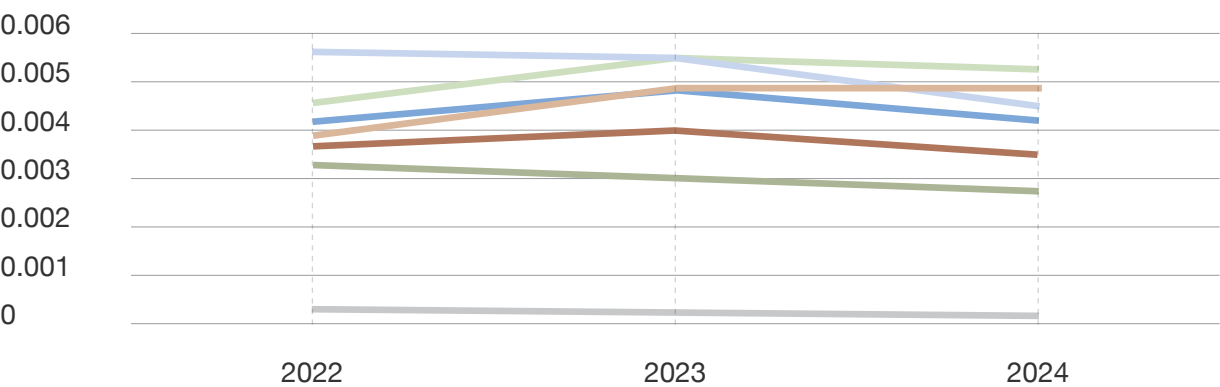
Energy intensity (GJ/kg produced)



Emissive intensity - Location based (TonCo₂ / Kg products)



Emissive intensity - Market based (TonCo₂ / Kg products)



33%

Electricity
from renewable sources
(Cotonificio Albini S.p.A.)

-8%

CO₂ Emissions
Scope 2 - Market Based
(Albini Group)

In 2024, the group's two dyeing plants registered a reduction in energy intensity of 9.4% at Delta Dyeing and 10.1% at the Albino plant compared to 2023. This improvement resulted in an 8.5% decrease in (location-based) emission intensity for Delta Dyeing and 7.5% for the Albino plant. The emission intensity calculated according to the market-based method

decreased in all three factories of Cotonificio Albini S.p.A., with a reduction of 7% at the Brebbia plant, 13% at the Tintoria di Albino, 17% at the Tessitura di Albino and 25% at the Gandino plant. This was achieved by covering 19% of the total energy requirement through the purchase of electricity from renewable sources with Guarantees of Origin.

GHG emissions (Scope 1 + Scope 2)



Responsible water consumption management

At all stages of processing, Albini Group constantly monitors its performance with KPIs defined according to international reporting principles and constantly working to reduce its water consumption.

For the activities carried out in the Albini Group, the use of water is mainly related to the dyeing and finishing of fabrics. In particular, the dyeing process is one of the most demanding in terms of water consumption and can have a significant impact on the availability of the resource for the surrounding area. For this reason, Albini Group monitors water consumption related to all company activities and mitigates the effects of its activities through the application of strict internal controls on compliance with national and industry regulations. Wet processes, the most impactful in terms of water consumption, are carried out at the production sites in Albino, Brebbia and Borg El Arab. Among these sites, the only one geolocated in a high water risk area (WWF water risk filter, basin physical risk 4.27) is the Egyptian Borg El Arab production site, which accounts for approximately 10% of the group's total withdrawals each year.

The entire finishing process is carried out at the Brebbia production site, which has a medium water risk (WWF water risk filter, basin physical risk 2.76).

The city of Borg El Arab in Egypt is supplied with potable water through a purification station at kilometre 40 of the Alexandria/Cairo desert road, which is connected to the water supply network of up to 476 km in this area. Drainage and waste water purification are handled directly by the public sewage system of the Public Sanitation Authority, to which Mediterranean Textile S.a.e. and Delta Dyeing S.a.e. plants are connected.

Given the hydrological characteristics of the surrounding area, Egyptian plants manage water resources by carrying out detailed analyses of their consumption in order to optimise resource use and assess the impact of water extraction on local communities. The system for monitoring and assessing risks related to resource consumption makes it possible to define annual efficiency targets and to identify activities requiring improvement in a timely manner.

The same attention is paid to the water discharges of companies based in Egypt, which are subject to an annual, third-party certified assessment, with a report issued to ensure compliance with legal requirements. This report is based on daily, monthly and six-monthly wastewater tests, carried out to ensure compliance with national regulations and the wastewater guidelines of the international ZDHC framework, of which Albini Group is an official Contributor since 2018.

Although Cotonificio Albini S.p.A.'s factories in Italy are not located in areas at risk of water stress, they implement actions to reduce overall water consumption, particularly of drinking water, throughout the entire production process.

Water is mainly drawn from the Albino site via the aqueduct and two underground wells. A small percentage is taken from the Comenduna canal, a surface water body of approximately 4 km derived from the Serio River. In addition to the offices, water

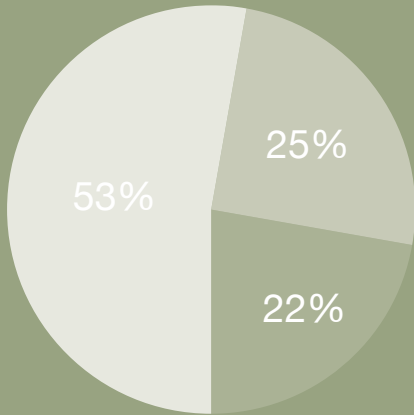
is used for dyeing and sizing processes and in air-conditioning plants. Process wastewater is collected in an equalisation tank and sent to the consortium located in Ranica, in the province of Bergamo.

In Brebbia, water is drawn from a well and the Bardello River, which flows into Lake Maggiore. The extracted resource is treated through sand filters and then softened and used in the production processes of preparation, washing, mercerising and finishing. At the end of these steps, the water is treated through a special purifier for internal biological treatment and discharged into the surface water body of the Bardello River.

Production facilities in the Czech Republic are served by wells and the municipal water network. Wastewater is purified by a consortium collector two kilometres away from the company and conveyed through drainage channels.

Total withdrawal 2024

- 53% Total withdrawal from surface water, including use of rainwater
- 25% Total withdrawal from third parties (e.g. aqueducts)
- 22% Total withdrawal from groundwater (e.g. wells)



DYEING PROCESS IN THE ALBINO PLANT

All Cotonificio Albini S.p.A. yarn dyeing machines are able to set the washing cycles to the quantity of kilos of yarn to be dyed and can dye in a reduced bath (use a reduced amount of water in the machine) depending on the dye used. This saves water within the cycle, using as little water as necessary for the dye bath requirements.

The dyeing facilities are also designed to recover the water used to cool the machines; this water is stored in storage tanks and then used in the machines themselves, reducing the electrical consumption to bring the water to dyeing temperature.

Use of chemicals and wastewater purification

As of 2018, driven by market demands and a strong commitment to sustainability, Albini Group has become an **Official Contributor of ZDHC** (Zero Discharge of Hazardous Chemicals), an international and voluntary programme that promotes the protection of human health and the environment throughout the textile and fashion supply chain, through integrated chemical management.

Adoption of the standard has prompted the integration of activities and controls into production cycles aimed at gradually eliminating the presence of toxic and harmful chemicals and improving the quality of wastewater, with the aim of protecting man and the environment. It is with these objectives in mind that Albini Group, in particular in the Italian plants of Brebbia and Albino, and in the Egyptian Delta Dyeing plant, has built a pathway to the elimination of chemicals that are toxic and harmful to human health and the environment through the ZDHC Supplier to Zero Roadmap¹². The Italian plants have adopted the **Chemical Management of 4sustainability® Protocol** aimed at aligning production sites with wet processes to the ZDHC guidelines. The process of aligning chemicals on ZDHC’s MRSLs involves monitoring the entire production cycle: from the introduction of raw materials into the company (input) to the various stages of production. The Process Factory’s Chemical Management 4sustainability® protocol implements a method based on the ZDHC framework, with specific reference to the MRSL (Manufacturing Restricted Substance List) and the ZDHC wastewater guidelines, guiding the company to gradually achieve shared objectives through a single management system and regular training and updating activities, and with constant monitoring of the level of application over time. In 2024, the production sites in Albino and Brebbia reached the implementation level “4sustainability chem excellence”.

¹² The Albino and Gandino factories of Cotonificio Albini S.p.A. achieved Level 2. The Delta Dyeing plant has reached Level 1.

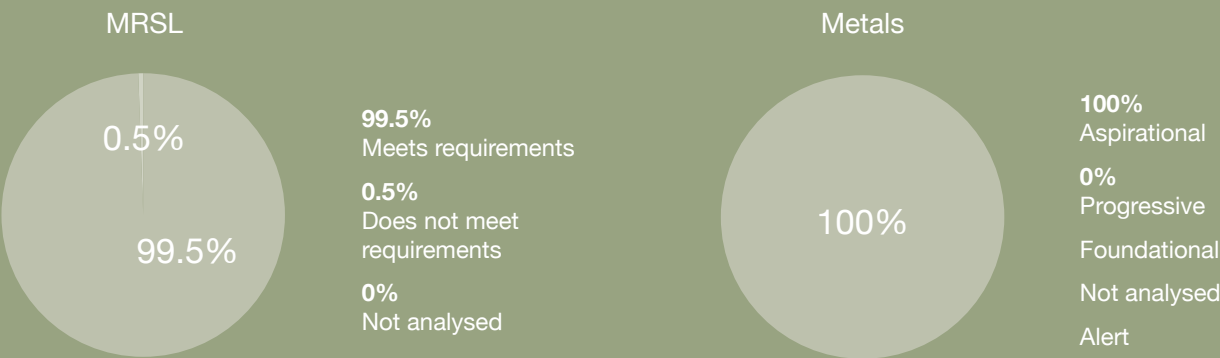
The **Brebbia site** operates in compliance with the provisions of the Integrated Environmental Authorisation (AIA) by performing the analysis and monitoring of discharges, as required by applicable regulations and in accordance with the wastewaters guidelines of the ZDHC standard. The plant is subject to strict controls to ensure the best quality of wastewater and limit the environmental impacts of discharges. The most restrictive limits concern phosphorus, nitrogen and surfactants, which are monitored daily. Wastewater from the site, before being released into the environment, undergoes a series of treatments such as screening, pH equalisation and neutralisation, denitrification, oxidation and final sand filtration.

The **site of Dietfurt S.r.o.** handles discharges through an authorised wastewater disposal company, which is responsible for carrying out periodic checks on compliance with regulatory parameters.

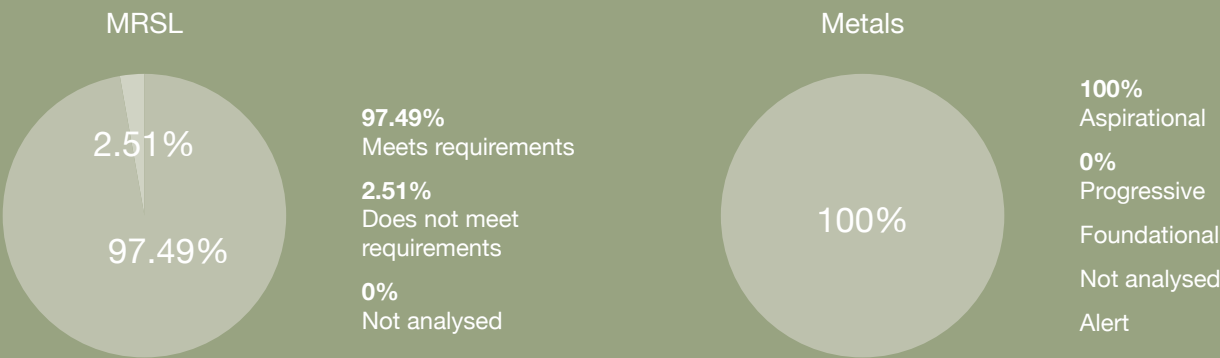
Delta Dyeing S.a.e. in Egypt operates in compliance with the relevant territorial regulations and the ZDHC guidelines for process chemical management and wastewater controls, compliance with which is verified every six months. In particular, water pH monitoring is carried out daily and represents the limit given the highest priority, in order to ensure compliance with legal limits. Every month, COD (Chemical Oxygen Demand) is checked, i.e. the amount of oxygen required to chemically degrade the organic substances in the water through an oxidation process.

Reducing the environmental impact of production discharges is a priority for the Albini Group. For this reason, in addition to the checks required by the regulations, the company also carries out checks according to the ZDHC guidelines for wastewater. The ClearStreams for the year 2024 document achievements in this area.

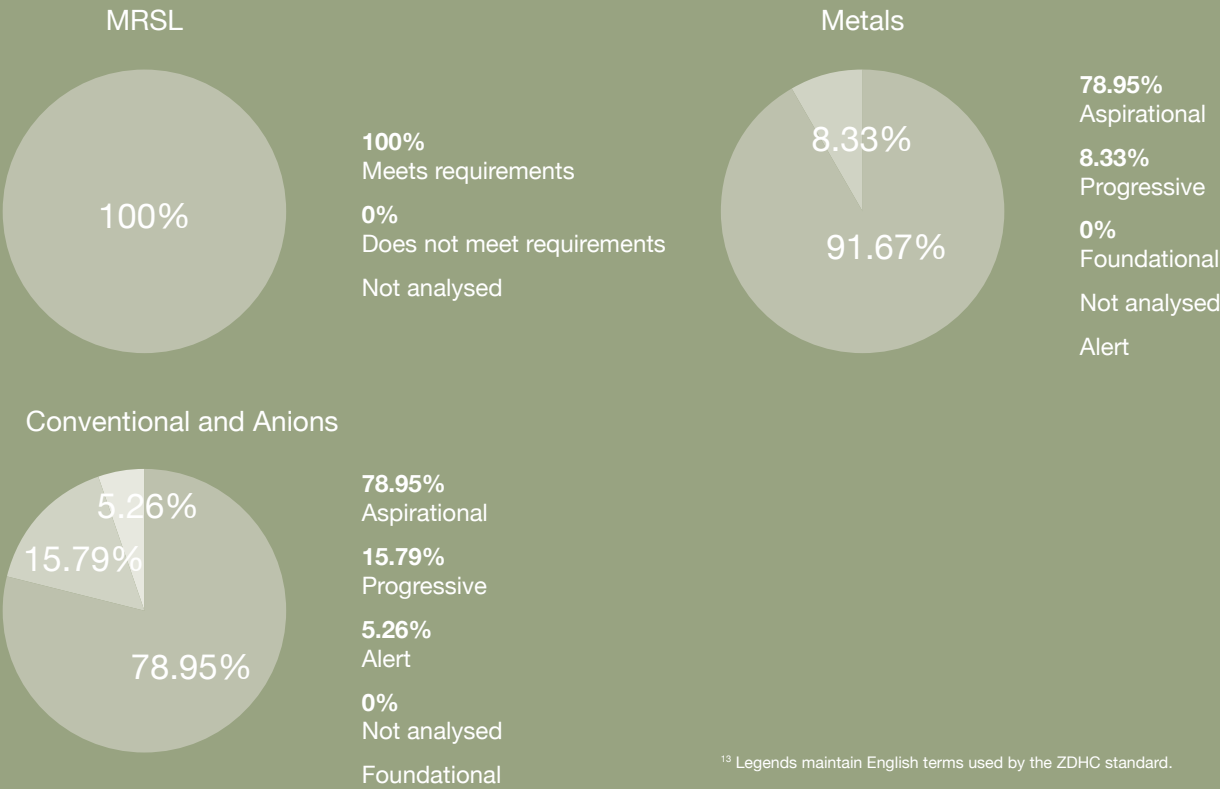
Cotonificio Albini S.p.A. - Albino plant¹³



Delta Dyeing S.a.e.



Cotonificio Albini S.p.A. - Brebbia plant



¹³ Legends maintain English terms used by the ZDHC standard.

Waste and by-product management

In the production sites, a variety of materials are used for production, including packaging, yarns and chemicals. Outputs include both finished products and by-products generated in the production process.

The Albini Group’s policy requires compliance with environmental regulations and implicitly responsible waste management through the use of authorised disposal companies, which are required to provide proof of disposal or recovery in accordance with legal requirements. Data on waste is collected and monitored by Cotonificio Albini S.p.A. through the company’s operating system, which allows it to be tracked.

The Albini Group is committed to identifying specific strategies for the reduction, reuse, recovery and recycling of various types of materials, with a view to circularity. For this reason, process by-products are sold to specialised recycling plants, which use the resource to create new products. In addition, plastic waste is handled separately by a specialised company that reprocesses it to create new products for the group’s suppliers.

As a further demonstration of the Albini Group’s commitment in this area, the ALBINI_next innovation hub has been working on projects in which recycling takes centre stage: Retwist+, Futura, Materico and Weav3d. These projects will be discussed in Chapter 7 on innovation.

In 2024, Albini Group produced 1,447,337 kg of waste. The waste generated in the plants consists

In 2024 approximately 87% of the waste produced by the group was diverted from landfill. The majority of both hazardous and non-hazardous waste was managed through recycling.

mainly of paper and cardboard, packaging material and textile fibres. Only a residual share, about 5%, is accounted for by waste classified as hazardous, which is managed in accordance with current regulations by duly authorised operators.

Compared to 2023, there was an increase of 614,117 kg, or a percentage change of +73.7%. This increase was mainly due to extraordinary and non-recurring operations at some production sites, which generated exceptional amounts of waste compared to normal company operations. In particular, there are significant increases in the production of waste from demolition, bulky waste and salt-containing wastes, related to renovation, infrastructure upgrading and extraordinary maintenance. Despite the overall increase in waste, there was an improvement in environmental management in 2024: around 87% of the total was diverted from landfilling, compared to 75% in 2023. This figure confirms the consolidation of the company’s policies oriented towards enhancing the value of waste through recycling and recovery, in keeping with the principles of circular economy and environmental sustainability.

To support continuous improvement, since 2021 Cotonificio Albini S.p.A. has implemented an Environmental Management System, obtaining certification according to the UNI EN ISO 14001 standard. The plan to extend the system to the group’s other production sites is expected to be completed by 2030.



05

THE VALUE OF HUMAN CAPITAL

Respect, equity and inclusion

Albini Group builds its business on a daily basis thanks to the commitment of 1060 people around the world¹⁴. This allows the corporate vision to be translated into concrete actions and results on a global scale. The key values on which the personnel management policy is based remain respect for and appreciation of the individual, which have always been fundamental pillars for the company’s growth and sustainable success.

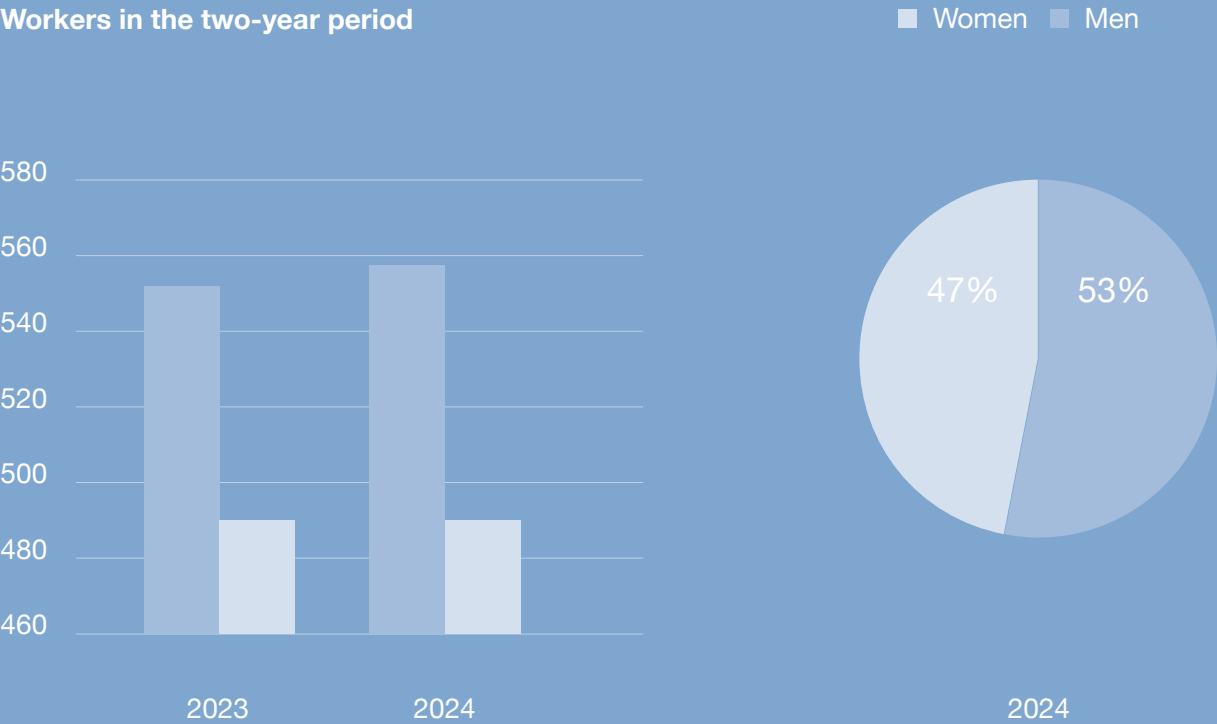
In each of the group’s location, an inclusive working environment is promoted, attentive to individual dignity and needs, where the initiative and contribution of each worker is encouraged. The stability of the workforce, a distinctive and constant element, reflects the effectiveness of a listening and collaborative approach, even during reorganisation and development phases. In Italy, the continuous

¹⁴ For more details on the scope of personnel data, see the Methodological Note.

and transparent dialogue with trade unions has made it possible to build industrial relations based on constructive confrontation and shared objectives.

All workers, regardless of qualification or level, are guaranteed the right to form and/or join trade union organisations to protect their interests. As proof of the focus on collective welfare, a new second-level agreement, signed with the confederal social partners in autumn 2023, came into force on 1 January 2024, which was extended to all Italian branches of the group. This agreement introduces a comprehensive system of corporate welfare measures that complements the provisions of the national collective bargaining agreement for the Textile Clothing Fashion (SMI) sector, the renewal of which was signed on 11 November 2024.

Workers in the two-year period



GRI 2-7: Workers by gender and type of contract			
		2023	2024
Employees with permanent contracts	Total	705	742
	Men	251	300
	Women	454	442
Employees with fixed-term contracts	Total	348	305
	Men	302	257
	Women	46	48
Total employees		1053	1047
		2023	2024
Full-time employees	Total	988	983
	Men	549	552
	Women	439	431
Part-time employees	Total	65	64
	Men	4	5
	Women	61	59
Total employees		1053	1047
GRI 2-8: Persons performing work who are not employees			
		2023	2024
Internships, self-employed and coordinated and continuous collaboration contract workers	Total	10	13
Total (employees and temporary workers)		1063	1060

Albini Group also continues its commitment to strengthening contractual welfare components, with particular reference to supplementary pension provision (Previmoda) and integrated healthcare (Sanimoda). In a context characterised by a declining population, an ageing population and constantly changing skills requirements, supplementary pension provision is becoming increasingly central to protecting workers in the long term.

The corporate culture also promotes people’s well-being through initiatives aimed at fostering a work-life balance. The smart-working project, consolidated and applied to all clerical and management functions in the Italian offices, introduced a new organisational philosophy based on autonomy and flexibility. The

reconciliation of personal and professional spheres is also facilitated by dedicated measures, such as the long-standing possibility for new mothers to apply for part-time work until their child is three years old.

In parallel with its progressive internationalisation, the group has embraced diversity as a strategic asset, ensuring a welcoming and respectful working environment for people of all nationalities, cultures and beliefs. The multicultural composition of the workforce reflects the ability to attract and enhance heterogeneous talent, contributing to the richness of the group’s thinking and competitiveness.

The national collective bargaining agreement regulates the employment relationship for all employees at the

Italian locations and the production site of Dietfurt S.r.o. In Egypt, employees of Mediterranean Textile S.a.e. and Delta Dyeing S.a.e. are subject to Labour Law 12/2003, which requires trade union membership and individual agreements. In terms of benefits, in Italy Albini Group guarantees its employees, middle managers and executives specific insurance cover against accident, sickness, non-self-sufficiency and international travel. Executives are granted comprehensive insurance protection, which includes: a life policy that can be activated in the event of death or permanent disability, a supplement to the FASI health fund, LTC (Long Term Care) coverage that guarantees a life annuity in situations of non-self-sufficiency, and a specific 'mission' policy for health assistance during international business trips.

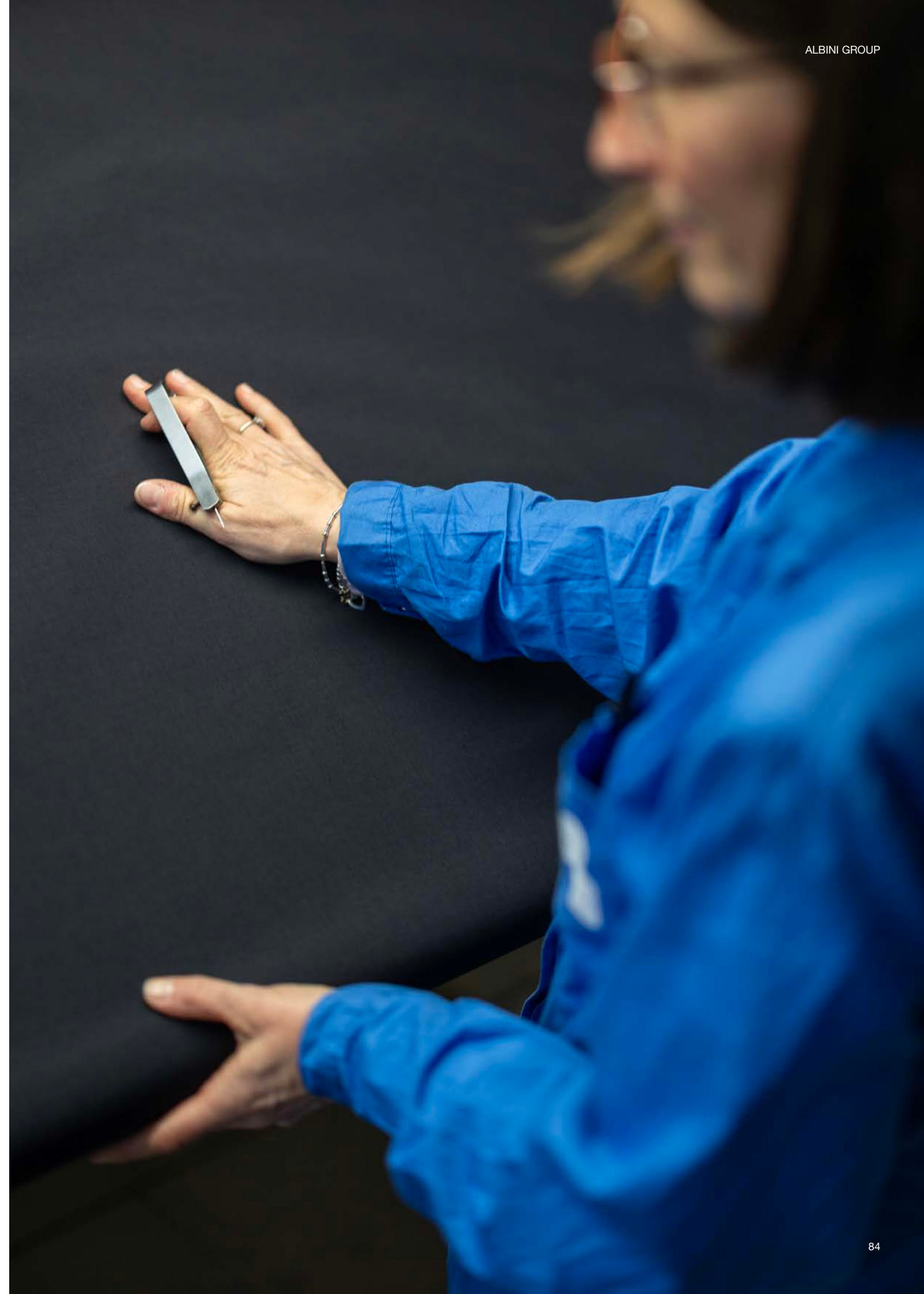
As far as staff employed at foreign locations are concerned, healthcare coverage is guaranteed by the national systems in place. In Egypt, for example, thanks to the combination of public health insurance and a supplementary company policy, access to services such as first aid, hospitalisation, specialist

visits, clinical examinations and urgent medical return to Italy, if necessary, is ensured. Lastly, specific tailor-made insurance coverage is dedicated to Italian expatriates, designed to guarantee a level of protection equivalent to that provided in the country of origin, with particular attention to health care and personal safety needs.

The protection of personal data is a yet another aspect to which Albini Group pays the utmost attention: all information relating to employees and collaborators is processed in full compliance with the regulations in force, with methods that guarantee confidentiality and access only to authorised persons.

Finally, Cotonificio Albini S.p.A. promotes a culture inspired by the principles of legality and transparency. To this end, it has adopted a Code of Ethics extended to all Group companies and an Organisational, Management and Control Model pursuant to Leg. 231/2001. The effectiveness of the model is guaranteed by the constant monitoring of the Supervisory Board appointed by the Board of Directors.

In each of the group's locations, an inclusive working environment is promoted, attentive to individual dignity and needs, where the initiative and contribution of each worker is encouraged.



Attracting and nurturing the value of talented people

Since its foundation, people, their expertise, knowledge and know-how, have been the pillars on which Albin Group's success has been built. Focusing on development is a key strategic factor in the company's growth. With this in mind, and with the aim of consolidating its many training initiatives, the company launched Albin Campus at the end of 2023. This knowledge hub is designed to engage and enrich the entire corporate, academic, and sales community through training initiatives.

With **Albin Campus**, Albin Group is committed to fostering an environment of continuous learning, collaboration and mutual growth, thus nurturing innovation and success not only inside but also outside the company.

THE ALBIN CAMPUS SECTIONS

Academy

It is an in-house training course that enables textile and business knowledge built up over one hundred and fifty years to be shared and passed on.

The experience of technical specialists is made available to colleagues through thematic seminars.

The programme ranges from the world of raw materials, spinning, weaving, finishing and collection

development to cross-cutting topics such as quality.

In 2024, the different editions involved more than 50 employees.

Future

This is Albin Group's program to support high schools and universities by making its expertise in design and production available.

The company opens its doors to young students on internships and apprenticeships and to entire classes through in-company lectures and factory tours.

It also contributes to the educational curriculum of training institutions by making its technical and managerial staff available for lectures and specific training interventions.

In 2024, the curricular and extracurricular internships activated gave more than fifteen young people the opportunity to experience the Cotonificio Albin and Albin Yarns headquarters in the areas of style and product development, production planning, information systems, administration, production and laboratories.

With the desire to share both the important technical know-how and the creative ability that distinguishes us, the students of the fourth class of the Paleocapa Institute in Bergamo, specialising in the textile fashion

system, were able to participate in a project divided into several phases that allowed them to concretely experience the creation and development of a sustainable fabric.

There are numerous collaborations with universities and fashion institutes around the world, with company and school visits, technical training, creative support and fabric donations.

The year 2024 saw the collaboration with Istituto Secoli, for the Secoli Fashion Show 2024. A year-long journey, during which Albin1876's designers accompanied and supported the students in designing their collection. The result is a collection made entirely from European linen fabrics, a guarantee of quality, origin and traceability of the premium fibre grown in Normandy.

Also noteworthy is the collaboration with Institut Français de la Mode, in partnership with Supima® - the group's long-standing supplier and partner for one of the world's best extra-long fibre cottons. Albin Group supplied high-quality Supima® cotton fabrics to the students of the Institut Français de la Mode for the XXXTreme Shirt project, an exploration of the shirt from two different points of view: the extremely large (XXXL) and the extremely small (XXXS). This work has enabled future fashion designers to work with cotton fabrics of the highest quality, thus discovering what makes a cotton and a fabric valuable and incredibly sought-after.

Finally, in 2024 Albin Group collaborated with IED Rome. For an entire year, in fact, second-year Fashion Design students, guided by Tiziano Guardini, Fashion Designer, Creative Director and course coordinator, saw their talent evolve and their creations take shape through experimentation and manipulation of fabrics supplied by Albin 1876. The workshop was carried out using innovative, natural and eco-sustainable fabrics from Albin 1876: small remnants from past collections, giving new life to waste materials, and organic cotton yarns dyed using natural, plant-based dyes with low environmental impact. The workshop's guiding concept was Tabula Rasa, an invitation to empty one's mind of conventions to make room for

one's potential.

At the conclusion of this project, Albin Group organised an event at its showroom in Milan for the official presentation of the results of this project to the press and industry experts.

Training

This is the programme that takes care of customer relations. Style and product experience as well as valuable manufacturing know-how are made available to business partners to generate further knowledge and creativity in the supply chain.

The customer programme includes training, company visits, co-branding activities and ad hoc events. In addition to these ongoing activities, ad hoc roadshows were organised in 2024 to present the new Albin Su Misura. For the occasion, dedicated training sessions for tailors and shirtmakers were organised in several cities, including Hong Kong, Milan, Florence and Barcelona. These events provided a valuable opportunity to gather useful comments and feedback and to share strategies and future plans with our partners.

Learning

This is the training section of the hub, through which employees can join company training activities or request specific in-depth training in keeping with their professional field. The training provided covers cross-departmental areas such as language or computer skills and technical or managerial skills that characterise each job.

In fact, the technical knowledge and professional skills of the entire company population make it possible to pursue the values of quality, innovation and excellence on which Albin Group bases its activities.

In 2024, various **managerial level initiatives** were implemented to accompany the professional growth of several collaborators such as individual coaching courses, post-graduate training and growth in the managerial aspects of the business in the production area.

“SILVIO ALBINI DEGREE AWARD” IS OPEN TO STUDENTS OF THE MASTER’S IN INTERNATIONAL MARKETING MANAGEMENT & DIGITAL CONTEXT AT THE UNIVERSITY OF BERGAMO.

In 2024, an award in memory of Cavaliere del Lavoro Dr. Silvio Albin was established to recognise a student who has distinguished himself or herself during the course. The scholarship will cover the entire tuition fee for the Master's course.

Bearing in mind the group’s international vocation, both individual and group English and French **language courses** were provided. The largest part in terms of hours was delivered via an online platform, making the use of the content more flexible and customised for the employees concerned.

In continuation of what was undertaken in 2023, a training activity was also held in 2024 for about 20 persons using the **MBTI** model to work on the topics of communication, team building and knowledge between colleagues in different areas.

In the **specialist technical field**, several training seminars were held covering administrative/financial, logistical and communication areas.

Continuity was given **in the area of Lean training** with the activation of some training activities. In particular, an initial course was designed for about twenty people in which, in addition to a general introduction of the philosophy behind Lean thinking, the types of waste and value-adding activities were analysed by applying the theory to various concrete cases in production areas and offices.

Still following a Lean approach, but with a focus more closely linked to individual development, the Personal Excellence programme was launched, combining theory and practice on the 5S methodology applied to the development of one’s own approach to work.

Finally, 15 people were trained on the basics of project management and the use of the A3 project standard.

In conjunction with the creation and development of an integrated management system, two in-depth courses on the **UNI ISO 9001:2015** standard have been designed: the first aimed at executives and the second for managers and employees managing key business processes.

Finally, to support the company’s digital development, workshops were held on the topic of **artificial intelligence**.

The training activities at the factories in the Czech Republic and Egypt, in addition to health and safety and environmental topics, focused on the language part (English and Italian), on compulsory training for work performance and certification topics.

GRI 404-1: Average hours of training per capita by gender ¹⁵			
Average hours of training per capita by gender	UoM	2023	2024
Total training hours	h	5,681	4,179
Per capita hours	h	5.51	3.3
Women per capita	h	3.95	1.8
Men per capita	h	5.07	4.1
Average hours of training per capita by category		2023	2024
Executives per capita	h	0	4.5
Middle Managers per capita	h	9.63	13.1
Employees per capita	h	5.43	2.8
Workers per capita	h	3.62	1.9

¹⁵ The training hours shown refer only to the locations of Cotonificio Albini S.p.A., Dietfurt S.r.o., Mediterranean Textile S.a.e. and Delta Dyeing S.a.e... It should also be noted that for the year 2023, training hours on health and safety at the Cotonificio Albini S.p.A. sites are included. Please refer to the Methodological Note for more details.



Worker health and safety

Health and safety at work are fundamental components for the well-being and productivity of employees at Albini Group.

The subject is coordinated through three Prevention and Protection Service Managers who work in synergy to standardise processes at the different production sites and ensure that specific training needs are met in each area.

The main types of risks are related to production and warehouse activities and include risks related to the use of semi-automatic equipment, manual handling of loads, and the use of chemicals. The first factor in accident prevention is the correct application of behavioural safety, i.e. workers' full awareness of the risks to which they are exposed in carrying out their jobs and their professionalism in managing them through appropriate operational and behavioural methods.

In order to correctly assess the risks and the consequent safety measures, the Employer, with the collaboration of the PPSM and the participation of the Competent Physician and consultation of the Workers' Safety Representative (WSR), draws up the Risk Assessment Document (RAD) as required by law.

The document is updated periodically and in the event of significant changes to production processes, the introduction of new technologies or serious accidents.

Workplace monitoring takes place at all levels of the company organisation.

At the operational level, appropriately trained supervisors supervise work activities, ensuring the implementation of received directives and monitoring workers' compliance with safety and company regulations. When assigning tasks to the latter, the supervisors take into account the specific training and abilities of the workers themselves; they also prevent workers from being subjected to serious risks to their health by informing them of the risks present and the protective measures to be taken, and by providing them with instructions in the event of an emergency. The persons in charge report to their supervisor and the PPS any hazardous situations encountered in the work environment and any deficiencies/defects in plant, equipment and personal protective equipment.

The PPS carries out periodic inspections of workplaces, in order to identify any risk factors present there and the relevant measures to reduce or eliminate them, so that work is carried out safely and in a healthy environment. The Health Service assists the PPS and:

- implements the health surveillance foreseen for employees depending on the task performed (supplemented by any instrumental examinations, spirometry, audiometry, etc.). The Health Surveillance Plan is updated annually by the Competent Physician;
- carries out periodic inspections of all workplaces accompanied by the PPS and WSR;
- prepares workers' risk files in cooperation with



the PPS;

- takes note of the instrumental investigations carried out by the PPS (phonometric, vibrometric, chemical, etc.);
- draws up an annual report in accordance with Article 40 paragraph 1 of Legislative Decree no. 81/2008.

With regard to accidents and near misses, the PPS analyses the event, in cooperation with the worker's supervisor and any witnesses present at the time of the incident. The information gathered makes it possible to identify the causes that led to the event and to define the prevention and protection measures to be put in place to avoid a recurrence.

Data relating to accidents that occurred throughout the year are collected in the "Accident Report," which is the result of a statistical analysis of events that occurred within the company, except those that occurred while traveling to and from work. The drafting of this document allows an overall and analytical monitoring of the company accident situation by pointing out the type, origin and severity of the accidents, thus allowing the detection of the repetition of certain critical situations and then remedying them. Near misses, medication and accidental events are also recorded, which is even more useful in preventing potential injuries.

Regarding near misses, each worker is encouraged to promptly report them using a dedicated form or by directly contacting their supervisor and the PPS.

The PPS, after verifying the significance of the report, proceeds with the analysis of the incident, involving the relevant figures and collaborating in the definition of appropriate prevention measures. A report, compiled by the PPS in cooperation with the persons involved and approved by the Plant Manager and for consultation by the WSR, is used to analyse accidents and near misses.

The documentation for each machine is kept in paper or computerised form, as appropriate. The area manager/supervisor verifies that the equipment is installed and used correctly and is properly maintained.

The equipment is maintained through routine and extraordinary maintenance. Periodic safety audits are carried out by qualified in-house personnel or contracted out to external companies through specific assignments. The implementation of control interventions is recorded.

For equipment that does not require periodic inspection, the user is responsible for maintaining its efficiency. Before use, the user must check that the equipment is not damaged or malfunctioning and report any problems to their manager.

A specific "Training Plan" for security issues is drawn up annually. The aim of training is to develop and keep up-to-date the safety knowledge of all workers.

The Plan contains the types of courses planned during the year for the positions mentioned in the Legislative Decree. 81/08 and for positions subject

to specific risks (e.g. basic and refresher courses for forklift truck drivers, personnel working at heights, etc.).

Training is provided, as appropriate, by specialised external companies selected according to the topics covered or directly by the PPS, possibly in cooperation with the company health service.

In the event of new training needs being reported or in the event of changes to current legislation, the course schedule is updated.

Training takes place mainly:

- On the job, through shadowing with other experienced personnel and the use of dedicated information material, illustrated and explained by the reference person of the area in which the worker is working;
- In the classroom, through the worker's participation in specific courses held by in-house personnel or by consultancy companies specialised in occupational health and safety.

At the end of classroom training, the participants' level of learning is verified by filling in evaluation

questionnaires, course materials are made available and a certificate of attendance is distributed. Training is periodically repeated to allow for constant updating on regulatory aspects and in the event of substantial changes in the risk assessment document.

Training enables workers to learn the correct use of equipment, systems, chemicals and personal protective equipment. Training is formalised by filling in a specific form by the person in charge.

Albini Group has put in place an emergency management system aimed at reducing the consequences of the occurrence of events that are hardly or not at all predictable. In particular, with regard to the emergency team, the service was organised using suitably trained employees from different areas to ensure total coverage.

Evacuation rehearsals are held at least once a year; during the rehearsals the emergency team members actively participate by cooperating with the PPS in the proper conduct of operations. At the end of the activity, the PPS draws up a summary report in which the points for improvement to be implemented in subsequent tests are pointed out.

GRI 403-9: Accidents at work			
	UoM	2023	2024
Hours worked by employees	h.	1,556,696.5	2,015,140
Total number of recordable occupational accidents, including fatalities	no.	21	19
Rate of recordable occupational accidents	no.	13.49	9.43
Rate of occupational accidents with serious consequences	no.	0	0

The figures show a positive drop in the number of accidents and the accident rate, confirming the effectiveness of the work and the spread of the culture on Health and Safety issues.

Accident prevention remains crucial and the drop in the accident rate should be an invitation to continue proposing preventive measures.



06

CUSTOMER CARE

Quality and customer safety

Albini Group controls all production stages of its products, ensuring constant monitoring of the production chain. **Each stage, from the cotton field to the finished fabric, goes through a series of rigorous planned controls.** The first takes place when the raw materials are accepted and is aimed at verifying their quality and origin. Secondly, **yarn checks** are carried out at the acceptance stage: a raw yarn is not admitted to the manufacturing process if it does not exceed the set parameters. Checks include moisture, count (which indicates the fineness of the yarn), twist (which determines the firmness and strength of the yarn), tensile strength, elongation (which measures the yarn’s ability to stretch before breaking) and evenness (which refers to the consistency of the yarn in terms of thickness, colour and structure). These checks ensure that only the best quality yarns enter the production process.

The yarns, both raw and dyed, are subjected to **chemical and ecotoxicological tests** in order to exclude the presence of substances that are potentially harmful not only to humans, but also to the environment. In particular, it is checked that no compounds are present that could be released during washing and be harmful to aquatic organisms

(such as algae, crustaceans and fish) or terrestrial organisms (such as earthworms and plants). Tests are carried out on a random basis, based on a risk analysis, and involve all raw material suppliers. In 2024, 78 yarn samples were analysed.

Furthermore, in support of the GOTS and OCS certifications, Albini Group carries out its own tests for possible chemical contamination of organic cotton. 3% of the cotton bales and 100% of the incoming batches of organic cotton yarn are randomly checked.

The controls continue on the colour, after the dyeing process of the yarn, and are aimed at guaranteeing a consistent quality, i.e. uniformity of tone, resistance to time and rubbing. Between 40 and 50 dye baths are checked every day. After the weaving stage, the fabric is checked twice at the inspecting machine. The first check is carried out on the raw product to identify and remove any small defects, which are often found when dealing with a natural raw material. This activity is carried out in the raw control department of the Albino plant.

A further control takes place after the finishing stage, when the finished fabrics are again examined

for visual inspection at the inspecting machine and subjected to physical and chemical tests in the Gandino Laboratory, the first in-house textile laboratory in Italy to be recognised by ACCREDIA¹⁶ according to the UNI CEI EN ISO/IEC 17025 standard.

Through the **chemical tests**, the properties of the fabric are tested under different conditions of use: including testing the colour fastness when exposed to dry rubbing, wet rubbing and distilled water, the resistance of the colour to acid or alkaline sweat and washing with detergents or perborate. The chemical tests are completed with hydrolysis of the reactive colours, oxygenation of the irritating agent and pH testing. The **physical tests**, on the other hand, focus on the strength of the fabric, which must be such that the finished garment can be correctly made and used. Characteristics such as seam strength, tear resistance, abrasion resistance and tear resistance are tested. Finally, the fabric’s ironability and dimensional stability are certified, both when washed and when steamed.

Chemical and ecotoxicological tests are also carried out, similarly to yarns. The selection of fabrics to be tested is made according to a risk-based logic, which

takes into account the type of process carried out, the chemicals used and the possible involvement of third parties. In 2024, 55 fabric families were randomly tested.

Thanks to the vertical integration of the production chain, Albini Group can provide in-house **documentation on the path a product takes within the production process**. Furthermore, for those who require it, it can create a **fully traceable fabric** using the forensic method thanks to its long-standing partnership with industry leader Oritain™. The latter analyses the chemical properties of certain cotton samples at origin, providing a unique fingerprint for each product. This makes it possible to monitor the fabric at every stage of the supply chain to ensure that it matches the original fingerprint and that it is not substituted or altered, being able to trace the country of origin of the cotton or to exclude that the cotton comes from risky areas.

¹⁶ ACCREDIA is the only national body authorised to conduct accreditation activities and has officially acknowledged the competence of the Gandino plant’s laboratory in conducting specific tests on fabrics in order to ensure their compliance with national and international standards.

Tests are carried out through visual, chemical and physical tests by the in-house laboratory to ensure a high quality product that reflects the group’s high standards.

Customer satisfaction

In 2024 Albini Group worked on the areas for improvement that emerged from the customer satisfaction survey, in particular on:

- Efficient transport from plants in the Czech Republic and Egypt.
- Market segmentation and diversification of service levels, e.g. by introducing fast track service for certain types of customers.
- Pre-production meetings with selected customers in order to agree on production capacities and raw materials to be used.
- Improvement in weaving productivity, resulting in reduced production times.

In addition, a project to revise the screening indicator for monitoring returns and complaints was started in 2024 and will be active back to 2022. The operation is aimed at making this tool more efficient and usable, with the objective of transforming the information entered by the commercial functions into structured data useful for statistical analysis by the Quality Department. This approach now allows a more integrated and shared management with the commercial department, both for returns and complaints, favouring a more structured control. The aim is to reach a level in 2025 where major

critical issues can be systematically shared with the divisions concerned and effective corrective actions jointly identified. This process represents the zero point of an evolutionary quality management system, which aims to further strengthen the reliability of our products.

In 2024, a **customer satisfaction survey was prepared for the business unit dedicated to the sale of cut-to-length fabrics**. This survey will be administered in 2025 and will map key performance indicators such as customer listening skills, partnership-building skills, responsiveness, proactiveness in proposing new products and services, the development of sustainable and innovative products, digital support, the quality of commercial relationships, ordering procedures and the e-commerce platform, service levels, and marketing and communications services.

Finally, to ensure timely and consistent responses to customer requests, Cotonificio Albini S.p.A. has a department dedicated to the management of traceability issues and the completion of sustainability questionnaires. Within the subsidiaries there are local contacts who interface with the headquarters, ensuring homogeneous and timely support even at decentralised levels.



Projects were initiated to improve the monitoring of returns and complaints, with the aim of transforming the information received from customers into structured data useful to make the work of the Quality Department more efficient.

07

INNOVATION

Product design and collection development

Innovation, research and development are fundamental pillars of the Albin Group's strategy. Thanks to these elements, the company not only produces fabrics of the highest quality, but is also able to respond promptly to market dynamics, offering its customers a broad, diversified and increasingly sustainability-oriented proposal.

Product design is entrusted to three creative teams of more than 30 professionals, who every six months create new textile base fabrics for Albin 1876, Thomas Mason and Albiate 1830 collections. Their creations are inspired by research trips around the world and draw on the precious heritage of the group's historical archives.

Creativity is also supported by a dedicated Research and Development (R&D) division. The mission of this area is to identify new solutions in the textile market and make them available to textile designers. R&D focuses on the exploration and development of innovations that allow fabrics with unprecedented performance levels to be obtained: from the use of new yarns to the experimentation of cutting-edge finishes, with the aim of enhancing fabric performance and meeting specific sustainability requirements.

Another service is provided by the Exclusives department, which creates customised fabrics according to specific customer requirements by combining technical expertise and stylistic sensitivity.

The commitment to circularity and ecodesign also translates concretely into the design of the fabrics. In 2024, 82% of fabrics produced consist of monomaterial or compatible fibre blends, facilitating easier end-of-life recyclability. Although the figure shows a slight decrease compared to 2023 (83%), it remains almost stable and confirms a positive trend compared to 2022, when the percentage stood at 79%.

This slight variation is due to the sales success of 4Flex®, a new fabric that combines high technical performance with a high percentage of natural fibre, offering an alternative to the pure synthetics on the market today. 4Flex® fabrics are made from a high proportion of Supima® cotton, renowned for the exceptional length and fineness of its fibres. Furthermore, Supima® cotton is soft and durable, ensuring that garments made from this material are long-lasting. While not yet fully compatible with recyclability criteria, 4Flex® represents a strategic step towards more responsible innovation, balancing functionality, aesthetics and sustainability.

The Albin Group also uses only the best raw materials available on the market, such as long and extra-long fibre cottons including Supima® already mentioned, Giza and Sea Island, and fine linen from Normandy. This choice not only guarantees high aesthetic and performance quality, but also contributes significantly to the durability of the fabrics, a key element for



Innovation, research and development are fundamental pillars of the Albin Group's strategy. These allow not only the production of high quality fabrics, but also the ability to cope with market fluctuations and to guarantee one's customers a diverse range of sustainable products.



product sustainability.

In recent years, the company has set the goal of introducing recycled raw materials into its fabrics. Part of the streetwear line developed for the Albiato 1830 brand, made from mechanically recycled yarns, comes under this heading. In 2024, 34% of the textile base fabrics in the line were made from recycled yarn, a figure in keeping with the 36% in 2023 and a clear improvement on 2022, when the percentage was 27%.

As anticipated, the creativity of the Albini Group's design teams also feeds on history.

With the acquisition of the Thomas Mason brand in 1992, the company also inherited its valuable historical archive, consisting of over seven hundred volumes dating back to the 19th century, which are now kept at the Albino headquarters. This archive chronicles an extraordinary wealth of fabrics, colours and designs, and is an inexhaustible source of inspiration for both

in-house designers and the group's customers.

In order to enhance and safeguard this intangible heritage, a digitisation project of the historical archive is underway, which also includes the digital cataloguing of the prints developed by the Exclusives team. This process will allow creative people to access and consult content through a digital channel, facilitating research and collection development. In parallel, Albini Group is exploring the 3D modelling of fabrics, starting from photographic shots and CAD files, with the aim of making each fabric, once only visible in paper sample books, accessible online, searchable by tag and digitally usable. This approach optimises stylistic research, speeds up creative processes and significantly reduces paper usage.

In addition, the digital archive can become a strategic tool for sharing and disseminating products within projects developed in collaboration with different stakeholders.

CIRCULAR ECONOMY AND ECODESIGN

The circular economy is a production and consumption model that involves sharing, lending, reusing, repairing, reconditioning and recycling materials and products for as long as possible. This extends their life cycle and helps to minimise waste.

Ecodesign is a model that is part of the circular economy and applies to the entire life cycle of a product, i.e. its conception, design, production up to its use and disposal.

Making a product according to the ecodesign model means respecting these principles:

1. Using sustainable, recycled and recyclable materials that have been produced sustainably and with clean energy.
2. Saving energy and reducing consumption in production processes.
3. Quality and durability of the product, which must be made to last.
4. Creating with the second life in mind that the product may have, as a function and/or as a material.
5. Using materials that are as similar as possible in order to simplify their disassembly and recycling.
6. Using renewable and possibly local resources.

The archive tells a story of fabrics, surprising colours and designs, and represents an inexhaustible source of inspiration for the designers of the Albini Group and its customers.

ALBINI_next, Textile Innovability

The innovative soul of the Albini Group is expressed both through product design and the development of textile collections, produced in synergy with all the players involved in the creative process, and through a more radical approach to innovation, embodied by ALBINI_next, the innovation hub dedicated to the experimentation and transformation of pioneering ideas into sustainable industrial solutions.

Originating in 2019 within Kilometro Rosso, one of Europe's leading innovation clusters, ALBINI_next is a true think tank, with the mission of identifying ideas not yet on the market and transforming them into high-impact industrial solutions, with a strong focus on sustainability.

Operating in an open innovation model, ALBINI_next develops projects in collaboration with start-ups, universities, research centres, customers, suppliers and stakeholders, including those outside the textile world, with the aim of generating products, processes or new business models. Our activities arise from market needs or specific customer requests and are structured along a multifaceted path: from the initial scouting, in which the idea is validated by involving the innovator and one or more industrial partners, to the first laboratory tests, through the scale-up and, finally, market launch.

Since its foundation, ALBINI_next has collaborated with more than 140 external entities, enhancing technology transfer as an engine of industrial

transformation. The team, composed of professionals under 35 with heterogeneous backgrounds including engineers, biotechnologists, agronomists, represents a mixture of scientific skills and visions. Two PhDs started in 2021 were successfully completed in 2024: one in biotechnology for the study of biogenic dyes and another in engineering management.

ALBINI_next's activities are developed along three strategic lines of research, united by the goal of combining innovation and sustainability:

1. **New Materials:** focus on the development of innovative materials, the introduction of advanced agricultural practices for cotton cultivation and the activation of circular economy projects, also through the recovery and valorization of by-products from the production chain.
2. **Alternative dyeing:** experimenting with new-generation dyeing techniques and dyes to make processes more efficient and less impactful.
3. **Green chemistry:** research and application of advanced chemical solutions designed to improve fabric performance while reducing environmental impact throughout the production chain.

ALBINI_next thus represents the driving force behind the Albini Group's sustainable transformation, where scientific research meets industry to create the textiles of the future.



Projects conceived and developed in 2023/24



Research area:	New materials
Status:	Industrialised
Partners:	Natural Hue

An.Ti.Co

Albini Yarns contributed to the development of the **Novus** project, producing with ALBINI_next yarns composed of an innovative fibre from chemical recycling blended with Supima® organic cotton, linen and wool. After two years of study, the team developed yarns in several counts, from Ne 30/1 to Ne 50/1. These are created by blending the aforementioned natural fibres with a solution patented by Renewcell, a Swedish textile recycling company, which has developed a process technology for the production of Circulose® pulp created entirely from process waste. The pulp is obtained through a chemical recycling process and then transformed into artificial cellulosic fibre used for the production of fabrics and yarns.

Research area:	New materials
Cross-cutting theme:	Circular economy
Status:	Industrialised
Partners:	Circulose®

Novus

An.Ti.Co. is a project created to study the development of yarns made from naturally coloured cotton.

ALBINI_next and Natural Hue, which cultivates cotton in Arizona, have selected two types of coloured cotton, brown and green, obtained by crossing ancient seeds known to produce naturally coloured fibres, and a white-fibre Pima cotton seed (non-GMO), which has made the fibres longer and stronger. The use of dyed cotton has enabled the Albini Group to avoid the use of chemical dyes during textile production, reducing the environmental impact associated with this production process.

After harvesting the cotton, ALBINI_next collaborated with Albini Yarns to process the fibres, resulting in two different yarn counts (Ne 30/1 and Ne 10/1) for each of the colours. These yarns were eventually used by Albini Group brands for some fabrics in their collections.



Research area:	Alternative colours
Cross-cutting theme:	Biotechnologies
Status:	Pilot
Partners:	Colorifix

Exteria - Dyes from bacteria is a pioneering project that represents an important step towards sustainable and environmentally friendly fashion, as it aims to facilitate the transition from synthetic dyes to colours obtained from engineered microorganisms. Sponsored by the Albini Group and Kering’s Material Innovation Lab (MIL), together with Colorifix, the project was developed with the aim of creating dyed textiles through the use of engineered bacteria using synthetic biology practices.

To process the engineered microorganisms used, Cotonificio Albini S.p.A. has equipped itself with a fermenter and a bio-lab, installed at its plant in Albino. These microorganisms are grown inside the fermenter, where they feed on renewable raw materials such as simple sugars, salt and plant by-products. Once the pigment production peak is reached, the dye liquid in the fermenter can completely replace the water used for dyeing with a considerable reduction in consumption. The liquid is then transferred to standard dyeing machines, together with the yarn.

In particular, the project used two bacterial strains that produce different colours according to the dyeing parameters and the fibre chosen. The first pigment, commonly found in soil and deep water sediments, enabled ALBINI_next to dye a beige colour on cotton and a camel colour on wool. The second pigment, derived from waste from the silk production process, enabled a bright purple colour to be obtained on 100% cotton yarns.

Exteria - Dyes from bacteria

Bayome aims to industrialise a dyeing process using dyes from non-GMO microorganisms. Employing the tools made available by biotechnology, start-up company KBCols has optimised the natural production of microbial pigments to extract dyes in a ready-to-use formulation. ALBINI_next has efficiently industrialised a formula for dyeing different biocolours, on a scale that meets the needs of an industrial context.

Research area:	Alternative colours
Status:	Industrialised
Partners:	KBCols

Bayome

With the **Weav3d**, ALBINI_next launched an exploration of biopolymer composite materials as a solution for recycling textile fibres, creating unique blends of bio-based and/or recyclable polymers combined with textile fibre of plant origin. These new materials have a wide range of applications, including 3D printing, and can give rise to new sustainable and innovative products. ALBINI_next has currently developed two polymers blended with cotton fibre. The first polymer was chosen for its flexibility and recyclability, while the second is a stiff, bio-based and recyclable polymer. The addition of textile fibres makes the polymer material more rigid and, thanks to the plant nature of the fibres, gives it a unique appearance. Moreover, the colour of the finished product is derived from the original colouring of the waste used and therefore does not require further dyeing. For the realisation of these studies, the company created a partnership team consisting of three players: Mixcycling, a company active in the bioplastics sector, Nazena, an Italian start-up company involved in the recycling of textile fibres and PSCT Digital Lab, a Made in Italy “digital tailoring”.



Weav3d



Research area:	New materials
Cross-cutting theme:	Circular economy
Status:	Under development
Partners:	Mixcycling, Nazena. PSCT Digital Lab



Nazena collaborated with ALBINI_next for the realisation of **Materico**, also aimed at finding solutions to reuse textile waste. This study resulted in a new material used for the production of structural panels for packaging in various sectors. Again, the colour of the materials produced is derived from the colour of the starting waste, so that further consumption of resources and energy for dyeing is avoided. Albin Group used it to create the media for their fabric presentation catalogues.

Research area:	New materials
Cross-cutting theme:	Circular economy
Status:	Under development
Partners:	Nazena

Materico



Research area:	New materials
Cross-cutting theme:	Circular economy
Status:	Industrialised
Partners:	Belda Llorens

Futura is the name of the paper generated by recycling textile waste and developed together with the R&D department of Fedrigoni, European leader in the production of special papers. The collaboration has resulted in a paper composed of 25% fibre obtained from textile waste from Albini Group production sites. This reduces the amount of virgin cellulose typically used in paper production and recovers production waste destined for disposal. The fibre is obtained from textile waste from the sample, quality control and weaving departments. These scraps, usually destined for disposal, are thus recovered and up-cycled. The paper was used to build its presentation media for the Denim collection and the Albiate brand Service Program.

Futura

Retwist+ Closing the loop is a yarn created from the recovery of left-over denim fabrics and is used to create new fabrics in the Albiate 1830 collection. 100% cotton denim remnants from past collections have been unravelled and made into fibre. This was followed by a study to evaluate the best blend to obtain a good quality recycled yarn. This resulted in the new Retwist+ blend yarn, composed of recycled cotton and virgin cotton. Using solely denim fabrics has made it possible to obtain an already dyed finished product featuring a pale indigo nuance, thus eliminating the entire dyeing phase and reducing the use of water and resources during the production process. The project involved several corporate teams and took approximately one year to develop.

Retwist+



Research area:	New materials
Cross-cutting theme:	Circular economy
Status:	Industrialised
Partners:	Fedrigoni



Albini Energia: energy efficiency and industrial innovation.

Albini Energia S.r.l. develops engineering solutions to improve the energy and environmental efficiency of industrial plants in the textile sector. A pilot project to recover heat from the fumes of stenter ovens was implemented in 2024, a technology that is a tangible example of sustainability-oriented innovation.

The prototype, based on a high-efficiency air/air heat exchanger (honeycomb and cross-flow type), was installed at a textile company in Turkey, where it was applied on a finishing stenter. The system takes air from the environment, filters it through a pocket system, preheats it using the heat of the exhaust fumes and reintroduces it into the inlet and outlet chambers of the stenter using fans. At the same time, the primary side (hot “dirty” air) is equipped with stainless steel filters and an automatic washing system with a detergent solution maintained at 90-95°C, which ensures continuous cleaning of the heat exchanger and filter.

The system has demonstrated significant effectiveness: according to measurements taken

by the host company’s technicians, methane consumption has been reduced by 25-30%, or 10-12,000 SCM/month, compared to the pre-installation average consumption of 38-40,000 SCM/month.

Compared to the heat recovery systems already available on the market (normally integrated on new-generation stenters), this solution stands out for the priority given to heat exchange efficiency. The integration of an automatic filtering and cleaning system makes it possible to extend the applicability of the system to existing plants, offering a concrete answer to the growing demand for sustainable retrofits in the textile industry.

The intervention, while generating an external energy benefit, represents for Albini Group a virtuous example of export-oriented industrial innovation, with positive indirect impacts along the value chain. It therefore falls under the category of Scope 3 emissions (use of products sold) according to the GHG Protocol Standards.



A pilot project to recover heat from the fumes of stenter ovens was implemented in 2024, a technology that is a tangible example of sustainability-oriented innovation.

08

REPORTING CRITERIA

Appendix

Disclosure GRI 301-1: Materials purchased by weight or volume				
Raw materials	UoM	2022	2023	2024
Cotton	Kg	6,864,152	3,910,745	4,609,434
Linen	Kg	364,149	215,026	340,699
TENCEL™ Lyocell	Kg	64,985	15,684	36,105
Other artificial fibres	Kg	154,311	303,427	503,138
Other natural fibres	Kg	53,196	65,737	73,417
Synthetic fibres	Kg	115,112	52,276	62,104
Total renewable raw materials	Kg	7,500,792	4,510,619	5,562,792
Total non-renewable raw materials	Kg	115,112	52,276	62,104
Total raw materials purchased	Kg	7,615,904	4,562,895	5,624,896

Origin of the fibre				
Area	UoM	2022	2023	2024
America	Kg	4,506,426.25	2,844,276.91	3,767,878.03
Asia	Kg	49,605.72	122,010.72	215,997.16
Eur-Med	Kg	1,964,500.06	1,135,650.82	-
Europe	Kg	-	-	1,182,121.66
Africa	Kg	-	-	179,089.04
Australia	Kg	-	-	7,667.45
Other	Kg	94,380.30	13,656.73	40,273.03
N/D	Kg	501,108.44	236,331.87	66,923.93
Total	Kg	7,116,020.77	4,351,927.05	5,459,950.30

Country where purchased yarn was spun				
Area	UoM	2022	2023	2024
Europe	Kg	1,471,746.71	631,053.09	558,031.69
Egypt	Kg	1,556,019.47	454,099.43	667,324.42
Asia	Kg	2,765,414.39	2,522,436.59	3,209,205.58
Other	Kg	96,285.97	59,523.60	-
N/D	Kg	25,291.98	2,225.07	1,582.32
Total	Kg	5,914,758.52	3,669,337.78	4,436,144.01

Percentage of material subject to certification ¹⁷			2022	2023	2024
Total incoming fibre			1,201,262	682,589	1,023,806
Of the total incoming fibre, how much is covered by the following certifications:	Organic cotton (GOTS or OCS)	Kg	663,079	280,207	-
	GOTS	Kg	-	-	270,579
	Regenagri	Kg	-	-	65,141
	GOTS-Regenagri	Kg	-	-	47,075
Percentage of certified purchased fibre		%	55%	41%	37%
Total incoming yarn			5,914,759	3,669,338	4,436,144
Of the total incoming fibre, how much is covered by the following certifications:	Organic (GOTS or OCS)	Kg	1,908,545	1,492,318	-
	GOTS	Kg	-	-	1,373,631
	OCS	Kg	-	-	337,777
	GOTS-Regenagri	Kg	-	-	44,898
	European Flax™	Kg	351,903	209,358	326,390
	Masters of Linen™	Kg	190,794	117,827	135,003
	GRS	Kg	3,860	1,515	21,335
Percentage of certified yarn purchased		%	42%	50%	50%
Total incoming fabric			499,884	211,432	164,946
Of the total incoming fibre, how much is covered by the following certifications:	Organic cotton (GOTS or OCS)	Kg	5,350	2,946	2,452
Percentage of certified fabric purchased		%	1%	1%	1%

¹⁷ The GOTS and OCS certifications refer to both linen and cotton yarns.

Energy consumption, purchase and production		UoM	2022	2023	2024
Fuel consumption from non-renewable sources			206,430	129,342	135,898
Natural Gas		GJ	202,682	126,157	132,890
Petrol		GJ	-	-	-
Diesel		GJ	11	5	45
Fuel consumption for the fleet	Diesel	GJ	3,017	2,668	2,299
	Petrol	GJ	720	511	665
Indirect electricity consumption			61,765	59,563	65,449
Purchased electricity		GJ	61,765	59,563	65,449
	Of which from renewable sources	GJ	-	-	6,468
Electricity produced		GJ	30,036	14,816	14,791
of which consumed		GJ	24,278	13,121	12,563
	From photovoltaics	GJ	165	5,757	5,027
	From cogenerator	GJ	24,113	7,364	7,536
of which sold		GJ	5,758	1,695	2,228
	From photovoltaics	GJ	67	1,114	1,099
	From cogenerator	GJ	5,691	580	1,130
Total		GJ	268,360	194,661	206,375

CO ₂ Emissions - Scope 1	UoM	2022	2023	2024
Fuel consumption from non-renewable sources				
Natural Gas	ton CO ₂ eq	10,277	6,410	6,751
Diesel	ton CO ₂ eq	214	187	161
Diesel	ton CO ₂ eq	0.8	0.3	3.2
Petrol	ton CO ₂ eq	48	34	45
F-Gas	ton CO ₂ eq	77.83	77.32	14.62
Total Scope I	ton CO ₂ eq	10,618	6,709	6,975
CO ₂ Emissions - Scope 2				
Electricity consumption				
Electricity consumption Location Based	ton CO ₂ eq	7,696	7,032	7,658
Electricity consumption Market Based	ton CO ₂ eq	9,109	8,716	8,037
Scope I + Scope II LB emissions	ton CO ₂ eq	18,314	13,741	14,633
Scope I + Scope II MB emissions	ton CO ₂ eq	19,727	15,425	15,012

	Energy intensity			Emissive intensity (location)			Emissive intensity (market)		
	GJ/Kg produced			Ton CO ₂ /Kg produced			Ton CO ₂ /Kg produced		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Albino (dyeing)	0.0781	0.0870	0.0783	0.0040	0.0045	0.0042	0.0041	0.0048	0.0042
Albino (weaving)	0.0931	0.0813	0.0788	0.0052	0.0045	0.0045	0.0055	0.0054	0.0045
Brebbia	0.0634	0.0498	0.0518	0.0033	0.0027	0.0029	0.0034	0.0031	0.0029
Gandino	0.0023	0.0028	0.0029	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002
Mediterranean Textile S.a.e.	0.0324	0.0392	0.0406	0.0040	0.0049	0.0049	0.0040	0.0049	0.0049
Delta Dyeing S.a.e.	0.0505	0.0565	0.0512	0.0037	0.0040	0.0037	0.0037	0.0040	0.0037
Dietfurt S.r.o.	0.0328	0.0403	0.0449	0.0034	0.0041	0.0045	0.0046	0.0054	0.0053

Water consumption

Water withdrawals (m³)	UoM	Total withdrawal 2022	Total withdrawals from water-stressed areas 2022	Total withdrawal 2023	Total withdrawals from water-stressed areas 2023	Total withdrawal 2024	Total withdrawals from water-stressed areas 2024
53% Total withdrawal from surface water, including use of rainwater	m³	472,750	-	290,965	-	326,387	-
Total withdrawal from groundwater (e.g. wells)	m³	155,374	-	122,778	-	133,652	-
Total withdrawal from third parties (e.g. aqueducts)	m³	241,394	167,621	144,865	94,293	152,782	94,159
Total water withdrawal	m³	869,518	167,621	558,608	94,293	612,821	94,159

Water discharge (destination)	UoM	2022	2023	2024
Towards surface waters	m³	347,030	279,090	334,136
Towards groundwater	m³	-	-	-
Towards marine waters	m³	-	-	-
Towards third-party waters	m³	292,487	191,035	218,711
Total water discharge	m³	639,517	470,125	552,847

Waste produced and disposed of (Kg)									
	2022			2023			2024		
	Total generated	of which disposed of in landfill	% disposed of in landfill	Total generated	of which disposed of in landfill	% disposed of in landfill	Total generated	of which disposed of in landfill	% disposed of in landfill
Hazardous waste	62,348	8,949	14%	49,587	7,303	15%	65,958	8,200	12%
Pipes	257	150	58%	256	-	0%	40	40	100%
Aqueous Solutions and Liquids	1,265	962	76%	3,953	3,748	95%	6,755	6,755	100%
Oils	6,494	4	0%	280	20	7%	3,030	-	0%
Packagings	24,090	-	0%	30,821	-	0%	36,196	200	1%
Filters	303	163	54%	369	185	50%	353	235	67%
Sludge	120	120	100%	-	-	-	170	170	100%
Batteries	2,740	2,740	100%	477	-	0%	170	50	29%
Other	27,079	4,810	18%	13,431	3,350	25%	19,244	750	4%
Non-hazardous waste	1,159,926	324,930	28%	793,427	206,400	26%	1,381,380	187,187	14%
Glass	-	-	-	-	-	-	191	-	0%
Organic Waste	-	-	-	180	180	100%	60	-	0%
Textile Fibre Waste	168,898	-	0%	169,862	-	0%	174,750	34,000	19%
Biodegradable Waste	2,250	-	0%	1,210	-	0%	1,010	-	0%
Plastic	77,340	-	0%	63,863	-	0%	74,486	1,000	1%
Metal	41,145	-	0%	35,535	-	0%	23,765	-	0%
Wood	74,715	-	0%	66,120	-	0%	70,990	-	0%
Filters	4,060	2,460	61%	3,010	140	5%	3,588	98	3%
Sludge	-	-	-	-	-	-	210	210	100%
Paper	173,585	-	0%	151,310	-	0%	170,188	-	0%
Batteries	44	-	0%	-	-	-	105	-	0%
Other	617,889	322,470	52%	302,337	206,080	68%	862,036	151,879	18%
Total	1,222,274	333,879	27%	843,014	213,703	25%	1,447,337	195,387	13%

GRI 405-1: Number of employees by category and gender					
Executives					
		2023		2024	
		n	%	n	%
Gender	Men	11	100%	12	100%
	Women	0	0%	0	0%
Total		11	100%	12	100%
Middle Managers					
		2023		2024	
		n	%	n	%
Gender	Men	26	63%	27	64%
	Women	15	37%	15	36%
Total		41	100%	42	100%
Clerks and Intermediates					
		2023		2024	
		n	%	n	%
Gender	Men	126	44%	123	44%
	Women	162	56%	159	56%
Total		282	100%	282	100%
Workers					
		2023		2024	
		n	%	n	%
Gender	Men	388	54%	388	55%
	Women	325	46%	323	45%
Total		713	100%	711	100%
Total employees		1053		1047	

GRI 405-1: Number of employees by category and age					
Executives					
		2023		2024	
		n	%	n	%
Age	< 30 years	0	0%	0	0%
	30 ≤ x ≤ 50	4	36%	4	33%
	> 50 years	7	64%	8	67%
Total		11	100%	12	100%
Middle Managers					
		2023		2024	
		n	%	n	%
Age	< 30 years	0	0%	0	0%
	30 ≤ x ≤ 50	29	71%	28	67%
	> 50 years	12	29%	14	33%
Total		41	100%	42	100%
Clerks and intermediates					
		2023		2024	
		n	%	n	%
Age	< 30 years	42	15%	33	12%
	30 ≤ x ≤ 50	162	56%	162	57%
	> 50 years	84	29%	87	31%
Total		288	100%	282	100%
Workers					
		2023		2024	
		n	%	n	%
Age	< 30 years	98	14%	77	11%
	30 ≤ x ≤ 50	359	50%	351	49%
	> 50 years	256	36%	283	40%
Total		713	100%	711	100%
Total employees		1053		1047	

Methodological note

This document is **the second Sustainability Report** (hereinafter also referred to as "Report" or "SR") of **Albini Group**, whose operating parent company, Cotonificio Albini S.p.A. is based in Albino (BG) in via Dr. Silvio Albini 1, drafted with the aim of communicating in a transparent manner the company’s commitment to sustainable development and to a business model that respects the social, environmental and economic reality in which the company operates. The Report, prepared annually and published on 30 September 2025, covers the fiscal year 2024 (1 January to 31 December). The document was prepared in accordance with the GRI Sustainability Reporting Standards (hereafter GRI Standards), updated in 2021 by the GRI - Global Reporting Initiative, according to the "with reference" option. This Report is not subject to external assurance, nor were restatements of data from previous reporting periods necessary, as it was the first report published by the Albini Group.

The reporting scope

With regard to the reporting scope, the Albini Group Sustainability Report is aligned with the reporting scope of the Consolidated Financial Statements for the year ended 31 December 2024¹⁸, which includes the data of the subsidiaries listed in the following table:

Sustainability Report 2024 scope		
ITALY	CZECH REP.	EGYPT
- Cotonificio Albini S.p.A. - I Cotoni di Albini S.p.A. Albini Yarns - Albini energia S.r.l.	Dietfurt S.r.o.	- Mediterranean Textile S.a.e. - Delta Dyeing S.a.e.
	UNITED STATES	CHINA
	Albini USA Corporation	- Albini Hong Kong Ltd - Albini (Shanghai) Trading Co Ltd

In addition to what has been stated in the previous paragraph, the scope of the environmental data has been limited with the exclusion of the companies Albini Energia S.r.l., I Cotoni di Albini S.p.A. and the commercial offices of Albini USA Corporation, Albini Hong Kong Ltd and Albini (Shanghai) Trading Co Ltd. The environmental impacts of these companies were not considered significant due to the business activities they carry out. With regard to the scope of training data, data were collected from all locations included in the scope. Health and safety information, on the other hand, covers all locations included in the 2024 reporting scope.

The contents of the Report

From an operational standpoint, the drafting of the Report is based on an impact analysis phase (the methodology of which is described in detail in section "1.5 The Albini Group’s materiality analysis" of Chapter 1 of this document) carried out during the drafting of the first Sustainability Report 2023, in order to report on the issues that emerged as relevant in relation to economic, social and environmental impacts and that therefore influence the decisions of stakeholders. The Annual Report has been prepared in accordance with the general principles set out in the GRI Standards (GRI 1 - Foundation):

- Accuracy:** The information is reported fairly and in sufficient detail to allow for an assessment of the Company’s impacts;
- Balance:** positive and negative impacts are presented objectively and fairly, and the information provided allows users to see trends in impacts year by year;
- Clarity:** the choice of clear and accessible language and the use of tables to represent the Company’s performance make this Report usable and easy to understand for stakeholders;

- Comparability:** The indicators presented in the Report refer to the three-year period 2021-2023 and their development over the years is always commented on in such a way as to enable discussion and comparability of performance over time;
- Completeness:** The information provided is sufficient to enable an assessment of the organisation’s impacts during the reporting period;
- Sustainability context:** Information on the organisation’s impacts is reported in the broader context of sustainable development;
- Timeliness:** This document is prepared on a regular basis so that information is available in a timely manner to enable data users to make decisions;
- Verifiability:** data must be collected, recorded, compiled.

Accuracy
Balance
Clarity
Comparability

Completeness
Sustainability context
Timeliness
Verifiability

¹⁸ With the exception of the company Tessitura di Mottola S.r.l., in liquidation.

The Albini Group’s material topics

MATERIAL TOPIC	GRI DISCLOSURE
Sustainable governance	201: Economic performances
	205: Anticorruption
Protecting and enhancing human capital	403: Occupational health and safety
	404: Training and education
	405: Diversity and equal opportunity
	406: Non-discrimination
Product quality and consumer protection	417: Marketing and labeling
Sustainable supply chain	204: Procurement practices
	308: Supplier environmental assessment
	414: Supplier social assessment
	407: Freedom of association and collective bargaining
	408: Child labour
	409: Forced or compulsory labour
Water resource management	303: Water and effluents
Sustainable and circular management of products and processes	301: Materials
	306: Waste
Fighting climate change	302: Energy
	305: Emissions

Main calculation criteria

Below are methodological indications on how to calculate some of the indicators reported in the Non-Financial Statement.

Energy consumption

The Albini Group’s energy consumption (natural gas, electricity, diesel and petrol) was calculated in terms of Giga Joules (GJ). In order to standardise the different energy vectors, the conversion factors in the table “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” from the UK Department for Environment, Food & Rural Affairs (DEFRA) were used for the years 2022, 2023 and 2024.

Direct (Scope 1) and indirect (Scope 2) emissions for the years 2022, 2023 and 2024

Greenhouse gas emissions were calculated in keeping with the standard published by The Greenhouse Gas Protocol Initiative in terms of CO₂ equivalent.

For the calculation of **direct emissions (Scope 1)**, the following sources were used for emission factors:

- **Fuels (natural gas):** “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” by the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2023 and 2024 from the “Fuels” table.
- **Fuels (Petrol):** “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” by the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2023 and 2024 from the “Fuels” table.
- **Fuels (Diesel):** “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” by the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2023 and 2024 from the “Fuels” table.
- **Fuels (Diesel):** “UK Government GHG Conversion Factors for Company Reporting - Fuel properties” by the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2023 and 2024 from the “Fuels” table.
- **F-Gas:** “UK Government GHG Conversion Factors for Company Reporting” by the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2022, 2023 and 2024 from the “Refrigerant & other” table.

For the calculation of indirect **emissions (Scope 2)**, electricity consumption was converted according to the Location-based and Market-based approaches using the following sources for emission factors:

- For the **Location-Based** approach, calculated on the basis of the percentage composition of the national mix of each country (Italy, the Czech Republic and Africa), the emission factor shown in “Table 49 - Main Socio-economic and Energy Indicators”, published by Terna in the International Comparisons section, in the most recent version published in 2020, was used for the data for the years 2022, 2023 and 2024;
- For the **Market-Based** approach: For European locations, the “European Residual Mixes 2023” document published in 2024 by the Association of Issuing Bodies (AIB) was used for the 2023 and 2024 data, and the version published in 2023 for the 2022 data. No residual mix was available for Egypt, so the location-based factor reported in Terna’s tables was used conservatively.

Energy and emission intensity

In order to calculate the energy and emission intensity of Cotonificio Albin S.p.A., the Albino plant, the energy consumption referable to the dyeing and weaving activities carried out within the plant were considered, taking into account the following parameters:

- **Electrical Energy:** by means of meters installed in the two departments, the total electrical energy consumption (kWh) was divided between the dyeing and weaving department according to the following model:

	2022		2023		2024	
Dyeing	1,343,865	25.7%	1,355,875	27.4%	1,744,953	31.3%
Weaving	3,891,300	74.3%	3,599,049	72.6%	3,829,749	68.7%
Total	5,235,165	100.0%	4,954,924	100.0%	5,574,702	100.0%

- **Thermal Energy:** The withdrawal of thermal energy in the production departments is monitored by meters installed on the main lines. However, as far as district heating consumption is concerned, as there are no specific meters to measure the thermal energy used separately in the departments, it was decided to divide the total teleheating consumption between the dyeing and weaving departments according to their volumes. The total surface area of the plant is 131,427 m², of which 36% is allocated to the west section where the dyeing department is located and 64% to the east section where the weaving department is located. Consequently, the thermal energy consumption was allocated proportionally, as shown in the diagram below:

	2022		2023		2024	
Dyeing	4,645,961	81.8%	4,991,368	84.0%	4,979,086	83.7%
Weaving	1,031,194	18.2%	952,179	16.0%	970,670.1	16.3%
Total	5,677,155	100.0%	5,943,547	100.0%	5,949,756	100.0%

- **Natural Gas** Natural gas is purchased from the site and is used both in the cogeneration plant, which serves as a multifunctional system for the combined production of electricity and heat, and in the boiler. To attribute greenhouse gas (GHG) emissions, the energy content method was chosen, which divides emissions according to the energy contained in the products generated, i.e. heat and electricity. The consumption of natural gas was then allocated between the departments according to the energy actually used in the form of heat and electricity. The following table shows the distribution of natural gas consumption for each department.

	2022		2023		2024	
Dyeing	823,622.5	58.0%	661,863.1	67.3%	687,879.3	67.0%
Weaving	593,629.5	42.0%	321,768.9	32.7%	335,425.7	33.0%
Total	1,417,252	100.0%	983,632	100.0%	1,023,305	100.0%

Water consumption

The water data for Albin Yarns, unlike the other environmental indicators, were included because it is the only environmental data considered significant for the group.

Health and Safety

The accident frequency index was calculated as follows: Frequency index = number of accidents/ hours worked * 1,000,000

The severity index was calculated as follows: Severity index = number of days lost due to accidents / hours worked * 1,000,000.

Employees

Employee figures are represented as headcount as

at 31 December of the reference periods, and not as FTE (full-time equivalent) figures.

The following formulas were used to calculate the rate of recruitment and termination:

New staff recruitment rate = new recruits / total workforce x 100

Staff turnover rate = departures / total workforce x 100

Information and contacts

For information and further details on the Albin Group’s sustainability strategy, as well as the contents of this Report, please contact: info@albinigroup.com

GRI Content Index

Declaration of use	Albini Group presented a report with reference to the GRI Standard for the period 01.01.2024 - 31.12.2024
GRI 1 used	GRI 1 - Foundation - Version 2021
Relevant GRI Sector Standards	N/A

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 2 - General Disclosures (version 2021)	2-1 Organisational Details	1.1 History
	2-2 Entities included in the organisation’s sustainability reporting	Methodological note
	2-3 Reporting Period, Frequency and Point of Contact	Methodological note
	2-4 Review of Information	Methodological note
	2-5 External Assurance	Methodological note
	2-6 Activities, Value Chain and Other Business Relationships	1.2 Business Model
	3-1 Production cycle: Integration and traceability	3.1 Production cycle: Integration and traceability
	2-7 Employees	5.1 The value of human capital
	2-8 Persons performing work who are not employees	5.1 The value of human capital
	2-9 Governance structure and composition	2.1 Corporate governance
	2-10 Appointment and selection of the highest governing body	2.1 Corporate governance
	2-11 Chairman of the highest governing body	2.1 Corporate governance
	2-12 Role of the highest governing body in impact management control	2.1 Corporate governance
	2-13 Delegation of responsibility for impact management	1.5 Materiality Analysis

	2-14 Role of the highest governance body in sustainability reporting	2.1 Corporate governance
	2-15 Conflict of interest	2.1 Corporate governance
	2-16 Communication of critical issues	2.1 Corporate governance
	2-17 Collective knowledge of the highest governing body	2.1 Corporate governance
	2-18 Performance evaluation of the highest governing body	2.1 Corporate governance
	2-22 Sustainable development strategy statement	1.5 Materiality Analysis
	2-23 Policy Commitment	2.3 Risk management Methodological note
	2-24 Integration of policy commitments	2.3 Risk management
	2-25 Processes to remedy negative impacts	1.5 Materiality analysis
	2-26 Mechanisms for requesting clarification and raising concerns	2.2 Integrity, transparency and the fight against corruption
	2-27 Compliance with laws and regulations	2.3 Risk management
	2-28 Membership in associations	1.3 Mission and vision 1.4 Relationship with stakeholders
	2-29 Approach to stakeholder engagement	1.4 Stakeholder relations
	2-30 Collective agreements	5.1 The value of human capital
Material topics		
GRI 3 - Material topics (2021 version)	3-1 Process for determining material topics	1.5 Materiality analysis
	3-2 List of material topics	1.5 Materiality analysis Methodological note
	3-3 Management of material topics	1.5 Materiality analysis Methodological note
Material topics: Sustainable governance		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 2.4 Value generated and distributed
GRI 201 - Economic performance	201-1 Direct economic value generated and distributed	2.4 Value generated and distributed

GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 2.2 Integrity, transparency and anti-corruption
GRI 205 - Anti-corruption	205-3 Confirmed incidents of corruption and measures taken	2.2 Integrity, transparency and the fight against corruption
Topic: Fighting climate change		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 4.1 Fighting climate change
GRI 302 - Energy	302-1 Internal energy consumption within the organisation	4.1 Fighting climate change
	302-3 Energy intensity	4.1 Fighting climate change 4.1 Fighting climate change
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 4.1 Fighting climate change
GRI 305 - Emissions	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	4.1 Fighting climate change
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	4.1 Fighting climate change
	305-4 Intensity of GHG emissions	4.1 Fighting climate change
Topic: Sustainable and circular management of products and processes		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 3.2 Raw materials and certifications
GRI 301- Materials	301-1 Materials used by weight or volume	3.2 Raw materials and certifications
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 4.2 Responsible resource management
GRI 306 - Waste	306-1 Waste generation and significant waste-related impacts	4.2 Responsible resource management
	306-2 Management of significant waste-related impacts	4.2 Responsible resource management
	306-3 Waste generated	4.2 Responsible resource management
	306-4 Waste not disposed of in landfills	4.2 Responsible resource management
	306-5 Waste disposed of in landfills	4.2 Responsible resource management

Topic: Water resource management		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 4.2 Responsible resource management
GRI 303 - Water and effluents	303-1 Interactions with water as a shared resource	4.2 Responsible resource management
	303-2 Management of water discharge-related impacts	4.2 Responsible resource management
	303-3 Water withdrawal	4.2 Responsible resource management
	303-4 Water discharge	4.2 Responsible resource management
Topic: Protecting and enhancing human capital		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 5.3 Workers' health and safety
GRI 403 - Occupational health and safety	403-1 Occupational health and safety management system	5.3 Workers' health and safety
	403-2 Hazard identification, risk assessment and accident investigation	5.3 Workers' health and safety
	403-3 Occupational health services	5.3 Workers' health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3 Workers' health and safety
	403-5 Worker training on occupational health and safety	5.3 Workers' health and safety
	403-6 Promotion of workers' health	5.3 Workers' health and safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3 Workers' health and safety
	403-8 Workers covered by an occupational health and safety management system	5.3 Workers' health and safety
	403-9 Work-related injuries	5.3 Workers' health and safety
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 5.2 Competence development

GRI 404 - Training and education	404-1 Average hours of training per employee per year	5.2 Talent attraction and development
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 5.1 Value of human capital
GRI 405 - Diversity and equal opportunities	405-1 Diversity in governance bodies and among employees	5.1 The value of human capital
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 5.1 Value of human capital
GRI 406 - Non-discrimination	406-1 Incidents of discrimination and corrective measures taken	5.1 The value of human capital
Material topics: Sustainable supply chain		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 3.3 Supply chain
GRI 308 - Supplier environmental assessment	308-1 New suppliers selected using environmental criteria	3.3 Supply chain
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 3.3 Supply chain
GRI 414 - Supplier social assessment	414-1 New suppliers selected using social criteria	3.3 Supply chain
Material topics: Research and development		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis Innovation
Material topics: Product quality and consumer protection		
GRI 3 - Material topics (2021 version)	3-3 Management of material topics	1.5 Materiality analysis 6.1 Quality and safety of customers and consumers
GRI 417 - Marketing and Labeling	417-1 Requirements for product and service information and labeling	6.1 Quality and safety of customers and consumers
	417-2 Incidents of non-compliance concerning labeling and product and service information	6.1 Quality and safety of customers and consumers
	413-3 Cases of non-compliance concerning marketing communications	6.1 Quality and safety of customers and consumers

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