



SUSTAINABILITY IS CREATING  
VALUE THAT LASTS

A photograph of a building's facade, likely the Marzotto headquarters. The building has a dark, modern design with a large, light-colored rectangular panel in the center. On this panel, the word 'Marzotto' is written in a blue, cursive script font. The building is set against a dramatic sky with orange and yellow clouds, and a bright sun or moon is visible in the center of the frame.

2023  
SUSTAINABILITY REPORT





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# Letter to Stakeholders

The Marzotto Group, reaffirming the centrality of its mission to pursue the objectives of environmental, social and governance (ESG) sustainability, is once again presenting stakeholders with its Sustainability Report.

The timing of preparation of these financial statements is historically significant because the roll-out of objectives for combating climate change, through which the European Union hopes to achieve climate neutrality, i.e. the objective of zero net emissions by 2050, not only increases the responsibilities of individuals, but also, and above all, those of companies, in terms of production, behaviours, compliance with applicable regulations and sustainable development, in line with the main goal of saving the planet.

The document presented features a two-year comparison between years 2023 and 2022, when improvements are expected, with the certainty that respect for resources, waste reduction, incentives for the reuse of raw materials and the circular economy, greater awareness of our customers and suppliers, are no longer a ‘wish to have’, but are widely shared values, which have become important factors of competitiveness and success. Data collection has also improved, not so much in terms of accuracy, (already at a high level in the 2022 document), but in terms of the speed of the collection process, which has allowed us to reduce the drafting time, through the extensive work of all the people involved.

After the dark years linked to the pandemic, 2022 and, in particular, 2023, were particularly healthy in terms of income, allowing the Group to also strengthen in terms of its balance sheet and cash flow statement. However, we are even more proud of the improvements made in ESG, addressing sustainability issues in the most appropriate way, developing environmental monitoring and implementing effective and efficient energy-saving initiatives. Investment has also followed the sustainability philosophy, reducing the Group’s energy dependence through the installation of photovoltaic systems.

Obviously sustainability is not only limited to the

so-called green Environmental objectives, but also commits the Group 100% to the other two pillars: Governance, where significant changes have been introduced on whistleblowing, and the Social aspect, with particular attention to the area of care and training of the Group’s human capital, where important, continual training events have been conducted, including in the area of safety. Mention should also be made of the decision to launch an important IT project in the next few years, which will allow employees to carry out their work in an even more modern manner, in line with the leading international companies.

Product innovation continued, with various initiatives, not only in terms of fabric and yarns, but also in terms of natural dyes, with the rediscovery of ancient decoction techniques. It was therefore possible, through modern techniques, to carry out a difficult ancient craft, and produce yarns and fabrics of the highest quality, respecting the positive combination of tradition and innovation that has always set the Marzotto Group apart.

It is clear that there is still much to be done, since the European targets are stringent and we need to achieve them in a tremendously short time. However, the advantage of the Marzotto Group is that these concepts are anything but new, but well within our experience and therefore not difficult to adopt, with the knowledge that the competitive advantages bestowed by the Group’s virtues are already becoming apparent.

This Sustainability Report is not only a summary of our activities, but also the testimony of an important Group that is living through this transition with a sense of responsibility and makes its own contribution to improving our Home and the Planet in which we live.

*The Board of Directors*

# Highlights

All numbers refer to the scope of consolidation of the Marzotto Group (IFRS 11)

398

million in turnover  
at 31 December 2023

12

trademarks  
recognised worldwide

10

production plants located in Italy.  
Plants in Lithuania, the Czech Republic  
and Tunisia

1

Flagship Store in Milan

♦ 1 logistics and shipping centre

♦ Nearly 3,000 employees, 63% of  
whom are women

♦ A water treatment company

♦ Over 21,000 hours of training  
delivered to employees

♦ Approximately 2,800 tonnes of  
yarn sold in 2023

♦ More than 80% permanent  
employees

♦ Approximately 20,900 km of  
fabric sold in 2023



# A look back

1.

## The Marzotto Group



The Marzotto Group (hereinafter also the Group) boasts almost two centuries of history, starting in 1836 when Luigi Marzotto founded the small Marzotto **textile mill** in **Valdagno**, in the province of Vicenza. At the end of the nineteenth century, under the guidance of his son Gaetano, the company numbered around two hundred workers, in addition to being one of the first textile companies in Italy to produce worsted yarn, of a higher quality than the more common carded yarn. Vittorio Emanuele Marzotto gave a new impulse to the Group with the construction of modern plants and power plants; work then continued with his son Gaetano Jr., who oversaw further growth for the Group, over two decades, through major acquisitions and achieving full electrification of the tools and production departments.

In the early 1950s of the 20th century the company strengthened its presence in the Italian market, producing **garments** as well as its own yarns and fabrics. Growth continued in the following decades,

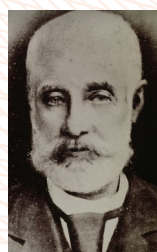
both through the acquisition of iconic companies such as Hugo Boss and Valentino and through significant commercial deals with large clothing brands.

At the start of the 2000s, the new market approach led the Marzotto Group to concentrate its resources in the textile business. In subsequent years there have been numerous acquisitions of established companies that have made the Group an important player in the **high-quality yarns and fabrics** sector throughout the world. The Marzotto Group currently has 12 brands, with plants both in Italy and abroad (Czech Republic, Lithuania and Tunisia), as well as a worldwide commercial network, as shown in the geographical map below.





# Our Story



Luigi Marzotto founds a small woollen mill in **Valdagno**, a village located at the bottom of a valley not far from the capital city of Vicenza.



Vittorio Emanuele Marzotto starts construction of the spinning plant in Maglio, a hamlet of Valdagno, to produce worsted yarn, taking the number of employees to around 2,000.

Marzotto goes down the **clothing** route. "I usually wear Marzotto" was a rather famous refrain a number of years ago.

The acquisition of **Finbasetti** leads to the creation of a Group worth around LIT 700 billion. **Linificio e Canapificio Nazionale** is acquired, an agreement with Missoni is signed and negotiations with Philip Morris are concluded, with the launch of two leisure and sport clothing lines with Marlboro Classic. 1987 sees the incorporation of **Lanerossi** and the *griffe* of the fashion designer Gianfranco Ferré.

In 2000, Lithuanian **Liteksas** joins the Group, and in 2002 it is joined by **Valentino**, one of the most famous Italian fashion brands, which mainly operates in the high-end women's clothing and accessories segment. In 2004, the Group's turnover amounts to €1,550 million.

2008 sees the incorporation of important companies into the Group, such as the **Fratelli Tallia di Delfino** woollen mill and **Lanificio G.B. Conte** expanding its women's offering with the Estethia – G.B. Conte brand, and 100% control of Linificio and Canapificio Nazionale.

The Group holds a 33.3% stake in **Ratti S.p.A.**, one of the most important companies in the world of silk. This holding is in syndicate with Faber Five S.r.l., which in turn owns 33.3%.

Acquisition of 25% of Schneider Australia and 25% of Schneider New Zealand.

The **Marzotto Interiors** brand is launched, combining the Prosetex and Redaelli Velluti furnishings businesses. 2022 is also the first year of preparation of Marzotto Group's Sustainability Report.

1836

1840

1880

1922

1950

1970

The 1980s

The 1990s

2000 onwards

2005

2008

2009

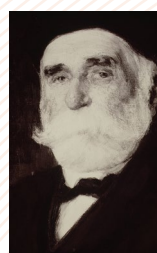
2010

2012

2018

2021

2022



Under his son Gaetano Sr., Marzotto employs two hundred workers, eighty of whom operated weaving machines and hand looms.



The company being inherited from its father at a young age, Gaetano Marzotto Jr. grows the company from 2,500 to 12,500 employees, while also acquiring new companies in the wool sector. Marzotto continues to grow and establish itself on the global market, in spite of the Wall Street crisis in 1929.

Its strategic and organisational structure is modernised by creating **independent divisions** entrusted with management and in charge of specific products.

The journey continues with the acquisition in 1991 of **Hugo Boss**, a global leader in high-end men's clothing, of the **Guabello** woollen mill and, in 1994, of the **Nová Mosilana** woollen located in Brno (Czech Rep).

The changing landscape of global competition requires focus and the concentration of energy and resources. This leads to Marzotto spinning off its clothing-related activities and the Company's decision to focus exclusively on the **textile business**.

The **Nuova Tessilbrenta** brand specialising in casual and sporty cotton clothing is acquired by the Group, and a collaboration agreement is entered into with the **Schneider** group, one of the world leaders in procurement and the combing of wool and noble fibres. This event led to the creation of a production joint venture for the combing of wools, in which Marzotto held 30% with its head office at a new factory in Egypt, and to the creation of the Pettinatura di Verrone joint venture in which Marzotto held 15% with its head office in the province of Biella.

The Marzotto Group acquires the brands **Redaelli, Girmes, Christof Andreae, Niedieck**, all specialising in velvet. The acquisition includes two plants in the Czech Republic.

Acquisition of **Prosetex**, a company that has been located in the Brianza district for more than 60 years, and a recognised manufacturer of furniture fabrics, both jacquard fabrics and velvets.



# Founding values

*"I recognise that I wanted to achieve too much, much more than I could have managed and controlled myself. But I have tried to aid Italy's recovery and **to help create new sources of work and well-being**. I've operated on the basis of idealism, not out of greed for money or vanity. My whole life has been a deliberate risk."*

*Gaetano Marzotto Jr, 1957*

The ideas and principles of **Gaetano Marzotto Jr.** together with those of **Alessandro Rossi**, which created the Lanerossi brand, acquired in 1987, are still upheld within the Group. Both are driven by a noble goal: to **humanise factories**, not only to make the life of their workers more agreeable, but also to take care of aspects of their personal life and their families. By the end of the nineteenth century, Alessandro Rossi has distinguished himself due to his visionary determination to educate his workers, teaching them to read and write, as well as to build schools for the children of employees. A few decades later, Gaetano Marzotto Jr. invests many resources to transform Valdagno into what later becomes the so-called "Social City". Here, working-class neighbourhoods are conceived as an integral part of the city, including schools, hospitals, gyms and nursing homes. This helps to create an environment in which the community and the well-being of all are key priorities.

These are the authentic values promoted by the founders to guide the success of the Marzotto Group, made possible also thanks to a contemporary look to the future. This approach has enabled and still allows the right combination of **tradition and innovation** to be pursued. The Group is committed to creating high-quality yarns and fabrics for its customers, using cutting-edge technologies to achieve the same level of craftsmanship as in the past. Innovation today also means **sustainability**; in fact, the Group's activities have gradually improved in this respect, in order to reduce the environmental impact of the yarns and fabrics produced.

## Vision

We want to be **young**, even if we are engaged in an **ancient profession**.

## Mission

The Marzotto Group's mission is to be a **service textile company**, orchestrating different skills and processes and optimising its know-how throughout the textile chain.





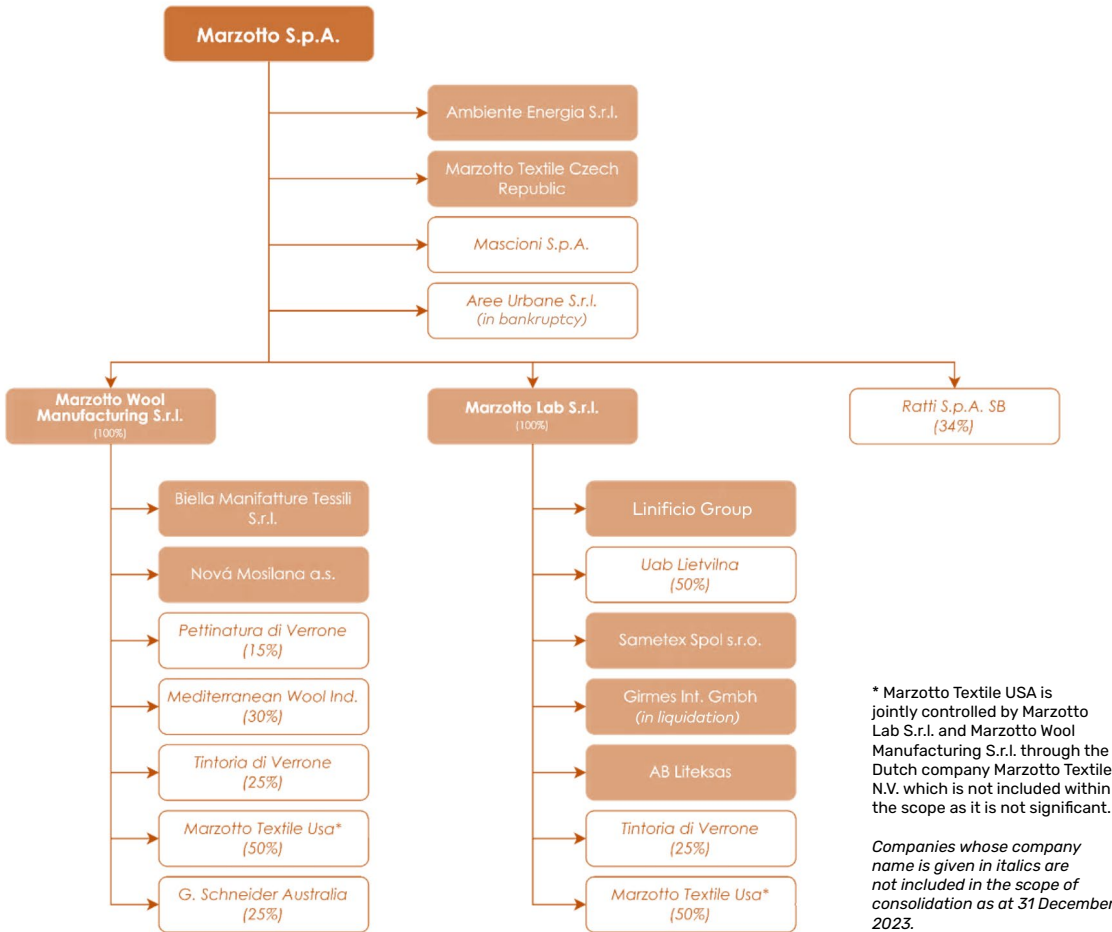
2.

# The corporate organisation

# The Group as a network of companies

The success achieved is made possible by the Group's presence throughout the textile chain in various countries around the world. Each Company forming part of the Group is characterised by specific resources which, shared with the others, generate new **skills and synergies**. The Group is structured as a **"network undertaking"**: the companies that currently form part of it are involved in the production of yarns and fabrics for both clothing and furnishings. In particular, at the end of 2014, two new Italian companies were incorporated: Marzotto Wool Manufacturing S.r.l. and Marzotto Lab S.r.l., into which, with effect from 1 January 2015, the business unit consisting of the wool business (Marzotto Wool Manufacturing S.r.l.) and the

business unit consisting of the linen, cotton, velvet and textile accessories businesses (Marzotto Lab S.r.l.) were transferred. The 2023 Sustainability Report includes all operating companies consolidated on a line-by-line basis (according to IFRS 11), with the exception of Marzotto Textiles Czech Republic S.r.o., which, as a service company, does not generate significant impacts for the purposes of sustainability reporting. The scope therefore includes Marzotto S.p.A., Ambiente Energia S.r.l., Marzotto Wool Manufacturing S.r.l. with its subsidiaries Biella Manifatture Tessili S.r.l. and Nová Mosilana a.s. and, finally, Marzotto Lab S.r.l. with its subsidiaries Linificio e Canapificio Nazionale S.r.l. SB, AB Liteksas and Sametex spol. S.r.o. (please refer to the following company chart for further details).





## MARZOTTO WOOL MANUFACTURING S.R.L.

Over the years, the Marzotto Group made significant acquisitions which consolidated the Group's presence in the wool sector: in 1994, as part of an internationalisation process, it acquired the company Nová Mosilana a.s. in Brno (Czech Republic), and in 2008 the company Fratelli Tallia di Delfino S.p.A., a symbol of high-quality fabrics made entirely in Italy. The latter, together with the Guabello, Marlane and Opera Piemontese brands, also acquired over the years.

forms part of Biella Manifatture Tessili S.r.l. In 2008, the Marzotto Group extended its range of products for women with the Estethia – G.B. Conte brand. In 2015, the following were transferred to **Marzotto Wool Manufacturing S.r.l.** which includes the wool businesses: (i) the production plant located in Valdagno (VI), (ii) the entire shareholding in Biella Manifatture Tessili S.r.l., and (iii) the entire shareholding in Nova Mosilana a.s.

## The brands of Marzotto Wool Manufacturing S.r.l.:

### MARZOTTO FABRICS

We believe in the culture of excellence. During its almost 190 years of history, Marzotto has always interwoven the knowledge of its trade and the expertise of its employees with research and innovation. In this continuous dialogue between product culture and looking to the future, textiles have established themselves as a contemporary interpreter of different lifestyles. Created by a tireless passion for excellence, Marzotto's textile art expresses the continuous dialogue between tradition and innovation to create fabrics capable of harmonising their functionality and beauty with new lifestyles. Its craftsmanship, entrepreneurial sensibility, creativity and avant-gardism are always inclined towards protecting the land, people and the planet and thanks to all these values, Marzotto has become a true benchmark in the production of fine wool fabrics throughout the world. The brand is the leader by volume in the world market thanks to a constant search for innovative solutions for the products offered to the stylistic world, both for men's and women's fashion. Comprising various labels, Marzotto Fabrics covers the entire sector of wool applications from formal suits, sportswear and outerwear, and finally also the niche segment of woollen shirts. Through a number of different processes, it is possible to combine different functional characteristics in woollen fabrics: breathability and temperature control anti-crease, elasticity and comfort.

ESTETHIA | *G.B. Conte 1757*



MARLANE



OPERA PIEMONTESE

## ESTETHIA/G.B.CONTE

Femininity, lightness and elegance enclosed in the weave of a fabric that tells a story of excellence and sophistication. Estethia – G.B. Conte, a historic brand of the Marzotto Group, is the tale of two souls that provide the broad brushstrokes to its collections and envelop a single female universe:

- Estethia, mainly focused on combed ("solid" and elasticated) fabrics which are block colours and patterned;
- G.B. Conte, oriented towards carded and combed patterned fabrics for coats and jackets, "boiled wools" (felted jersey) and jersey.

The Estethia – G.B. Conte collection, synonymous with a young, modern and dynamic look, has its main sales markets in Italy, France, Spain, Germany, United States, South Korea and China. Since 2017 Estethia G.B. Conte, under an exclusive distribution agreement with the Scottish company, Harris Tweed Hebrides, markets the iconic pure virgin wool fabric in the most important markets in the world.

## GUABELLO

With an archive spanning more than 200 years of history, the brand offers luxury collections in which other quality fibres are offered in addition to Merino wool. With a constant focus on the people packing the fabrics and a reduction in the environmental impacts of manufacturing processes, the brand offers transversal solutions for elegant outfits in the *heritage* style and more casual lines that exploit the natural characteristics of wool such as its elasticity and crease-resistance.

## MARLANE

Focused on men's fashion, this brand of woollen fabrics keeps a constant eye on the trends and new demands of the market, endeavouring to respond to them with youthful and up-to-date solutions. Marlane's strong point is that it combines high quality with high competitiveness, which it achieves both in terms of price level and the rapid rate of service to its customers.

## FRATELLI TALLIA DI DELFINO

Positioning itself in the luxury segment, this brand, founded in 1903, is positioned in the fine drapery sector for men's outerwear, combining ancient craftsmanship with meticulous attention to modern details. The catalogue includes the noblest and finest wools, such as Australian wools, Mongolian cashmere and South African mohair. Fratelli Tallia di Delfino's main customers are luxury tailors spread around the world who, through its "made to measure" service, can count on the delivery of a range of top quality fabrics in a short time, as they are always available and in stock.

## OPERA PIEMONTESE

Opera Piemontese is the newest brand to join Marzotto Wool Manufacturing and is in a segment that has not yet been defined, namely luxury women's fashion. Using mainly prestigious and very high quality fibres such as cashmere, alpaca, and *camelhair*, the fabric offering recalls the paintings of the greatest artists of the late nineteenth and early nineteenth centuries such as Picasso and Hokusai.



## MARZOTTO LAB S.R.L.

Unlike Marzotto Wool Manufacturing S.r.l., **Marzotto Lab S.r.l.** groups together companies and divisions belonging to various sectors, which are partly complementary to each other. Following the operation carried out in December 2015, Marzotto Lab S.r.l., which includes the linen, cotton, velvet and textile accessories businesses, received, inter alia: *(i)* the production plant located in Sondrio; *(ii)* the entire equity interest in the "Linificio e Canapificio Nazionale S.r.l. SB" Group, which has established itself as one of the most important players in the world for linen and hemp processing. It should also be noted that

in 2018 it received the "100 Italian Excellence" award; *(iii)* the Lithuanian company AB Liteksas A.S.. The combination of Italian and Lithuanian tradition has brought innovation in terms of style and quality to the company's wide range of products, which already included throws, blankets, scarves and pillowcases, made of natural fibres such as wool, silk and linen; *(iv)* the entire equity interest in the Czech company Sametex spol s.r.o. based in Kraslice (Czech Republic), to date one of the leading producers of high-quality velvet and jacquard fabrics and products for women's, men's and children's fashion.

<sup>1</sup> The acquisition by Marzotto S.p.A. began in 1985 and ended in 2008. Linificio e Canapificio Nazionale S.r.l. SB has a 150-year history.

<sup>2</sup> Founded in 1927.

## Marzotto Lab S.r.l. brands:



### LINIFICIO E CANAPIFICIO NAZIONALE

Linificio e Canapificio Nazionale, an Italian centre of excellence with over 150 years of history, is recognised worldwide for its high quality linen and hemp yarns. The company is not limited to traditional fashion and furnishings, but has opened new frontiers in food packaging and composite materials for the automotive, nautical and acoustic industries. It is the leader for the production of the finest Nm110 yarn in the world, and continues to innovate with products such as Leonardo, an elasticated linen yarn made using core spun technology. B Corp-certified, the company combines tradition, sustainability and advanced research, confirming its place among the 100 Italian brands denoting excellence.

### LANEROSSI

Lanerossi, founded in 1817, designs and manufactures interior textile products such as throws, blankets and textile furnishings, using natural, pure raw materials such as wool of all qualities, cashmere and other noble fibres, crafted with care and attention. An experimental approach based on collaborations that over time have involved artists, designers and creatives in the life of Lanerossi, characterises this brand even today, with its desire to enhance and rethink the inherited visual heritage. Lanerossi's philosophy is based on the quality and sustainability of its raw materials, design and manufacturing. It involves continuous research into the design of the product combined with technological development, the result of experience, tradition and a specific business vocation oriented towards the future.



## TESSUTI DI SONDRIO

Tessuti di Sondrio is a world leader in the luxury B2B segment because it practises ancient crafts and skills for the production of cotton, linen, hemp and woollen fabrics. The wide range of products includes collections of fabrics that are already dyed or ready for dyeing, others with natural colours with reduced environmental impact or fabrics that are treated in order to be more hard-wearing and stretchy.



## NUOVA TESSILBRENTA

This brand is focused on the predominantly cotton fabrics segment aimed mainly at the production of trousers. Nuova Tessilbrenta's products offer excellent wearability and breathability, as well as a durable and hard-wearing fabric, thanks to the clever choice of fabric construction. These characteristics make the brand highly valued in the sportswear sector.



## REDAELLI VELLUTI

Redaelli 1893, a prestigious company with more than 130 years of history, present in various markets, is a leader in the production of high quality velvets for clothing and accessories. It embodies manufacturing excellence, inspiring trends in high-end fabrics thanks to continuous innovation that allows customised solutions for the unique and distinctive collections of its most demanding customers. It offers more than 200 types of velvets in warped and ribbed velvets as well as vegan fur, with the most innovative processes including motif brushing, hot embossing, ink-jet printing, jacquard weaving and star dyeing.

## MARZOTTO INTERIORS

Marzotto Interiors is the brand that brings together the expertise of Redaelli Arredamento and Prosetex acquired in 2021. This recently established brand has allowed the Group to consolidate its presence in the interior furnishings and textile accessories sector, specifically in the hospitality, mobility and cruise segments. With the plant located in Brianza, in the heart of the Italian furnishings district, Marzotto Interiors exports its products to more than 30 countries and specialises in the production of velvets (smooth and jacquard), jacquard fabrics and full-cycle dobby.

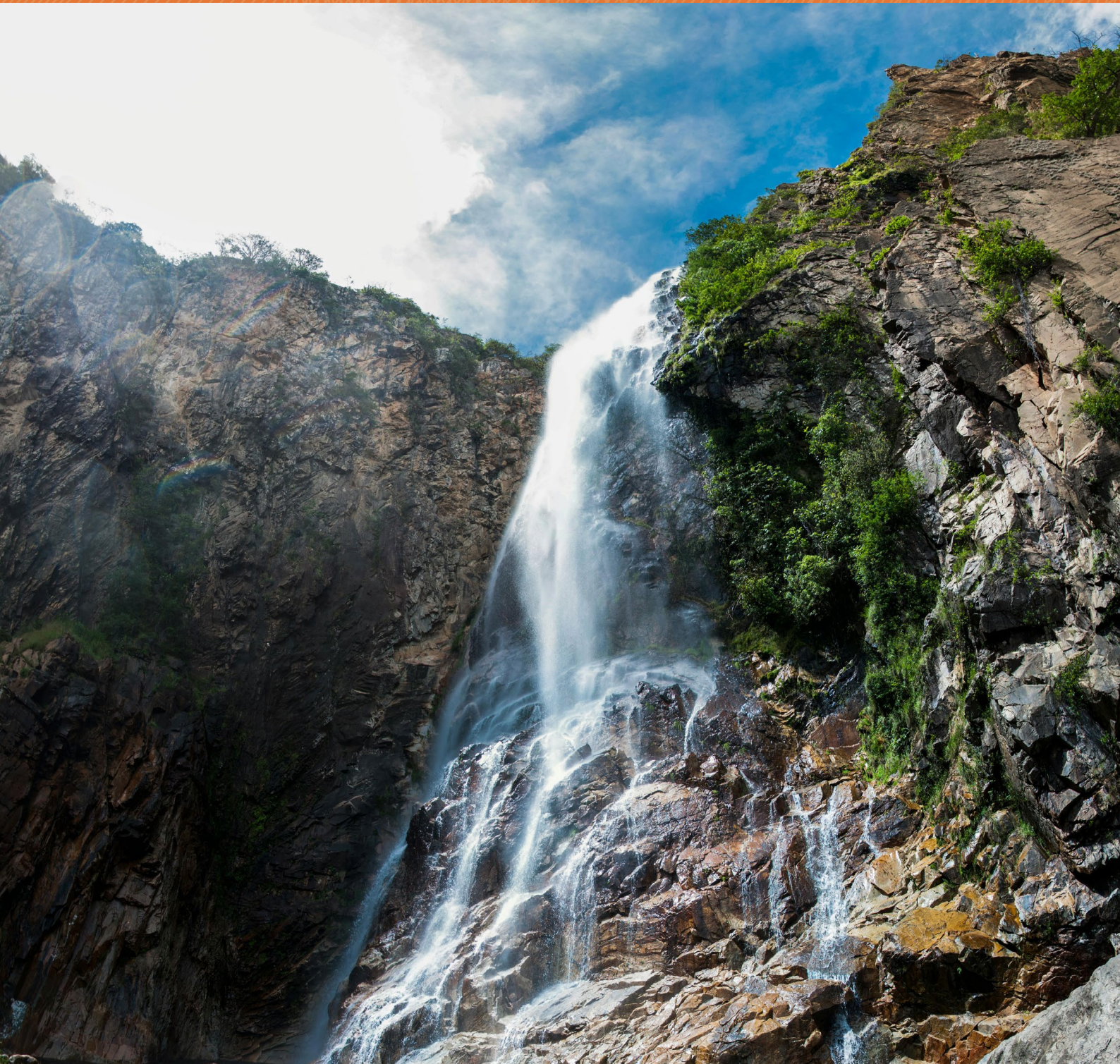
**marzottointeriors**



AMBIENTE ENERGIA S.R.L.

The Marzotto Group owns a subsidiary active in the **purification of wastewater and the treatment of liquid waste, sludge and slurry**. Ambiente Energia S.r.l. deals with various types of liquid waste and sludge, separating, through a series of chemical-physical and biological treatments, the components requiring disposal and releasing the purified water into surface streams.

The company currently manages an annual amount of 120,000 tonnes of waste, with the possibility of implementing innovative investments, such as the automation of control and parameters measuring systems in treatment plants.



Governance

The Marzotto Group has a governance structure consisting of various organisational, statutory and legal instruments. In parent company Marzotto S.p.A., the governing body takes the form of the Board of Directors (hereinafter also the BoD), which is entrusted with the strategic management of the Group. The **Board of Directors** of the parent company Marzotto S.p.A., appointed on 29 June 2024, currently consists of 5 members, including 1 woman and 4 men, who hold this position until the approval of the financial statements for the year ending 31.12.2026. No member of the Board of Directors holds additional positions of responsibility that may adversely affect the available time and attention that each individual can devote to the company. Furthermore, the Chairman does not hold senior positions in any Group company.

At 31 December 2023, the Board of Directors consisted of the following members:

Members and positions of the Board of Directors	
Antonio Favrin	Executive Chairman
Andrea Guaccero	Non-Executive Vice-Chairman
Davide Favrin	Chief Executive Officer
Federica Favrin	Non-executive director
Vittorio Marzotto	Non-executive director
Donatella Ratti	Non-executive director

On 29 April 2024 the following members of the Board of Directors were appointed:

Members and positions of the Board of Directors	
Antonio Favrin	Executive Chairman <sup>3</sup>
Davide Favrin	Vice-Chairman and Chief Executive Officer <sup>4</sup>
Federica Favrin	Board member with powers
Luca Vianello	Director and member of the executive committee
Dario Federico Segre	Non-executive director

<sup>3</sup> The Chairman is a statutory member of the Executive Committee.

<sup>4</sup> The CEO is a statutory member of the executive committee.

The Board of Directors of the Company is responsible for setting its strategic objectives and defining the way in which they will be pursued. During this process, the body delegates certain operational powers to delegated directors, who may also grant special powers of representation within the limits of their powers. With regard to the health and safety of its workplaces, the Board of Directors has identified and named the Employer, which may grant special powers within these areas. Furthermore, at meetings of the Board of Directors, the Chairman informs all other members of any critical issues that have come to light and been communicated by the Chief Executive Officer. The organisation of the Group's governance is defined in the **Articles of Association of each Company**, a document drawn up in accordance with the Italian Civil Code.

In the context of sustainability governance, the Board of Directors delegates the management of ESG issues to the Chief Executive Officers of individual Group companies, who in turn assign responsibilities to the offices responsible. On a consistent basis, the consolidation of collective knowledge regarding sustainable development is also delegated to offices that already possess a degree of expertise on these topics.

Another governance tool consists of the **Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01** (hereinafter the Model), which aims to ensure integrity and transparency in the conduct of company activities, thereby helping to preserve the Company's image, protect its material and intangible assets, and safeguard the interests of shareholders and all those who have dealings with the Company. The Model, which is voluntarily adopted by all Group companies, envisages, in accordance with legal requirements, the identification and appointment of a **Supervisory Board** (hereinafter the SB), whose function is to monitor the adequacy and efficacy of and compliance with the Model.

This task, as permitted under Italian law, is entrusted to: - the Board of Statutory Auditors, and specifically the Standing Auditors, of the parent company Marzotto S.p.A.;



- a qualified external party with the necessary skills and experience in companies: Marzotto Wool Manufacturing S.r.l., Marzotto Lab S.r.l., Biella Manifatture Tessili S.r.l., Linificio e Canapificio Nazionale S.r.l. SB, Ambiente Energia S.r.l.

The Supervisory Board also has an e-mail address to which both employees and actors outside the Group can report any breaches of the Model. In the event of receipt of a report of violation of the Model, the SB has the task of assessing whether the violation actually exists, its extent and urgency, and of devolving powers to the departments responsible for identifying corrective actions necessary to reduce any risks and remedy any negative effects. There were no reports of violation of the current Model in 2023.

In accordance with the legislative provisions of Law No. 179/2017 relating to: *"Provisions for the protection of whistleblowers reporting offences or irregularities that have come to their attention in the context of a public or private employment relationship"* and in order to enable the reporting of critical issues anonymously, a **whistleblowing mechanism** has been introduced which provides for the detailed reporting, including anonymously, of significant offences pursuant to Legislative Decree No. 231/2001 or breaches of the Model, including the Code of Ethics.

From November 2023, also in transposition of the provisions contained in Legislative Decree No. 24 of 10 March 2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 and the guidelines defined by the National Anti-Corruption Authority (ANAC), the previous reporting mechanism (via certified email, or PEC) has been replaced by the adoption of a platform that allows reports to be sent electronically, to ensure confidentiality, via encryption tools.

The Model outlines a set of **rules of conduct, policies and procedures** in order to regulate the conduct of corporate activities. These documents

are disseminated in the company offices concerned through specific communications and training sessions and are accessible to all Group employees through the company intranet. In accordance with the instructions set out in company procedures, a risk analysis is periodically undertaken in respect of the various business activities. On the basis of this assessment, if there are negative impacts on economic, environmental and social level, the most appropriate actions are identified in order to mitigate any risks identified. The Model includes, *inter alia*:

- procedures for governing relations with the Public Authorities;
- procedures affecting the Administration, Finance and Control Area (e.g. budget procedure, treasury procedure, operational credit management lines);
- the procedure for the purchase of goods and services (including contracts and consultancy);
- procedures and instructions for the management of health and safety in the workplace;
- IT and environmental procedures.

The Model also sets out the anti-corruption measures to be followed. The Model provides for systematic checks by the SB on company areas mapped as "sensitive" for the purposes of Legislative Decree No. 231/2001.

It should be noted that there were no confirmed incidents of corruption in 2023.

Finally, the Marzotto Group's **Code of Ethics** forms an integral part of the Organisational Model, and contains the principles and values that characterise the corporate culture, and which all employees aspire to for proper conduct and reliability at work both within the Group and in their interactions with third parties such as customers, suppliers and public institutions. In particular, the document specifies that the Group selects its suppliers, taking into account criteria that ensure respect for human rights along the value chain, such as equal treatment, absence of discrimination and protection against child labour.

The Code of Ethics was created based on the following founding values:



**FAIRNESS**

The Group's employees are required to manage relations with external parties in a manner that ensures the utmost propriety, without favouring their personal interests.



**TRANSPARENCY**

Those involved in drawing up Group documentation are required to provide information in a transparent manner, ensuring that sources can be traced and any inaccuracies reported.



**LAWFULNESS**

Each employee is required to ensure lawfulness from a formal and substantive standpoint, operating in a manner consistent with the Group's procedures and expectations, and complying with laws and regulations.



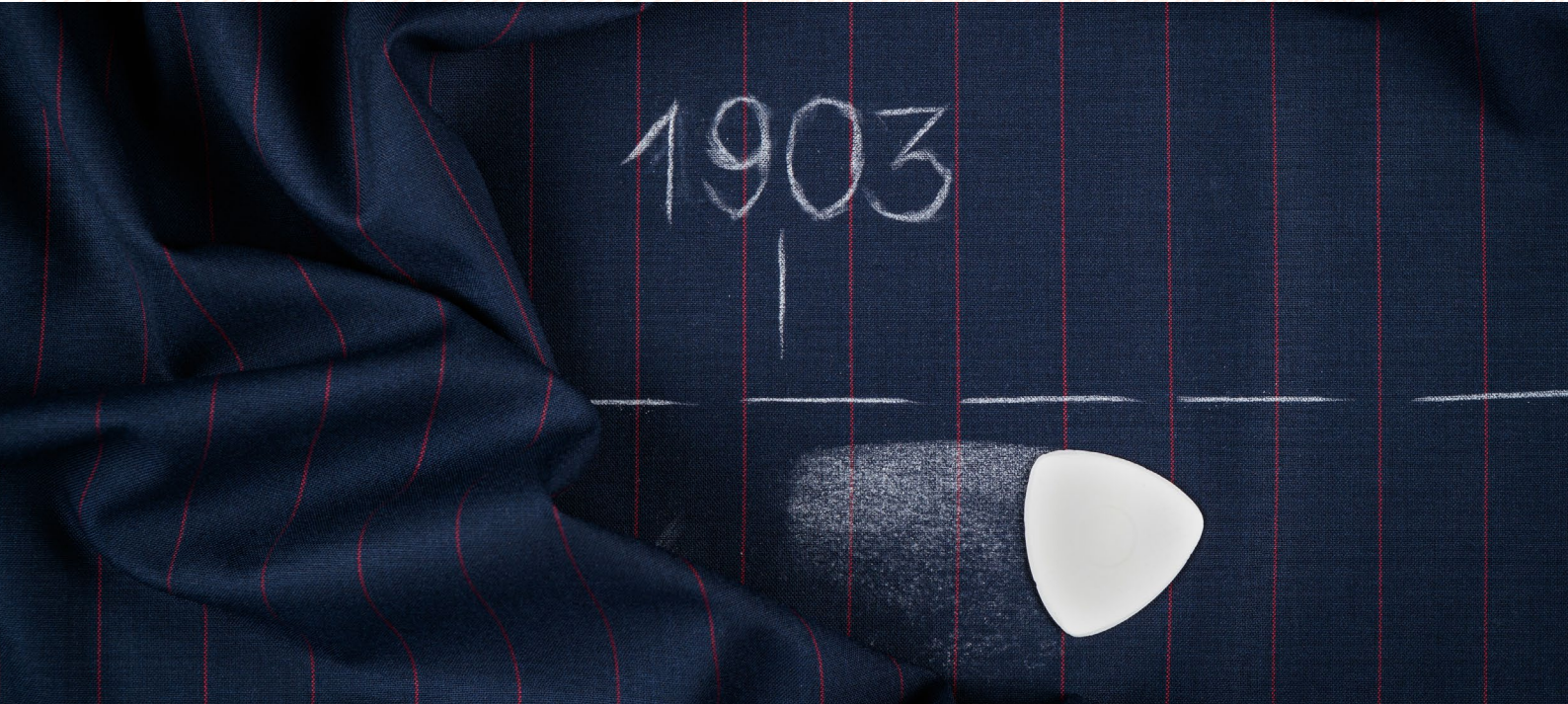
**CLARITY**

When carrying out accounting checks and in commercial relations, activities and processes which ensure the maximum clarity must be implemented, in line with applicable legislation and internal procedures.



**TRUTH**

Communication, both within and outside the Group, must consist of the sharing of truthful information in order to build sincere relationships and avoid fraudulent behaviour.





3.

# The group and sustainable development



## Materiality analysis

When preparing its first Sustainability Report, the Marzotto Group has endeavoured to provide a more accurate and complete view of the sustainability issues to be presented and reported. In accordance with the requirements outlined by the new **GRI (Global Reporting Initiative) Sustainability Reporting Standard 2021**, this process was carried out through materiality analysis.

Materiality analysis is a fundamentally important tool that plays a crucial role in identifying and assessing significant and material topics for the company. The analysis starts by identifying the **impacts** that an organisation can have on the economy, the environment and the well-being of people, including impacts on their human rights.

In accordance with the GRI Standard, the entire **value chain** was analysed in detail, taking into account not only the activities under the direct control of the Marzotto Group relating to textile manufacturing, but also all activities **upstream** and **downstream** of the production process. In particular, the Group's **value chain** consists of the following phases:

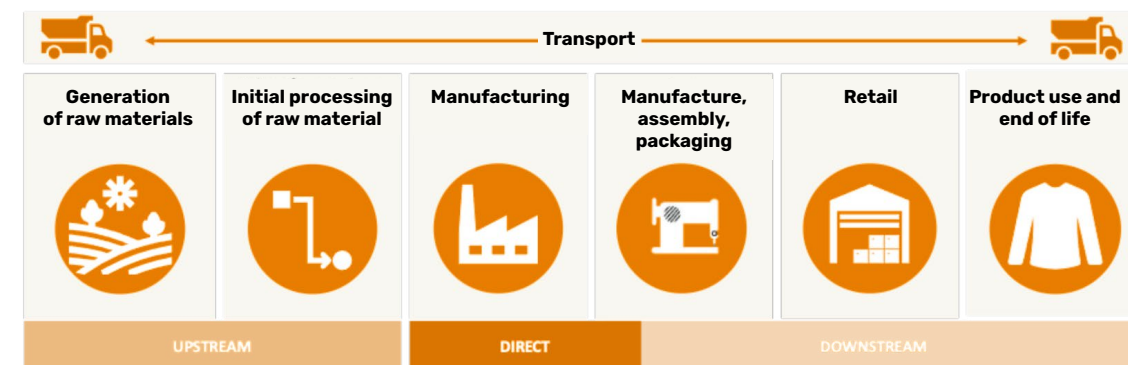
1. **upstream** phase, which includes the procurement of raw materials and their initial processing;
2. **direct** phase, which is at the heart of the company's controlled operations, involving the manufacture and production of yarns and fabrics;

3. **downstream** phase, includes the sale, use phase, i.e. secondary processing by third parties, and end-of-life of the product.

Finally, **logistics** plays a transversal role in the various phases listed above. In order to conduct the materiality analysis of the Marzotto Group, a process was followed that was divided into four phases:

1. **analysis of the context** in which the company operates;
2. **identification of actual and potential, positive and negative impacts;**
3. assessment of the **significance** of the impacts and their **prioritisation;**
4. **definition** of the **material topics** associated with the impacts.

A **documentary analysis** was initially carried out that took into account various internal and external sources, including the main sector documents, i.e. current legislation, the Sustainability Reports of peers and comparables, as well as a review of the main articles published in the media concerning the Marzotto Group.





The output of this analysis made it possible to identify the **positive and negative impacts** that the Group generates or could generate throughout the entire value chain, as defined by the GRI Standard:

1. **Negative or positive:** an impact is defined as positive if it contributes to the sustainable progress of people, communities and the environment. Conversely, if the impact is detrimental or detrimental, it is negative;

2. **Actual or potential:** an impact is considered actual when its effects have already occurred or are occurring. On the other hand, it is called potential when its effects may occur, but at the time of analysis they have not yet manifested.

The degree of significance for each impact identified was subsequently associated. The significance of an impact is determined by its **severity**, if it is actual, while the **probability** of occurrence is also taken into account for potential impacts. Specifically, the following variables have been adopted to determine the severity of each negative impact:

- 1. **Severity scale (Scale):** how grave the impact is;
- 2. **Scope of application (Scope):** how widespread

the impact is along the value chain;  
3. **Irremediable character:** how hard it is to make good the resulting harm.

The significance of a positive impact was determined by taking into account only the *severity scale* and *scope of application variables*.

With regard to potential impacts, the estimate of the likelihood of occurrence has taken into account all the procedures, policies and actions that the Group implements or has implemented to prevent and mitigate the impact. This allowed the impacts to be classified on the basis of the significance determined.

Finally, with the aim of creating a list of the related material topics, all the significant and very significant impacts, i.e. those exceeding a specific materiality threshold, have been grouped together. This list of impacts was then submitted to the first company lines for their approval.

An analysis of materiality for 2023 was based on the same considerations as 2022. The table below shows the results of the process of identifying the material topics of the Marzotto Group.

Material topic	Impact	Impact Description
Combating climate change	Contribution to climate change due to GHG emissions	Upstream value chain processes (e.g. farming and animal rearing) of the Marzotto Group, as well as its core business activity, contribute to climate change due to the release of GHG emissions. In particular, direct activities require significant energy use that affects the Group's GHG emissions. GHG emissions also concern downstream stages and logistics, transversal to the entire value chain. The Marzotto Group is committed to combating climate change through a reduction in its greenhouse gas emissions and the adoption of eco-sustainable technologies throughout the production cycle.
Water resources	Depletion and pollution of water resources	The Group uses water resources within its own plants, as well as in the upstream stages of animal rearing and growing the raw materials it procures. Marzotto recognises the importance of safeguarding water resources and uses them in a responsible and sustainable manner, as well as within the limits permitted by applicable laws.
Waste management and product end-of-life.	Environmental damage caused by the improper disposal of waste resulting from production activities and the end-of-life of products	Poor waste management can lead to negative impacts in terms of land use, biodiversity loss and damage to local communities. Through internal goals, the Group implements recycling practices for fabrics and packaging.

Material topic	Impact	Impact Description
Biodiversity and Animal welfare	Ecosystem damage caused by land use change and biodiversity loss	In the textile industry, the upstream phases of the value chain, such as agriculture and animal rearing, lead to the conversion of soil from natural to agricultural, altering the surrounding flora and fauna, resulting in the loss of biodiversity. The Marzotto Group pursues sustainable solutions to reduce the negative impacts on natural resources and biodiversity caused by the change in land use required for textile production, through the use of sustainable agricultural practices and the protection of the surrounding fauna and flora.
Biodiversity and Animal welfare	Damage to animal welfare related to animal rearing necessary for the generation of raw materials	The textile sector uses, <i>inter alia</i> , raw materials of animal origin. These materials may result from intensive animal breeding where there may be incidents of animal exploitation. The Marzotto Group selects suppliers that guarantee the freedom of animals, in full compliance with international regulations.
Circular economy and eco-design	Depletion of virgin raw materials due to their excessive consumption	Excessive consumption of virgin raw materials could lead to the depletion of ecosystems and natural resources, causing harm to biodiversity and ecosystem services in the area concerned. The Group oversees the potential impact through the implementation of various certifications such as, for example, GRS Global Recycled Standard) and BCI (Better Cotton Initiative).
Atmospheric emissions	Effects on human health and ecosystems caused by polluting emissions	Polluting emissions worsen air quality, creating a negative impact on ecosystems and human health. Marzotto Group's atmospheric emissions are authorised pursuant to an A.U.A. order (Single Environmental Authorisation). Holding an A.U.A. ensures not only that the manufacturing activity meets all the legal requirements, but also that the Group adopts the best available technologies to reduce the environmental impact and protect the health of its employees and the surrounding community. The atmospheric emissions of Ambiente Energia S.r.l. are authorised by an A.I.A. (Integrated Environmental Authorisation).
Health and safety in the workplace	Failure to protect occupational safety and harm human health	Failure to comply with health and safety regulations and deficiencies in prevention procedures and actions could lead to an increase in the number of accidents in the workplace which, in the most serious cases, may also lead to the death of an employee/operator. In addition to this, there may be cases of work-related illnesses linked to the manual movement of heavy loads and the adoption of incorrect positions in the course of work. The Group ensures the highest standards of health and safety in the workplace for its employees and for all those who interact with the company.
Human rights	Human rights violations along the value chain	Inadequate monitoring of the supply chain can lead to human rights violations. In particular, in the raw materials supply phase (farming and animal rearing) and in the downstream phase of production, assembly and packaging, the likelihood of unhealthy working conditions, unreported employment, modern slavery and child labour increases. The Marzotto Group believes that the protection of human rights is a moral imperative and a key factor in the effectiveness of its activities, which is why suppliers are asked to adhere to the Code of Ethics.





Material topic	Impact	Impact Description
Employee training and well-being	Contribution to the training and educational development of workers	An adequate number of hours of training has a positive impact on the health and safety of employees. In addition, the ability to develop professional and personal skills increases staff retention and the ability to attract new talent. The Group promotes training internally and externally by actively participating and supporting initiatives such as Open Factory, ITS Cosmo on Sustainability and School-Work Alternation.
Employee training and well-being	Increasing employee well-being	Promoting the well-being of workers creates a healthy working environment and corporate culture. The well-being of employees increases retention and job commitment. The Marzotto Group contributes to the well-being of its employees through welfare measures aimed at improving the well-being of workers (e.g. free nursery for employees in Valdagno, staff canteen, health insurance, discounts at the Marzotto Village in the seaside resort of Jesolo).
Diversity and inclusion	Failure to protect diversity and equal opportunities	The failure to respect diversity and equal opportunities within the company can lead to discrimination due to factors such as gender, sexual orientation, religion and ethnicity, with a negative impact on human capital. The Group guarantees full protection of diversity and equal opportunities in all areas of its business, from the selection and management of personnel to relations with customers and suppliers.
Relationship with local communities	Contribution to the social and economic development of the local community	The Marzotto Group contributes to the social and economic development of the areas in which it operates, generating jobs. A positive relationship with the local community enables cooperation and collaboration. The Group is engaged in projects that actively support the local community and local institutions.
Business integrity	Negative impact on the socio-economic system resulting from improper business practices	The company could engage in bribery and anti-competitive behaviour. To ensure compliance with regulations and legal and ethical policies, the Marzotto Group has adopted a whistleblowing policy that allows employees to report illegal or unethical practices within the company in a safe and anonymous way, in order to prevent any improper business activity.





# The sustainability journey

The Marzotto Group deems relations with its **stakeholders**, i.e. those that can influence or be influenced by the Group's strategic choices, to be of primary importance. The Company is committed to having a constructive dialogue with these stakeholders and to creating a relationship based on responsibility, in order to create shared value in the long term. The objective of the Marzotto Group

is to actively involve all stakeholders, with a view to a **sustainable and shared vision of the business**, which takes into account the environmental, social, economic and financial impacts of the actions it takes.

The stakeholders of the Marzotto Group:



The following table shows the **mapping of stakeholders** that was performed following analysis that identified the main entities with

which the Group interacts. It also sets out the respective ways in which stakeholders are involved and notified.

Stakeholders	How to get involved
Employees and external contractors	Educational programmes
	Employee communications
Suppliers	Inter-company collaboration projects
	Audit Programmes
Customers	Customer Care
	Trade fairs and events
Competitors	Participation in industry conferences and events
	Common working tables
Public Institutions and Supervisory Authorities	Participation in conferences and events
	Common working tables
	Audit Programmes
Financial market	Publication of the consolidated financial statements
	Relations with financial institutions and rating companies
Trade Unions and Trade Associations	Participation in international initiatives to promote sustainability in the relevant sector
	Participation in regular meetings
Media	Company website and social networks
	Participation in conferences and events
Local communities	Social and cultural initiatives promoted in the region
Universities and schools	Collaborations
	Educational company visits
	Social and cultural initiatives promoted in the region



The Marzotto Group, through its Italian and foreign companies, is associated with various **trade organisations**. The main ones include:

- **Confindustria di Vicenza, Bergamo, Lecco and Sondrio and the Unione Industriale Biellese**, which represent and protect the interests of associate companies operating in various sectors, including manufacturing, fashion, food and construction.

- **Confindustria Assafrica & Mediterraneo**, an international organisation and part of Confindustria committed to providing support to Italian companies that wish to expand their business in Africa and the Middle East.

- **Associazione Nazionale Commercio Laniero**, responsible for promoting and supporting the wool trade in Italy, protecting the rights and interests of its associates, and promoting the quality standards and technological innovations of the sector.

- **Sistema Moda Italia (SMI)**, which represents and protects, on a national and international level, the interests of Italian companies operating in the fashion, textile, clothing, footwear and fashion accessories sectors. In particular, TexClubTec a section of SMI dedicated to the promotion and development of technical and innovative textiles.

- **European Technology Platform for the Future of Textiles and Clothing (Textile ETP)**, a European network aimed at promoting innovation and technological development in the textile and clothing sector, focusing on a number of thematic areas, including environmental sustainability, technological innovation, design, research and development.

- **Cashmere and Camel Hair Manufacturers Institute (CCMI)**, a non-profit industrial organisation representing manufacturers of cashmere and camel hair fabrics in the United States. The organisation campaigns for the national cashmere and camel hair textile industry and promotes high standards of quality and sustainability in production.

- **Alliance for European Flax-Linen & Hemp**, a European federation made up of public and private organisations representing the flax-linen and hemp supply chain in Europe. The association has a clear objective: to grow the entire supply chain, making European flax-linen and hemp the most preferred premium sustainable fibres in the world by promoting their use.

- **European Confederation of Flax and Hemp (CELC)**, a European federation made up of public

and private organisations representing the flax and hemp industry in Europe, to promote the use of fabrics and products made of flax and hemp grown in Europe.

- **Zero Discharge of Hazardous Chemicals (ZDHC)**, an international programme that aims to reduce and progressively eliminate hazardous chemicals from the production processes of the textile, leather and footwear sector.

- **Centro Tessile Cotoniero e Abbigliamento (Centrocot)**, which provides technical support and advice in the textile and clothing industry. The organisation supports innovation and competitiveness in the Italian textile and clothing sector, carrying out research and development projects, providing technical services and specialised advice on issues such as textile quality, textile technology, environmental sustainability, product safety, quality control and certification.

- **Retex.Green**, a consortium whose establishment was promoted by SMI and the Italian Textile Foundation, to optimise the management of waste from the fashion world (textile/clothing, leather shoes and accessories), in quantified and traceable terms. The creation of this consortium allows support to be provided to manufacturers in the fashion supply chain in order to achieve a greater level of sustainability of the supply chain itself through the creation of a qualified network of suppliers. In addition, the consortium provides consulting and technical support services for the adoption of sustainable solutions for production processes.

- **CUOA Business School**, one of the largest management schools in Italy. CUOA is a university foundation that provides training and development as a post-university school specialising in company organisation.

- **Associazione Italiana Ambiente e Sicurezza (AIAS)**, a non-profit organisation responsible for promoting and disseminating a culture of occupational safety, environmental protection and worker health. The association provides consulting, training, technical assistance, and information on environmental, occupational safety, and industrial hygiene regulations.

- **Ente Nazionale Italiano di Unificazione (UNI)**, an Italian non-profit organisation responsible for technical standardisation on a national and European level. It is the State-recognised Italian standardisation body. UNI has the task of promoting, coordinating and developing technical standardisation activities, representing the interests of its members, which are public or private bodies.

# The sustainable development of the Marzotto Group



Over the years, the Marzotto Group has demonstrated a strong commitment and responsibility for protecting the environment, the territories in which it operates and people through the implementation of policies and concrete actions aimed at reducing the environmental and social impacts of its activities throughout the value chain.

Marzotto's vision of sustainability encompasses both the protection of ecosystems and the development of people, with a behavioural approach that involves the development of sustainable production processes, a choice of natural and quality materials, the use of renewable energy, the use of sustainable chemistry, as well as a focus on the health of its employees and end consumers. The Marzotto Group's focus on sustainability is transversal and involves all stages of production, demonstrating a constant commitment to environmental protection and human rights.

In particular, in the context of **combating climate change** and with the aim of promoting the use of renewable sources, over the years photovoltaic systems have been progressively installed on the roofs of most of the Group's plants. The company also adopts a strategy to constantly improve its production facilities through maintenance, insulation and lagging work on plants, aimed at improving energy performance, reducing waste and, therefore, climate-altering emissions. Finally, Marzotto raises awareness among its employees

so that they all contribute to environmental protection and to the company's quality of life.

With regard to **water use**, the Marzotto Group carries out studies and analyses to monitor and reuse water within the textile production cycle, through the implementation of cycles with lower water consumption, downstream recovery plants, and heat recovery to generate energy.

**Control of the production chain** is another fundamental aspect to ensure the environmental and social sustainability of the Marzotto Group's business. Incoming fibres are thoroughly analysed in company laboratories, to ensure compliance with quality, environmental and safety standards throughout the supply chain.

Its constant focus on **people** represents a fundamental cornerstone of the Group's development and growth. Training and prevention in the company are considered fundamental values, and are continuously promoted and implemented.

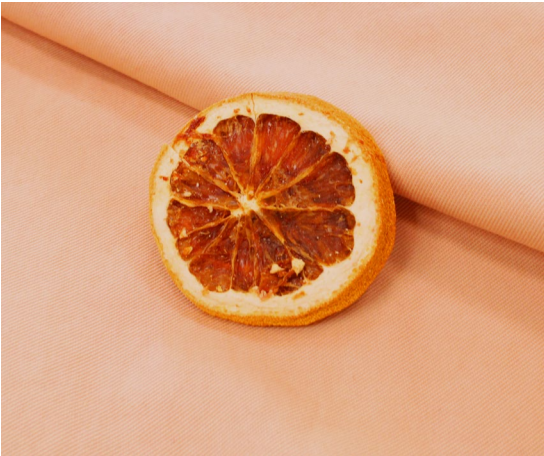
The company undertakes to comply with and ensure that its suppliers comply with legislation on decent work, preventing any form of child exploitation and protecting the health and safety of all actors along the supply chain. Respect for those involved in all stages of production is, in fact, a crucial element in upholding business ethics, together with the transparency of processes and compliance with international laws, which are the founding pillars of the **Code of Business Ethics**.

*"We focus on properly managing our company's resources by aiming to create an energy-saving culture."*



# Sustainable Products

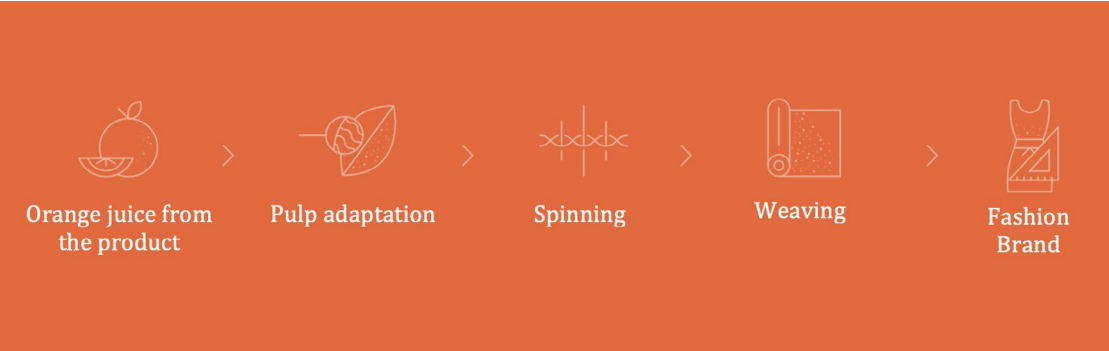
Within the wide range of fabrics produced by the Marzotto Group, there are some collections with a deeply sustainable matrix, which stems from the use of completely natural dyes and raw materials and an appreciation of tradition. Of particular note is the **“Atlantic”** plaid, developed in 2023, which forms part of the **“Green Label”** line. This product is created from certain types of marine waste, which, after being collected, is sorted by type of material and becomes a new raw material. A collaboration is also in place with the innovative company Orange Fiber S.r.l., for the creation of fibres using waste from oranges.



Another sustainable project relates to the **“Herbarium Tincturae”** collection, where organic fabrics are produced using only the non-edible parts of plants and waste. Using plants, flowers and roots, precious dyes are extracted through an ancient decoction technique, giving life to products with authentic, delicate and natural shades. These characteristics reflect a process carried out with the highest respect for nature and in the total absence of artificial chemicals.

Thanks to a collaboration between Linificio e Canapificio Nazionale S.r.l. SB and Tessuti di Sondrio, **“1873 - The Ould Linen”**, a yarn made in accordance with ancient tradition is produced. The plants used for this particular collection are not treated with chemicals, which means the plant fibre does not undergo any external changes. The machines used have also been adapted to replicate the spinning model used by craftsmen in ancient times. The yarn thus obtained has received the gold level of the C2C Certified Material Health Certificate™, which certifies the use of safe and sustainable materials.

Finally, the **“CIUTA project”** has the aim of supporting and enhancing the local culture and being responsible for local sustainability. This collection uses the wool of a small sheep typically found in the Italian Alps and at risk of extinction: the “Ciuta”. The small quantities of wool used ensure not only the complete control and tracing of source materials, but also celebrate and demonstrate respect for these local specimens.





4.

# Protection of the environment

Environmental protection is a key priority for the Marzotto Group, to which the company is committed on an ongoing basis. This commitment can be seen primarily in the decision taken by Marzotto to obtain and maintain ISO - *International Organisation for Standardisation* certifications for its **Management Systems**, which embody a set of responsibilities, practices and policies agreed upon in order to achieve business and sustainability objectives.

This process began in 2015 after Ambiente Energia S.r.l. obtained ISO 14001 certification, the first Group company to implement the Environmental Management System. In 2023, **ISO 14001** certification was obtained for all Marzotto Wool Manufacturing sites, while with regard to the Marzotto Lab Group, the Tunisian plant Filin S.A. (100% controlled by Linificio e Canapificio Nazionale S.r.l. SB) and the Sondrio Fabrics division were certified. At the Bulciago site (Marzotto Interiors), an environmental management system is being implemented which, once in full operation will obtain ISO 14001 certification. In order to increase the effectiveness and efficiency of its internal processes, the Marzotto Group has

also implemented the **ISO 9001** certified Quality Management System for some of its businesses. In particular, the Tunisian plant of Linificio e Canapificio Nazionale S.r.l. SB (Marzotto Lab Group), Ambiente Energia S.r.l. and Nová Mosilana a.s. (Marzotto Wool Manufacturing Group) have received **ISO 9001** certification for quality management.

As proof of the Group's commitment to managing processes, products and the impact on the company and biosphere in a sustainable manner, Linificio e Canapificio Nazionale S.r.l. became a **Benefit Company** at the end of 2021. In the following years, with a view to sustainability, the process of transforming its business model continued with the obtention of **B Corp** certification in 2023. This certification is awarded to all companies that demonstrate a constant and virtuous commitment to managing their activities by following strict parameters to assess economic sustainability, social impact, environmental protection, fairness in the relationship with stakeholders and ethical practices. The assessment process is designed to ensure that companies adopt sustainable and responsible practices, promoting balanced and planet-friendly economic development.

## ISO 14001

ISO 14001 is the international standard defining the criteria and guidelines for the development of an Environmental Management System (EMS). The standard provides companies with a tool capable of identifying potential impacts on the environment and systematically developing support techniques for proper environmental management.

## ISO 9001

The ISO 9001 standard sets out the minimum requirements that the Quality Management System of an organisation must demonstrate that it meets in order to guarantee quality products or services, respecting the needs of customers. Certification represents an opportunity for the organisation to examine all business processes with the aim of optimising the use of its resources and reducing production costs, maintaining a constant quality level of products/services.



# Energy consumption and greenhouse gas (GHG) emissions

The sustainable management of natural resources and a reduction in the environmental impact of the production cycle are the main challenges for a modern economy. Since the inception of the Group, the company has undertaken to follow a business model characterised by a conscious and responsible use of energy resources, promoting innovative projects aimed at improving energy efficiency and reducing consumption over the various phases of the production process.

In 2023, the Marzotto Group's energy consumption amounted to 892,532 GJ, slightly lower than in the

previous year. Most of this is attributable to the use of **methane gas** (63%) and **electricity** (35%), used to power production plants, for the lighting and air conditioning of offices and plants. The remaining portion (2%) is attributable to the consumption of **diesel**, mainly used to power machinery in the Marzotto Lab Group's production plants, but also as fuel for company cars, as well as the use of **petrol** and **LPG**, also intended for company cars. The 31,088 GJ difference compared with the previous year is due in particular to the significant decrease in diesel consumption by the Lab Group's plants.

Type of fuel (GJ)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Natural gas	246.296	293.725	306.475	317.822	13.117	14.061	3.303	2.176	569.191	627.784
Electricity	117.617	138.759	179.710	185.379	8.371	8.494	2.433	2.518	308.131	335.150
Diesel	9.923	40.979	3.410	3.717	33	111	1.233	948	14.599	45.755
including diesel for the fleet	3.167	2.902	3.064	3.627	33	111	1.233	948	7.496	7.589
including equipment	6.757	38.076	346	90	-	-	-	-	7.103	38.166
Petrol	332	273	121	133	17	3	27	4	497	413
including petrol for the fleet	330	272	121	133	17	3	27	4	495	412
including equipment	2	1	-	-	-	-	-	-	2	1
LPG	-	-	113	129	1	-	-	-	114	129
Total	374.169	473.736	489.828	507.181	21.538	22.669	6.996	5.646	892.532	1.009.232

## Initiatives for sustainable energy management

The Marzotto Group is aware of the importance of managing its energy needs responsibly, a practice implemented through a reduction in the use of fossil fuels and the implementation of energy efficiency projects.

In Italy, self-generated electricity, through **photovoltaic** systems installed on the roofs of various Group plants, represents 7% of the energy purchased, up from 2022. In particular, solar energy production plants can be found at Marzotto S.p.A's Piovene Rocchette plants and Marzotto Lab Group's Tessuti di Sondrio site. Marzotto Wool Manufacturing also has three photovoltaic systems: two at Biella Manifatture Tessili and a third at the Valdagno site. In 2023, three new photovoltaic systems came into operation; one at the headquarters of Ambiente Energia S.r.l.,

one in Brno (Nová Mosilana) and one at the plant in Lithuania. A project has also been proposed for a photovoltaic plant at its headquarters in Tunisia. In total, in 2023 our plants produced more solar energy than could be consumed in the plants, thus providing an opportunity to inject 5,597 GJ of renewable electricity into the grid, an increase of 1,224 GJ compared with the previous year.

In addition to electricity generated by photovoltaic systems, Marzotto purchases renewable electricity certified by Guarantees of Origin (GO). Overall, in 2023, the consumption of **energy from renewable sources** amounted to 34,603 GJ. However, this quantity is expected to increase over the next few years, thanks to initiatives planned in the area of energy management.

### Certified renewable energy via Guarantee of Origin (GO)

The GO-certified electricity component, which amounts to 24,215 GJ, is significant. **Guarantee of Origin (GO)** is a certification that verifies the renewable origin of the sources used by qualified plants for the production of electricity. For each MWh of renewable electricity fed into the grid by one of these installations, a GO licence is issued in accordance with Directive 2009/28/EC. In particular, the plants of **Marzotto Interiors, Tessuti di Sondrio e Linificio e Canapificio Nazionale S.r.l. SB** purchase **100% of their electricity through GO**. **Uab Lietlīnien**, on the other hand, purchased **44% of its electricity through GO in 2023**.

Electricity consumption (GJ)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Electricity purchased from the grid	114.416	137.864	174.229	183.122	7.628	8.494	1.470	1.504	297.744	330.983
including from renewable energy sources	24.215	38.393	-	-	-	-	-	-	24.215	38.393
Self-produced electricity <sup>5</sup>	4.103	1.043	6.658	2.816	849	-	4.373	4.681	15.984	8.540
including consumed	3.201	895	5.480	2.258	743	-	963	1.014	10.388	4.167
including sold	902	148	1.178	558	106	-	3.410	3.666	5.597	4.373
Tot. consumed	117.617	138.759	179.710	185.379	8.371	8.494	2.433	2.518	308.131	335.150
Tot. renewable energy consumed	27.416	39.288	5.480	2.258	743	-	963	1.014	34.603	42.560

<sup>5</sup> Self-produced electricity from renewable sources





Finally, in 2023, the Group also invested many resources in energy efficiency. In fact, various solutions have been implemented to reduce overall electricity consumption, such as the installation of new boilers and more efficient equipment.

Greenhouse gas emissions  
(GHG - Scope 1 and 2)

Monitoring greenhouse gas (GHG) emissions is the starting point for developing an effective management and reduction strategy. For this reason, the Marzotto Group monitors its **Scope 1** GHG emissions, directly generated by the company, and **Scope 2**, i.e. indirect energy emissions. This measurement and reporting process follows the requirements of the **GHG Protocol**, the most common international standard for calculating GHG emissions.

In 2023, **Scope 1** GHG emissions amounted to 33,472 tCO<sub>2e</sub> and were mainly due to the consumption of **methane gas** (96%) and use of **diesel** (3%), while the remainder (1%) was due to F-gas losses and consumption of petrol and LPG. The Group's **Scope 2** GHG emissions are correlated with the purchase of electricity and are calculated according to the two approaches defined by the GHG Protocol:

- **Location-based:** requires the application to the electricity consumed of the emission factor which reflects the national average energy mix, including all the country's electricity production sources, including renewables.
- **Market-based:** is based on the electricity market and reflects the emissions deriving from the type of electricity (coming from renewable or non-renewable sources) that companies choose to buy. This second approach is particularly important because it takes into account the choice of energy supplier, which can have a significant effect on emissions and their environmental impact.



**Scope 1** GHG emissions are direct greenhouse gas emissions from company-owned or controlled sources, such as emissions from combustion in boilers and company-owned or controlled vehicles.



**Scope 2** indirect GHG emissions result from the generation of electricity purchased and consumed by the company. Energy generated from renewable sources, as in the case of photovoltaic systems, is rated at zero in the inventory of greenhouse gases.

With regard to Scope 1 and Scope 2 emissions, in both cases there was a decrease compared with the previous year, mainly due to the reduction in production volumes.

GHG Emissions (tCO2e)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Direct (Scope 1) GHG emissions										
Natural gas	13.992	16.685	17.411	18.053	745	799	188	124	32.336	35.661
Diesel	694	2.865	238	260	2	8	86	66	1.021	3.199
F-gas losses	39	48	67	48	-	-	2	-	108	97
LPG	-	-	7	8	-	-	-	-	7	8
Total Scope 1 emissions	14.726	19.598	17.723	18.369	748	807	276	190	33.472	38.965
Indirect (Scope 2) GHG emissions										
Electricity - Location-based	11.212	13.816	20.825	21.784	667	743	129	132	32.833	36.475
Electricity - Market-based	12.395	13.823	30.497	31.897	969	1.079	187	191	44.047	46.990
Direct (Scope 1) and indirect (Scope 2) GHG emissions										
Total Scope 1 + Scope 2 (Location-based)	25.938	33.414	38.548	40.153	1.415	1.550	405	322	66.305	75.440
Total Scope 1 + Scope 2 (Market-based)	27.121	33.421	48.220	50.266	1.717	1.886	463	381	77.519	85.955



# Pollutant emissions

It is important to stress that direct emissions of air pollutants (including particulates, gases and chemicals) differ from climate-altering or greenhouse gas (GHG) emissions, in that they do not contribute to the greenhouse effect and increase the Earth's temperature. Polluting emissions, if present in concentrations above certain limits, can cause serious harm to human health and the natural environment.

The atmospheric emissions of the Marzotto Group mainly occur during the production process and relate to the burning, drying and/or thermofixation of fabrics, the sizing of yarns, the decatisation and steaming, cleaning of fabrics, as well as the emissions generated by the combustion that takes

place in thermal power plant. There are also fugitive emissions, of minor magnitude, at the location points of fume hoods present in the departments.

It should be noted that all Group companies manage this environmental aspect by monitoring emission points through periodic sampling, in accordance with the requirements of the single/integrated environmental authorisation or in accordance with the reference legislation. As every year, an analysis was performed on compliance with the **emission limits** defined by the reference legislation, which are promptly monitored and assessed by management. It should be noted that during 2024, a system will be installed at the Ambiente Energia S.r.l. plant that will allow the characteristics of its emissions to be further improved.

Type of pollutant (t)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Nitrogen oxides - NOx	13,2	10,7	11,3	15,5	-	-	-	-	24,5	26,3
Volatile organic compounds (VOC)	2,9	3,9	13,8	5,1	4,1	9,9	-	-	20,8	18,9
Carbon monoxide - CO	5,5	9,2	2,7	5,7	-	-	-	-	8,2	14,9
Particulate Matter (PM)	1,7	2,8	7,0	0,2	-	-	-	-	8,8	3,1
Sulphur oxides SOx	-	-	-	-	-	-	-	-	-	-
Heavy metals	< 0,1	< 0,1	-	-	< 0,1	-	-	-	< 0,1	< 0,1
Other pollutants	< 0,1	0,13	-	-	< 0,1	< 0,1	-	-	< 0,1	0,2
Total	23,3	26,6	34,8	26,5	4,1	9,9	-	-	62,3	63,2

# Waste



For the Marzotto Group, **waste management** is a crucial factor in promoting circular economy practices. This approach aims to reduce the amount of waste produced and to re-use it in the production process, where possible, resulting in a reduction in the amount of waste directed to disposal. Of the total waste produced in 2023, which amounts to 6,093 tonnes, 46% is sent for reuse, recovery or recycling, while the remaining 54% is sent for disposal. All waste is managed externally by specialised and authorised third parties.

With regard to the types of waste produced by the Marzotto Lab Group, the Marzotto Wool Manufacturing Group and the Marzotto Holding Company, 17% consists of **mixed waste** (e.g. undifferentiated and bulky waste), followed by **packaging** which represents 26% overall and includes paper and cardboard, wood and metal packaging and mixed packaging. In addition, 15% consists of **textile waste**<sup>6</sup>, such as textile waste and residual yarn, while the remaining 15% consists of **other types of waste** (such as absorbent materials, electronic waste, organic waste, solvents, powders, oils, toners, waxes, batteries and insulators) and **sludge** resulting

from purifying the water used in fabric dyeing and finishing processes.

In light of the data that came to light, there was an increase in the waste produced by the Marzotto Wool Group compared with the previous year. In 2023, at the Valdagno plant, the tanks of the active sludge treatment plant were emptied and cleaned, (this does not happen every year) with a consequent significant increase in sludge disposal.

On the other hand, data relating to Ambiente Energia S.r.l. reveals an increase in non-hazardous waste. This value is due to the non-routine cleaning of an equalisation tank of the system with the extraction of liquid sludge, which was then centrifuged and disposed of 97% of the waste produced by Marzotto Lab, Marzotto Wool and the Group's holding company consists of non-hazardous waste, while the remaining 3% consists of hazardous waste.

**At Group level, it should be noted that the portion of hazardous waste, which mainly consists of sludge, is largely attributable to Ambiente Energia S.r.l. (3,342 tonnes), a company that provides wastewater purification and liquid waste treatment services as a core business.**

<sup>6</sup> The textile waste of the Linificio and Canapificio Nazionale S.r.l. SB plants consists of wet fibres. The weight of the dry fibre - an estimate - was included in the data. The latter was calculated following the analysis of a waste sample, in which the liquid component was separated out. Studies are currently underway to design more efficient ways of managing this type of waste.



# Water consumption

TONS										
Waste type [t]	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sludge	98	47	615	166	3.342	2.616	-	-	4.055	2.829
Textile	359	493	27	38	-	-	-	-	386	531
Packaging	267	350	376	325	8	6	26	24	677	705
Mixed waste	239	327	215	171	3	4	-	-	457	502
Other waste	146	63	241	145	131	159	-	3	518	370
Total	1.109	1.280	1.474	845	3.484	2.785	26	27	6.093	4.937
including non-hazardous	1.067	1.266	1.447	795	910	412	26	27	3.450	2.500
including hazardous	42	14	27	50	2.574	2.373	-	-	2.643	2.437

### Waste reduction initiatives within the Group

Thanks to the **circularity of the processes** involved, in 2023 the Group was able to reduce production waste and reuse it as secondary raw materials, as in the case, for example, of linen-nylon and linen-wool-nylon yarn, obtained from the by-products of linen processing mixed with nylon flakes. Particulates produced during spinning also find a new life and are destined for the production of buttons.

In addition, the practice of **reusing plastic packaging** and wooden pallets used to transport incoming materials and outgoing products was established.

The Group's production offices and departments also provide for the **sorting** of the main matrices. The aim is to encourage sustainable behaviour within the Group, which is a fundamental educational aspect even outside the organisation.

The use of water in the plants of the Marzotto Group plays an essential role in the various phases of the production cycle, such as dyeing, the washing of fabrics, the use of steam for ironing and the cooling of certain machines used in production processes; in addition, a small amount of the water consumed is also used for health/civil purposes.

In 2023, the total amount drawn was 1990 ML<sup>7</sup>, slightly lower than in the previous year. Most of the water used comes from **groundwater** (49%) and the **public aqueduct** (37%). The remaining portion, equivalent to 14% of the total volume withdrawn, comes from **surface water**.

Water withdrawal (ML)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total withdrawn from surface water	128	175	123	106	-	-	23	17	274	298
including from high stress areas	-	-	-	-	-	-	-	-	-	-
Total withdrawn from groundwater	329	415	566	599	74	65	-	-	969	1.079
including from high stress areas	-	-	-	-	-	-	-	-	-	-
Seawater withdrawal	-	-	-	-	-	-	-	-	-	-
including from high stress areas	-	-	-	-	-	-	-	-	-	-
Total amount withdrawn - produced water	-	-	-	-	-	-	-	-	-	-
including from high stress areas	-	-	-	-	-	-	-	-	-	-
Total withdrawn from third parties (e.g. aqueducts)	617	604	128	135	1	1	1	4	747	744
including from high stress areas	378	339	-	-	-	-	-	-	378	339
Total water withdrawal	1.074	1.194	817	840	75	66	24	21	1.990	2.121
including from high stress areas	378	339	-	-	-	-	-	-	378	339





Overall, the water used is taken from areas not subject to **water stress**<sup>8</sup>, except for the plant in Tunisia.

In 2023, **water discharge** by the Marzotto Group, mainly managed through sewers (79% of the total), amounted to 2280 ML, of which 487<sup>9</sup> ML are attributable to Ambiente Energia. Discharge to surface and groundwater represents a smaller percentage (21%) than the total amount of water

discharged over the course of the year. All the companies belonging to the Marzotto Group have obtained the necessary authorisation to perform water discharges, fully complying with the limits imposed by current rules and regulations.

In 2023, **water consumption**<sup>10</sup>, deriving from the difference between water withdrawals and discharges from withdrawals, was 123 ML, a considerable decrease compared with the previous year.

<sup>7</sup> ML = Megalitres (1,000,000 L)

<sup>8</sup> The analysis was carried out based on the mapping conducted by the Water Risk Atlas of the World Resources Institute (WRI, [www.wri.org/applications/aqueduct/water-risk-atlas](http://www.wri.org/applications/aqueduct/water-risk-atlas)), which classified the overall water risk level of the various global regions, estimating all water-related risks and taking into account all the indicators belonging to the categories of Physical Quantity, Quality and Regulatory and Reputational Risk.

<sup>9</sup> It should be noted that water discharge by Ambiente Energia S.r.l. is largely (412 ML) attributable to the waste water purification process.

<sup>10</sup> The data relating to water consumption was calculated net of the discharges of the purification system of Ambiente Energia S.r.l.

Water discharge (ML)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Water discharge to surface water	-	-	-	-	487	460	-	-	487	460
Water discharge to groundwater	-	-	-	-	-	-	-	-	-	-
Water discharge to marine waters	-	-	-	-	-	-	-	-	-	-
Water discharge to sewerage system	1023	1.032	746	769	-	-	24	21	1792	1.822
Total water discharge	1.023	1.032	746	769	487	460	24	21	2.280	2.282
including water withdrawals	1023	1.032	746	769	75	66	24	21	1.868	1.888
including from treatment plant	-	-	-	-	412	394	-	-	412	394

Water consumption (ML)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total water withdrawal	1.075	1.194	816	840	75	66	24	21	1.990	2.121
Total water discharge of water withdrawn	1.023	1.032	746	769	75	66	24	21	1.868	1.888
Total water consumption	52	162	70	71	-	-	-	-	123	233

### Initiatives for the sustainable management of water resources

It is important to stress that, within the Marzotto Group plants, water resources are used wisely, taking care not to compromise the availability of this resource.

The Group is committed to implementing virtuous corporate policies and investing in cutting-edge technologies that involve recycling wastewater and reducing water consumption. Among the main actions implemented by the Group, it should be noted that in 2023 at the offices of Marzotto Wool Manufacturing in Valdagno and Biella Manifatture Tessili, the design of waste water treatment and recovery plants continued with **ultrafiltration and reverse**

**osmosis** systems, which will allow 50% of the water resource to be recovered. The installation of this system, scheduled for 2024, will further reduce the environmental impact of production activities. The installation of this plant represents an important innovation that demonstrates the Group's focus on protecting water resources.

At the Biella site, moreover, in 2024, the construction of a well is scheduled that will allow the plant to reduce how much water it withdraws from the aqueduct.

In Nová Mosilana, as well as in the production plants of Lithuania and Tunisia, methods for reducing water consumption in the production process were studied in 2023.

## Biodiversity

The **loss of biodiversity** is a global issue. Through their production activities, companies can adversely affect the biodiversity of natural ecosystems and the animal and plant species that inhabit them, especially in areas with important ecosystem services.

In order to identify the areas most at risk in terms of biodiversity, an analysis<sup>11</sup> of the regions in which the Group operates has been carried out.

The use of the **Natura 2000** database, a project conceived and funded by the European Union, has enabled the Group to identify the main natural reserves, habitats and fauna present in the areas surrounding its production plants. This analysis showed that most of the Group's plants are in moderate risk areas<sup>12</sup>, while some plants are located in very low risk areas<sup>13</sup>. In addition, the protected area closest to one of the plants was 5 km away.

<sup>11</sup> The WWF tool "*WWF Risk Filter Suite*" was used to determine areas at risk for biodiversity, taking into account a minimum risk threshold of 3 "Moderate Risks".

<sup>12</sup> The overlap between the site and the protected area is between 0% and 10% of their surfaces.

<sup>13</sup> There is no overlap between the site and the protected area, the distance is at least 15 km.



5.

# Traceability and supply chain

## The value chain

The Marzotto Group recognises the importance of conducting business activities with transparency throughout all phases of the value chain and is aware of the importance of acting with responsibility, not only within its own operations, but also in the way in which it influences other stakeholders in the value chain. Thanks to its deep-rooted presence in the textile sector, the Group possesses the skills necessary to identify and anticipate the needs of its customers. This is achieved, not only through its well-established ability to manage the complex chain, but also by incorporating some additional services in its own business model. The objective is to play the role of a **service textile company**, providing end-to-end service to its customers.

Nevertheless, the Marzotto Group is aware that supplying a product, which fully reflects the values of ethics and sustainability, implies action beyond its control as well. Indeed, for Marzotto, the promotion of responsible business conduct towards all players in the value chain has become a priority.

### Relationship with suppliers

The procurement of raw materials is one of the strengths of the Marzotto Group. Thanks to the solid, long-term relationships established with strategic suppliers throughout the world, the Group is able to select high-quality raw materials that respect the sustainability values on which Marzotto bases its identity.

The SA 8000 certification (ethical certification - corporate social responsibility) adopted by the majority of Group companies requires the implementation of various procedures for assessing suppliers in order to ensure compliance with the **social responsibility requirements** defined by the standard **all along the supply chain**. Particular attention is paid to the protection of human rights and the ban on child labour and forced and compulsory labour. Compliance with these requirements is ensured through periodic checks carried out by Group companies depending on the type and level of risk of the suppliers with which they work.

The supplier register of **Marzotto Wool Manufacturing** includes operators in the raw materials sector located in various parts of the world, such as Italy, Australia, Uruguay, the Czech Republic, South Africa, Germany, Argentina and China, as well as two contractors in Italy and Egypt,

which the company relies on for specific types of processing. With reference to the selection and assessment of suppliers (direct and indirect) and third parties, the Company manages the qualification process by periodically sending out a **questionnaire** that takes into account various environmental, social and economic parameters envisaged by the Integrated Management System (including ISO 9001, ISO 14001 ISO 50001, SA8000) and by certifications of a social and environmental nature. For indirect purchases, the Marzotto Wool Group implements a specific procedure that provides for financial, economic, general conditions and safety ratings through the RSPP's (Health and Safety Officer) office. Compliance with the REACH Regulation is also assessed (see the note *"Reach Regulation for the Proper Management of Chemicals"*), adherence to the ZDHC protocol, technical and professional adequacy, competence and reliability. As part of the supplier qualification process, Marzotto Wool Manufacturing also conducts on-site audits at some of these suppliers' premises. It should also be noted that wool from Australia is purchased directly from controlled and certified farms, with which it personally has a stable and continuous relationship.

The **Marzotto Lab Group** also selects its raw material suppliers following internal assessments. Among the various trading partners are French and Belgian companies for linen fibres and other suppliers from different countries, including Turkey, Pakistan and China, for other raw materials and semi-finished products (raw cotton yarns and fabrics) required for production. For indirect purchases, the qualification process adopted does not differ from that used by the Marzotto Wool Manufacturing Group. From 2023, the companies of the Marzotto Lab Group embarked on a series of visits and audits to each of their suppliers, aimed at verifying compliance with the required safety and sustainability parameters.

In addition, Tessuti di Sondrio's cotton suppliers are required to sign a declaration ensuring that the sourced material does not come from Uzbekistan, Turkmenistan or the Chinese region of Xinjiang, in compliance with the UFLPA amendment for the protection of the Uyghurs.

With regard to Linificio e Canapificio Nazionale Srl Società Benefit and **B Corp**, in addition to its flax fibre being of 100% European origin, it is also controlling the percentage of raw material for hemp it receives from Europe. The suppliers are few and highly selected, and some of them join in projects of a sustainable nature (Blockchain and analysis of Carbon Footprint according to the ISO 14067 standard), while others are launching a project to integrate certain parts of the production process.



By the end of 2024, a formalised and standardised procedure for the social and environmental assessment of suppliers is expected to be implemented for all Marzotto Group companies.

Finally, all Group suppliers are required to **subscribe to the Code of Ethics**, in order to ensure proper business practices, as well as respect for the fundamental rights of the workers involved throughout the supply chain. In this way, the Marzotto Group confirms its focus on promoting ethical and sustainable practices in the supply chain, promoting respect for human rights and ensuring the protection of the dignity of workers.

Most of the Group’s companies have a presence on a number of national and European committees and working tables.

The Reach regulation for the proper management of chemicals

Operating in a supply chain that involves the use of substances harmful to human health and the environment, Group companies, as companies located within the EU, are required to comply with **Regulation (EC) No. 1907/2006** – Reach (Registration, Evaluation, Authorisation and Restriction of Chemicals). In the manufacturing industry, European legislation imposes obligations on companies relating to the use of chemicals used both in the product and for health and safety.

For years, the Marzotto group has not only complied with the Reach regulation but has implemented even stricter standards such as ZDHC MRSL, AFIRM RSL, Inditex’s The List, Oeko-Tex Standard 100. In order to verify compliance with these requirements and trace the chemicals used throughout the supply chain, the Marzotto Group companies use **dedicated software** to verify the compliance of chemical products by analysing their safety data sheets.

For the purchase of new raw materials, an internal control body checks in advance not only their compliance with Reach but above all with the most stringent voluntary standards: if no restrictions are found, the new products obtain authorisation to be supplied.

LCA (Life Cycle Assessment) studies

Since 2022, Linificio e Canapificio Nazionale S.r.l. SB has participated in a Life Cycle Assessment project, a study on the life cycle of the entire European linen supply chain. This project includes every step from sowing of the seeds to the final product. Currently, the data transmitted regarding the spinning phase is reviewed by external consultants (Critical Reviews).

Italian linen, “Made in Italy” quality

2023 saw the expansion of the **Lino d’Italia** project, a pioneering initiative launched in 2018 with the aim of relaunching the cultivation of flax for textiles and involving local farmers, starting in the province of Bergamo. This ambitious project aims to create a fully traceable Made in Italy yarn, a symbol of quality and sustainability. In 2023 we saw a considerable expansion of the cultivated areas, thanks to fruitful collaborations with Lombard and Tuscan farms. An increase in local production not only promotes a more controlled and sustainable value chain, but also promotes an almost entirely “zero kilometres” supply chain. To ensure a diversified and adaptable production, two types of flax are cultivated to produce winter linen and spring linen. In addition, the company purchased the specific agricultural equipment for the cultivation of flax and then made it available to the growers. Farmers are also monitored by Linificio from the sowing of the seeds to the harvesting of the flax. The company worked between 2022 and 2023 to bring the cultivation of textile hemp back to Europe.

Indirect investments

The majority of indirect investments are managed solely by the holding company. In this area too, more and more sustainable solutions are being sought, so that innovations with less environmental impact can be identified. The aim is to purchase more and more packaging from recycled material, respecting the quality and functionality parameters that packaging must have. The search for the sustainability of packaging must not, therefore, affect the ability to protect and maintain the company’s product and to be functional in logistical terms. Therefore, the main results in the area of packaging sustainability relate to the how suppliers themselves perform. Particular attention is also paid to the replacement and purchase of new machinery that is more efficient and better performing and reduces the consumption of water and energy sources. This makes the production process less impactful on the environment.

Services offered to customers

The Marzotto Group has many varied customers, including prestigious clothing brands in the luxury segment of the fashion sector. To a lesser extent, buyers are also **monitored on a number of environmental parameters**, with a view to making products fully sustainable throughout the value chain.

If an order is bespoke, the relationship with customers begins at the stage of designing the yarn or fabric or at the stage of choosing the products in the catalogue. In any case, mutual trust and constant dialogue form the basis of the commercial relationship. The Marzotto Group’s final objective is to meet all the customer’s needs by offering a **needle-ready for sewing or making up service**, while being a true textile service company.

Raw materials and certification

The Group is continually committed to protecting and developing its wealth of textile skills consolidated over time. The art of manufacturing, in fact, constitutes for Marzotto a precious legacy to be passed on, expertly combined with new elements of creativity and the trend to create fabrics with unique characteristics.

An essential element for achieving the perfect combination of tradition and innovation lies in the choice of quality raw materials, ensuring a responsible approach in their selection. For this reason, Marzotto undertakes to use raw materials supplied through a transparent supply chain that guarantees protection of the environment and

animal welfare, as well as full respect of fundamental rights.

The main categories of materials sourced include **raw fibres**, such as wool and linen, and **yarns and fabrics**, representing 38% and 20% of total purchases respectively. **Consumables** (36%) include lubricants, dyes and additives used to convert fibres into yarns and yarns into fabrics. Finally, **packaging**, which represents around 6% of the materials sourced, consists mostly of plastic, paper, cardboard and pallets. In 2023, the raw materials sourced, as a total figure at Group level, decreased by more than 4,000 tonnes due to the decrease in production volumes.

Type of material [t]	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Raw materials and semi-finished products	7.536	10.442	5.309	6.462	-	-	-	-	12.845	16.904
Raw fibres	4.436	6.581	4.003	5.076	-	-	-	-	8.439	11.657
Yarns and fabrics	3.100	3.861	1.306	1.386	-	-	-	-	4.406	5.247
Process materials/ consumables	3.218	3.923	1.861	2.000	2.943	3.149	-	-	8.021	9.071
Dyes	63	67	142	151	-	-	-	-	205	218
Chemicals	3.092	3.841	1.560	1.693	2.942	3.148	-	-	7.594	8.681
Lubricants	56	1	18	10	1	1	-	-	75	12
Other	7	14	141	146	-	-	-	-	147	160
Packaging	1.010	2.497	363	352	-	-	18	19	1.393	2.868
Paper and cardboard	375	420	241	207	-	-	10	14	626	642
Wood	448	1.370	30	22	-	-	7	4	486	1.396
Plastic	106	655	85	117	-	-	1	1	193	773
Other	81	52	7	6	-	-	-	-	88	57
Total	11.764	16.862	7.533	8.814	2.943	3.149	18	19	22.259	28.843




















The Marzotto Group has decided to adopt responsible procurement policies, with a particular focus on **renewable materials**. In particular, 38% of materials purchased consist of renewable materials, including natural raw fibres of wool and linen, natural yarns and fabrics made of wool, cotton, linen and silk and paper, cardboard and wooden packaging.

Marzotto has also chosen to become increasingly involved in the use of **recycled materials**. In 2023, it purchased 42 tonnes of recycled raw fibres, reclaimed yarns and fabrics. Through this choice, individual companies are working to progressively reduce and/or replace virgin materials, in line with the Group's commitment to increasingly sustainable and responsible production. At Group level, particular attention has been paid to sustainable procurement policies for packaging, with an increase in the packaging purchased consisting of recycled material (up to 25% of total packaging purchased) compared to 2022. In particular, at Marzotto Wool Manufacturing, 35% of the packaging purchased consists of recycled paper and cardboard, while at Marzotto Lab this

indicator is 22%, compared with 20% and 9% respectively in 2022. In line with the Group's commitment to sustainability, Linificio e Canapificio Nazionale S.r.l. SB has chosen to adopt innovative solutions to reduce the environmental impact of packaging. In partnership with certain suppliers, the company is currently testing and developing new solutions, with the aim of increasing the percentage of recycled packaging.

Finally, to reduce the environmental impact of its products, the Marzotto Group undertakes to obtain or request from its suppliers a series of sector certifications, as indicated in the table below. These reference standards include, *inter alia*, certification relating to a responsible supply chain, animal protection, the health and safety of workers, respect for human rights and protection of the environment. Applying for and obtaining these certifications represents an important commitment by the Group, which endeavours to guarantee its customers high-quality, sustainable products that comply with ethical and environmental standards.

	Marzotto Wool Group	Marzotto Lab Group
 <b>OEKO-TEX®</b> CONFIDENCE IN TEXTILES <b>STANDARD 100</b>	 (limited to Marzotto Wool S.r.l. and Nova Mosilana)	 (limited to Linificio e Canapificio Nazionale S.r.l. SB and AB Liteksas)
 <b>GOTS - Global Organic Textile Standard</b> This is the most rigorous international standard. It certifies that the supply chain is environmentally sustainable and socially responsible, from raw materials to finished products.		
 <b>Global Recycled Standard</b> This certification provides that the finished product contains at least 20% pre- and post-consumption recycling material, in addition to the absence of hazardous chemicals or chemicals below a certain threshold.		 (Limited to Sondrio Fabrics, Nuova Tessilbrenta, Redaelli Fashion and Lanerossi) (Marzotto Interiors is ongoing)
 <b>OCS - Organic Content Standard</b> This standard guarantees that intermediate or finished textile products are at least 5% made up of organic natural fibres and that traceability is guaranteed throughout the production process.	/	 (Limited to Tessuti di Sondrio, Nuova Tessilbrenta and Redaelli Fashion)
 <b>RWS Responsible Wool Standard</b> This standard is a set of voluntary rules that must be respected to ensure the welfare and fundamental freedoms of animals. These principles include freedom from hunger, thirst, pain, discomfort, illness and fear. Marzotto Wool Manufacturing collaborates exclusively with suppliers who undertake to protect the quality of life of each animal involved in textile production, ensuring that it enjoys good health and adequate psychological well-being.		 (limited to Lanerossi)
 <b>better cotton</b> This association brings together different players along the entire cotton supply chain to ensure that cotton producers have adequate working conditions and returns, as well as better soil and water management during the cultivation and processing of cotton.		 (Limited to Marzotto Lab S.r.l.)

**Ø ZDHC**  
CONTRIBUTOR



**ZDHC - Zero Discharge of Hazardous Chemicals**  
The Marzotto Group is a contributor to the programme, which has been aimed at the textile and tanning industries since 2019, complying with specific limits on the use of polluting substances during manufacturing activities and also requesting that its suppliers do the same. The objective for Marzotto Wool Manufacturing is to maintain the percentage of certified products at around 100%. A project with a dye manufacturer has been implemented at the headquarters of Biella Manifatture Tessili S.r.l. to more accurately assess and rate suppliers of chemical products and dyes.

**Masters of Linen**  
This brand brings together in a chain of excellence European flax companies that use local fibres made using techniques that respect the environment and people.

**European Flax**  
This certification ensures the use of flax fibres - exclusively European - the product of agriculture that reduces the use of water and soil and does not provide for the use of GMOs. This certification covers 100% of the flax supply.

**Woolmark**  
The internationally recognised Woolmark certifies that a product is made entirely of pure virgin wool, representing a prestigious quality brand.

**Authentico**  
This certification, obtained in 2018, ensures compliance with a code of integrity that establishes strict principles of transparency and ethics throughout the wool chain.

**ZQ Merinos**  
This certification ensures that during the upstream stages of the merino wool value chain, the 5 freedoms of animal welfare have been respected: freedom from hunger, thirst and poor nutrition; environmental stress; disease and wounds; freedom to display normal patterns of species-specific behaviour; fear and stress.

**No Mulesing**  
This certification attests that the wool comes from farms that do not practice mulesing, a medical practice used in merino sheep farms to prevent parasitic infections that can have unpleasant consequences for the psychophysical state of the animals.

**Etich.et**  
This certifies that products and processes are chemically safe for the consumer and sustainable from an ecological and environmental point of view, through the objective monitoring of the Production Chains that make them and engage in them.

**Land to market**  
Land to Market is working with brands around the world to heal the planet by regenerating its grasslands. We are giving a voice to the land & are the world's first verified regenerative sourcing solution for raw materials, such as meat, dairy, leather and wool.

**FSC**  
Forest Stewardship Council certification  
FSC certification ensures that products come from forests that are managed responsibly, thus ensuring environmental, social and economic benefits.

**IMO-MED**  
IMO-MED certification ensures the conformity of fabrics for fitting out passenger and cargo vessels.

**B CORP™ certification**  
Certifies compliance with high standards of performance in terms of social, environmental issues, responsibility and transparency by the company. Linificio e Canapificio Nazionale S.r.l. Società Benefit is the first flax and hemp spinning plants to have obtained this certification and is among the leading companies in the textile segment.

**Material Health Certificate di livello Gold dal Cradle to Cradle Products Innovation Institute (C2CPII)**  
1873 yarn - The Ould Linen has obtained the Gold level Material Health Certificate from the Cradle to Cradle Products Innovation Institute (C2CPII) which provides manufacturers with a reliable means to evaluate, optimise and verify their chemical products for safety and with regard to the environment. The C2C Certified Material Health Certificate™ is awarded to products that meet the stringent Material Health requirements of the Cradle to Cradle Certified™ standard and is a globally recognised measure of safer, healthier and more sustainable products.



# Circular economy



The Marzotto Group dedicates many resources and develops a similar number of initiatives aimed at maximising the value of the natural resources used and minimising waste and the environmental impact of its textile products. The adoption of state-of-the-art technologies and innovative solutions is key to designing longer lasting fabrics, partly made with recovered materials and reducing waste production throughout the life cycle. The Group's aim is to become an active player in the **transition of the textile sector** towards the circular economy paradigm.

Supporting this ambition is the strategy promoted by the European Union – *EU Strategy for Sustainable and Circular Textiles* – which aims to create an offering of European textile products consisting of recycled, durable fibres, free from hazardous substances and made with respect for human rights and the environment. The document provides important guidelines that allow the main players in the sector to adopt circular business models, to reduce the environmental impact of textile products throughout their entire life cycle, while at the same time creating **new business opportunities**.

The companies of the Marzotto Group, in line with the EU objectives, propose a range of innovative solutions to reduce the environmental

impact of textile products through the use of sustainable materials, the recovery of textile waste, energy efficiency in production processes and the development of innovative solutions for packaging and logistics.

## Projects in progress

For many years, all Group companies have launched various Circular Economy projects through the reuse of waste fabrics. Participation in these projects reduces the amount of waste being disposed of and creates virtuous examples of material re-use. In 2023, Linificio e Canapificio Nazionale S.r.l. SB launched a large-scale project: the installation of a new carding line at the Tunisian plant. This innovation will not only optimise the production process, but will also enable all Group offices to re-use part of their production waste, thereby perfectly incorporating themselves into the circular economy. This will prevent such waste from being disposed of in landfill. The carding line will be operational in 2024, marking a further step towards sustainability and production efficiency.

Tessuti di Sondrio, on the other hand, collaborates with a company of craftsmen in the province of Treviso, whose goal is to create unique garments via the use of waste fabrics and “swatches”, i.e. test prototypes.

## DURABLE FABRICS



Through the use of high-quality natural materials such as linen, wool and cotton, the fabrics offered can be defined as **timeless** i.e. with a long life cycle that is not subject to changing fashions. End consumers are driven to buy fewer products with the benefit of being able to use them for many years, greatly reducing the overuse of virgin raw materials and reducing the amount of waste generated by the end customer.

## REGENERATED FIBRES



At Marzotto Lab, thanks to the purchase of a new machinery for the garnetting of fabrics, it is possible to **recover the scraps generated** and, via a transformation process, make regenerated fibres.

## COMPOSTABLE MATERIALS



Marzotto Wool Manufacturing has introduced a new finishing method, with cutting-edge treatments, which makes it possible to make **bi-stretch fabrics without using elastomers**, i.e. fossil-derived materials. The elastic fabric, if made from natural fibre yarns, can be compostable and can be recycled more easily.

## REUSE OF WASTE



The Marzotto Lab Group has collaborated with some universities to create yarns from by-products generated during processing. In particular, Linificio e Canapificio Nazionale has implemented a new system for the aspiration of particulates and small fibres from flax processing processes, which allows them to be reused as **fuel** or, to a small extent, for making **buttons**. The largest waste elements can be treated as straw and is therefore sent to the animal husbandry sector for use as bedding. For the plant in Tunisia, a new carding line has been designed, which will allow all Linificio plants (in Italy, Lithuania and Tunisia) to recover production waste. This new line will become operational in the first four months of 2024. Finally, with a view to a circular economy, it should be noted that the Tessuti di Sondrio division produces a fabric called “**Infinity**”, created through the reuse of company production inventory and waste.

In the Marzotto Wool Group, all processing “offcuts” deriving from the production of worsted wool fabrics have always been sent to recovery, the highest quality by-products are re-used in the carded wool cycle, and others are used in various sectors (padding, insulation). In recent years, in collaboration with universities and manufacturing partners, the Marzotto Wool Group has been studying other forms of recovery during the worsted wool process itself, in order to create a kind of closed cycle.





6.

## The team

# The people in the Group

The Marzotto Group puts employees at its centre. Their valuable experience and specialist skills (know-how and expertise) are an essential element for the creation of value and products of excellence and for achieving the Group's goals.

For Marzotto, the wellbeing and development of its resources are fundamental aspects that are of strategic importance and are pursued through the creation of a **calm and stimulating working environment**, where each employee can feel fulfilled. In addition, The Group recognises the importance of the wealth of skills acquired by its employees, which it intends to protect and preserve, ensuring the continuity of the business in the long term. In this regard, it also focuses on the continuous training and professional and personal development of its employees, maintaining consistency with the values and very important historical heritage of the Marzotto Group.

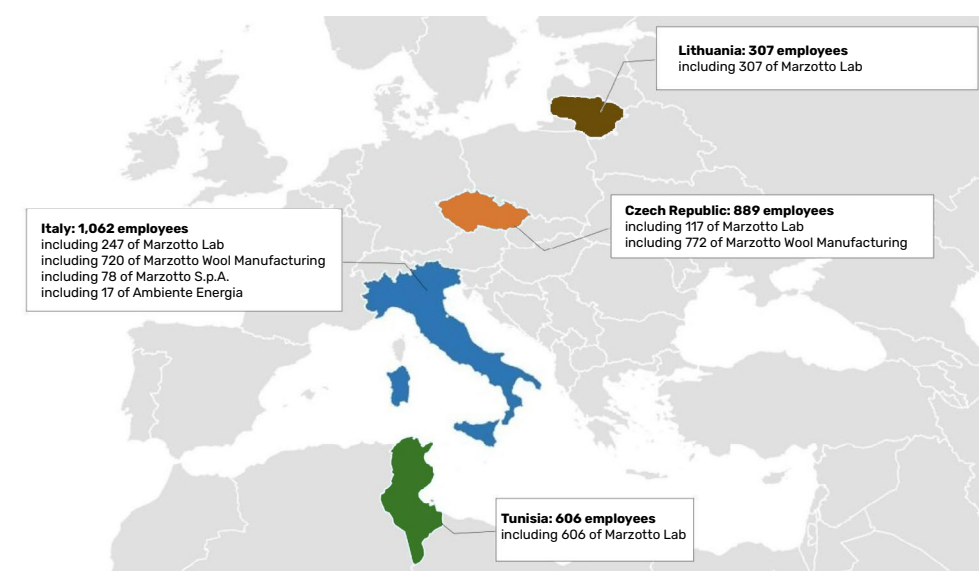
Marzotto cares about respecting the rights of its workers, not only in terms of safety, but also adequate working conditions and fair pay. This is why, over the years, the Group has put in place policies to promote equality, inclusion and diversity, recognising the value and importance of each individual and ensuring a corporate culture focused on protecting workers' rights. It is notable that in 2022 and 2023 there were no

cases of discrimination within the Group.

This concrete commitment to ensuring fair and safe working conditions for its employees is demonstrated by the fact that most Group companies have obtained **SA8000 certification**. This certification is a guarantee of the effective implementation of a management system in line with strict international standards in terms of social responsibility and oriented towards improving the working environment for its employees. In order to maintain their certification, companies are subject to third-party audits during which employees are interviewed to verify whether protective measures and respect for fundamental rights have been truly implemented.

At an organisational level, employee management is coordinated by the Group's Human Resources Department, which is responsible for identifying the main objectives within the scope of its duties and introducing a model of strategies aimed at achieving them. Each company cascades these instructions down and implements them flexibly in the form of different initiatives depending on the company's characteristics and requirements.

As of 31 December 2023, the Marzotto Group had **2,864 employees<sup>14</sup>** mainly employed in Italy (37%) and the Czech Republic (31%). The remaining percentage is employed in production plants in Tunisia and Lithuania, respectively 21% and 11% of the total.



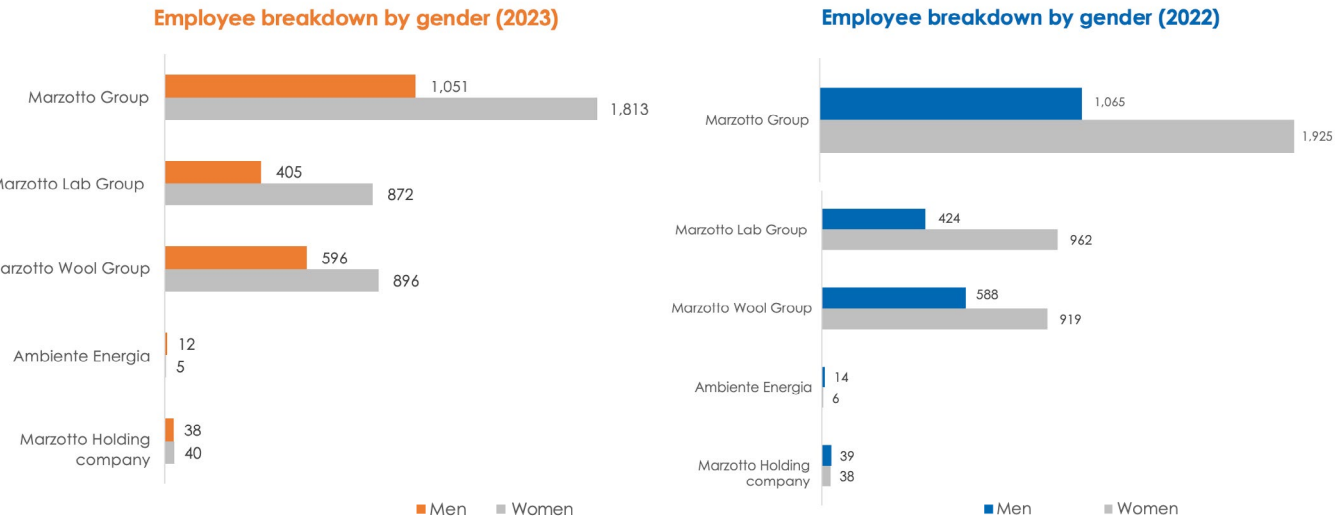
<sup>14</sup> It should be noted that the total number of employees (2,864) differs from the number of employees reported in the Consolidated Financial Statements for the 2023 financial year (2,870). This difference (6 employees) is attributable to Marzotto Textile Czech Republic s.r.o. and Marzotto Textiles USA, excluded from the scope of this Sustainability Report, but included in the Consolidated Report.



The Group uses external contractors, albeit to a minimal extent. As at December 31, 2023, there were 104 non-salaried employees, most of whom were temporary workers, mainly involved during periods of intensive production or maintenance activities. In addition, there were self-employed workers, such as consultants or sales representatives and interns.

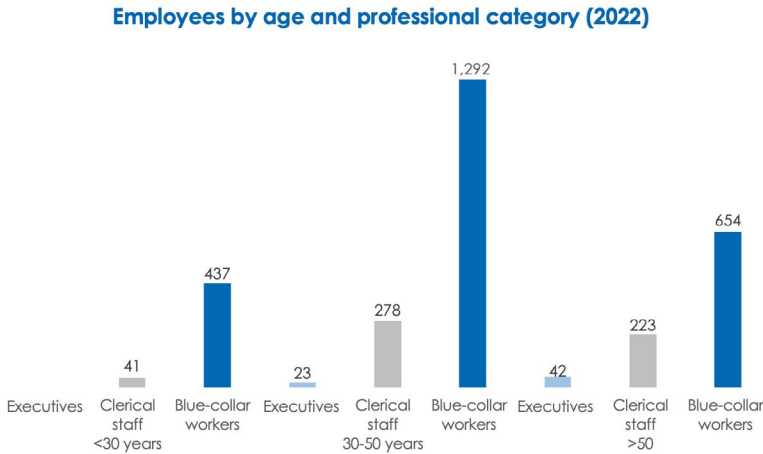
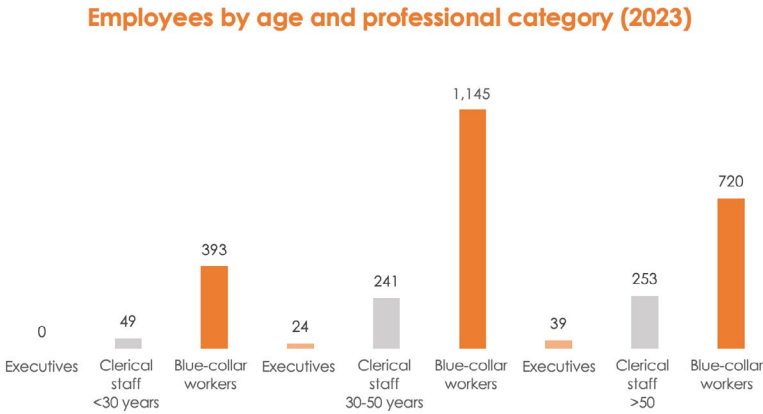
Number of employees (no.)	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Total employees	1277	1386	1492	1507	17	20	78	77	2864	2990
Total non-salaried employees	51	67	49	91	1	1	3	3	104	162

With regard to the breakdown by gender, the distribution of Marzotto Group employees reflects the trend in the textile sector, which traditionally employs more female professionals. **63%** of the Group's employees are **women**. This figure is also confirmed within the two groups: women represent 68% of the workforce in the Marzotto Lab Group, while in the Marzotto Wool Manufacturing Group, this figure is 60%.



The company's workforce is mainly divided into three professional categories. 79% of employees are **blue-collar workers** (2,258 people). This is mainly due to the sector in which the Group operates, which is strongly characterised by the high number of production employees required. **Office workers** are the second largest group, with a total of 543 people (19%), while **executives and managers** account for 2% of the total (63 people).

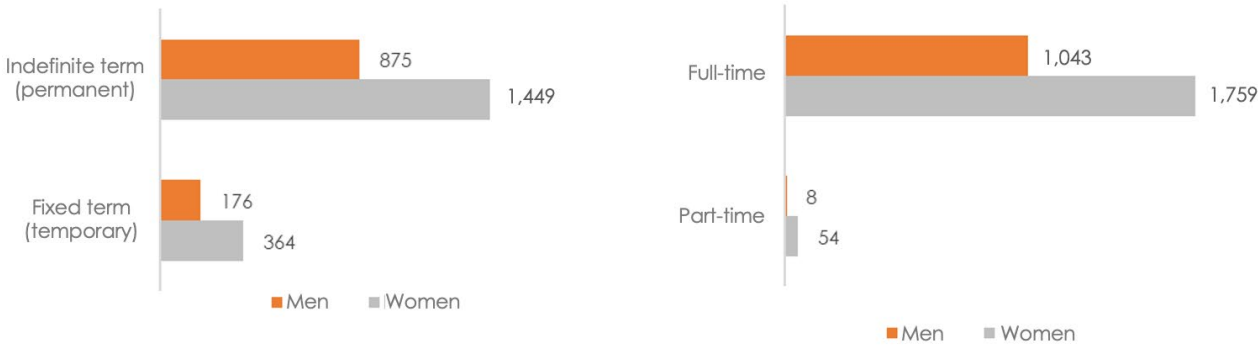
With regard to personal statistics, the majority of employees (49%) are aged 30 to 50, followed by those aged over 50 (35%). Finally, employees under the age of 30 account for 16% of the total corporate population. However, the Marzotto Group is actively working to integrate an increasing number of young talents into the workforce. This is an important commitment, representing an opportunity both for young professionals, to acquire specific knowledge and skills in the field, and for the company itself, in terms of innovation and generational renewal.



Marzotto also undertakes to guarantee stable working conditions for its employees, preferring permanent contracts as the main mode of employment. In 2023, this type of contract accounted for 81% of personnel at Group level. Temporary or fixed-term contracts account for the remaining percentage and mainly concern foreign offices, such as those in Tunisia and the Czech Republic. Finally, it should be noted that **98% of the entire workforce works full-time**, with a minimal number of part-time contracts offered to meet employees' particular personal or family needs. There are no employees who are not guaranteed a minimum or fixed number of working hours.



Breakdown of employees by type of contract (2023)



Employee breakdown by type of contract (2022)

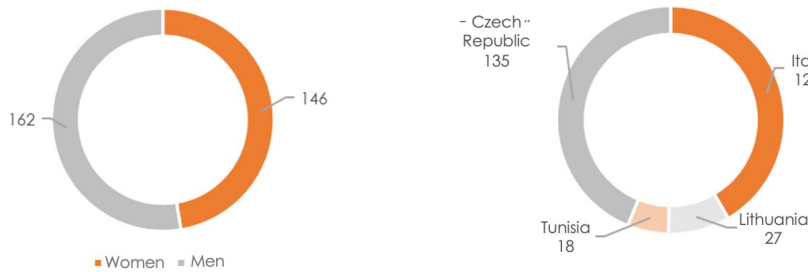


**The Group's employees are covered by collective agreements:** in Italy by the National Agreement and by the company's agreements, while abroad the only collective agreements are company agreement, which, in any case, cover all employees. In both cases the contract fulfils its obligations under the applicable national law by complying with the minimum wage and working conditions aligned with those of the collective agreements adopted by the other Group plants. Overall, at the Group level, **308 new employees** were taken on in 2023, an increase of 11%<sup>15</sup>. Among new employees, there is a slight prevalence of men (53%). In particular, most of the new recruitment was in the Czech Republic and Tunisia.

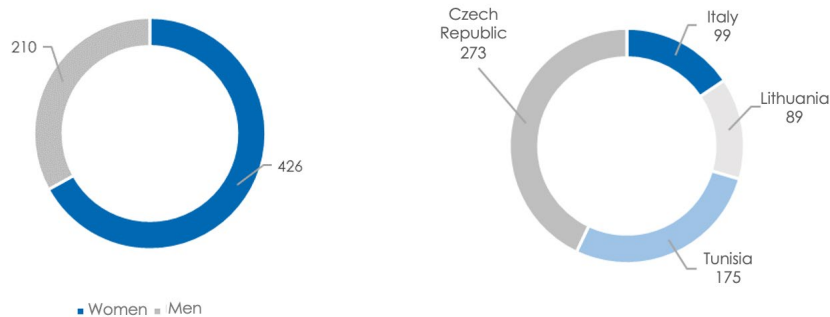
With regard to severance, the attrition rate, in line with the previous year, is 15%<sup>16</sup>, which corresponds to 418 leavers. The Group is committed to creating a calm, stimulating and respectful working environment for its employees and their individual needs, paying close attention to building strong and lasting relationships with its employees. This is demonstrated by the continued employment of a majority of employees, who have worked at the company for more than twenty years, maintaining long-term continuity of work.

<sup>15</sup> The recruitment rate was calculated as the ratio between total new employees recorded in 2023 and total employees as of 31 December 2023.  
<sup>16</sup> The employee turnover rate was calculated as the ratio between total terminations in 2023 and total number of employees as of 31 December 2023.

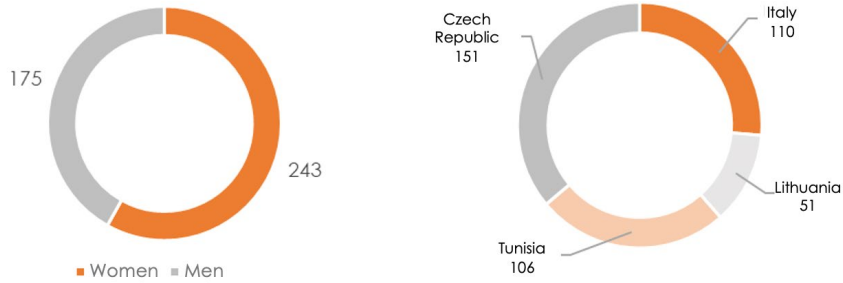
Recruitment by gender and country (2023)



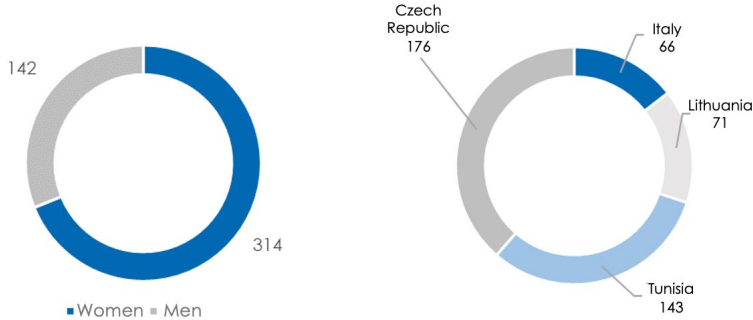
Recruitment by gender and country (2022)



Employee turnover by gender and country (2023)



Employee turnover by gender and country (2022)





# The well-being and growth of employees

Given the central nature of people's role in achieving the Group's objectives, the care of workers' well-being and development is a priority for management. The Marzotto Group believes that professional growth must be stimulating and enriching, as well as consistent with sustainable development goals. Therefore, management operates with the aim of ensuring that its employees have a healthy working environment, which values performance and commitment.

First of all, the Group constantly listens to the needs and wishes of its employees through annual analysis, in order to introduce new measures that can meet their needs. For example, in order to increase the motivation of workers and clerical staff, specific initiatives have been put in place for the two professional categories. In 2023, the plants of Biella, Sondrio, Marzotto Wool (Valdagno plant), Lanerossi (Marzotto Lab Group) and Marzotto S.p.A. introduced an **attendance bonus** awarded to workers who recorded the fewest days of absence.

In addition, the needs analysis identified the need to define a succession plan to manage the effects of the many retirements planned in the short and medium-term. In this regard, the Group has developed a **succession plan** aimed at identifying the internal resources that can be trained to replace those leaving and currently in roles of great responsibility. The plan preparation process was shared with the first level management of all Group companies, through meetings aimed at promoting active participation and sharing of best practices.

A great deal of attention is also paid to internal communication, in order to create a climate of collaborative work in which each employee feels involved and valued. In this context, the Group has developed a company **intranet platform**, to which all clerical staff have access to receive information on the progress of the Group's activities. Furthermore, since communications to workers mainly take the form of notices or via department heads, the creation of a mobile application is planned which will allow a direct and immediate sharing of initiatives and innovations with the entire corporate population, complying in all cases with the legal requirements.

During the year, **coaching** was organised to reinforce interpersonal communication between colleagues and thereby improve the business climate. This activity, which was launched as a first step, solely for the commercial area and with the intention of gradually extending it to other areas, was useful in identifying the best ways of interacting between colleagues and developing effective, healthy and positive communication, thereby also obtaining a benefit in terms of the overall performance of the company.

The Group's management promotes the well-being of its employees not only in the workplace, but also in a personal manner, through the adoption of welfare measures. First of all, it introduced the option of working **remotely** for all tasks that can be performed electronically or for clerical workers and middle managers.

For **business benefits**, it is up to each site to define and implement them. For example, in the plants of Biella Manifatture Tessili S.r.l. (Marzotto Wool Manufacturing) and Tessuti di Sondrio (Marzotto Lab division), a welfare platform was introduced in 2023 to which each employee has access. This provides employees with a credit to be used for the purchase of various categories of goods and services, which can also be spent by workers' family members and can be used over a period of three years. For the employees of Marzotto Wool Manufacturing (Valdagno plant), Biella Manifatture Tessili S.r.l. (Marzotto Wool Manufacturing), Ambiente Energia S.r.l. and the Tessuti di Sondrio e Lanerossi divisions (Marzotto Lab Group), thanks to additional company agreements, a welfare platform relating to the 2023 performance bonus was introduced in the first few months of 2024. This is an alternative, at the Employee's discretion, to the traditional method of payment via the employee's payslip.

In addition, thanks to close collaboration with the Marzotto Foundation, Group employees can take advantage of a free childcare service for their children in Valdagno and subsidised access to the **Marzotto Village** holiday village in Jesolo (VE), where they can enjoy a large private beach, a water park, swimming pools and many dedicated sports areas. Similarly, retired employees can receive subsidies to access certain support services.



Finally, the Marzotto Group strives to provide its employees with the knowledge necessary to carry out their specific tasks as effectively as possible, considering training to be a strategic lever to improve motivation and the sense of belonging. To this end, a **training plan** is periodically developed, which is also defined on the basis of the needs that come to light following an analysis of company requirements.

Occupational health and safety training is addressed in various ways according to the various professional categories. Its aim is to provide concepts and skills applicable to work activities on a daily basis. In particular, in the production departments, where some processes demand highly specialised skills, which are difficult to acquire externally, new recruits are provided with **high-level technical training**, which also occurs during job changeovers. Employee training sessions are not limited to work-related themes. The Group's focus on employees is also achieved through the organisation of training activities on issues relating to certain aspects of people's daily

lives, outside the working environment. In 2023, a total of **21,650 hours of training** was provided at Group level, averaging approximately 8 hours per employee. Most of the training hours were for workers in the Marzotto Wool Manufacturing Group, followed by colleagues in the Marzotto Lab Group. Employee involvement also takes place through the organisation of dinners and events, for example during the Christmas holidays. These events are also important for creating a good business climate, allowing employees to get to know each other better and to establish convivial relationships.



# Protecting health and safety

The Marzotto Group recognises the importance of health and safety at work for the well-being of its employees and contractors. For this reason it works and is constantly committed to creating a corporate culture based on these values. Through the promotion of responsible behaviour and awareness it is possible to inculcate new habits which serve to continuously improve prevention and safety measures. To ensure its effective implementation, the Group invests many resources in training, as well as in constant risk assessment and the adoption of solutions aimed at minimising such risk.

Management of health and safety issues is entrusted to individual Group companies, each including has developed a **Management System for Health and Safety at Work** based on international standard ISO 45001. The primary objective of the Management System is to set out a series of policies and procedures in order to identify potential risks and implement any corrective actions. In general, the Management System has a similar configuration in each of the different divisions. Where individual Companies deem it necessary, external professionals can also be involved in order to ensure that the system functions correctly.

To protect the health and safety of its employees, all of the Marzotto Group's Italian plants strictly apply the requirements laid down in Legislative Decree No. 81/2008. Responsibility for the company's actions in this area lies with the Employer, which may delegate powers of organisation, management and control to the person responsible for the production unit and exercises decision-making and organisational powers. Employers and their deputies are supported by compliance officers, who ensure the coordination of the activities necessary to ensure compliance with the regulations and supervision of the activities of workers during normal working hours.

The **Compliance Officer**, as defined by Legislative Decree No. 81/2008, is a worker who, according to his/her skills and experience, monitors and supervises work on behalf of the Employer/Delegated Manager in order to ensure that safety measures are applied correctly.

The **Health and Safety Officer (RSPP)** is responsible for assessing workers' health and safety risks, identifying the most suitable solutions to prevent and minimise them, as well as organising the necessary health and safety training. In this role, the RSPP is supported by the **Competent Physician** in aspects related to health monitoring and health risks.

Finally, the **Workers' Safety Representative (RLS)** is involved in the process of assessing specific risks related to health and safety at work. This person is responsible for collecting any reports of sources of danger from colleagues and reporting them to the Employer, including through the Health and Safety Officer. The latter promotes the updating of procedures in order to minimise any associated risks.

Where the directives of foreign countries do not require compliance with high standards of employee health and safety, the management of such aspects must nevertheless conform to Italian standards.

Employees	Unit of measurement	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Hours worked	n.	2.226.542	2.196.050	2.397.789	2.049.124	30.926	30.221	133.827	123.329	4.789.084	4.398.723
Injuries	n.	30	41	22	23	1	1	-	-	53	65
of which accidents en route (where the transport is organised by the Group itself)	n.	3	1	1	-	-	-	-	-	4	1
Injuries with serious consequences	n.	2	-	-	-	-	-	-	-	2	-
Fatal accidents	n.	-	-	-	-	-	-	-	-	-	-
Injury frequency rate	-	13,47	18,67	9,18	11,22	32,34	33,09	-	-	11,07	14,78
Injury index with serious consequences	-	0,90	-	-	-	-	-	-	-	0,42	-
Mortality rate	-	-	-	-	-	-	-	-	-	-	-
Number of cases of occupational ill-health	-	1,00	-	-	2,00	-	-	-	-	-	-



In the 2023 financial year, at Group level, a total of 53 injuries were sustained among employees, including 4 while travelling. This figure was recorded in the context of more than 4 million hours worked and corresponds to a frequency index of 11.07, lower than in 2022.

Accidents and injuries within the Group were mainly minor, and overall without any particularly serious consequences for workers. The majority of accidents are due to slipping, the main cause of which is the presence of wet surfaces in certain work areas. In departments used for wet spinning, in fact, a significant amount of water is used to manufacture the product which makes the danger of slipping high, even when suitable personal protective equipment is used and the floor is always kept in good condition through periodic maintenance and checks. Another significant cause is due to an inaccurate or incomplete perception of risk by workers (e.g. lack of due care and failure to comply with procedures).

In 2023, only one case of occupational illness was recorded at the Filature de Lin Filin s.a. plant in Tunisia. This is an illness that did not have serious consequences for the worker involved. The company immediately took preventive action for other workers deemed at risk.

The causes of injuries are always analysed by the company, including with the collaboration of managers, workers and the injured persons themselves, in order to implement new procedures or put into practice structural interventions aimed at continually improving health and safety.

To improve prevention in 2023, a cumulative database of all accidents and injuries occurring within the Group has been planned. It is expected to come on line in the summer of 2024. The aim is to have a complete record of both total accidents and injuries and preventive measures adopted by the various Group companies. Accident prevention also takes the form of a continuous search for innovative machinery that promotes safety within production plants.

By way of confirmation and in order to further reduce accidents and make the workplace progressively safer for all employees, the Marzotto Lab and Marzotto Wool Manufacturing Groups have recently adopted a number of preventive solutions, according to the specific characteristics and safety level previously present in each plant, which are shown below by way of example:

INCIDENT PREVENTION PROCEDURES	<ul style="list-style-type: none"><li>• At Tessuti di Sondrio (Marzotto Lab division), there are <b>specific procedures</b> for the duties to be performed on <b>each machine</b>. Whenever an injury or <i>near-miss</i> occurs, i.e. a situation that could have caused an injury, these procedures are updated and operators undergo a training session.</li><li>• At Marzotto Wool, <b>controls on the actual operation of machinery safety systems</b> are periodically planned in order to ensure that there have been no changes. Moreover, when health and safety procedures are updated, end users are required to test the new proposals. When the new procedure is validated, an additional training session is provided.</li><li>• At Biella Manifatture Tessili S.r.l. (a Marzotto Wool Manufacturing Group company), we want to develop a shared awareness of the importance of adopting prevention measures. On the basis of reports by all the managers of the production departments, recorded in the relevant reporting forms which are compiled on a monthly basis, all the managers get together with the Prevention and Protection Service at a meeting during which they communicate not only the main issues indicated in the minutes, but also any new actions that will be introduced to reduce the sources of danger and possible risks.</li></ul>
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SAFETY MEASURES IN PRODUCTION DEPARTMENTS	<ul style="list-style-type: none"><li>• At Marzotto Wool Manufacturing (Valdagno), technologically advanced and custom-made otoprotector devices were issued to all workers subject to noise risk, following broadly positive tests carried out on a sample. The introduction of the device is also being assessed at the other plants of the Marzotto Wool Group (BMT and Nova Mosilana).</li><li>There is also a ban on the use of mobile phones in all production departments in order to avoid the risk of distraction.</li><li>• At Biella Manifatture Tessili S.r.l. (a Marzotto Wool Manufacturing Group company), in order to guarantee the highest safety standards, there are <b>additional guards</b> around the machinery, in addition to those required under current laws.</li></ul>
SAFER INTERNAL TRAFFIC	<ul style="list-style-type: none"><li>• At Tessuti di Sondrio (a division of the Marzotto Lab Group), in order to reduce risks from internal traffic, <b>forklift trucks are programmed to slow down</b> automatically in the areas most at risk of accidents.</li><li>• At Marzotto Wool, the new measures introduced to reduce the risk of accidents between forklifts and pedestrians were defined via a <b>participatory approach</b> directly involving drivers working in pedestrian areas. In these busy departments, there are also trolleys and carts to assist workers in the process of moving and lifting heavy loads.</li><li>• At the plants of the Marzotto Wool Group, blue or purple rear lights are present on all forklifts, which improve visibility during forward and reverse manoeuvres.</li></ul>
HEALTH AND WELL-BEING OF WORKERS	<ul style="list-style-type: none"><li>• In the plant located in Tunisia (Marzotto Lab), through a collaboration with a local association, a campaign was launched to prevent breast cancer as the population is predominantly female. At the plant, the company has also employed someone who helps workers to contact the various clinical specialists in the neighbouring areas. These activities enable the company to overcome, as far as possible, shortcomings in the local health system.</li><li>• At Marzotto Wool, given that the working-class population is in constant motion and required to manually move heavy loads, <b>postural gymnastics</b> sessions were organised by experts (physiotherapists and specialists in motor science). This initiative has been achieved in synergy with the competent doctor. In addition, at the same time as introducing the <b>ban on smoking</b> within the entire production plant, a collaboration was set up with the local health authority to allow workers to take part in personalised meetings (including during working hours) with the aim of providing tools to raise awareness about smoking and to provide support for those who want to stop smoking.</li><li>• At Biella Manifatture Tessili S.r.l. (a Marzotto Wool Manufacturing Group company), various measures have been adopted to improve the well-being of employees, such as the possibility of choosing between a <b>number of daily clocking on/clocking off time options</b>. Each year, at the beginning of summer an informative meeting is held regarding the danger of heatstroke, and fresh water and mineral salts are distributed. Finally, in 2023, meetings were held with a psychologist specialising in occupational medicine.</li><li>• All Group employees are given the opportunity annually to receive, on a voluntary basis, the <b>flu vaccine</b> in order to ensure greater prevention against seasonal colds and flu, particularly for fragile or vulnerable workers.</li></ul>



7.

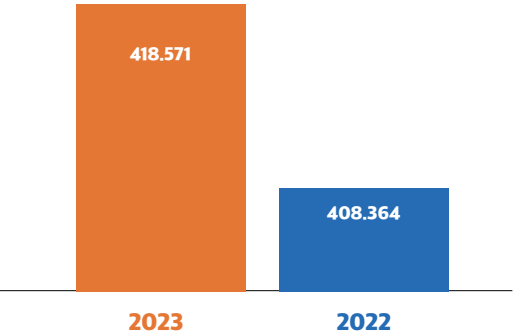
# Commitment to the Community

The Marzotto Group has always undertaken to support and preserve the communities and regions in which it operates. The company believes that it is essential to contribute actively to the economic growth and social and cultural well-being of communities, not only through the creation of jobs, but also through the development and

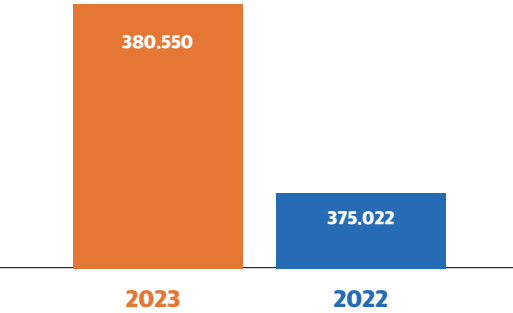
dissemination of a series of initiatives in various fields. The Marzotto Group, although having a particular affinity with its home city of Valdagno, promotes the development of all towns and cities in which it operates. This approach reflects the Group's desire to be a positive agent of change, both locally and internationally.

(in thousands of euros)	2023	2022
Economic value generated	418.571	408.364
Economic value distributed	380.550	375.022
Operating costs	270.516	281.534
Value distributed to employees	92.703	86.579
Value distributed to providers of capital	10.997	1.871
Value distributed to Government	5.980	4.709
Value distributed to shareholders	5.000	85
Value distributed to the community	353	244
Economic value retained	38.021	33.342

Economic value generated:



Economic value distributed:



## Value generated and distributed

In 2023, the economic value generated by the Marzotto Group was €419 million, up €11 million compared with 2022, while the distributed economic value was €381 million, up €6 million compared with the previous year. In particular, the economic value distributed can be broken down into suppliers (about €271 million) through the purchase of raw materials and services, employees (about €93 million) in the form of wages and benefits, the government (about €6

million) through the payment of taxes, providers of capital (€6 million) and shareholders (about €5 million) in the form of interest and dividends, and the community (about €0.4) in the form of voluntary donations. Finally, the economic value retained by the Group, amounting to 9% (approximately €38 million) consists mainly of profit (approximately €19 million) and depreciation and amortisation (approximately €15 million).



# Community Initiatives

Since its foundation, the Marzotto Group has been careful to build solid relationships with local communities, embracing their needs and expectations. A significant example of this commitment is the construction of the “**social city**” in Valdagno, launched between 1927 and 1937 by Gaetano Marzotto Jr, due to the great expansion of the city’s wool industry.

The proximity to people living in the regions in which Marzotto operates is a fundamental pillar for the Company; for this reason, the Group constantly renews its multiple partnerships with voluntary associations, cultural associations and schools, thus making a significant social contribution to the entire community. Lastly, recognising the connection between the environment and the community, Marzotto implements innovative environmental mitigation actions. The increase in the number of these projects, developed by various companies of the Marzotto Group, underlines the fact that the value of sustainability has been fully taken on board by all companies, understanding the importance of the connection and interdependence between the various areas (Environment, Community and Economy).

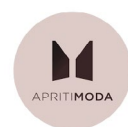
## Open Factory



For a number of years, the Group has been promoting an initiative called “**Open Factory**”, which enables employees’ families and the entire community to visit the company’s facilities and factories. This initiative enables participants to closely explore the activities, technologies and production processes that take place within the company.

This experience is a unique opportunity to educate and engage the people taking part in the event about the importance of the work carried out by the Group and the positive impact it has on the economy and on society. This initiative clearly demonstrates Marzotto’s commitment to promoting values of transparency and openness to the community, as well as to disseminating excellence in the manufacturing process.

## ApritiModa



In October 2023, on the occasion of the seventh edition of the national event “ApritiModa”, two factories of the Group (Valdagno and Mongrando) opened their doors to the general public, capturing the interest of a thousand people in both venues. Visitors were able to access the departments where Marzotto’s collections come to life: from the origin of the wools to the weaving department, from post-weaving mending to dyeing, from the designer office to the historic gallery. On this special occasion, Mongrando had the pleasure of hosting the Minister for the Environment and Energy Security, Gilberto Pichetto Fratin, who spoke at an interesting press conference with a particular focus on the importance of the region linked to sustainability issues.



## The Education Group

The Marzotto Group recognises the important role of education in any sustainable development process. For this reason, it organises guided tours at the production plants for elementary, middle and high school students, to show boys and girls how the Group carries on its work and to stimulate their curiosity and interest in this sector. For many years, Marzotto has collaborated with the Technical Institute of Valdagno and, in particular, in terms of Fashion Textiles. The exchange of ideas and training proposals with teachers is well established and takes the form of guided tours in the Production Departments, (Weaving, Warping, Finishing and Dyeing) in the Chemical-Physical Textile Laboratory, in the Design Office. The students, supported by an IT technician and a Marzotto designer, can produce fabrics of various designs using CAD and “put them on the loom” in the school classroom inside the plant, alongside our weaving technician. This project, called “Penelope”, allows students to come into contact with the living reality of the textile world, in contact with people working in the various departments of the company and contributing, together, to the creation of the product.

In 2022, a two-year project began for the creation of various garments by students from the Fashion Textiles department. The initiative ended in October 2023, with more than 500 people taking part in a fashion show. Also in 2023, the Group undertook to sponsor a number of school sporting events, including the historic football match that is held annually for students of two study groups (Chemicals and Textiles) of the “Marzotto-Luzzatti” Technical Institute in Valdagno.

The Group also collaborates with prestigious **Universities**<sup>17</sup>, donating fabrics that students use to create clothing for their fashion shows, or engaging them in strategic marketing projects that also focus on sustainability. Relations with universities also take the form of collaborations involving research into increasingly innovative products and materials.

An example of this is the partnership between Guabello and the German University of Art and Design Burg Giebichenstein, one of the most exclusive universities of art and design in Germany. This collaboration, aimed at promoting innovation, research and development, creating an essential bridge between the academic world and the business world, focuses on an analysis of manufacturing and in-depth look at the typical methods used in men’s tailoring. This work will culminate in a fashion show in 2024 with experimental and contemporary outfits made using Guabello fabrics.

<sup>17</sup> These include, in particular, IUAV, IULM, the Statale and NABA.

All the Group’s companies welcome students from high schools and universities for school-work alternation projects and internships, involving them with a company that could also be a home to them in the future and allowing the Group to pass on knowledge and awaken interest in the textile sector, as well as making contact with potential new resources. Students are guaranteed an experience that enables them to experience a structured organisational environment, putting into practice the knowledge acquired through the study. This also applies to the renewed association with the students of the FIT – Fashion Institute of Technology in New York, who visited the production plant in Mongrando in June.



The Marzotto Group also collaborates with the Istituto Tecnico Superiore **ITS Cosmo - Fashion Academy**, a training institute specialising in the fashion sector that offers training courses for professionals and enthusiasts, with qualified teachers, laboratories and internships in Veneto and Lombardy. Of particular importance is the **Fashion Sustainability Manager** course, for which the Marzotto Group provides lecture rooms and apartments to accommodate students wishing to board. Students are also offered the possibility of an internship at one of the Group’s plants.





The Group also provides **psychological support** and **Italian language courses** to foreign employees in order to facilitate the integration of their daily lives within the local community. Through these initiatives, the Marzotto Group demonstrates its commitment to supporting the training, education and development of future generations, contributing to the sustainable progress of the textile and manufacturing industry.

Fabric donations

The Marzotto Group has always been committed to promoting and supporting the activities of local communities, promoting cultural heritage and craftsmanship. One of the most important charitable initiatives involves the **donation of fabrics** to charitable and local associations. Since 2022, the Marzotto Group has been collaborating with the non-profit **“Filo di seta”** charity, which manages Casa Enrico in Fara Vicentino, a centre where disabled children are employed for manual work. They are provided with fabric offcuts that are used to create (with cutting boards, sewing machines, hot glues and other tools) various furniture items and gadgets, which are then sold in local markets. One of the most significant projects launched in 2023 is the **“Bottega dei mestieri”**, an entity which receives waste fabrics from Tessuti di Sondrio, which will then be used to produce napkins and bags, thereby promoting the skills of people with disabilities and, offering them employment opportunities.

During the year, Linificio e Canapificio Nazionale S.r.l. SB donated fabrics of the product “Lenzuolino” made with 1873–The Ould linen, for the RAR project, a collaboration between Federica Patera and Andrea Sbra Perego, whose work is based on literature and the relationship of similarity between elements belonging to different spheres. The two artists present conceptual narratives with a strong material and visual impact, taking inspiration from the concept of analogy and place at the heart of the project the textuality of authors who are also very different from each other. Linificio also supported Nicoletta Lanati, who works in schools on issues relating to the circular economy and sustainability, providing educational materials to set up a course on the topic of natural fibres at the Laglio primary school, near Como. The course ended with a fashion parade in which children could show adults what they had learned.

Some fabrics and yarns were provided to the artists of the **DE FILO** exhibition (Christian Boffelli, Kaori Myayama, Matteo Berra and Giulia Nelli). Rocks of hemp and raw material were also donated to the

Ministry of Culture – Galleria Estensi for an exhibition within the Doge’s Palace of Sassuolo. In Sondrio, on the occasion of the **Fiera del Bitto 2023**, the Marzotto Group donated fabrics for the clothes worn by participants in the fashion show and, in the same year, thanks to fabric donations, decorations were created for the **Spring Festival** throughout the city. Tessuti di Sondrio also donated fabrics for the creation of works of art for **Cittadellarte – Fondazione Pistoletto**. These actions demonstrate the Marzotto Group’s focus on supporting local initiatives and the creative use of waste materials.



Regenerative activities

One of the initiatives in favour of the community from an environmental point of view involves the planting of 1000 trees of various types in the biogenetic reserve of the Sila Piccola, in Calabria. The **Bosco di Linificio** in Spineto, in the municipality of Aprigliano (CS), is a project created by the partnership between the company and the Gift a Tree initiative and aims to protect the natural heritage and biodiversity in an area that, since 2014, has been a *Unesco Biosphere Reserve*.

Also in 2023, Linificio participated in the **Reti Fantasma** project in collaboration with the environmental foundation **Marevivo Onlus**, which promotes the conservation of biodiversity, sustainable development and the protection of marine protected areas. The objective of the project is to remove in the Punta Bove area, along the Argentario promontory, under the supervision of the Harbour Master of Porto Santo Stefano, 10 kg of artificial fishing lines and baits that envelop the sea fan corals<sup>18</sup> and threaten the life of the seabed. The operation was carried out by the sub-division of Marevivo with the Patronage of the Municipality of Monte Argentario and the support of the company SEI Toscana, which dealt with the disposal of the recovered materials, harmful to the environment, fauna and man. Finally, the **BeePathNet** project, which began in 2022, to create honey plants near the Astino flax field to further support biodiversity in the Valley, continued.

The Group’s support for the well-being of employees in plants abroad

The Marzotto Group demonstrates a strong commitment to the local community and its employees. A tangible example is the **provision of affordable homes** for employees of the Nová Mosilana plant in Brno, in the **Czech Republic**. In addition, **dedicated transportation** has been set up to facilitate employees’ daily commuting. The Marzotto Group also operates in **Tunisia**, engaging in activities for local schools, providing food to community canteens and funding a local football team. Each year, the company organises a **“Montone Day”** where a donation is made to employees.

Important anniversaries for our companies

Linificio’s 150th anniversary: an event for all stakeholders

2023 was marked by an important anniversary for Linificio e Canapificio Nazionale S.r.l. SB: its 150th year of production (1873). On this important occasion, 3 celebrations were held within the company: the first was dedicated to employees, former employees and their families; the second involved the entire community; the third event was shared with customers and suppliers. In May, employees celebrated the opening of the “De Filo” cultural exhibition. This exhibition is part of the “Bergamo-Brescia Capital of Culture 2023”

circuit and has enabled the company to obtain the “Cultura–Impresa” award. With 24 artistic works by 20 major representatives of international textile art , the company has created a cultural path that employees and outsiders can enjoy. The **DE FILO**, exhibition which was open for six months, was visited by approximately 3000 people. **DE FILO** was conceived as a path that combines Italian industrial tradition, communication languages and contemporary art to create a broad and varied conceptual exploration of the Linificio universe and the linen culture. Art has been the key to weaving virtual bridges to the discovery of multiple themes, from faith to culture, getting to know people, their stories and experiences and creating new individual and collective memories. The third celebration took place in the nearby Astino Valley near to the flax field, during the flowering period. On this occasion, cultural and artistic activities were organised, including flying over the field with hot air balloons.

Fratelli Tallia di Delfino celebrates its 120th anniversary

2023 marks the achievement of an important milestone also for Fratelli Tallia di Delfino: its 120th anniversary. This anniversary was celebrated with several events and collaborations throughout the year. The first major celebration took place in January during the 103rd edition of *Pitti Uomo* in Florence, at the prestigious venue of the Circolo dei Canottieri, an event open to selected clients. In addition, a themed dinner was held to celebrate this important milestone with all employees. During the evening of 10 July, on the eve of the start of the *Milano Unica* trade fair, an event was held that involved customers, colleagues and friends to celebrate this important milestone at Villa Necchi Campiglio, design residence of the thirties in the heart of Milan. For this special evening, the basement of the Villa was transformed to all intents and purposes into “*Casa Tallia*”, fitted out in such a way as to be able to retrace the history of the brand, among the historical archives and the most iconic fabrics of the collection. The 120th Anniversary of the historic Fratelli Tallia di Delfino wool mill in Delfino was also celebrated in Japan in September. Customers, agents and other leading figures were invited by the woollen mill to share an all-Italian culinary experience under the banner of “Made in Italy”. Finally, on 26 October, the Ministry for Business and Made in Italy issued a **new ordinary stamp** dedicated to Fratelli Tallia di Delfino, belonging to the thematic series “Excellence in Manufacturing and the Economic System”, printed by the Istituto Poligrafico e Zecca di Stato S.p.A., in a limited edition of 250,020 copies. After the recognition of the Historic Brand in 2022, it was an honour for the Fratelli Tallia di Delfino wool mill to receive this additional recognition of the textile industry and its history.

<sup>18</sup> Special species of coral present in the Mediterranean Sea

<sup>19</sup> Including Kaori Miyayama, Matteo Berra, Cristian Boffelli, Daniela Frongia, Federica Patera and Andrea Sbra Perego, Mimmo Totaro, Eva and Franco Mattes, Giulia Nelli



8.

# Methodological Note

This document contains the second Marzotto Group Sustainability Report and relates to the 2023 financial year (from 1 January 2023 to 31 December 2023). The reporting period coincides with that of the consolidated and statutory financial statements.

The time horizon taken into account, however, relates to the two-year period 2022-2023: this allows the reader to view the two-year trend in terms of the sustainability route taken and the Group companies to become aware of and to define common objectives in a broader context of sustainable development. The Marzotto Group's Sustainability Report is published annually.

The 2023 Sustainability Report aims to report the Group's activities in relation to environmental, social and economic aspects. The reporting perimeter includes the Parent Company Marzotto S.p.A., which has its registered office at Largo Santa Margherita 1, Valdagno (VI), and the Companies consolidated according to the line-by-line consolidation method (IFRS 11) and coincides with the perimeter of the consolidated and statutory financial statements. Details of the Companies and the sites included in the scope of

this Sustainability Report are provided in the chapter entitled *"Corporate organisation"*.

The 2023 Sustainability Report has been prepared in accordance with the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI), in its latest version (2021) and according to the *"In accordance with"* option, as per Standard GRI 1: Foundation 2021, chapter 3. The drafting of this document was coordinated by a dedicated working group and involved top management and various corporate functions in multiple phases, from the identification of material topics to definition of the structure of the document, to collection of the necessary data and information. We have included some minor changes to some of the 2022 environmental data.

The document was not audited by an independent third-party company and was approved by the Marzotto S.p.A. Board of Directors on 10/09/2024. The report, published in September 2024, can be viewed and downloaded at [www.marzottogroup.it](http://www.marzottogroup.it). For more information or clarification, please email [sustainability@marzottogroup.it](mailto:sustainability@marzottogroup.it).

## Principles for defining the contents of the Report

The Marzotto Group prepared its Sustainability Report according to the principles defined by the GRI Sustainability Reporting Standards, which are listed below:

- **Accuracy:** The organisation shall report information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts.
- **Balance:** The organisation shall report information in an unbiased way and provide a fair representation of the organisation's negative and positive impacts.
- **Clarity:** The organisation shall present information in a way that is accessible and understandable to all stakeholders.
- **Comparability:** The organisation shall select, compile, and report information consistently to

enable an analysis of changes in the organisation's impacts over time and an analysis of these impacts relative to those of other organisations.

- **Completeness:** The organisation shall provide sufficient information to enable an assessment of the organisation's impacts during the reporting period.
- **Sustainability context:** The organisation shall report information about its impacts in the wider context of sustainable development.
- **Timeliness:** The organisation shall report information on a regular schedule and make it available in time for information users to make decisions.
- **Verifiability:** The organisation shall gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality.



# Table of correlation between material topics and GRI disclosure

Content regarding the sustainability topics included in the document has been defined based on the results of the materiality analysis carried out in accordance with the GRI Sustainability Reporting Standards, as detailed in paragraph 3.1 *Materiality analysis*.

The analysis was conducted by identifying the actual and potential impacts generated by the activities of the Marzotto Group in relation to environmental, social and economic aspects.

MATERIAL TOPIC	GRI DISCLOSURE
Combating climate change	302-1 Energy consumption within the organisation 305-1 Direct greenhouse gas (GHG) emissions (Scope 1) 305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)
Atmospheric emissions	305-7 Oxides of nitrogen (NOx), sulphur oxides (SOx) and other significant atmospheric emissions
Water resources	303-3 Water withdrawal 303-4 Water discharge 303-5 Water consumption
Waste management and product end-of-life.	306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal
Circular economy and eco-design	301-1 Materials used by weight or volume 301-2 Recycled input materials used 308-1 New supplier environmental assessment
Biodiversity and Animal welfare	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

MATERIAL TOPIC	GRI DISCLOSURE
Health and safety in the workplace	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment and accident investigation 403-9 Work-related injuries 403-10 Work-related ill health
Employee training and well-being	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 404-1 Average hours of training per year per employee
Diversity and inclusion	405-1 Diversity of governance bodies and employees 406-1 Incidents of discrimination and corrective actions taken
Human rights	414-1 New supplier social assessment
Relationship with local communities	201-1 Direct economic value generated and distributed 413-1 Operations with local community engagement, impact assessments, and development programmes
Business integrity	205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken



# Main calculation criteria

The main calculation methods and assumptions used for the performance indicators reported are set out below, in addition to those already indicated in the Report.

**1. Energy consumption**

The energy consumption of the Marzotto Group is reported in Gigajoules (GJ), in accordance with GRI. Conversion factors published by the UK Government's Department for Environment, Food and Rural Affairs (DEFRA) were used to standardise energy sources with a base line of 2022.

**2. Direct (Scope 1) and indirect energy emissions (Scope 2)**

In line with the Greenhouse Gas Protocol (GHG Protocol) instructions, the reporting of greenhouse gas emissions has been calculated in terms of CO<sub>2</sub> equivalent. The following emission categories are included in the 2023 Sustainability Report:

• **Scope 1 emissions:** the emission factors published

by DEFRA, Conversion factors - Full set 2022 were applied to calculate fuel emissions (e.g. petrol, diesel and natural gas). The GWPs included in the IPCC's latest Assessment Report (AR6) were used for calculating F-Gas loss emissions.

• **Scope 2 - Location-based emissions:** the emission factor used for electricity purchased from the national electricity grid according to the *Location-based* method comes from Terna International Comparisons, 2019 edition on Enerdata data. In the case of the Tunisian plant, in the absence of a national factor, the emission factor for the continent of Africa was adopted.

• **Scope 2 - Market-based emissions:** the emission factor used for electricity purchased from the national electricity grid according to the *Market-based* method comes from AIB - European Residual Mixes, 2022 edition.

The following tables show the conversion and emission factors defined using the databases mentioned above.

Conversion factors:

Category	Source
Fuel density (l/t)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022
Fuel density kg/m³	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022
Net CV (GJ/t)	UK Department for Environment, Food & Rural Affairs (DEFRA), Conversion factors - Full set, 2022

Scope 1 GHG emission factors:

Category	Source
Diesel	DEFRA - Fuel - Liquid fuels 2022
Petrol	DEFRA - Fuel - Liquid fuels 2022
Natural gas	DEFRA - Fuel - Gaseous fuels 2022
LPG	DEFRA - Fuel - Gaseous fuels 2022
F-Gas	PCC - AR6 2021

Scope 2 GHG emission factors:

Category	Source
Location-based	
Italy	TERNA 2019
Lithuania	TERNA 2019
Czech Republic	TERNA 2019
Tunisia (Africa)	TERNA 2019
Market-based	
Italy	AIB 2022 - residual mix
Lithuania	AIB 2022 - residual mix
Czech Republic	AIB 2022 - residual mix
Tunisia (Africa)	TERNA 2019





9.

GRI

Content

Index

Statement of use	The Marzotto Group reported the information mentioned in this GRI Content Index for the period 01/01/2023 - 31/12/2023 in accordance with the GRI Standards
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not applicable

GRI Standard General disclosures	Disclosure	Location	Notes
GRI 2: General disclosures 2021	2-1 Organisational details	1.1 A look back 8 Methodological note	
	2-2 Entities included in the organisation's sustainability reporting	2.1 The Group as a business network	
	2-3 Reporting period, frequency and contact point	8 Methodological note	
	2-4 Restatements of information	8 Methodological note	
	2-5 External Assurance	8 Methodological note	Not expected
	2-6 Activities, value chain and other business relationships	2.1 The Group as a business network 3.1 Materiality analysis 5.1 The value chain	
	2-7 Employees	6.1 The people in the Group	
	2-8 Workers who are not employees	6.1 The people in the Group	
	2-9 Governance structure and composition	2.2 Governance	



GRI Standard General disclosures	Disclosure	Location	Notes
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governing body	2.2 Governance	
	2-11 Chair of the highest governance body	2.2 Governance	
	2-12 Role of the highest governing body in controlling impact management	2.2 Governance	
	2-13 Delegation of responsibility for managing impacts	2.2 Governance	
	2-14 Role of the highest governance body in sustainability reporting	8 Methodological note	
	2-15 Conflicts of Interest	2.2 Governance	
	2-16 Communication of critical concerns	2.2 Governance	
	2-17 Collective knowledge of the highest governance body	2.2 Governance	
	2-18 Performance evaluation of the highest governing body	8 Methodological note	
	2-19 Remuneration rules	Information not available	The Group reserves the right to disclose this information in its next Sustainability Report.
	2-20 Procedure for determining remuneration	Information not available	The Group reserves the right to disclose this information in its next Sustainability Report.
	2-21 Total annual compensation ratio	Information not available	The Group reserves the right to disclose this information in its next Sustainability Report.
	2-22 Sustainable Development Strategy Statement	Letter to Stakeholder 3.3 The sustainable development of the Marzotto Group	
	2-23 Policy commitment	2.2 Governance	
	2-24 Embedding policy commitments	2.2 Governance	
	2-25 Processes to remediate negative impacts	2.2 Governance	
	2-26 Mechanisms for seeking clarification and raising concerns	2.2 Governance	
	2-27 Compliance with laws and regulations		No incidents of non-compliance with laws and regulations were recorded in 2023.
	2-28 Membership of associations	3.2 The sustainability journey	
	2-29 Approach to stakeholder engagement	3.2 The sustainability journey	
	2-30 Collective labour agreements	6.1 The people in the Group	

Material topics	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-1 Process for determining material topics	3.1 Materiality analysis	
	3-2 List of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure	
Economic performance			
GRI 3: Material topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 7.1 The value generated and distributed	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7.1 The value generated and distributed	
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 5.2 Raw materials and certifications	
GRI 301: Materials 2016	301-1 Materials used based on weight or volume 301-2 Recycled input materials	5.2 Raw materials and certifications	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.1 Energy consumption and GHG emissions	
GRI 302: Energy 2016	302-1 Internal energy consumption	4.1 Energy consumption and GHG emissions	
Water and Water Effluent			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.4 Water consumption	
GRI 303: Water and effluents in 2018	303-3 Water withdrawal	4.4 Water consumption	
	303-4 Water discharge	4.4 Water consumption	
	303-5 Water consumption	4.4 Water consumption	



Emissioni	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.1 Energy consumption and GHG emissions	
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope1)	4.1 Energy consumption and GHG emissions	
	305-2 Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)	4.1 Energy consumption and GHG emissions	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other relevant air emissions	4.2 Polluting emissions	
<b>Waste</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.3 Waste	
GRI 306: Waste in 2020	306-3 Waste generated	4.3 Waste	
	306-4 Waste not sent to landfill	4.3 Waste	
	306-5 Waste sent to landfill	4.3 Waste	
<b>Biodiversity</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 4.5 Biodiversity	
GRI 304: Biodiversity 2016	304-1 Proprietary operating sites, leased or operated in protected areas and areas of high biodiversity value outside or close to protected areas	4.5 Biodiversity	
<b>Employment</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.1 The people in the Group 6.2 The well-being and growth of employees	
GRI 401: Employment 2016	401-1 New employee recruitment and employee turnover	6.1 The people in the Group	
	401-2 Benefits for full-time employees that are not available for fixed-term or part-time employees	6.2 The well-being and growth of employees	

Occupational health and safety	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.3 Protecting health and safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.3 Protecting health and safety	
	403-2 Hazard identification, risk assessment and accident investigation	6.3 Protecting health and safety	
	403-9 Work-related injuries	6.3 Protecting health and safety	
	403-10 Occupational disease	6.3 Protecting health and safety	
<b>Training and education</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.2 The well-being and growth of employees	
GRI 404: Training and education 2016	404-1 Average number of training hours per year per employee	6.2 The well-being and growth of employees	
<b>Diversity and equal opportunities</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 6.1 The people in the Group	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in governance bodies and among employees	6.1 The people in the Group	
<b>Non-discrimination</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 2.2 Governance	
GRI 406: Incidents of discrimination 2016	406-1 Incidents of discrimination and corrective measures taken	2.2 Governance	



Anti-Corruption	Disclosure	Location	Notes
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 2.2 Governance	
GRI 205 Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.2 Governance	
	205-3 Confirmed incidents of corruption and actions taken	2.2 Governance	
Supplier assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 5.1 The value chain	
GRI 308: Supplier Environmental Assessment 2016	308-1 New supplier environmental assessment	5.1 The value chain	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers selected based on social criteria	5.1 The value chain	
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Materiality analysis 8.2 Table of correlation between material topics and GRI disclosure 7.2 Community initiatives	
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	7.2 Community initiatives	

10.

Quantitative appendix



Environmental indicators  
301-2 | Recycled input materials used

Type of material [t]	Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Raw materials and semi-finished products	20	37	22	97	-	-	-	-	42	134
Raw fibres	-	2	20	95	-	-	-	-	20	96
Yarns and fabrics	20	35	2	2	-	-	-	-	22	38
Process materials/ consumables	-	-	-	-	-	-	-	-	-	-
Dyes	-	-	-	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-	-	-	-
Lubricants	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Packaging	214	210	128	61	-	-	-	-	343	271
Paper and cardboard	60	62	114	56	-	-	-	-	175	118
Wood	107	105	-	-	-	-	-	-	107	105
Plastic	47	43	14	5	-	-	-	-	61	48
Other	-	-	-	-	-	-	-	-	-	-
Total	234	247	150	158	-	-	-	-	385	405

304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Division	Company/ Brand	Location of the site	Type of activity carried out	Biodiversity Risk Filter <sup>20</sup>	Protected area name	Location of the site with respect to the protected area	Size of protected area [km²]	Natural habitats within the protected area	Protected species within the protected area
Marzotto Lab Group	Lanerossi	Piovene Rocchette (VI) - Italy	office	Moderate risk	Monti Lessini - Pasubio - Piccoli Dolomiti Vicentine	31km South-West	138.72	13 including spruce forests	46, mostly birds
	Marzotto Interiors	Bulciago (LC) - Italy	production	Very low risk	Lake Pusiano	6 km North	6.59	5 such as the alluvial forest	1 a small freshwater fish
					Lake Alserio	6.5 km North-West	4.88	7 such as the alluvial forest	1 a small freshwater fish
					S. Croce Valley and Curone Valley	6.6 km South-East	12.13	9 including oak forests	17 including birds, bats and frogs
	Tessuti di Sondrio	Sondrio (SO) - Italy	production	Moderate risk	Stelvio National Park	60 km North-East	597.41	30 including a permanent glacier	88 including many birds and birds of prey like the eagle
					Val Viola Bormina - Cima dei Piazzi Glacier	20 km North	59.62	13 including a permanent glacier	66 almost entirely birds
					Val Fontana	28 km South-West	42.1	14 including a permanent glacier	36 including birds and birds of prey
	AB Liteksas	Kaunas - Lithuania	production	Moderate risk	The plain of Nevėžis	6 km North-West	11.7362	8 including forests and grassland	7 almost all invertebrates like the beetle
					Banks and islands of the Nemunas river between Kulautuva and Smalininkai	5 km South-West	35.32	-	2 birds (swallows and terns)
					Valruva Forests	15 km North-West	44.187	-	3 including crane and woodpecker

<sup>20</sup> Very low risk: There is no overlap, the distance is at least 15 km; Low risk: Slight overlap, within a maximum radius of 15 km or lack of overlap; Moderate risk: Overlap is between 0% and 10% of surfaces; High risk: Overlap is between 10% and 50% of surfaces; Very high risk: The overlap is greater than 50% of surfaces.



Division	Company/ Brand	Location of the site	Type of activity carried out	Biodiversity Risk Filter <sup>20</sup>	Protected area name	Location of the site with respect to the protected area	Size of protected area [km²]	Natural habitats within the protected area	Protected species within the protected area
Marzotto Lab Group	Sametex	Kraslice - Czech Republic	production	Moderate risk	Plateau of the Iron Mountains	10 km North-East	117.80	9 such as forests and swamps	2 including bats
		Villa d'Almè (BG) - Italy	production	Moderate risk	Canto Alto e Valle del Giongo	5 km North- East	5.65	8 such as Illyrian oak and hornbeam forests	5 species including falcon and robins
		Naassen - Tunisie	production	Moderate risk	n/a	n/a	n/a	n/a	n/a
		Linificio e Canapificio Naz.le SB	Kaunas - Lithuania	production	Moderate risk	The plain of Nevěží	6 km North- West	11.7362	8 including forests and grassland
	Banks and islands of the Nemunas river					5 km South-West	35.32	-	2 birds (swallows and terns)
	Valruva Forests					15 km North-West	44.187	-	3 including crane and woodpecker

Division	Company/ Brand	Location of the site	Type of activity carried out	Biodiversity Risk Filter <sup>20</sup>	Protected area name	Location of the site with respect to the protected area	Size of protected area [km²]	Natural habitats within the protected area	Protected species within the protected area
Marzotto Wool Group	Estethia – G.B. Conte	Valdagno (VI) – Italy	production	Moderate risk	Monti Lessini – Pasubio – Piccoli Dolomiti Vicentine	17 km West	138.72	13 including fir tree forests, alpine meadows and limestone rocks	46, mostly birds
					"Le Poscole" biotope	8 km South- East	1.49	3 including rocky quarries and watercourses	3 including frogs
	Biella Manifatture Tessili S.r.l.	Strona (BI) – Italy	production	Moderate risk	Val Sessera	10 km North-West	107.87	8 including beech forests, and alpine and boreal lands	12 including the woodpecker, eagle and hawk
					Baraggia di Rovasenda	8 km South- East	11.78	4 including alluvial forests	60 including hawk and alpine swift
		Mongrando (BI) – Italy	production	Moderate risk	Serra di Ivrea	5 km South- West	47.52	7 including alluvial and chestnut forests	9 including falcons and robins
					La Bessa	5 km South- West	7.34	2 including the alluvial forest	15 mainly small birds
	Novà Mosilana	Brno – Czech Republic	production	Very low risk	Carso Moravo	15 km North-East	64.85	14 including Pannonia forests and lime forests	12 including different species of bats
Ambiente Energia S.r.l.	Ambiente Energia S.r.l.	Schio (VI) – Italy	production	Moderate risk	Monti Lessini – Pasubio – Piccoli Dolomiti Vicentine	33 km West	138.72	13 including spruce forests and alpine meadows	46, mostly birds



Social indicators  
2-7 | Employees (number of heads)

306-4 | Waste diverted from disposal

Waste diverted from disposal (t)		Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
including preparation for re-use	including hazardous	-	-	-	-	-	-	-	-	-	-
	including non-hazardous	-	-	-	-	-	-	-	-	-	-
including sent for recycling	including hazardous	2	11	3	2	-	-	-	-	5	13
	including non-hazardous	556	449	219	125	-	-	-	-	775	574
including sent to other recovery operations	including hazardous	-	-	5	26	1.042	1.016	-	-	1.047	1.016
	including non-hazardous	-	-	402	326	559	412	-	-	961	738

306-5 | Waste directed to disposal

Waste directed to disposal (t)		Marzotto Lab Group		Marzotto Wool Group		Ambiente Energia		Marzotto Holding company		Marzotto Group	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
including sent to incineration (with energy recovery)	including hazardous	-	-	9	14	822	817	-	-	832	831
	including non-hazardous	1	90	169	139	-	-	-	-	171	229
including sent to incineration (without energy recovery)	including hazardous	-	-	-	-	-	-	-	-	-	-
	including non-hazardous	-	-	-	-	-	-	-	-	-	-
including sent to landfill	including hazardous	8	2	8	5	-	-	-	-	16	7
	including non-hazardous	541	725	62	59	-	-	26	24	630	808
including sent to other disposal operations	including hazardous	-	-	3	3	709	540	-	-	712	543
	including non-hazardous	-	-	593	147	352	-	-	-	945	147

Type of contract		Marzotto Lab Group				Marzotto Wool Group				Ambiente Energia				Marzotto Holding company				Marzotto Group			
Indefinite term (permanent)	Country	Men		Women		Men		Women		Men		Women		Men		Women		Men		Women	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Italy	135	133	109	104	325	326	384	386	12	14	5	5	35	37	40	36	507	510	538	531
	Lithuania	66	77	217	224	-	-	-	-	-	-	-	-	-	-	-	-	66	77	217	224
	Tunisia	121	126	319	309	-	-	-	-	-	-	-	-	-	-	-	-	121	126	319	309
	Czech Republic	41	45	49	43	140	135	326	338	-	-	-	-	-	-	-	-	181	180	375	381
Total (Permanent employees)		363	381	694	680	465	461	710	724	12	14	5	5	35	37	40	36	875	893	1449	1445
Fixed term (temporary)	Italy	1	-	2	2	6	5	5	2	-	-	-	1	3	2	-	2	10	7	7	7
	Lithuania	4	2	20	28	0	-	0	-	-	-	-	-	-	-	-	-	4	2	20	28
	Tunisia	24	27	142	234	0	-	0	-	-	-	-	-	-	-	-	-	24	27	142	234
	Czech Republic	13	14	14	18	125	122	181	193	-	-	-	-	-	-	-	-	138	136	195	211
Total (Temporary employees)		42	43	178	282	131	127	186	195	0	0	0	1	3	2	0	2	176	172	364	480
Total		405	424	872	962	596	588	896	919	12	14	5	6	38	39	40	38	1051	1065	1813	1925

Type of contract		Marzotto Lab Group				Marzotto Wool Group				Ambiente Energia				Marzotto Holding company				Marzotto Group			
Full-Time	Country	Men		Women		Men		Women		Men		Women		Men		Women		Men		Women	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Italy	134	132	95	89	328	324	362	362	12	14	5	6	38	39	35	33	512	509	497	490
	Lithuania	68	76	235	249	-	-	-	-	-	-	-	-	-	-	-	-	68	76	235	249
	Tunisia	145	153	461	543	-	-	-	-	-	-	-	-	-	-	-	-	145	153	461	543
	Czech Republic	54	59	61	59	264	257	505	530	-	-	-	-	-	-	-	-	318	316	566	589
Total (Full-Time)		401	420	852	940	592	581	867	892	12	14	5	6	38	39	35	33	1043	1054	1759	1871
Part-Time	Italy	2	1	16	17	3	7	27	26	-	-	-	-	-	-	5	5	5	8	48	48
	Lithuania	2	3	2	3	-	-	-	-	-	-	-	-	-	-	-	-	2	3	2	3
	Tunisia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Czech Republic	-	-	2	2	1	-	2	1	-	-	-	-	-	-	-	-	1	-	4	3
Total (Part-Time)		4	4	20	22	4	7	29	27	0	-	0	-	0	-	5	5	8	11	54	54
Total employees		405	424	872	962	596	588	896	919	12	14	5	6	38	39	40	38	1051	1065	1813	1925



GRI 401-1 | Total and recruitment rate by gender and country (number of heads)

Country	Men				Women				Total			
	Total (no.)		Total (%)		Total (no.)		Total (%)		Total (no.)		Total (%)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Italy	65	59	13%	11%	63	40	12%	7%	128	99	12%	9%
Lithuania	15	23	21%	29%	12	66	5%	26%	27	89	9%	27%
Tunisia	16	22	11%	14%	2	153	0%	28%	18	175	3%	25%
Czech Republic	66	106	21%	34%	69	167	12%	28%	135	273	15%	30%
Total	162	210	15%	20%	146	426	8%	22%	308	636	11%	21%

GRI 401-1 | Total and termination rate by gender and country (number of heads)

Country	Men				Women				Total			
	Total (no.)		Total (%)		Total (no.)		Total (%)		Total (no.)		Total (%)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Italy	68	37	13%	7%	42	29	8%	5%	110	66	10%	6%
Lithuania	23	21	33%	27%	28	50	12%	20%	51	71	17%	21%
Tunisia	24	22	17%	14%	82	121	18%	22%	106	143	17%	21%
Czech Republic	60	62	19%	20%	91	114	16%	19%	151	176	17%	20%
Total	175	142	17%	13%	243	314	13%	16%	418	456	15%	15%

GRI 401-1 | New employees and employee turnover (number of heads)

	<30		30-50		>50		Total (n.)		Turnover (%)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
New hires										
Women	58	189	66	209	22	28	146	426	8%	22%
Men	55	66	77	107	30	37	162	210	15%	20%
Total (no.)	113	255	143	316	52	65	308	636	11%	21%
% Turnover	26%	53%	10%	20%	5%	7%	11%	21%		
Turnover										
Women	88	118	146	146	44	50	278	314	13%	16%
Men	47	33	73	68	55	41	175	142	17%	13%
Total (no.)	135	151	219	214	99	91	453	456	15%	15%
% Turnover	31%	32%	16%	13%	10%	10%	15%	15%		

GRI 401-1 | Average number of training hours per year by professional category and gender

Employee categories	Total number of hours		Average number of hours	
	2023	2022	2023	2022
Executives	1.242	1.457	20	22,4
Clerical staff	5.276	5.635	10	10,4
Blue-collar workers	15.132	20.132	7	8,4
Total	21.650	27.224	8	9,1

Gender	Total number of hours		Average number of hours	
	2023	2022	2023	2022
Women	10.585	19.068	6	9,9
Men	11.065	8.156	11	7,7
Total	21.650	27.224	8	9,1





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